



**UTC Fire & Security**

A United Technologies Company

**38<sup>th</sup>**  
**ANNUAL REPORT**  
**2019 - 20**



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## UTC Fire & Security India Limited

### The Board of Directors:

**Mr. Rabindra Nath Ghosh\***

(DIN: 00194250)  
Independent Director

**Mr. Srinivas Kotni**

(DIN:01085277)  
Independent Director

**Mr. Farokh Phiroz Madan**

(DIN:07412324)  
Non-Executive Director

**Ms. Vasanthi Narayana**

(DIN:08319835)  
Wholetime Director

**Mr. Muthalagappan Karupiah**

(DIN: 08539111)  
Wholetime Director

**Mr. Sanjiv Goel\*\***

(DIN: 06710444)  
Independent Director

### Board Committees:

#### Nomination & Remuneration Committee:

**Mr. Farokh Phiroz Madan**

(DIN:07412324)  
Chairman

**Mr. Rabindra Nath Ghosh\***

(DIN:00194250)  
Member

**Mr. Srinivas Kotni**

(DIN:01085277)  
Member

**Mr. Vikram Arthur Fernandes Prabhu**

(DIN:06421340)  
Member

**Mr. Sanjiv Goel\*\***

(DIN: 06710444)  
Member

### Audit Committee:

**Mr. Rabindra Nath Ghosh\***

(DIN:00194250)  
Chairman

**Mr. Srinivas Kotni**

(DIN:01085277)  
Member

**Mr. Farokh Phiroz Madan**

(DIN:07412324)  
Member

**Mr. Sanjiv Goel\*\***

(DIN: 06710444)  
Member

### Stakeholder Relationship Committee:

**Mr. Vikram Arthur Fernandes Prabhu**

(DIN:06421340)  
Chairman

**Mr. Farokh Phiroz Madan**

(DIN:07412324)  
Member

**Ms. Vasanthi Narayana**

(DIN:08319835)  
Member

### Corporate Social Responsibility Committee:

**Ms. Vasanthi Narayana**

(DIN:08319835)  
Chairman

**Mr. Srinivas Kotni**

(DIN:01085277)  
Member

**Mr. Farokh Phiroz Madan**

(DIN:07412324)  
Member

### Key Managerial Personnel

**Ms. Uma Varadarajan**

Chief Financial Officer  
(PAN: AAIPU0657M)

**Mr. Anurag Gupta**

Company Secretary  
(PAN:- AXLPG6714B)

\*Mr. Rabindranath Ghosh has resigned from the position of the Director, Nomination and Remuneration Committee and the Audit Committee of the Company w.e.f 25th March, 2020.  
\*\* Mr. Sanjiv Goel has been appointed in the position of the Director, Nomination and Remuneration Committee and the Audit Committee of the Company w.e.f 25<sup>th</sup> March, 2020.

**Auditors:**

**B S R & Associates LLP**

Chartered Accountants  
(ICAI Firm Registration Number: 116231 W/W-100024)  
Statutory Auditors  
Building No. 10, 8th Floor, Tower-B, DLF Cyber City,  
Phase-II, Gurgaon-122002 India

**Ernst & Young LLP**

Chartered Accountants  
Internal Auditors  
Oval Office, 18, ILabs Center, Hitech City Madhpur,  
Hyderabad - 500 081, Telangana State, India

**DMK Associates**

Company Secretaries  
Secretarial Auditors  
31/36, Basement, Old Rajinder Nagar, New Delhi-110060

**Bankers:**

The Hongkong & Shanghai Banking Corporation Limited  
Citibank N.A.  
Bank of America

**Registrar & Share Transfer Agents:**

**Adroit Corporate Services Private Limited**

Registration Number: INR000002227  
17-20, Jafferbhoy Industrial Estate,  
1<sup>st</sup> Floor, Makwana Road,  
Marol Naka, Andheri (E), Mumbai 400059, India

**Registered Office:**

**UTC Fire & Security India Limited**

Unit No. 8, 1<sup>st</sup> Floor, The Centrium  
Lal Bahadur Shastri Marg, Kurla West  
Mumbai- 400070, India  
CIN: U29193MH1981FLC024364  
Tel: 022 -61700700  
Email: [gpccsindialegal@carrier.utc.com](mailto:gpccsindialegal@carrier.utc.com)  
Website: <http://www.carrierindia.com/investors.html>

## UTC FIRE & SECURITY INDIA LIMITED

(CIN: U29193MH1981FLC024364)

**Registered Office:** Unit No. 8, 1<sup>st</sup> Floor, The Centrium, Lal Bahadur Shastri Marg, Kurla West, Mumbai- 400070, India

**Website:** <http://www.carrierindia.com/investors.html>, **Email:** [suraj.arora@carrier.utc.com](mailto:suraj.arora@carrier.utc.com) **Tel:** 022-61700700

### NOTICE OF 38<sup>th</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 38<sup>th</sup> (Thirty Eighth) Annual General Meeting of members of UTC Fire & Security India Limited (the "company") will be held on Monday, 28<sup>th</sup> December, 2020 at 12.00 P.M. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business (es):

#### Ordinary Business:

1. To consider and adopt audited financial statements of the company for the financial year ended on 31<sup>st</sup> March, 2020 and the report of the 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 audited financial statements of the company for the financial year ended on 31<sup>st</sup> March, 2020 together with the report of Board of Directors and auditors thereon be and are hereby considered and adopted."

2. To re-appoint Mr. Farokh Phiroz Madan (**DIN: 07412324**) 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 the following resolution as an ordinary resolution:

**"Resolved that** Mr. Farokh Phiroz Madan (**DIN: 07412324**) 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."

#### Special Business:

3. To approve the appoint of Mr. Sanjiv Goel (**DIN: 06710444**) as an independent director on the Board of Directors of the company and in this regard to consider and if thought fit to pass the following resolution as an ordinary resolution:

**"Resolved** that pursuant to the recommendation of nomination and remuneration committee of the company and pursuant to the provisions of section 149 and 152 read with the schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification and/or re-enactment thereof for the time being in force Mr. Sanjiv Goel (DIN: 06 710444), who was appointed as an additional director, who fulfills the criterion for the independence as provided in section 149(6) of the Act, and who holds office up to the date of Annual general Meeting, be and is hereby appointed as an independent director on the Board of Directors of the company not liable to retire by rotation and to hold the office for a term of 2 (two) consecutive years effective from 25<sup>th</sup> March, 2020 to 24<sup>th</sup> March, 2022.

**Resolved further that** for the purpose of giving effect to the above said resolution the Board of Directors of the company be and is hereby authorized to do all such acts, deeds, things, matters as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard to give effect the above said resolution."

Registered office:

**UTC Fire & Security India Limited**

Unit No. 8, 1<sup>st</sup> Floor, The Centrium, Lal Bahadur Shastri Marg,

Kurla West, Mumbai- 400070, India

CIN:U29193MH1981FLC024364

Email Id: [gpcscindialegal@carrier.com](mailto:gpcscindialegal@carrier.com)

Date: 1<sup>st</sup> December, 2020

Place: Gurugram

By order of the Board

For **UTC Fire & Security India Limited**

Sd/-

**Anurag Gupta**

Company Secretary

Membership No. **ACS 43500**

**NOTES:**

1. In accordance with General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 read together with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020 and General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 and/or any other applicable notification/circular (collectively referred to as "MCA Circulars") issued by Ministry of Corporate Affairs ("MCA") permitted convening the Annual General Meeting ("AGM" / "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 and the rules made thereunder, the 38<sup>th</sup> AGM of the Company will be held though held though VC/OAVM and the members can attend and participate in the 38<sup>th</sup> AGM of the company through VC/OAVM. The deemed venue for the 38<sup>th</sup> AGM shall be the registered office of the Company i.e. UTC Fire & Security India Limited Unit No. 8, 1<sup>st</sup> Floor, The Centrium, Lal Bahadur Shastri Marg, Kurla West, Mumbai- 400070, Maharashtra, India.
2. The explanatory statement pursuant to section 102 of the Companies Act, 2013 with respect to the special business to be transacted at the 38<sup>th</sup> 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 38<sup>th</sup> AGM is being held through VC/OAVM pursuant to the MCA circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the 38<sup>th</sup> AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
4. Since the 38<sup>th</sup> 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 the 38<sup>th</sup> AGM of the company are provided in the "**Annexure**" to the Notice.

**DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**

6. In compliance with the MCA Circulars, Notice of the 38<sup>th</sup> AGM along with the Annual Report 2019-20 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 2019-20 will also be available on the Company's website <https://www.carrier.com/commercial/en/in/investor/> on the website of Registrars and Share Transfer Agent (R&T Agent) of the company i.e. on the website of Registrars and Share Transfer Agent (R&T Agent) of the company i.e. Adroit Corporate Services Private Limited. The Notice can also be accessed from the website of CDSL (agency for providing the Remote e-Voting facility) i.e. [www.evotingindia.com](http://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 address 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 [gpcscindialegal@carrier.com](mailto:gpcscindialegal@carrier.com) or to registrar & share transfer agent of company i.e. Adroit Corporate Services Pvt. Ltd. ("**Adroit**"), 17-20, Jafferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai 400059, India. or by email to [info@adroitcorporate.com](mailto:info@adroitcorporate.com).
8. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, for receiving all communications (including Annual report) from the Company electronically etc. to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the company's records which will help the company and the company's registrars and transfer agents i.e. Adroit Corporate Services Pvt. Ltd. ("**Adroit**") to provide efficient and better services. Members holding shares in physical form are

requested to intimate such changes to Adroit. For any grievances, please write to Adroit at 17-20, Jafferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai - 400059, Maharashtra, India or by email to [info@adroitcorporate.com](mailto:info@adroitcorporate.com).

**PROCEDURE FOR JOINING THE AGM THROUGH VC/ OAVM:**

9. Members will be provided with a facility to attend the 38<sup>th</sup> AGM through VC/OAVM through the CDSL e-voting system. Members may access the same at <https://www.evotingindia.com> under shareholders / members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of company will be displayed.
10. 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.
11. Members can join the 38<sup>th</sup> AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting. The facility of participation at the 38<sup>th</sup> 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 38<sup>th</sup> AGM without restriction on account of first come first served basis.
12. Members are encouraged to join the meeting through Laptops / IPads for better experience.
13. 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. The Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the 38<sup>th</sup> AGM.
14. The Members who would like to express their views/ask questions during the 38<sup>th</sup> AGM may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, Demat account number/folio number, email id, mobile number at company email id [gpccindialegal@carrier.com](mailto:gpccindialegal@carrier.com). Those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting.
15. The members who do not wish to speak during the 38<sup>th</sup> 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 - [gpccindialegal@carrier.com](mailto:gpccindialegal@carrier.com). These queries will be replied to by the company suitably by email.

**THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:**

Pursuant to the provisions of section 108 of the Companies Act read with rule 20 of the Companies (Management and Administration) Rules, 2014 and MCA Circulars dated 8th April, 2020, 13<sup>th</sup> April, 2020 and 5<sup>th</sup> May, 2020 as amended from time to time 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. 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 38<sup>th</sup> AGM will be provided by CDSL.

- i. The remote e-voting period begins on **25<sup>th</sup> December, 2020 at 09:00 a.m.** and ends on **27<sup>th</sup> December at 05:00 p.m.** During this period member of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, **21<sup>st</sup> December, 2020** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



- ii. Members who have already voted electronically prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The shareholders should log on to the e-voting website <https://www.evotingindia.com/>.
- iv. Click on Shareholders.
- v. 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.

- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

	For Members holding shares in Demat Form and Physical Form Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
PAN	<ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> <li>• 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 (5).</li> </ul>

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in de-mat 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.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions

contained in this Notice.

- xii. Click on the EVSN for UTC Fire & Security Limited on which you choose to vote Click on the relevant EVSN for.
- xiii. 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.
- xiv. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xv. 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.
- xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xviii. If a De-mat account holder has forgotten a login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Shareholders 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE 38<sup>TH</sup> AGM ARE AS UNDER:**

- 16. The facility for voting through electronic voting system during the 38<sup>th</sup> AGM shall be made available only to those members who would be present in the 38<sup>th</sup> 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 on the day of the 38<sup>th</sup> AGM is same as the instructions mentioned above for remote e-voting.
- 17. If votes are casted by the shareholders through the e-voting available during the 38<sup>th</sup> AGM and if the same member have not participated in the meeting through VC/OAVM facility, then the votes casted by such shareholders shall be considered invalid as the facility of e-voting during the AGM is available only to the shareholders attending the AGM.
- 18. Shareholders who have voted through remote e-voting will be eligible to attend the 38<sup>th</sup> AGM. However they will not be eligible to vote at the 38<sup>th</sup> 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., **Monday, Wednesday, 21<sup>st</sup> December, 2020.**
- 19. The Board of Directors have appointed DMK Associates, practicing company secretaries, New Delhi as scrutinizer to scrutinize the e-voting during 38<sup>th</sup> AGM and remote e-voting 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:**

- 20. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.com/> and register themselves in the “Corporates” module.
- 21. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

22. 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.
23. The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
24. 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.
25. 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 and to the company at the email address - gpccsindialegal@carrier.com if they have voted from individual tab and not uploaded the same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending 38th 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](http://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, 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 Physical shareholders- 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 ID - gpccsindialegal@carrier.com or info@adroitcorporate.com.

For Demat shareholders- 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 ID - gpccsindialegal@carrier.com or info@adroitcorporate.com. After due verification the Company / RTA will forward your login credentials to your registered email address.

**PROCEDURE FOR INSPECTION OF DOCUMENTS:**

26. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under section 189 of the Companies Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the 38<sup>th</sup> AGM of the company. Members seeking to inspect such documents can send an email to gpccsindialegal@carrier.com.
27. Members seeking any information with regard to the accounts or any matter to be placed at the 38<sup>th</sup> AGM are requested to write to the Company on or before Friday, December 18, 2020 through email on gpccsindialegal@carrier.com. The same will be replied by the company suitably.

**OTHER INFORMATION**

28. Members attending the 38<sup>th</sup> AGM through VC/ OAVM shall be reckoned for the purpose of the quorum under Section 103 of the Companies Act.

29. The company's ISIN number is INE226D01017.
30. Pursuant to notification number G.S.R. 853 (E) issued by the ministry of corporate affairs dated 10th September, 2018 which includes any modifications thereof members holding shares in physical form are requested to convert their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the company or Adroit for assistance in this regard and company shall facilitate dematerialization of physical shareholding.
31. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the company, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.
32. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the register of members of the company will be entitled to vote.
33. Queries proposed to be raised at the annual general meeting may please be sent to the company at its registered office at least 7 days prior to the date of annual general meeting to enable the company to compile the information and answer them in the meeting.
34. The register of members and share transfer register will remain closed from Tuesday, 22<sup>nd</sup> December, 2020 to Monday, 28th December, 2020 (both days inclusive) for the purpose of 38th annual general meeting. The cut-off date to determine the eligibility for the purpose of voting through electronic means and voting at the 38th AGM is Monday, 21<sup>st</sup> December, 2020.
35. Members seeking any information with regard to the accounts are requested to write to the company at least seven day before the date of 38th annual general meeting so as to enable the management to keep the information ready at the meeting.
36. Members desirous of making a nomination in respect of their shareholding in the company as permitted under section 72 of the Act are requested to submit details to the company in the prescribed form SH-13 for this purpose.
37. Electronic copy of the notice of the 38<sup>th</sup> AGM of the company indicating the process and manner of remote e-voting and e-voting during AGM is being sent to all the members who have registered their email addresses with the company/depository participants for communication purposes.
38. In compliance with the provision of section 108 of the Companies Act read with rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereof the company is providing its members with the facility for providing voting by electronic means and the business may be transacted through such voting ("remote e-voting").
39. Pursuant to section 107 of the Act read with rule 20 of the Companies (Management and Administration) Rules, 2014 and amendment thereof and as per secretarial standards-2 the company is providing the facility of remote e-voting to the members to exercise their right to vote. Members may cast their votes remotely using electronic voting system on the dates mentioned herein above. Further, the facility of voting through electronic voting system will also be made available at the Meeting ("e-voting during AGM") and members attending the AGM who have not cast their vote(s) by remote e-voting will be able to vote at the AGM through e-voting during AGM.
40. The members can opt for only one mode of voting i.e. remote e-voting or e-voting during AGM. In case of voting by both the modes vote casted through remote e-voting will be considered final and voting through e-voting during AGM will not be considered. The members who have casted their vote by remote e-voting may also attend the AGM through VC/OAVM.

41. The company has engaged the services of central depository services limited (CDSL) as the agency to provide e-voting facility.
42. Detailed instruction to exercise e-voting are given on a separate sheet dispatched with annual report forms an integral part of notice.
43. In case of any query pertaining to e-voting please visit Help & FAQ's section available on [www.cdslindia.com](http://www.cdslindia.com).
44. The board has appointed DMK Associates (Mr. Deepak Kukreja, Partner), Company Secretaries having office at 31/36, Basement, Old Rajinder Nagar, New Delhi-110060 as scrutinizer to scrutinize the e-voting during AGM and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
45. The voting rights of members for remote e-voting and e-voting during AGM at the meeting shall be in proportion to the paid up value of their shares in the equity share capital of the company as on cut-off date i.e. Monday, 21<sup>st</sup> December, 2020.
46. 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. Monday, 21<sup>st</sup> December, 2020 shall only be entitled to avail the facility of remote e-voting / e-voting during AGM.
47. The scrutinizer, after scrutinizing the votes casted at the meeting (e-voting during AGM) and through remote e-voting, will not exceeding 3 days of conclusion of the meeting, make a consolidated scrutinizer's report of the votes cast in favour or against, if any, and submit the same to the chairman of the meeting. The results declared shall be available on the website of the company <https://www.carrier.com/building-solutions/en/in/investor> and on the website of CDSL. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.
48. 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. Monday, 21<sup>st</sup> December, 2020 may obtain their user ID and password for remote e-voting and for e-voting during AGM by sending a request to Adroit at [info@adroitcorporate.com](mailto:info@adroitcorporate.com).
49. Non-resident Indian members are requested to inform the company's registrar & share transfer agent Adroit 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.
50. The ministry of company affairs has taken a 'Green initiative in Corporate Governance' by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including annual report can be sent by e-mail to its members. 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. Members who hold shares in physical form are requested to register their e-mail addresses with the company.
51. The requirement to place the matter relating to appointment of auditors for ratification by members at every annual general meeting is done away with vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, New Delhi. Accordingly no resolution is proposed for ratification of appointment of statutory auditors i.e. BSR & Associates LLP (116231 W/W- 100024) who has been appointed as statutory auditors of the company in the Annual General Meeting of the company held on December 14, 2017 for a period of five years.

The following explanatory statement pursuant to section 102 of the Companies Act, 2013 (Act) set out all the material facts relating to the business mentioned in item number 3 of the accompanying notice of annual

general meeting.

**Annexure**

Name and Designation of the Director	Mr. Farokh Phiroz Madan Non-Executive Director	Mr. Sanjiv Goel Independent Director
Director Identification Number	07412324	06710444
Date of Birth (Age in years)	17th April, 1971 (48 Years)	19th March, 1965 (55 years)
Original date of appointment	12th March, 2019	25th March, 2020
Qualifications	Master of Management Science, Marketing, BE Mechanical Engineering	Education: B. Com (Delhi University) LL.B, LL.M. (Meerut University). Diploma in Corporate Laws - Indian Law Institute New Delhi 110001
Experience & expertise in specific functional area	Experience: 23 years Expertise: Sales, Marketing & Strategy	Experience: 25 years Expertise: Advocate
Shareholding in UTC Fire & Security India Limited	Nil	Nil
Remuneration sought to be paid	Nil	Sitting fees of Rs. 30,000/- per board meeting and per committee meeting
Remuneration last drawn from UTC Fire & Security India Limited	Nil	Rs. 30,000/- per board meeting and per committee meeting
Number of board meetings attended during the year	Nil	Nil He was appointed Independent Director with effect from 25th March, 2020)
Terms & conditions of appointment/re-appointment and remuneration	Appointed as Non-Executive Director  -As per Nomination & Remuneration Policy forming part of Director's Report	Appointed as Independent Director not 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	
Directorships held in other companies	Nil	Nil*
Members/chairmanship of committees in public limited companies in India	UTC Fire & Security India Limited  Member- Audit Committee and Stakeholder Relationship Committee and Corporate Social Responsibility committee	UTC Fire & Security India Limited  Member- Nomination and Remuneration Committee and Audit Committee

\*Mr. Sanjiv Goel was a Director in Pushup Consultants Private Limited at the time of his appointment on 23rd March, 2020. However, he has resigned from the position of Director on 2nd May, 2020.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:****Item No. 3: To approve the appointment of Mr. Sanjiv Goel (DIN: 06710444) as an independent director on the Board of Directors of the company:**

Mr. Sanjiv Goel (DIN: 06710444) was appointed as an additional director on the Board of Directors of the company by the Board of Directors in their meeting dated 23<sup>rd</sup> March, 2020 for a period of two years effective from 25<sup>th</sup> March, 2020 to 24<sup>th</sup> March, 2022 (“tenure”).

The nomination and remuneration committee of the Board of Directors has recommended the appointment of Mr. Sanjiv Goel (DIN: 06710444) as an independent director for a period of 2 (two) consecutive years effective from 25<sup>th</sup> March, 2020 to 24<sup>th</sup> March, 2022. The Board of Directors as per the recommendation of the nomination and remuneration committee considered that given his background and experience the association of Mr. Sanjiv Goel (DIN: 06710444) would be beneficial to the company.

Accordingly, it is proposed to appoint Mr. Sanjiv Goel (DIN: 06710444) as an independent director of the company, not liable to retire by rotation, for a term of 2 (two) consecutive years on the Board of Directors of the company. Notice in writing under section 160 of the Companies Act, 2013 has been received from Mr. Sanjiv Goel (DIN: 06710444) proposing his candidature for the office of independent director of the company. Mr. Sanjiv Goel (DIN: 06710444) is not disqualified from being appointed as a director in terms of section 164 of the Companies Act 2013 and has given his consent to act as an independent director of the company. The company has also received declaration from Mr. Sanjiv Goel (DIN: 06710444) that he meets the criteria of independence as prescribed under section 149(6) of the Act.

In the opinion of the Board of Directors Mr. Sanjiv Goel (DIN: 06710444) fulfils the conditions for appointment as an independent director as per Companies Act 2013. Mr. Sanjiv Goel (DIN: 06710444) is independent of the management of the company. He shall be paid remuneration by way of sitting fee for attending meetings of the Board of Directors and committees thereof within limits prescribed in Companies Act, 2013. Copy of letter of appointment of Mr. Sanjiv Goel (DIN: 06710444) setting out the terms and conditions of appointment is available for inspection by the members during the annual general meeting.

Additional information in respect of Mr. Sanjiv Goel (DIN: 06710444) as required in the secretarial standard-2 is given herein below. Mr. Sanjiv Goel (DIN: 06710444) is interested in the resolution set out at item number 3 of the notice. Save and except the above none of the other directors / key managerial personnel of the company / their relatives are in any way concerned or interested financially or otherwise in the resolution. This statement may also be regarded as an appropriate disclosure under the applicable provisions of the Companies Act 2013.

The Board of Directors recommend the special resolution set out at item number 3 of the notice for approval by members and relevant documents related to above said resolution can be inspected at the registered office of the company during business hours up to the date of passing of above resolution.

Registered office:

**UTC Fire & Security India Limited**  
Unit No. 8, 1<sup>st</sup> Floor, The Centrium, Lal Bahadur Shastri Marg,  
Kurla West, Mumbai- 400070, India  
CIN:U29193MH1981FLC024364  
Email Id: gpccsindialegal@carrier.com

Date: 1.12.2020  
Place: Gurugram

By order of the Board  
For **UTC Fire & Security India Limited**

Sd/-  
**Anurag Gupta**  
Company Secretary  
Membership No. **ACS 43500**

# DIRECTORS' REPORT

Dear Members,

Your directors have immense pleasure in presenting the 38<sup>th</sup> annual report on the business and operations together with the company's audited financial statements and auditors' report thereon for the financial year 2019-20. The financial highlights for the year under review are given below:

## 1. Financial Summary of the Company:

(Rs. In Lakhs)

Particulars	2019-20	2018-19
Revenue from operations	29,509	28,727
Other Income	2,437	1,689
Total Revenue	31,946	30,416
Total Expenses	27,164	25,338
Profit /(Loss) before tax	4,782	5,078
Tax expenses		97
Deferred Tax	(2,389)	
Profit (Loss) for the year	7,171	4,981
Profit (Loss) per equity share (Nominal value per Equity Share Rs.10)	2.34	1.62

## 2. Management Discussions and Analysis:

Your company continues to address the complete suite of security needs from detection to protection and timely communication through our trained and authorized channel partners vide its key brands namely, Fire Detection and Alarm: Edwards & GST, CCTV & Video Surveillance: Interlogix & Lenel, Access Control: Lenel & Interlogix, Gas Suppression: Kidde. Some of the key products/ solutions that were launched/ upgraded are:

- a. **Kidde** gas-suppression has further expanded his footprint in high pressure Inert gas systems in India with complete LPCB/Vds approvals and we have launched 400 series high pressure system that will increase our market share in Inert gas system market. We have also successfully completed the valve approvals from Petroleum and Explosives Safety Organizations (PESO) for the entire range of gas suppression system that includes Kidde FM200, Kidde Novec 1230 & Kidde Inert gas system. Kidde air aspiration system (brand name: Air Sense) add value to our existing suppression system business especially in protection of data centers, server rooms and other commercial applications.
- b. **As** we continue to focus on our growth in various market segments, we have also introduced UL listed fire alarm & detection system under the brand of GST this year. This new product introduction will meet the mid-level market in the fire detection business and enhance our existing brand value. GST business is aggressively promoting conventional detectors in India, where we could find relatively high market potential in residential & banking sectors.
- c. **Edwards'** SIGAD series detectors offer a suitable solution for the mid segment markets. To cater to the commercial segment, the company launched the iO and EST 3X panels and the fireworks software version 1.7, which redefines the nature of life safety and mass notification. For early detection in critical areas like control rooms, electrical panels, server rooms and data centers, we introduced the Airsense



range. To enable customers to invest as they grow, we enabled a networking feature in our GSTM-200 fire alarm and detection products.

- d. Interlogix** analog range of cameras and TruVision digital video recorders (DVRs) to the latest technology with enhanced features to meet the demanding requirements in the mid-segment industry. The company introduced open protocol internet protocol (IP) cameras for the enterprise segment and all of these cameras are now integrated with our flagship product OnGuard and Prism video management software. These IP cameras are also integrated with third-party video management systems like OnSSI, Omnicast and milestone. Your company is planning release its enterprise video management software, Prism to cater to the enterprise stand-alone or integrated video software offerings. With this release we will complete our entire offerings in the IP video segment. By interfacing their systems with OnGuard, customers will have a seamlessly integrated platform, offering integration with access control, closed-circuit television, building management systems and other utilities.

All these products have been supplied to number of key customers in different verticals protecting people, property and assets against the risk of fire and security.

Your Company has entered into a Master Sub-contracting Agreement dated 8th May, 2014 with Agnice Fire Protection Private Limited ("Agnice") wherein field operation business was divested on an exclusive basis to carry out the balance works and services on a turnkey basis under each project. There are total 19 projects identified for the sub-contracting arrangement. The total value involved is Rs.50 Crores (Rupees Fifty Crores Only). Agnice shall execute the project and provide support in their technical closure, AR collection etc. as per the contractual clauses. Further out of 19 projects, 8 projects have been financially closed which includes collection of receivables, account reconciliation with customer(s) and return of Bank Guarantees etc. Further 9 projects have been technically closed & balance 2 contracts are in advanced stage of completion.

Your company's Hyderabad Research & Development Centre undertakes the product design and development activities for UTC Fire & Security, CCS & Otis entities for Indian and Global Market.

**3. Change in the nature of business, if any:**

There are no changes in the nature of business of company during the year under review.

**4. Dividend and Reserves:**

In order to cater working capital requirements of the company, the board of directors did not recommend any dividend on the equity shares of the company.

**5. Reserves:**

No amount is transferred to the general reserve during the financial year under review.

**6. 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 regulators or courts or tribunals impacting the going concern status and company's operations in future.

**7. The names of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year:**

No company has become or ceased to be subsidiary, joint venture or associate of your company during the year under review.

## 8. Details of directors or key managerial personnel who were appointed or have resigned during the year and till the date of this report:

S. No.	Name of Director	Designation	Date of Appointment	Date of Cessation	Mode of Cessation
1.	Mr. Prem Nivasa (PAN: AIRPS7942Q)	Chief Financial Officer	May 28, 2018	April 1, 2019	Resignation
2.	Ms. UmaVaradarajan (PAN: AAIPU0657M)	Chief Financial Officer	April 24, 2019	N.A	N.A
3.	Mr. Balasubramaniam Prasad (DIN: 07916810)	Whole-time Director	September 08, 2017	June 1, 2019	Resignation
4.	Mr. Muthalagappan Karuppiah (DIN: 08539111)	Whole-time Director	August 20, 2019	N.A	N.A
5.	Ms. Vasanthi Narayana (DIN: 08319835)	Whole-time Director	March 12, 2019	N.A	N.A
6.	Mr. Rabindra Nath Ghosh (DIN: 00194250)	Independent Director	March 25, 2015	March 25, 2020	Tenure of Independent Director expired
7.	Mr. Srinivas Kotni (DIN: 07412324)	Independent Director	March 25, 2020	N.A	N.A
8.	Mr. Sanjiv Goel (DIN: 06710444)	Independent Director	March 25, 2020	N.A	N.A
9.	Suraj Arora (PAN: AZKPS4573P)	Company Secretary	November 21, 2016	June 30, 2019	Resignation
10.	Mr. Anurag Gupta (PAN: AXLPG6714B)	Company Secretary	December 4, 2019	N.A	N.A

Further in accordance with the articles of association of the company and relevant provisions of section 152 of the Companies Act, 2013, Mr. Farokh Phiroz Madan (DIN: 07412324) director of the company is liable to retire by rotation at the 38th annual general meeting of the company and being eligible, offer himself for re-appointment. The board recommended his re-appointment as director liable to retire by rotation in the company.

## 9. Board and Committee Meetings:

During the financial year under review, the company had four meetings of Board of Directors and various committee meetings as per Section 173 of Companies Act, 2013 which are summarized in **Annexure "A"** and forms an integral part of the report. The provisions of Companies Act, 2013 and secretarial standards for meetings of Board of Directors have been adhered to while considering the time gap between two meetings..

## 10. Directors' Responsibility Statement:

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the company confirms that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 the profit of the company for that period;
- 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 hereby confirm that proper internal financial controls were followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. The directors had devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

#### **11. Declaration of independence by directors:**

Declarations given by independent directors meeting the criteria of independence as provided in section 149 of the Companies Act, 2013 and the relevant rules are received and taken on record by board of the company.

#### **12. Board Evaluation:**

In compliance with the Companies Act, 2013 the board has carried out an annual performance evaluation of its own performance and that of its committees and individual including independent directors of the company for the financial year under review. The independent directors assessed the performance of non-independent directors and the whole-time director of the company as well as the board as a whole for the year. 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 committee of the board contributes its best in the overall growth of the organization.

#### **13. Nomination and Remuneration Policy:**

The board 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). The policy formulated by nomination and remuneration committee under Section 178(3) is attached as **Annexure "B"** and forms an integral part of the report and is also available on <https://www.carrier.com/building-solutions/en/in/investor>.

#### **14. Corporate social responsibility:**

The company has constituted a Corporate Social Responsibility (CSR) Committee and has framed a Corporate Social Responsibility policy during the year under review. The company has undertaken activities as per the CSR policy and the details are contained in the Annual report on CSR activities given in **Annexure "C"** forming an integral part of this report and also available on company's website: [www.carrier.com/building-solutions/en/in/investor/](http://www.carrier.com/building-solutions/en/in/investor/). The Company will continue to support social projects that are consistent with the policy.

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. As a responsible corporate citizen, your company recognized its need to deliver value to the society, which is the reason for its existence. Our most important responsibility is to fulfill the expectations of our stakeholders and to continuously improve our social, environmental and economic performance while ensuring the sustainability and operational success of your company.

#### 15. Extract of the Annual Return:

As per the requirements of Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 the extract of the annual return for financial year ended 31st March, 2020 is given in **Annexure "D"** in the prescribed Form No MGT-9 which forms an integral part of this report. The same is available on <https://www.carrier.com/building-solutions/en/in/investor>

#### 16. Audit Committee:

The composition of audit committee of the board of directors is as follows:

- Mr. Farokh Phiroz Madan (**DIN: 07412324**) Non-Executive Director as Chairman
- Mr. Srinivas Kotni (**DIN: 01085277**) Independent Director
- Mr. Sanjiv Goel (**DIN: 06710444**) Independent Director

Mr. Sanjiv Goel (**DIN: 06710444**) has been appointed as a member of audit committee of the company effective from 25<sup>th</sup> March, 2020

#### 17. Nomination and Remuneration Committee:

The composition of nomination and remuneration committee of the board of directors is as follows:

- Mr. Farokh Phiroz Madan (**DIN: 07412324**) - Non-Executive Director as Chairman
- Mr. Srinivas Kotni (**DIN: 01085277**) - Independent Director
- Mr. Sanjiv Goel (**DIN: 06710444**) - Independent Director
- Mr. Vikram Arthur Fernandes Prabhu (**DIN: 06421340**) - Non-Executive Director

Mr. Sanjiv Goel (**DIN: 06710444**) has been appointed as member of nomination and remuneration committee of the company effective from 25<sup>th</sup> March 2020.

#### 18. Stakeholder Relationship Committee:

The composition of stakeholder's relationship committee of the board of directors is as follows:

- Mr. Vikram Arthur Fernandes Prabhu (**DIN: 06421340**) Non-Executive Director as Chairman
- Mr. Farokh Phiroz Madan (**DIN: 07412324**) Non-Executive Director
- Ms. Vasanthi Narayana (**DIN: 08319835**) Whole Time Director

Mr. Balasubramaniam Prasad (**DIN: 07916810**) was a member of stakeholder relationship committee. He has resigned from directorship and membership of stakeholder relationship committee of the company effective from 1<sup>st</sup> June, 2019 and thereafter Ms. Vasanthi Narayana (**DIN: 08319835**) joined as member of stakeholder relationship committee of the company with effect from 20<sup>th</sup> August, 2019.

#### 19. Corporate Social Responsibility Committee:

The Board of Directors of the company in their meeting held on 20th August, 2019 constitute corporate social responsibility (CSR) committee of the company with following directors as members of CSR committee:

- Ms. Vasanthi Narayana (**DIN: 08319835**) Whole Time Director as Chairman
- Mr. Srinivas Kotni (**DIN: 01085277**) Independent Director
- Mr. Farokh Phiroz Madan (**DIN: 07412324**) Non-Executive Director

#### 20. Changes in share capital:

There is no change in the share capital of the company.

## 21. Statutory Auditors:

The members of the company in their 35th Annual General Meeting held on 14th December, 2017 have appointed B S R & Associates LLP (116231 W/W- 100024) chartered accountants as statutory auditors of the company for a period of 5 years i.e. up to conclusion of 40<sup>th</sup> annual general meeting of the company subject to ratification of such appointment by members of the company at each ensuing general meeting as may require under applicable law.

The ministry of corporate affairs vide Companies (Amendment) Act, 2017 dated 7<sup>th</sup> May, 2018 omitted the requirement of ratification of appointment of statutory auditors at every annual general meeting. Accordingly no resolution is proposed for ratification of appointment of statutory auditors B S R & Associates LLP (116231 W/W- 100024) in the ensuing annual general meeting.

## 22. Explanation to Emphasis on matters in Auditors' Report:

The Company had paid excess remuneration aggregating to Rs 23,51,033/- for period November 8, 2008 to September 30, 2009 to Mr. Devendra Mehta, erstwhile wholetime director (since resigned). The Company filed an application for waiver of excess remuneration by the Central Government. The Central Government vide it's letter dated December 1, 2017 waived 25% of total amount i.e. Rs. 5,87,758/- and directed the Company to recover Rs. 17,63,275/-. The Company sent a letter to the erstwhile Wholetime director on 15<sup>th</sup> March, 2019 followed by another reminder dated 29<sup>th</sup> April, 2019 demanding refund of excess managerial remuneration. However, the Company has not received any response from the erstwhile Wholetime director and unable to recover the excess remuneration despite its best efforts.

Basis the legal advice, the Company has passed a special resolution in its Annual General Meeting held on 23<sup>rd</sup> September, 2019 to obtain shareholders' approval for waiver of excess remuneration of Rs. 17,63,275/-. The Company is in the process to intimate the Central Government about waiver of excess remuneration by the shareholders through a special resolution.

## 23. Auditors' Report:

The auditors' report does not contain any qualification, reservation or adverse remark and the same is self-explanatory. There have been no instances of fraud reported by the statutory auditors under Section 143(12) of Companies Act, 2013 read with rules framed thereunder either to the company or to the central government.

## 24. Secretarial Auditor:

In compliance with the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, DMK Associates company secretary in practice having office at 31/36, Basement, Old Rajinder Nagar, New Delhi-110060 was appointed as secretarial auditor of the company for financial year 2019-20. The report of the secretarial auditor do not contain any qualifications, reservations, or adverse remarks or disclaimer and is attached herewith as **Annexure "E"** and forms an integral part of this report.

## 25. Cost records:

Maintenance of cost records as specified by the central government under sub-section (1) of section 148 of the Companies Act, 2013 are not required to be made and maintained by the company.

## 26. Deposits:

The company has not accepted any deposits within the meaning of section 73 of the Companies Act, 2013 and no amount of principal or interest was remained unpaid or unclaimed as at the end of the year under

review. There has not been any default in repayment of deposits or payment of interest thereon during the year under review.

**27. Details in respect of adequacy of internal financial controls with reference to the financial statements:**

A strong internal control culture is prevalent in the company. The 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.

**28. Particulars of loans, guarantees or investments under Section 186:**

There were no loans, guarantees or investments made by the company under section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

**29. Particulars of contracts or arrangements with related parties:**

All related party transactions are in the ordinary course of business, repetitive in nature and are entered on arm's length basis and are in compliance with the applicable provisions of the Companies Act. Omnibus approval is being obtained for all related party transactions. Disclosures as required under relevant rules made under section 188 of the Companies Act are given in form no. AOC-2 attached as Annexure "F" and forms part of this report.

**30. Risk Management Policy:**

Periodic assessment to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The board is also periodically informed of the business risks and the actions taken to manage them. The company has adopted the group's risk management policy.

**31. Disclosure as required under Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and as per rule 8 (5) of Companies (Accounts) Amendment Rules, 2018:**

The company has complied with provisions relating to the constitution of internal complaint 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 to the internal complaint committee related to sexual harassment.

**32. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

- 1. Conservation of Energy:** Operations of the company involved low energy consumption. Adequate measures have been taken to reduce energy consumption wherever possible.
- 2. Technology Absorption:** (a) Particulars of Research and Developments: Your company employs a team of qualified engineers and is constantly working at improvements and development of technologies and processes deployed (b) Particulars of Technology Absorption, Adoption and Innovation: (i) The company gets information on latest technology on equipment/process, marketing, etc., and this has been continuously absorbed and adopted to suit to company's operations; and (ii) Benefits derived as a

result of the efforts: Availability of products of latest design and technology, improved product quality and productivity; and (c) Details of Technology – Not Applicable.

- 3. Foreign exchange earnings and Outgo:** The foreign exchange earned in terms of actual inflows and the foreign exchange outgo during the financial year in terms of actual outflows are given below:

(Rs. In Lakhs)

S. No	Foreign Exchange Earnings and Outgo	2019-20	2018-19
1.	Earnings in foreign exchange	25,092	24,763
2.	Expenditure in foreign currency	625	609
3.	CIF value of import	2,875	2,644

- 33. 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 the 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 these financial statements relate and the date of this report.

- 34. Environment:**

The company is committed to the protection of environment and is not involved in any type of activity hazardous to environment. It strictly adheres to the provisions of environment laws. There are no trade effluents generated by the company which may cause pollution.

- 35. Secretarial Standards:**

The Secretarial Standards issued by the Institute of Company Secretaries of India relating to meetings of Board of Directors (SS-1) and General Meetings (SS-2), respectively have been duly followed by the company.

- 36. Acknowledgements:**

Your directors wish to express their gratitude to the company's suppliers, bankers, auditors, customers, central and state government departments and local authorities 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 members and other stakeholders for their support and contribution and look forward to your continued support in the future as well.

For and on behalf of the Board of Directors

**UTC Fire & Security India Limited**

Sd/-

**Vasanthi Narayana**  
 Whole Time Director  
 (DIN: 08319835)

Sd/-

**Farokh Phiroz Madan**  
 Director  
 (DIN: 07412324)

**Date:** 1<sup>st</sup> December, 2020

**Place:** Gurugram

**ANNEXURE TO DIRECTORS' REPORT****Annexure "A"**

S. No.	Nature of Meeting	Date of Meeting	Strength	Directors'/ Members Present	Name of Directors'/Members present
1.	Board Meeting	24.04.2019	6	4	Mr. Rabindra Nath Ghosh Mr. Srinivas Kotni Mr. Farokh Phiroz Madan Ms. Vasanthi Narayana
		20.08.2019	6	4	MMr. Srinivas Kotni Mr. Farokh Phiroz Madan Mr. Vikram Arthur Fernandes Prabhu Ms. Vasanthi Narayana
		12.12.2019	6	5	Mr. Rabindra Nath Ghosh Mr. Srinivas Kotni Mr. Farokh Phiroz Madan Ms. Vasanthi Narayana Mr. Muthalagappan Karuppiah
		23.03.2020	6	6	Mr. Rabindra Nath Ghosh Mr. Srinivas Kotni Mr. Farokh Phiroz Madan Mr. Vikram Arthur Fernandes Prabhu Ms. Vasanthi Narayana Mr. Muthalagappan Karuppiah
2.	Audit Committee	20.08.2019	3	2	Mr. Srinivas Kotni Mr. Farokh Phiroz Madan
		23.03.2020	3	3	Mr. Rabindra Nath Ghosh Mr. Srinivas Kotni Mr. Farokh Phiroz Madan
3.	Nomination & Remuneration Committee	24.04.2019	3	3	Mr. Farokh Phiroz Madan Mr. Rabindra Nath Ghosh Mr. Srinivas Kotni
		20.08.2019	4	3	Mr. Farokh Phiroz Madan Mr. Srinivas Kotni Mr. Vikram Arthur Fernandes Prabhu
		12.12.2019	4	3	Mr. Farokh Phiroz Madan Mr. Rabindra Nath Ghosh Mr. Srinivas Kotni
		23.03.2020	4	4	Mr. Rabindra Nath Ghosh Mr. Srinivas Kotni Mr. Farokh Phiroz Madan Mr. Vikram Arthur Fernandes Prabhu
4.	Stakeholder Relationship Committee	23.03.2020	3	3	Mr. Vikram Arthur Fernandes Prabhu Ms. Vasanthi Narayana Mr. Farokh Phiroz Madan
5.	Corporate Social Responsibility Committee	23.03.2020	3	3	Ms. Vasanthi Narayana Mr. Srinivas Kotni Mr. Farokh Phiroz Madan
		23.03.202	3	3	Ms. Vasanthi Narayana Mr. Srinivas Kotni Mr. Farokh Phiroz Madan
5.	Corporate Social Responsibility Committee	23.03.202	2	2	Mr. Rabindra Nath Ghosh Mr. Srinivas Kotni

For and on behalf of the Board of Directors

**UTC Fire & Security India Limited**

Sd/-

**Vasanthi Narayana**  
Whole Time Director  
(DIN: 08319835)

Sd/-

**Farokh Phiroz Madan**  
Director  
(DIN: 07412324)**Date:** 1<sup>st</sup> December, 2020**Place:** Gurugram



## Annexure “B”

### NOMINATION AND REMUNERATION POLICY

The Board of Directors of UTC Fire & Security India Limited, the (“**Company**”) constituted the “Nomination and Remuneration Committee” at its Meeting held on March 31, 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** means 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. 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 members 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 Rupees 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.

For and on behalf of the Board of Directors

### **UTC Fire & Security India Limited**

*Sd/-*

**Vasanthi Narayana**

Whole Time Director

(DIN: 08319835)

*Sd/-*

**Farokh Phiroz Madan**

Director

(DIN: 07412324)

**Date:** 1<sup>st</sup> December, 2020

**Place:** Gurugram

## Annexure “C”

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY PURSUANT TO RULES 8 & 9 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

**1. A brief outline of the company’s corporate social responsibility policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the Corporate Social Responsibility (“CSR”) policy and projects on program:**

In adherence to section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, 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 school adoption program project which is being done in association with the NGO Nirmaan. The program includes holistic development of primary and high schools and would include ensuring basic infrastructure and Academic support, community governance of the schools etc.

The corporate social responsibility policy of the company is available on the website of the company [www.carrierindia.com/investors.html](http://www.carrierindia.com/investors.html) in the ‘Investors’ section.

**2. The composition of CSR Committee:**

The corporate social responsibility committee comprises of 3(three) members of the Board, one is non-executive independent director and two are executive directors. The chairman of the committee is an independent director.

S. No.	Name	Category	Designation
1.	Ms. Vasanthi Narayana*	Whole-time Director	Chairman
2.	Mr. Srinivas Kotni	Independent Director	Member
3.	Mr. Farokh Phiroz Madan*	Non-Executive Director	Member

*\*Ms. Vasanthi Narayana has been appointed as a Whole-time Director with effect from 12th March, 2019 and a member of the corporate social responsibility committee of the company with effect from 20th August, 2019.*

*Mr. Farokh Madan has been appointed as a Non-Executive Director with effect from 12th March, 2019 and a member of the corporate social responsibility committee of the company with effect from 20th August, 2019.*

**3. Average net profit of the Company for last three financial years:**

The average net profit of last three financial years preceding the reporting financial year (i.e.2016-17, 2017-18 and 2018-19) calculated in accordance with section 135 of the Companies Act, 2013 is ₹ 1,350 Lakhs.

**4. Prescribed CSR Expenditure (2% of the amount as in item 3 above):** The prescribed CSR expenditure to be incurred during the financial year i.e. 2019-20 is ₹ 27 Lakhs.

**5. Details of CSR spent during the financial year:**

(a) Total amount spent for the FY = ₹ 27 Lakhs.

(b) Manner in which the amount spent during the FY is detailed as below:



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs: (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programmer wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or implementing agency*
1.	Nirmaan Organization	Education	ZPHS Siripur and ZPHS Patloor, Hyderabad, Telangana	INR 35,22,750/-	(1) Direct expenditure: INR 35,22,750/- (2) Overheads: Nil	INR 35,22,750/- for the F.Y. 2019-20	Through Implementing Agency: Nirmaan

**6. In case the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof the company shall provide the reason for not spending the amount in its Board report:** The funds allocated for last financial year have been completely disbursed to the identified institution.

**7. Responsibility Statement:** The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the company.

For and on behalf of the Board of Directors

**UTC Fire & Security India Limited**

Sd/-

**Vasanthi Narayana**

Whole Time Director

(DIN: 08319835)

Sd/-

**Farokh Phiroz Madan**

Director

(DIN: 07412324)

**Date:** 1<sup>st</sup> December, 2020

**Place:** Gurugram

## Annexure “D”

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on March 31st, 2020**  
**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the**  
**Companies (Management and Administration) Rules, 2014]**

### I. REGISTRATION AND OTHER DETAILS:

S. No.	PARTICULARS	DETAILS
1.	CIN	U29193MH1981FLC024364
2.	Registration Date	6 <sup>th</sup> May, 1981
3.	Name of the Company	UTC Fire & Security India Limited
4.	Category/ Subcategory of the Company	Company Limited by Shares/ Subsidiary of Foreign Company
5.	Address of the registered office and contact details	Unit No. 8, 1st Floor, The Centrium, Lal Bahadur Shastri Marg, Kurla West, Mumbai- 400070, India Tel: 022-6679 5151 Email: anurag.gupta@carrier.com
6.	Whether Listed company (Yes / No)	No
7.	Name and Address of Registrar & Transfer Agents (Full address and contact details to be given)	<b>Adroit Corporate Services Pvt. Ltd.</b> (Firm Registration No: INR000002227) 17-20, Jafferbhoy Ind. Estate, 1st floor, Makwana Road, Marol, Andheri (E), Mumbai – 400 059, India Tel: (+91) (022)- 4227 0400 / 2859 6060 / 2859 4060 E-Mail: info@adroitcorporate.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Research & Development Activities	62011	81%
2.	Fire & Security products & Others	46909	15%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Kidde International Limited, 1st Floor, Ash House, Littleton Road, Ashford, Middlesex, TW151TZ, England, United Kingdom	04132076	Holding	99.83	Section 2(46) & 2(87) of Companies Act, 2013

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity)

#### i. Category-wise share holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total : A(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRI - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	14593183	291720423	306313606	99.83	14593183	291720423	306313606	99.83	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total : A(2)</b>	<b>14593183</b>	<b>291720423</b>	<b>306313606</b>	<b>99.83</b>	<b>14593183</b>	<b>291720423</b>	<b>306313606</b>	<b>99.83</b>	<b>0.00</b>
<b>Total Shareholding of Promoters (A)=(A)(1) + (A)(2)</b>	<b>14593183</b>	<b>291720423</b>	<b>306313606</b>	<b>99.83</b>	<b>14593183</b>	<b>291720423</b>	<b>306313606</b>	<b>99.83</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	1700	1700	0.00	0	1700	1700	0.00	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B) (1)</b>	<b>0</b>	<b>1700</b>	<b>1700</b>	<b>0.00</b>	<b>0</b>	<b>1700</b>	<b>1700</b>	<b>0.00</b>	<b>0.00</b>
<b>(2) Non - Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	1112	28460	29572	0.01	2112	28460	30572	0.01	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	115240	261849	377089	0.12	114300	261849	376149	0.12	0.00
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	70784	0	70784	0.02	70784	0	70784	0.02	0.00
<b>c) Any Other (Specify)</b>									
c-1) Non Resident Indians (Individuals)	8537	41080	49617	0.02	8477	41080	49557	0.02	0.00
<b>Sub-total (B)(2)</b>	<b>195673</b>	<b>331389</b>	<b>527062</b>	<b>0.17</b>	<b>195673</b>	<b>331389</b>	<b>527062</b>	<b>0.17</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	<b>195673</b>	<b>333089</b>	<b>528762</b>	<b>0.17</b>	<b>195673</b>	<b>333089</b>	<b>528762</b>	<b>0.17</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs.</b>									
a) Promoter & Promoter Group	0	0	0	0	0	0	0	0	0
b) Public	0	0	0	0	0	0	0	0	0
<b>Sub Total : (C)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Shares held by Custodian for GDRs &amp; ADRs (C)=(C) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A + B + C)</b>	<b>14788856</b>	<b>292053512</b>	<b>306842368</b>	<b>100.00</b>	<b>14788856</b>	<b>292053512</b>	<b>306842368</b>	<b>100.00</b>	<b>0.00</b>





**ii. Shareholding of Promoters:**

S. No.	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	KIDDE INTERNATIONAL LTD	103692638	33.79	0.00	103692638	33.79	0.00	0.00
2	KIDDE INTERNATIONAL LIMITED	202620968	66.03	0.00	202620968	66.03	0.00	0.00
	<b>TOTAL</b>	<b>306313606</b>	<b>99.83</b>	<b>0.00</b>	<b>306313606</b>	<b>99.83</b>	<b>0.00</b>	<b>0.00</b>

**iii. Change in Promoters' Shareholding (please specify, if there is no change):**

S. No.	Top Shareholders			No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
		Name of Promoter's	As On Date	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>At the beginning of the year</b>	<b>KIDDE INTERNATIONAL LTD</b>	01/04/2019	103692638	33.79	103692638	33.79
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31/03/2020	0	0.00	103692638	33.79
2.	<b>At the beginning of the year</b>	<b>KIDDE INTERNATIONAL LIMITED</b>	01/04/2019	202620968	66.03	202620968	66.03
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2020	0	0.00	202620968	66.03

**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	Top Shareholders			No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
	For each of the Top Ten Shareholders	Name of Shareholder's	As On Date	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	ZAVERCHAND MAVJI CHHEDA	01/04/2019	42476	0.01	42476	0.01
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2020	0	0.00	42476	0.01
2	At the beginning of the year	PATHEJA FORGINGS & AUTO PARTS MFTRS LTD	01/04/2019	27400	0.01	27400	0.01
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2020	0	0.00	27400	0.01
3	At the beginning of the year	HITESH RAMJI JAVERI	01/04/2019	18266	0.01	18266	0.01
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2020	0	0.00	18266	0.01
4	At the beginning of the year	KAMLESH NAVINCHANDRA SHAH	01/04/2019	10042	0.00	10042	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2020	0	0.00	10042	0.00
5	At the beginning of the year	PRITTY DEVI SARAWAGI	01/04/2019	2745	0.00	2745	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2020	0	0.00	2745	0.00
6	At the beginning of the year	SHIVHAR BABURAO BADGARE	01/04/2019	2550	0.00	2550	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2020	0	0.00	2550	0.00



S. No.	Top Shareholders			No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
	For each of the Top Ten Shareholders	Name of Shareholder's	As On Date	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
7	At the beginning of the year	KRISHNA KUMAR DHARAMSHI SOMAIYA	01/04/2019	2300	0.00	2300	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2020	0	0.00	2300	0.00
8	At the beginning of the year	KISHORBHAI VALLABHBHAI RADADIA	01/04/2019	2250	0.00	2250	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2020	0	0.00	2250	0.00
9	At the beginning of the year	NEEPA SHAH	01/04/2019	2077	0.00	2077	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2020	0	0.00	2077	0.00
10	At the beginning of the year	DIPTI K SOMAIYA	01/04/2019	1880	0.00	1880	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2020	0	0.00	1880	0.00

**v. Shareholding of Directors and Key Managerial Personnel:**

S. No.		Name of Directors's	As On Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	<b>Mr. Muthalagppan Karuppiah</b> Whole-time Director	20-08-2019	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year			0	0	0	0
	At the End of the year		31-03-2020	Nil	Nil	Nil	Nil
2.	At the beginning of the year	<b>Mr. Rabindra Nath Ghosh</b> Independent Director	01-04-2020	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year			0	0	0	0
	At the End of the year		25-03-2020	Nil	Nil	Nil	Nil
3.	At the beginning of the year	<b>Mr. Srinivas Kotni</b> Independent Director	01-04-2019	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year			0	0	0	0
	At the End of the year		31-03-2020	Nil	Nil	Nil	Nil
4.	At the beginning of the year	<b>Mr. Vikram Arthur Fernandes Prabhu</b> Non-Executive Director	01-04-2019	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year			0	0	0	0
	At the End of the year		31-03-2020	Nil	Nil	Nil	Nil
5.	At the beginning of the year	<b>Ms. Vasanthi Narayana</b> Whole-time Director	01-04-2019	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year			0	0	0	0
	At the End of the year		31-03-2020	Nil	Nil	Nil	Nil
6.	At the beginning of the year	<b>Mr. Farokh Phiroz Madan</b> Non-Executive Director	01-04-2019	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year			0	0	0	0
	At the End of the year		31-03-2020	Nil	Nil	Nil	Nil
7.	At the beginning of the year	<b>Mr. Sanjiv Goel</b> Independent Director	25-03-2020	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year			0	0	0	0
	At the End of the year		31-03-2020	Nil	Nil	Nil	Nil

S. No.		Name of Directors's	As On Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
8.	At the beginning of the year	<b>Suraj Arora Company Secretary</b>	01-04-2019	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year			0	0	0	0
	At the End of the year		30-06-2020	Nil	Nil	Nil	Nil
9.	At the beginning of the year	<b>Anurag Gupta Company Secretary</b>	04-12-2019	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year			0	0	0	0
	At the End of the year		31-03-2020	Nil	Nil	Nil	Nil
	At the beginning of the year	<b>Uma Varadarajan Chief Financial Officer</b>	24-04-2019	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year			0	0	0	0
	At the End of the year		31-03-2020	Nil	Nil	Nil	Nil

## V) INDEBTEDNESS:

### Indebtedness of the company including interest outstanding/accrued but not due for payment

Sl. No.		Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i	Principal Amount	-	-	-	-
ii	Interest due but not paid	-	-	-	-
iii	Interest accrued but not due	-	-	-	-
	<b>Total (i+ ii+ iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>					
i	Addition	-	-	-	-
ii	Reduction	-	-	-	-
	<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>					
i	Principal Amount	-	-	-	-
ii	Interest due but not paid	-	-	-	-
iii	Interest accrued but not due	-	-	-	-
	<b>Total (i+ ii+ iii)</b>	-	-	-	-

## VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of Whole-time Director	Name of Whole-time Director	Name of whole-time Director	Total Amount
		<b>*Balasubramaniam Prasad (DIN: 07916810)</b>	<b>Vasanthi Narayana (DIN: 08319835)</b>	<b>**Muthalaggapan Karuppiah (DIN: 08539111)</b>	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1,296,727	68,22,862/-	22,88,146/-	10,407,735/-



2.	Stock Option	---	---	---	---
3.	Sweat Equity	---	---	---	---
4.	Commission (Incentive) -- as % of profit -- others, specify...	2,24,714/-	---	5,38,132/-	7,62,846/-
5.	Others, please specify (PF)	28,808/-	3,06,250/-	93,576/-	428,634/-
	Others, please specify (Leave Encashment)	1,80,653/-			1,80,653/-
	<b>Total</b>	1,730,902 /-	71,29,112/-	2,919,854/-	11,779,868/-
	Ceiling as per the Act		10% of net profit for all Executive Directors- Managing & Whole-time Directors 5% of net profit to any one Managing or Whole-time Director		

\*Mr. Balasubramaniam Prasad had resigned from the company w.e.f 01.06.2019.

\*\* Mr. Muthalagapan Karupiah had been appointed as a Whole-time director of the company w.e.f 20.08.2019

**B. Remuneration to other directors:**

S. No.	Particulars of Remuneration		
		Mr. Vikram Arthur Fernandes Prabhu (DIN: 06421340) (Amount in Rs.)	Mr. Farokh Phiroz Madan (DIN: 07412324) (Amount in Rs.)
I	NA	Nil	Nil
	<b>Total</b>	<b>Nil</b>	<b>Nil</b>

S. No.	Particulars of Remuneration	Name of Directors		Total Amount (Amount in Rs.)
		Mr. Rabindra Nath Ghosh (DIN:00194250) (Amount in Rs.)	Mr. Srinivas Kotni (DIN:01085277) (Amount in Rs.)	
I	Independent Directors • Fee for attending board /committee meetings	2,70,000/-	4,20,000/-	6,90,000/-
	<b>Total</b>	<b>2,70,000/-</b>	<b>4,20,000/-</b>	<b>6,90,000/-</b>

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:**

S. No.	Particulars of Remuneration	Chief Financial Officer (Uma Varadarajan) 01.04.2019 to 31.03.2020	Company Secretary (Mr. Suraj Arora)* 01.04.2019 to 30.06.2019	Company Secretary (Mr. Anurag Gupta)** 04.12.2019 to 31.03.2020	Total
I	<b>Gross salary</b> (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	50,87,731/-	4,28,525/-	3,08,154/-	58,24,410/-
2.	Stock Option				
3.	Sweat Equity				
4.	Commission (Incentive) -- as % of profit -- others, specific (Joining Bonus/Others)				
5.	Others, please specify (PF)	2,27,832/-	20,391/-	14,052/-	2,62,275/-
	<b>Total</b>	<b>53,15,563/-</b>	<b>4,48,916/-</b>	<b>3,22,206/-</b>	<b>60,86,685/-</b>

\*Mr. Suraj Arora had resigned from the position of the Company Secretary of the Company w.e.f from 30.06.2019.

\*\*Mr. Anurag Gupta has been appointed as the Company Secretary of the Company w.e.f from 04.12.2019.

## VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	<b>No Penalties or Punishment during the F.Y. 2019-20</b>				
Punishment					
Compounding					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	<b>No Penalties or Punishment during the F.Y. 2019-20</b>				
Punishment					
Compounding	621A of Companies Act, 1956	NA	NA	NA	N.A.
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	<b>No Penalties or Punishment during the F.Y. 2019-20</b>				
Punishment					
Compounding					

For and on behalf of the Board of Directors

### UTC Fire & Security India Limited

Sd/-

**Vasanthi Narayana**  
 Whole Time Director  
 (DIN: 08319835)

Sd/-

**Farokh Phiroz Madan**  
 Director  
 (DIN: 07412324)

**Date:** 1<sup>st</sup> December, 2020

**Place:** Gurugram

## Annexure “E”

### Form No. MR-3 Secretarial Audit Report

#### FOR THE FINANCIAL YEAR ENDED 31.03.2020

[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,  
UTC Fire & Security India Limited  
Unit No. 8, 1<sup>st</sup> Floor, The Centrium,  
Lal Bhadur Shastri Marg, Kurla West,  
Mumbai 400070

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **UTC Fire & Security India 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, 2020 (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 hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable to the Company during the Audit Period);**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment(ODI) and External Commercial Borrowings(ECB); **(No FDI and ECB was taken and no ODI was made by the company during the Audit Period);**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the Audit Period);**
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company during the Audit Period);**
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period);**
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period);

- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable as the Company is not registered as Registrars to an Issue and Share Transfer Agent);**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the Audit Period);**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period);**

**(vi) OTHER ACTS SPECIFICALLY APPLICABLE TO THE COMPANY AS IDENTIFIED BY THE MANAGEMENT**

- I. Special Economic Zone Act, 2005 and rules and orders made thereunder.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; **(Not applicable to the Company during the Audit Period);**

During the period under review 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 is duly constituted with proper balance of Executive, Non-Executive Directors, 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 notice of at least seven days (except one board meeting which was held at shorter notice in compliance with the Act) was given to all 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. Majority decision is carried through and recorded in the minutes of the meetings. Further as informed and verified from minutes, no dissent was given by any director in respect of the resolutions passed in the board and the committee meetings.

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.

**FOR DMK ASSOCIATES  
COMPANY SECRETARIES  
Sd/-  
(DEEPAK KUKREJA)  
FCS, LL.B., ACIS (UK), IP  
PARTNER  
CP No.8265  
FCS No. 4140**

**UDIN: F004140B001364235**

**Date:** 1<sup>st</sup> December, 2020

**Place:** New Delhi

## ANNEXURE 1

**To,**  
**The Members,**  
**UTC Fire & Security India Limited**  
**Unit No. 8, 1<sup>st</sup> Floor, The Centrium,**  
**Lal Bahadur Shastri Marg, Kurla West,**  
**Mumbai 400070**

Sub: Our Secretarial Audit for the Financial Year ended March 31, 2020 of even date 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.
1. 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 of our opinion.
2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
3. Wherever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
4. 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.
5. 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.
6. 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.
7. Due to the outbreak of Covid-19, we had verified the physical documents to the extent possible and rest of the documents / information were made available by the Company electronically.

**FOR DMK ASSOCIATES**  
**COMPANY SECRETARIES**  
**Sd/-**  
**(DEEPAK KUKREJA)**  
**FCS, LL.B., ACIS (UK), IP**  
**PARTNER**  
**CP No.8265**  
**FCS No. 4140**  
**UDIN: F004140B001364235**

**Date:** 1<sup>st</sup> December, 2020  
**Place:** New Delhi



## Annexure “F”

### FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm’s length transaction under third proviso thereto.

#### 1. Details of contracts or arrangements or transactions not at arm’s length basis

S. No.	Particulars	Details
A	Name (s) of the related party & nature of relationship	N/A
B	Nature of contracts/arrangements/transaction	N/A
C	Duration of the contracts/arrangements/transaction	N/A
D	Salient terms of the contracts or arrangements or transaction including the value, if any	N/A
E	Justification for entering into such contracts or arrangements or transactions’	N/A
F	Date of approval by the Board	N/A
G	Amount paid as advances, if any	N/A
H	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N/A

#### 2. Details of contracts or arrangements or transactions at arm’s length basis (As defined under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014):

S. No.	Particulars	Details
A	Name (s) of the related party & nature of relationship	N/A
B	Nature of contracts/arrangements/transaction	N/A
C	Duration of the contracts/arrangements/transaction	N/A
D	Salient terms of the contracts or arrangements or transaction including the value, if any	N/A
E	Date of approval by the board	N/A
F	Amount paid as advances, if any	N/A

For and on behalf of the Board of Directors

#### UTC Fire & Security India Limited

Sd/-

**Vasanthi Narayana**  
 Whole Time Director  
 (DIN: 08319835)

Sd/-

**Farokh Phiroz Madan**  
 Director  
 (DIN: 07412324)

**Date:** 1<sup>st</sup> December, 2020

**Place:** Gurugram

# INDEPENDENT AUDITORS' REPORT

## Report on the Financial Statements

### Opinion

We have audited the financial statements of UTC Fire & Security India Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 together with the ethical requirements that are relevant to our audit of the 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter

Attention is invited to Note 42 to the financial statements regarding managerial remuneration amounting to Rs. 2,351,033 paid to an erstwhile director of the Company during the period 8 November 2008 to 30 September 2009, which was in excess of the limits specified in the Schedule XIII to the Companies Act, 1956. The Company filed an application for waiver of excess remuneration by the Central Government. The Central Government vide its letter dated December 1, 2017 waived 25% of total amount i.e. Rs 587,758 and directed the Company to recover Rs. 1,763,275. The Company had sent a letter to the erstwhile wholetime director on 15th March 2019 followed by another reminder dated 29 April 2019 demanding refund of excess managerial remuneration. However, the Company did not receive any response from the erstwhile wholetime director and unable to recover the excess remuneration despite its best efforts.

Basis the legal advice, the Company has passed a special resolution in its Annual General Meeting held on 23 September 2019 to obtain shareholders approval for waiver of excess remuneration of Rs. 1,763,275 from erstwhile wholetime director. The Company is in the process to intimate the Central Government about waiver of excess remuneration by the shareholders through a special resolution.

Our opinion is not modified in respect of above matter.

### Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, including the financial financial statements and our auditors' report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

### Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with

respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 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 in the financial statements 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 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 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 auditors' 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 financial statements, including the disclosures, and whether the 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.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) 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;
  - c) The balance sheet, the statement of profit and loss, and statement of cash flows dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act; and
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' 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 as at 31 March 2020 on its financial position in its financial statements - Refer Note 25A to the 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; and
  - iv. The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanation given to us, during the current year, the remuneration paid by the company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For B S R & Associates LLP**  
Chartered Accountants  
Firm's Registration No. 116231W /W-100024

Sd/-  
**Girish Arora**  
Partner  
Membership No. 098652  
ICAI UDIN:

Place: Gurugram  
Date : 30 November 2020

## Annexure A to the Independent Auditor's report of even date on the financial statements of UTC Fire & Security India Limited for the year ended 31 March 2020

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification during the year.
- (c) According to the information and explanation given to us, the Company is not holding any immovable property. Accordingly, paragraph 3(i)(c) of the Order is not applicable.
- (ii) The inventory, except goods in transit, has been physically verified by the Management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of such verification is reasonable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us, the Company has not given any loans or made any investments, or provided any guarantee, or security covered under Section 185 and Section 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the business activities carried out by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Duty of Customs, Provident Fund, Income-tax, Goods and Services tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in few cases related to payment of Income Tax. As explained to us, the Company did not have any dues on account of Sales tax, Service tax, Duty of Excise, Professional Tax, Employees' State Insurance and Value Added tax during the year.

According to the information and explanations given to us, except as disclosed below, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Duty of Excise, Duty of Customs and Cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable

Name of the statute	Nature of dues	Amount payable (In Rs. lakhs)	Period to which the amount relates	Due date	Date of payment
Finance Act, 1994	Service Tax	58	February 2007 to June 2011	Various dates	Not yet paid



- (b) According to the information and explanations given to us, there are no dues in respect of Income Tax, Sales tax, Service tax, Duty of Excise, Duty of Customs and value added tax that have not been deposited with the appropriate authorities on account of any dispute:

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Amount paid (Rs. in lakhs)	Period to which the amount relates	Date of payment
Income tax Act, 1961	Disallowance on account of arm's length price and disallowance of certain expenses	21	-	Assessment year 2009-10	Commissioner of Income tax (Appeals)
Income tax Act, 1961	Disallowance on account of arm's length price and certain expenses leading to reduction in business losses/ unabsorbed depreciation by Rs. 378 lakhs	-	-	Assessment year 2010-11	Commissioner of Income tax (Appeals)
Income tax Act, 1961	Disallowance on account of arm's length price and disallowance of certain expenses	301	45	Assessment year 2011-12	Commissioner of Income tax (Appeals)
Income tax Act, 1961	Disallowance on account of arm's length price and certain expenses leading to reduction in business losses/ unabsorbed depreciation by Rs.1,952 lakhs	-	-	Assessment year 2012-13	Commissioner of Income tax (Appeals)
Income tax Act, 1961	Disallowance on account of arm's length price and disallowance of certain expenses	5	-	Assessment year 2013-14	Commissioner of Income tax (Appeals)
Income tax Act, 1961	Disallowance on account of arm's length price and certain expenses leading to reduction in business losses/ unabsorbed depreciation by Rs. 1,463 lakhs	-	-	Assessment year 2014-15	Commissioner of Income tax (Appeals)
Central Sales tax Act, 1961	Demand against non-submission of various Forms	35	10	2003-05	Deputy commissioner Sales tax, Vapi (Gujarat)
Sales tax/ Value added tax Act of Bihar	Demand against non-submission of various Forms	100	151	2005-06 to 2009-10	Commissioner of Commercial Taxes, Bihar
Sales tax/ Value added tax Act of Orissa	Demand against non-submission of various Forms	2	-	1993-94	Orissa sales tax tribunal, Cuttack
Sales tax/ Value added tax Act of Andhra Pradesh	Demand against non-submission of various Forms	21	5	2007-08 and 2008-09	Sales tax Appellate tribunal, Visakhapatnam
Sales tax/ Value added tax Act of Maharashtra	Demand against non- submission of various Forms	792	102	2012-13	Joint Commissioner of Sales Tax (Appeals)
Sales tax/ Value added tax Act of Maharashtra	Demand against non- submission of various Forms	56	16	2014-15	Deputy Commissioner of State Tax, Mumbai
BPMC (Cess on entry of goods) Rules, 1996	Demand against non-submission of various Forms	255	61	2007-08 and 2008-09	Commissioner – Appeals
Central Excise Act, 1994	Excise duty liability	6	1	1986-87 to 1998-89	CESTAT, Ahmedabad
Central Excise Act, 1994	Excise duty liability	9	-	March 1995 to February 1997	Assistant Commissioner Central Excise & Customs, Daman
Central Excise Act, 1994	Excise duty liability	3	-	August 1997 to December 1997	Assistant Commissioner Central Excise & Customs, Daman
Central Excise Act, 1994	Excise duty liability	2	-	2006-07	Assistant Commissioner Central Excise & Customs, Daman
Central Excise Act, 1994	Excise duty liability	1	-	January 1999 to March 1999	Officer of the Supd. Of Central Excise, Umbergaon
Central Excise Act, 1994	Excise duty liability	26	-	January 1998 to December 1998 and September 1999 to January 2000	Assistant Commissioner Central Excise & Customs, Surat

Central Excise Act, 1994	Excise duty liability	1	-	January 1999 to March 1999	Deputy Commissioner of Central Excise, Vapi
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Note: The above excludes cases which have been remanded back to the Assessing officer. The total demand in respect of these cases amounts to Rs. 403 lakhs against which Rs. 118 lakhs have been deposited under protest.

- (viii) In our opinion and according to the information and explanations given to us, the Company did not have any loans or borrowings from any financial institution, government or dues to debenture holders during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
- (ix) According to the information and explanations given to us and our examination of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company, hence paragraph 3(xii) of the Order is not applicable.
- (xiii) According to 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. The details of such related party transactions have been disclosed in the financial statements as required by applicable accounting standards.
- (xiv) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-1 A of the Reserve Bank of India Act, 1934.

**For B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No. 116231W /W-100024

*Sd/-*

**Girish Arora**

Partner

Membership No. 098652

ICAI UDIN:

Place: Gurugram  
Date : 30 November 2020

## **Annexure B to the Independent Auditors' report of even date on the financial statements of UTC Fire & Security India Limited for the year ended 31 March 2020**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Opinion**

We have audited the internal financial controls with reference to financial statements of UTC Fire & Security India Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to 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 (the "Guidance Note").

### **Management's Responsibility for Internal Financial Controls**

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to 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 Companies Act, 2013 (hereinafter referred to as "the Act").

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 financial statements were established and maintained and whether 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 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 financial statements.



### **Meaning of Internal Financial controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

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

#### **For B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No. 116231W /W-100024

*Sd/-*

#### **Girish Arora**

Partner

Membership No. 098652

ICAI UDIN:

Place: Gurugram  
Date : 30 November 2020

**UTC FIRE & SECURITY INDIA LIMITED**  
**Balance Sheet as at March 31, 2020**
*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>I. Equity and Liabilities</b>			
<b>(1) Shareholders' funds</b>	3	30,684	30,684
(a) Share Capital	4	(5,321)	(12,627)
(b) Reserves and Surplus		<b>25,364</b>	<b>18,057</b>
<b>(2) Non Current Liabilities</b>			
(a) Long Term Provisions	5	888	838
(b) Other Long term Liabilities	6	720	158
		1,608	996
<b>(3) Current Liabilities</b>			
(a) Trade Payables	7	-	-
total outstanding dues of micro and small enterprises; and		-	-
total outstanding of creditors other than micro and small enterprises		2,898	3,132
(c) Other Current Liabilities	8	3,898	3,366
(d) Short Term Provisions	9	1,550	1,477
		8,346	7,975
<b>Total</b>		<b>35,317</b>	<b>27,028</b>
<b>II. Assets</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment			
- Tangible Assets		2,687	2,326
- Intangible Assets		67	95
(b) Capital work-in-progress	10	98	-
(c) Deferred tax assets (Net)	38	2,389	-
(d) Long Term Loans and Advances	11	3,500	1,765
		<b>8,741</b>	<b>4,186</b>
<b>(2) Current Assets</b>			
(a) Inventories	12	1,146	857
(b) Trade Receivables	13	4,352	6,684
(c) Cash and Bank Balances	14	17,455	12,241
(d) Short Term Loans and Advances	15	1,023	891
(e) Other Current Assets	16	2,600	2,169
		26,576	22,842
<b>Total</b>		<b>35,317</b>	<b>27,028</b>

The notes referred above form an integral part of these financial statements.  
 As per our report of even date attached.

**For B S R & Associates LLP**  
 Chartered Accountants  
 Firm Registration No.: 116231W/W-100024

Sd/-  
**Girish Arora**  
 Partner  
 Membership No. 098652  
 Place : Gurugram  
 Date: 30 November 2020  
 ICAI UDIN No: 20098652AAAABL7978

**For and on behalf of the Board of Directors**  
**of UTC Fire & Security India Limited**

Sd/-  
**Vasanthi Narayana**  
 Director  
 DIN: 08319835  
 Place : Gurugram  
 Date: 30 November 2020

Sd/-  
**Uma Varadarajan**  
 Chief Financial Officer  
 Place : Gurugram  
 Date: 30 November 2020

Sd/-  
**Farokh Phiroz Madan**  
 Director  
 DIN: 07412324  
 Place : Gurugram  
 Date: 30 November 2020

Sd/-  
**Anurag Gupta**  
 Company Secretary  
 Membership No: A43500  
 Place : Gurugram  
 Date: 30 November 2020

**UTC FIRE & SECURITY INDIA LIMITED****Statement of Profit and Loss for the year ended March 31, 2020***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>I. Revenue from operations</b>	17	29,509	28,727
<b>II. Other Income</b>	18	2,437	1,689
<b>III. Total Revenue (I + II)</b>		<b>31,946</b>	<b>30,416</b>
<b>IV. Expenses</b>			
Subcontract and Site expenses		129	191
Purchases of Stock-in-trade	19 (a)	3,231	3,170
Cost of raw material consumed	19 (b)	-	-
Changes in inventories of Stock-in-trade	20	(12)	(282)
Employee benefits expense	21	17,174	15,247
Finance costs	22	60	37
Depreciation and amortization	10	974	667
Other expenses	23	5,608	6,308
<b>V. Total expenses</b>		<b>27,164</b>	<b>25,338</b>
<b>VI. Profit/(Loss) before tax (III-V)</b>		<b>4,782</b>	<b>5,078</b>
<b>VII. Tax expenses:</b>			
(1) Current Tax		-	97
(2) Deferred Tax	38	(2,389)	-
<b>VIII. Profit / (Loss) for the year (VI-VII)</b>		<b>7,171</b>	<b>4,981</b>
<b>IX. Profit / (Loss) per equity share [Nominal value per Equity Share Rs. 10 (Previous Year Rs. 10)]</b>	36		
(1) Basic		2.34	1.62
(2) Diluted		2.34	1.62

The notes referred above form an integral part of these financial statements.

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No.: 116231W/W-100024

Sd/-

**Girish Arora**

Partner

Membership No. 098652

Place : Gurugram

Date: 30 November 2020

ICAI UDIN No: 20098652AAAABL7978

**For and on behalf of the Board of Directors  
of UTC Fire & Security India Limited**

Sd/-

**Vasanthi Narayana**

Director

DIN: 08319835

Place : Gurugram

Date: 30 November 2020

Sd/-

**Uma Varadarajan**

Chief Financial Officer

Place : Gurugram

Date: 30 November 2020

Sd/-

**Farokh Phiroz Madan**

Director

DIN: 07412324

Place : Gurugram

Date: 30 November 2020

Sd/-

**Anurag Gupta**

Company Secretary

Membership No: A43500

Place : Gurugram

Date: 30 November 2020

**UTC FIRE & SECURITY INDIA LIMITED**  
**Cash Flow Statement for the year ended March 31, 2020**
*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>A. Cash flow from operating activities:</b>		
<b>Profit/(Loss) before tax &amp; exceptional item</b>	4,782	5,078
<b>Adjustments for:</b>		
Depreciation & Amortization	974	667
Bad Debts	0	1
Share based payments	134	118
Provision for doubtful debts	92	64
(Reversal)/Provision for slow / Non moving inventory	(89)	123
Liabilities/ Provisions no longer required written back	(478)	(397)
Provision for litigation no longer required written back	-	(114)
(Reversal)/Provision for doubtful advances	(8)	-
(Reversal)/ Provision for foreseeable loss on projects	-	(19)
(Reversal)/ Provision for Liquidated Damages	70	-
Interest expense	42	37
Interest on finance lease	18	-
Interest income	(729)	(448)
Unrealised Foreign Exchange Gain (Net)	(196)	(143)
Advances written off	61	518
Forward contract Discount	-	(56)
Loss on sale of asset	6	-
<b>Operating Gain before working capital changes before exceptional item</b>	<b>4,679</b>	<b>5,429</b>
(Decrease) / Increase in trade payables	(207)	477
(Decrease) / Increase in provisions	531	95
(Decrease) / Increase in other liabilities	807	196
Decrease / (Increase) in trade receivables	2,464	(1,039)
Decrease / (Increase) in Inventory	(289)	(282)
Decrease / (Increase) in loans and advances and other current assets	(1,187)	(913)
<b>Cash generated from operations</b>	<b>6,798</b>	<b>3,963</b>
Taxes paid	(1,118)	(105)
<b>Net cash generated from operations</b>	<b>5,680</b>	<b>3,858</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of Property, Plant & Equipment including capital work in progress (Net of capital creditors)	(1,410)	(69)
Interest received on deposits	675	412
<b>Net cash generated from/(used in) investing activities</b>	<b>(735)</b>	<b>343</b>
<b>C. Cash flow from financing activities :</b>		
Payment of finance lease	269	-
<b>Net cash generated from financing activities</b>	<b>269</b>	<b>-</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>5,214</b>	<b>4,201</b>



Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Add: Cash and cash equivalents at the beginning of the year	12,220	8,019
<b>Cash and cash equivalents at the end of the year</b>	<b>17,434</b>	<b>12,220</b>
<i>Cash and Bank Balances (as per schedule : 14)</i>	17,455	12,241
Less: Deposits held as Margin Money with Banks	21	21
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>17,434</b>	<b>12,220</b>
	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Cash and Cash Equivalents</b>		
Balances with Banks in Current Account	2,764	5,520
Demand Deposits (less than 3 months maturity)	14,670	6,700
	<b>17,434</b>	<b>12,220</b>

**Notes:**

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 on Cash Flow Statements as specified under section 133 of the Act.
2. Figures in brackets indicate outflow of cash and cash equivalents.

The notes referred above form an integral part of these financial statements.

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No.: 116231W/W-100024

Sd/-

**Girish Arora**

Partner

Membership No. 098652

Place : Gurugram

Date: 30 November 2020

ICAI UDIN No: 20098652AAAABL7978

**For and on behalf of the Board of Directors  
of UTC Fire & Security India Limited**

Sd/-

**Vasanthi Narayana**

Director

DIN: 08319835

Place : Gurugram

Date: 30 November 2020

Sd/-

**Uma Varadarajan**

Chief Financial Officer

Place : Gurugram

Date: 30 November 2020

Sd/-

**Farokh Phiroz Madan**

Director

DIN: 07412324

Place : Gurugram

Date: 30 November 2020

Sd/-

**Anurag Gupta**

Company Secretary

Membership No: A43500

Place : Gurugram

Date: 30 November 2020

## **UTC FIRE & SECURITY INDIA LIMITED**

### **Notes to the Financial Statements for the year ended March 31, 2020**

#### **1. General Information**

UTC Fire & Security India Limited ("the Company") is a public Company incorporated on 6<sup>th</sup> June 1981, primarily engaged in the business of erection, installation and maintenance of fire protection and security systems, trading of products in relation to Fire and Security and research and development services to its group companies in the area of information technology related support services for the Fire and Security business.

#### **2. Summary of significant accounting policies**

##### **a) Basis of preparation**

These financial statements have been prepared and presented on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India. Indian GAAP comprises mandatory Accounting Standards as specified under the section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 and other accounting pronouncements of the Institute of Chartered Accountants India.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as less than one year for the purpose of current and non-current classification of assets and liabilities, except for certain projects business. The project (supply and construction of fire protection systems) business comprises long term contracts which have an operating cycle exceeding one year. For classification of current assets and liabilities related to projects business, the Company uses the duration of the individual life cycle of the contract as its operating cycle.

##### **b) Property, plant and equipment**

Property, plant and equipment are stated at cost of acquisition/ construction less accumulated depreciation and accumulated impairment loss, if any. Cost of acquisition comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in a manner intended by management. Elements of cost also includes the initial estimate of the cost of dismantling, removing the item and restoring the site on which it is located, referred to as "decommissioning, restoration and similar liabilities", the obligation for which an enterprise incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement/discarding of, and gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

## **Depreciation**

Depreciation is provided on pro-rata basis on the straight-line method over the estimated useful lives of the property, plant and equipment which are specified under Schedule II to the Companies Act, 2013, except in case of certain office equipment which are depreciated over a period of 5 years and assets individually costing INR 5,000 or less, which are depreciated 100 % in the year of acquisition.

Leasehold Improvements are amortized on a straight-line basis at the lower of period of lease and estimated useful life.

Depreciation is calculated on a pro-rata basis for assets purchased/sold during the year.

The appropriateness of useful lives and depreciation method is reviewed by the management each financial year.

### **c) Intangible Assets and Amortization**

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

Amortization of Intangible asset (software) is based on the management's estimate of useful lives of respective Intangible asset, which is 5 years.

The appropriateness of useful lives and amortization method is reviewed by the management each financial year.

### **d) Impairment of Assets**

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

### **e) Borrowing Cost**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

### **f) Foreign Currency Transactions**

#### **Initial Recognition**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the monthly average rate which closely approximates the transaction rate.

#### **Subsequent Recognition**

Monetary assets and liabilities are restated at the year-end exchange rates and the resultant gains or losses are recognized in Statement of Profit and Loss.

**g) Inventories**

Cost of Stock-in-trade is computed on weighted average basis. Cost include cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Inventories are stated at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Provision for excess inventory and inventory obsolescence is determined based on management's estimate.

**h) Revenue Recognition**

Sale of goods are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and no significant uncertainty exists regarding the amount of consideration that is derived from sale of goods.

Revenue in respect of Supply and Construction of Fire Protection Systems are recognized based on the percentage of completion method. However, provisions are made for anticipated losses (if any) for contracts to be completed in future. The percentage completion is determined based on the actual costs vis-a-vis the total estimated cost of a contract. Cost in the nature of taxes and duties are considered on actual basis as it is not considered feasible by the management to estimate the same.

Revenue from Research and Development services is recognised as the related services are rendered in accordance with the terms of contract.

Commission income is recognised on accrual basis as and when the related services are rendered.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Service charges from related parties are recognised on the basis of mutually agreed terms for shared services used by the related parties.

**i) Employee Benefits****a) Defined Contribution Plans**

The Company has Defined Contribution plans for post employment benefits namely Provident Fund which is administered through appropriate authorities. The Company contributes to a Government administered Provident Fund, Employees' Deposit Linked Insurance Scheme and Family Pension Fund on behalf of its employees and has no further obligation beyond making its contribution. The Company makes contributions to State plans namely Employees' State Insurance Fund and has no further obligation beyond making the payment to them. The Company's contributions to the above funds are charged to the Statement of Profit and Loss every year.

**b) Defined Benefit Plans**

The Company has a Defined Benefit plan namely Gratuity covering all of its employees. The gratuity scheme is funded through Employees' Group Gratuity Scheme which is administered by Life Insurance Corporation of India ('LIC').

The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation, carried out by an independent actuary, at the year-end using projected unit credit method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss as income or expense.

**c) Termination benefits are recognised as an expense in the Statement of Profit and Loss as and when incurred.**



d) Other Employee Benefits

The employees of the Company are entitled to compensate absences as per the leave policy of the Company.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

e) Share based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in reserves and surplus, over the period that the employees unconditionally become entitled to the awards. The amount recognized 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 recognized 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.

**j) Lease**

Assets acquired as leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as Operating Leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the period of lease.

**k) Current and Deferred Tax**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the company reassesses unrecognised deferred tax assets, if any.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

In situations, where the company has unabsorbed depreciation or carry forward losses under tax laws, MAT credit and deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set



off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

**l) Provision and Contingent Liabilities**

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**m) Warranty**

Provision for liabilities towards warranty cost is made based on Management estimates, technical evaluation and past experience.

**n) Segment Reporting**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company.

Revenue and expenses have been accounted for based on their relationship to the operating activities of the segment. Revenue which relates to the Company as a whole and is not allocable to segments on a reasonable basis has been included under "Interest Income" and "Rental Income". Expenses which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "Interest Expense".

**o) Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

**p) Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as issue of shared, bonus shares, other than the conversion of potential equity shares, which have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**q) Derivatives and Hedging activities**

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortized as expense or income over the life of the contract. Exchange differences on such a contract are recognized in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or losses arising on cancellation or renewal of such a forward exchange contract are recognized as income or as expense for the period.

**UTC FIRE & SECURITY INDIA LIMITED**
**Notes to the Financial Statements for the year ended March 31, 2020**
*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2020	As at March 31, 2019
<b>3. Share Capital</b>		
<b>Authorised :</b>		
308,000,000 (Previous year: 308,000,000) Equity Shares of Rs. 10 each.	30,800	30,800
	<b>30,800</b>	<b>30,800</b>
<b>Issued, Subscribed and Paid up :</b>		
306,842,368 (Previous year: 306,842,368) Equity Shares of Rs. 10 each fully paid up.	30,684	30,684
	<b>30,684</b>	<b>30,684</b>

**a. Reconciliation of Number of Equity Shares outstanding as at the beginning and at the end of the year is as under:**

Particulars	Numbers		Amount	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	Number of shares outstanding as at the beginning of the year	30,68,42,368	30,68,42,368	30,684
Add: Shares issued during the year	-	-	-	
Number of shares outstanding as at the end of the year	30,68,42,368	30,68,42,368	30,684	30,684

**b. Rights, preferences and restrictions attached to shares**

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.

	Percentage Holding	Numbers		Amount	
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016

**c. Shareholder holding more than 5% of Share Capital**

Kidde International Ltd, U.K. - Holding Company	99.83%	30,63,13,606	30,63,13,606	30,631	30,631
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d. As on 31<sup>st</sup> March 2020, the Company's Ultimate holding company is United Technologies Corporation Inc., U.S.A. Subsequently on 3<sup>rd</sup> April 2020 after the Global Spin of Carrier Global Corporation and United Technologies Corporation, the Ultimate holding company has been changed to Carrier Global Corporation, U.S.A.

	As at March 31, 2020	As at March 31, 2019
<b>4. Reserves And Surplus</b>		
<b>Capital Redemption Reserve</b>		
Balance at the beginning and at the end of the year	5	5
<b>Securities Premium Account</b>		
Balance as at the beginning of the year	8,927	8,927
Add: Addition during the year	-	-
Balance as at the end of the year	8,927	8,927
<b>General Reserve</b>		
Balance at the beginning and at the end of the year	454	454
Balance as at the end of the year	454	454
<b>Deficit in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	(22,343)	(27,324)
Add: Profit/(Loss) for the year	7,171	4,981
Balance as at the end of the year	(15,172)	(22,343)

**UTC FIRE & SECURITY INDIA LIMITED**
**Notes to the Financial Statements for the year ended March 31, 2020**
*All amounts in Rs. Lakhs, unless otherwise stated)*

	As at March 31, 2020	As at March 31, 2019
<b>Share options outstanding account</b>		
Balance as at the beginning of the year	330	212
Add: Addition during the year	134	118
Balance as at the end of the year	464	330
	<b>(5,321)</b>	<b>(12,627)</b>
<b>5. Long Term Provisions</b>		
Provision for employee benefits:		
- Gratuity (Refer Note 31)	250	260
- Compensated Absences	262	244
Provision for De-commissioning cost	376	334
	<b>888</b>	<b>838</b>
<b>6. Other Long term Liabilities</b>		
Lease Equalisation Reserve	100	158
Finance lease	620	-
	<b>720</b>	<b>158</b>
<b>7. Trade Payables</b>		
(a) total outstanding dues of micro and small enterprises; and (refer note 40)	-	-
(b) total outstanding dues of creditors other than micro and small enterprises	2,898	3,132
	<b>2,898</b>	<b>3,132</b>
<b>8. Other Current Liabilities</b>		
Advance from Customers	193	222
Unearned Revenue	728	738
Employee liabilities	31	73
Statutory liabilities	454	581
Unamortized Premium on Forward Contract	-	56
Forward Contract Payable	2,155	1,696
Current portion of finance lease	240	-
Others	97	-
	<b>3,898</b>	<b>3,366</b>
<b>9. Short Term Provisions</b>		
Provision for Employee benefits:		
- Compensated Absences	74	62
- Gratuity (Refer note 31)	100	100
Provision for Warranty (Refer Note 39)	12	21
Provision for foreseeable Losses on Projects (Refer Note 39)	299	299
Provision for Litigation/disputes (Refer Note 39)	971	971
Provision for Liquidated Damages (Refer Note 39)	94	24
	<b>1,550</b>	<b>1,477</b>

## UTC FIRE & SECURITY INDIA LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

All amounts in Rs. Lakhs, unless otherwise stated)

#### 10. Property, Plant and Equipment

Particulars	GROSS BLOCK (at cost)			DEPRECIATION				NET BOOK VALUE
	As at April 1, 2019	Additions during the year	Adjustments / Deductions (refer note (b))	As at March 31, 2020	As at April 1, 2019	Additions during the year	Adjustments / Deductions (refer note (b))	As at March 31, 2020
<b>Tangible Assets</b>								
Leasehold Improvements [Refer Note (a) below]	2,434	61	6	2,489	1,163	484	6	1,641
Furniture and Fixtures [Refer Note (a) below]	806	3	34	775	266	89	29	326
Office Equipment	744	38	11	771	282	72	10	344
Computers & Computer peripherals	615	99	25	689	562	43	25	580
Laptop and Computers (Finance Lease)	-	1,112	-	1,112	-	258	-	258
<b>Subtotal (a)</b>	<b>4,599</b>	<b>1,313</b>	<b>76</b>	<b>5,836</b>	<b>2,273</b>	<b>946</b>	<b>70</b>	<b>3,149</b>
<b>Intangible Assets</b>								
Software	142	-	-	142	46	28	-	74
Subtotal (b)	142	-	-	142	46	28	-	74
<b>Total (a) + (b)</b>	<b>4,741</b>	<b>1,313</b>	<b>76</b>	<b>5,978</b>	<b>2,318</b>	<b>974</b>	<b>70</b>	<b>3,223</b>
								<b>2,754</b>
Particulars	GROSS BLOCK (at cost)			DEPRECIATION				NET BOOK VALUE
	As at April 1, 2018	Additions during the year	Adjustments / Deductions (refer note (b))	As at March 31, 2019	As at April 1, 2018	Additions during the year	Adjustments / Deductions (refer note (b))	As at March 31, 2019
<b>Tangible Assets</b>								
Leasehold Improvements [Refer Note (a) below]	2,493	-	(59)	2,434	710	469	(16)	1,163
Furniture and Fixtures [Refer Note (a) below]	750	-	56	806	165	86	15	266
Office Equipment	709	32	3	744	222	59	1	282
Computers & Computer peripherals	583	32	-	615	536	26	-	562
<b>Subtotal (a)</b>	<b>4,535</b>	<b>64</b>	<b>0</b>	<b>4,599</b>	<b>1,633</b>	<b>640</b>	<b>(0)</b>	<b>2,273</b>
<b>Intangible Assets</b>								
Software	137	5	-	142	19	27	-	46
Subtotal (b)	137	5	-	142	19	27	-	46
<b>Total (a) + (b)</b>	<b>4,672</b>	<b>69</b>	<b>0</b>	<b>4,741</b>	<b>1,652</b>	<b>667</b>	<b>(0)</b>	<b>2,319</b>
								<b>2,421</b>

#### Note:

- (a) A portion of the Leasehold Improvements and Furniture and Fixtures have been given on operating lease to the group Companies. Consequently, leasehold improvements and Furniture & fixture sub-leased are having Gross Block Nil lakhs; Depreciation 4.46 lakhs & Net Block Nil lakhs, as at 31st March 2020 (Previous Year Gross Block 19.12 lakhs, Depreciation 14.66 lakhs & Net Block 4.46 lakhs).
- (b) During the previous year, physical verification was performed at one of the premises, basis which certain assets were found to be incorrectly capitalized between various categories of assets and accordingly, have been reclassified to their respective categories.

**UTC FIRE & SECURITY INDIA LIMITED****Notes to the Financial Statements for the year ended March 31, 2020***All amounts in Rs. Lakhs, unless otherwise stated)*

	As at March 31, 2020	As at March 31, 2019
<b>11. Long Term Loans and Advances</b>		
Unsecured, considered good :		
Security Deposits	1,379	662
Advance income tax and Tax Deducted at Source	1,613	495
Deposit under protest	508	608
	<b>3,500</b>	<b>1,765</b>
<b>12. Inventories (At lower of cost and net realisable value)</b>		
Raw Material	196	-
Stock-in-trade (includes Goods-in-transit Rs. 490 lakhs (Previous Year Rs. 348 lakhs))	1,206	1,194
Less : Provision for Slow and Non moving stock	(256)	(337)
	<b>1,146</b>	<b>857</b>
<b>13. Trade Receivables</b>		
Unsecured considered good :		
Outstanding for period exceeding 6 months from the date they are due for payment	164	124
Others	4,188	6,560
	4,352	6,684
Unsecured considered doubtful :		
Outstanding for period exceeding 6 months from the date they are due for payment	1,797	1,794
Less: Provision for doubtful debts	(1,797)	(1,794)
	-	-
	<b>4,352</b>	<b>6,684</b>
<b>14. Cash and Bank Balances</b>		
<b>Cash and Cash Equivalents :</b>		
Balances with Banks in Current Account	2,764	5,520
Demand Deposits (less than 3 months maturity)	14,670	6,700
	17,434	12,220
Other Bank Balances :		
Deposits with Banks held as Margin Money (maturity more than 3 months but less than 12 months)	21	21
	<b>17,455</b>	<b>12,241</b>
<b>15. Short Term Loans and Advances</b>		
Unsecured considered good, unless otherwise stated :		
Security deposits	1	1
Advance to employees	2	9
Prepaid expenses	342	25
Advance to suppliers	323	511
Balance with Government Authorities	352	308
Others	3	37
Unsecured considered Doubtful :		
Advance to suppliers	67	67
Balance with Government Authorities	109	22
Less: Provision for doubtful debts	(176)	(89)
	-	-
	<b>1,023</b>	<b>891</b>

**UTC FIRE & SECURITY INDIA LIMITED**
**Notes to the Financial Statements for the year ended March 31, 2020**
*All amounts in Rs. Lakhs, unless otherwise stated)*

	Year ended March 31, 2020	Year ended March 31, 2019
<b>16. Other current assets</b>		
Interest accrued but not due		
Forward Contract Receivable	93	39
Unbilled revenue	2,127	1,756
	380	374
	<b>2,600</b>	<b>2,169</b>
<b>17. Revenue From Operations</b>		
Sale of products and spares	4,349	3,715
Revenue from Supply and Installation of Fire Protection Systems (Refer Note 30)	-	124
<b>Sale of Services:</b>		
Revenue from Installation and Maintenance Services	68	125
Commission income	1,110	1,096
Research and Development Services*	23,982	23,667
	<b>29,509</b>	<b>28,727</b>
* Includes prior period income of Rs.Nil lakhs (Previous year Rs.1417 lakhs)		
<b>Details of Sales (Products and Spares) :</b>		
Detectors	1,573	1,678
Devices	651	729
Panels	483	510
Accessories and Others	1,642	798
	<b>4,349</b>	<b>3,715</b>
<b>18. Other Income</b>		
Interest Income from Bank	729	448
Rent Income	215	216
Provisions/Liabilities no longer required written back #*	567	397
Provision for litigation no longer required written back (Refer note 39) @	-	114
Gain on Foreign Exchange Fluctuation(Net)	353	199
Service Charges	226	286
Reversal of provision for Foreseeable Losses on Projects	-	19
Provision for doubtful debts written back (Net)	8	-
Profit on transfer of assets (Refer Note 46 )	339	-
Miscellaneous Income	-	10
	<b>2,437</b>	<b>1,689</b>
# includes prior period of Rs.Nil lakhs (previous year Rs.112 lakhs)		
* includes reversal of provision for slow/non moving-inventory Rs.89 lakhs (previous year Rs.Nil lakhs)		
@ includes prior period of Rs Nil lakhs (previous year Rs.101 lakhs)		
<b>19. a) Purchase of stock in trade</b>	3,231	3,170
	<b>3,231</b>	<b>3,170</b>
<b>Details of Purchase of stock in trade</b>		
Detectors	1,138	1,145
Devices	553	511
Panels	427	392
Accessories and Others	1,113	1,122
	<b>3,231</b>	<b>3,170</b>

## UTC FIRE & SECURITY INDIA LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

*All amounts in Rs. Lakhs, unless otherwise stated)*

	Year ended March 31, 2020	Year ended March 31, 2019
<b>19. b) Cost of raw material consumed</b>		
Inventory of materials at the beginning of the year	-	-
Add: Purchases	196	-
Less: Inventory of materials at the end of the year	(196)	-
Consumption of raw material	-	-
<b>20. Changes In Inventories of Stock-in-Trade</b>		
Opening Inventory	1,194	912
Less: Closing Inventory	1,206	1,194
	<b>(12)</b>	<b>(282)</b>
<b>21. Employee Benefits Expense</b>		
Salaries, wages and bonus	15,834	14,091
Contribution to provident fund and other funds [Refer Note 31(A)]	664	602
Gratuity Expenses [Refer Note 31(B)(vi)]	305	255
Staff welfare expenses	237	181
Share based payments (Refer Note 34)	134	118
	<b>17,174</b>	<b>15,247</b>
<b>22. Finance Costs</b>		
Interest - Others	42	37
Interest on finance lease	18	-
	<b>60</b>	<b>37</b>
<b>23. Other Expenses</b>		
Expenditure towards Corporate Social Responsibility (Refer note 45)	35	-
Consumption of stores and spare parts	168	197
Cost of Service	43	73
Power and fuel	156	150
Rent (Refer Note 35)	1,363	1,297
Rates and taxes	209	70
Repairs and Maintenance	444	417
Insurance	425	364
Auditors Remuneration (Refer Note 29)	22	22
Travelling and conveyance	700	1,041
Communication costs	50	43
Legal and professional fees	335	402
Bad debts	0	1
Provision for doubtful debts/ advance	92	64
Provision for slow/non-moving Inventory	-	123
Office Expenses	142	120
Business Support Services	116	74
Advances written off	61	518
Fixed Assets discarded / Written off	6	-
IT Support Charges and Software expenses	809	984
Provision for Liquidated Damages(Refer Note 39)	70	-
Miscellaneous	361	348
	<b>5,608</b>	<b>6,308</b>

24. The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020.



## UTC FIRE & SECURITY INDIA LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

*All amounts in Rs. Lakhs, unless otherwise stated)*

	Year ended March 31, 2020	Year ended March 31, 2019
<b>25. A. Contingent Liabilities to the extent not provided for</b>		
a. Demands / Show Cause notice raised by excise authorities which are contested by the Company	7	232
b. Demands raised by Sales Tax authorities against which the Company has filed appeals	909	855
c. Demands raised by Income Tax authorities against which the Company has filed appeals	327	327
d. Claims against the company not acknowledged as debt	84	84
e. Liquidated Damages*	890	814
	<b>2,217</b>	<b>2,312</b>
<p>The amount shown in the items (a) to (d) 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.</p> <p>*In respect of the contracts entered by the Company, if the Company fails to complete the commitments under the contract, penalty in the form of liquidated damages may be charged by the Customer. However, considering ongoing transactions with the customers the management does not consider all leviable amounts under the customer contracts as probable.</p> <p>In February 2019, the Honorable Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. However, currently, there is significant uncertainty as to how the liability should be calculated as it is impacted by multiple variables, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. Owing to the aforesaid uncertainty and the interpretative challenges on the application of this judgement, the amount of Provident Fund obligation, if any, in respect to earlier periods cannot be reliably estimated.</p>		
<b>25 B. Other Commitments :</b>		
a. Value of custom duty in respect of export obligation (against advance licenses) remaining to be met at year end	8	8
<b>26. CIF Value of Imports</b>		
Purchase of traded goods and components	2,875	2,644
	<b>2,875</b>	<b>2,644</b>
<b>27. Expenditure in foreign currency</b>		
Travelling	257	393
IT Support charges and Software expenses	338	211
Other expenses	30	5
	<b>625</b>	<b>609</b>
<b>28. Earnings in foreign exchange</b>		
Commission	1,110	1,096
Research and Development services	23,982	23,667
	<b>25,092</b>	<b>24,763</b>
<b>29. Auditors' Remuneration (Exclusive of applicable taxes)</b>		
As Auditors		
- Audit Fees	18	18
- Out-of-Pocket Expenses	3	3
- Other services	1	1
	<b>22</b>	<b>22</b>

**UTC FIRE & SECURITY INDIA LIMITED**
**Notes to the Financial Statements for the year ended March 31, 2020**
*All amounts in Rs. Lakhs, unless otherwise stated)*
**30. Disclosures pursuant to Accounting Standard (AS) 7 (Revised)**

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
I	Contract revenue recognised for the year	-	124
II	Aggregate amounts of costs incurred and recognised profits (less recognised losses) up to the reporting date	13,367	13,367
III	Amount of customer advances outstanding for contracts-work-in-progress as at the year end	146	89
IV	Amount of retentions not due from customers for contracts- work-in-progress as at the year end	1,006	1,063
V	<b>Amount due from customers</b>		
	Amounts due from customers on contracts accounted under Percentage of Completion (PoC) is arrived at as below [for all contracts-work-in-progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings]		
	a) Aggregate amounts of costs incurred and recognised profits (less recognised losses) up to the reporting date	2,524	2,524
	b) Less: Aggregate amount of progress billings	2,520	2,520
		<b>4</b>	<b>4</b>
VI	<b>Amount due to customers</b>		
	Amounts due to customers on contracts accounted under PoC is arrived at as below [for all contracts-work-in-progress for which progress billings exceeds costs incurred plus recognised profits (less recognised losses)]		
	a) Aggregate of progress billings	11,679	11,679
	b) Less: Aggregate amounts of costs incurred and recognised profits (less recognised losses) up to the reporting date.	10,842	10,842
		<b>837</b>	<b>837</b>

**31. Employees Benefits**

The disclosures as required as per the revised AS-15 (Revised 2005) are as under:

**(A) Defined Contribution Plans**

The Company has recognised the following amounts in the Statement of Profit and Loss for the year based on employer's contribution:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contribution to Provident Fund	461	206
Contribution to Family Pension Fund	203	396
<b>Total*</b>	<b>664</b>	<b>602</b>

\*Included in Note 21 - 'Employee benefits expense'

**(B) Defined Benefit Plans**
**Gratuity:**

In accordance with Accounting Standard 15 (Revised 2005), actuarial valuation was done in respect of defined benefit plan of gratuity based on the following assumptions:

	Year ended March 31, 2020	Year ended March 31, 2019
Discount Rate (per annum)	6.40%	7.40%
Rate of increase in Compensation Levels	8.00%	7.50%
Rate of Return on Plan Assets (Per annum)	7.00%	8.00%
Retirement Age	60 Years	60 Years
Mortality Table	IALM 2012-14	IALM 2006-08
<b>Attrition rate:</b>		
<b>Age (years)</b>	<b>Rates (p.a.)</b>	<b>Rates (p.a.)</b>
21-30	14.00%	15.55%
31-40	15.00%	11.75%
41-50	14.00%	13.93%
51-59	13.00%	9.52%

The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factor such as supply and demand factors in the employee market.

**UTC FIRE & SECURITY INDIA LIMITED**
**Notes to the Financial Statements for the year ended March 31, 2020**
*All amounts in Rs. Lakhs, unless otherwise stated)*
**(i) Changes in the Present Value of Obligation**

	Year ended March 31, 2020	Year ended March 31, 2019
Present value of obligation as at the beginning of the year	771	581
Liability transferred related to OTIS business (Refer Note 46)	(161)	-
Interest cost	63	55
Current Service cost	175	152
Past service cost	-	-
Benefits Paid	(35)	(71)
Actuarial Loss	91	54
<b>Present Value of Obligation as at the end of year</b>	<b>904</b>	<b>771</b>

**(ii) Changes in the Fair value of Plan Assets**

	Year ended March 31, 2020	Year ended March 31, 2019
Fair Value of Plan Assets as at beginning of the year	409	258
Expected Return on Plan Assets	32	22
Assets acquired on acquisition	(68)	-
Contributions by employer	221	206
Actuarial (Gain)	(5)	(6)
Benefits Paid	(35)	(71)
<b>Fair Value of Plan Assets as at the end of year</b>	<b>554</b>	<b>409</b>

**(iii) Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at the year end.**

The Plan Asset for gratuity is administered by Life Insurance Corporation of India ('LIC') as per Investment Pattern stipulated for Pension and Group Schemes Fund by Insurance Regulatory and Development Authority Regulations.

**(iv) Reconciliation of Present Value of Obligation and Fair Value of Plan Assets**

	Year ended March 31, 2020	Year ended March 31, 2019
Present Value of Obligation as at the end of the year	904	771
Fair Value of Plan Assets as at the end of the year	(554)	(409)
Unfunded Liability	350	362
Amount paid by the Company directly [Refer Note (a) below]	-	-
Net Unfunded Liability recognised in the Balance Sheet	350	362

**(v) Amount recognised in the Balance Sheet**

	Year ended March 31, 2020	Year ended March 31, 2019
Present Value of Obligation as at the end of the year	904	771
Fair Value of Plan Assets as at the end of the year	(554)	(409)
Net Balance	350	362
Net Liability recognised as at the end of the year	350	362

**(vi) Expense recognised in the Statement of Profit and Loss**

	Year ended March 31, 2020	Year ended March 31, 2019
Current Service Cost	175	152
Past service cost	-	-
Interest Cost	63	55
Expected Return on Plan Assets	(32)	(22)
Net actuarial (Gain)/ Loss	95	60
<b>Total Expense recognised in the Statement of Profit and Loss *</b>	<b>305</b>	<b>246</b>

\* Included in Employee benefits expense "Gratuity" (Refer Note "21").

## UTC FIRE & SECURITY INDIA LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

All amounts in Rs. Lakhs, unless otherwise stated

(vii) Expected Employer contribution for next year

100

100

(viii) Other Disclosures

	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
Present value of obligation at the end of the year	904	771	581	412	283
Fair value of plan Assets at the end of the year	(554)	(409)	(258)	(269)	(210)
(Surplus)/ Deficit	350	362	323	143	73
<b>Experience Adjustments:</b>					
On Plan Liabilities - (Gain)/Loss	42	43	(72)	11	9
On Plan Assets - Gain/(Loss)	(5)	(6)	(7)	(2)	(2)

(C) Other Employee Benefits

The liability for Compensated absences as at the Year end is Rs. 379 lakhs (Previous Year: Rs.182 lakhs) which includes provision for compensated absences in respect of Sick Leave is Rs.144 lakhs (Previous year Nil).

### 32. Segment Reporting

#### Primary Segment

Business segment has been considered as primary segment for disclosure. In accordance with the requirements of Accounting Standard – 17 “Segment Reporting”, the Company has determined its business segment as “Fire Protection and Security” and “Research and Development”. Fire Protection and Security business segment consists of supplying, installation and commissioning of Fire and Protection systems and selling products of group Company in relation to Fire and Security. Research and Development business segment consists of information technology related support services in relation to Fire and Security business.

Assets/ Liabilities have been accounted for based on the basis of their relationship to the operating activities of the segment. Assets and Liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under “Unallocated Assets” and “Unallocated Liability”.

Revenue and expenses have been accounted for based on their relationship to the operating activities of the segment. Revenue which relates to the Company as a whole and is not allocable to segments on a reasonable basis has been included under “Interest Income” and “Rental Income”. Expenses which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under “Interest Expense”.

	Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
		Fire Protection and Security	Research and Development	Total	Fire Protection and Security	Research and Development	Total
1.	Net Sales and Services	5,527	23,982	29,509	5,059	23,667	28,727
2.	Segment Result [Loss/(Profit)]	(2,855)	(3,433)	(6,287)	348	(4,703)	(4,355)
	Add/Less : Interest Income	-	-	729	-	-	448
	Add/Less : Rental Income	-	-	215	-	-	216
	Add : Interest Expense	-	-	60	-	-	37
	Profit after taxation	-	-	(7,171)	-	-	(4,981)
3.	Capital Employed						
	Segment Assets	6,735	9,514	16,249	6,126	8,165	14,291
	Add : Unallocated Assets	-	-	19,068	-	-	12,737
	Total Assets	-	-	35,317	-	-	27,028
	Segment Liabilities	4,420	5,534	9,954	6,664	2,308	8,972
	Add : Unallocated Liabilities	-	-	-	-	-	-
	Total Liabilities	-	-	9,954	-	-	8,972
	Capital Expenditure	26	1,287	1,313	-	69	69
4.	Depreciation expense	7	967	974	3	664	667
5.	Non Cash Expenditure	-	-	(603)	-	-	(541)

## UTC FIRE & SECURITY INDIA LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

#### Secondary Segment

The Company has identified its secondary segment as the geographical segment, based on the location of the customer. Customers are classified as either "Within India" or "Outside India".

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenue from external customers	4,417	25,092	29,509	3,964	24,763	28,727
Carrying amount of Segment Assets	32,489	2,828	35,317	22,486	4,543	27,028
Capital Expenditure during the year	1,313	-	1,313	69	-	69

#### 33. Related Party Disclosure

Related Party Disclosure as required by Accounting Standard 18, "Related Party Disclosure" are given below :

- I Ultimate Holding Company  
United Technologies Corporation Inc., U.S.A.
- II Holding Company  
Kidde International Limited, U.K.
- III **Enterprises under common control \***  
Automated Logic Corporation  
Autronica Fire and Security As, Norway  
BIS Systems & Controller Engineering  
Carrier Airconditioning & Refrigeration Limited, India  
Carrier Airconditioning & Refrigeration China  
Carrier A/C Sales & Service  
Carrier Asia Limited  
Carrier Corporation, U.S.A  
Carrier Race Technologies Private Limited, India  
Carrier Transicold  
Chemtron Fire Systems  
Chubb Alba Control Systems Limited, India  
Detector Electronics Corporation, Singapore  
EMS Limited  
Fireye, Inc.  
FS Prod Dist Polska  
Guangdong Shengjie Fire Protection  
Gulf Security Technology Corp Ltd, China  
Kidde Danmark A/S  
Kidde Deutschland GmbH  
Kidde Fenwal Inc.  
Kidde Fire Protection Limited  
Walter kidde portable equipment  
Lenel Systems International, Inc  
OTIS Elevator Co. USA  
Otis Elevator Company (India) Limited, India  
OTIS Global Services Center Private Limited  
Onity Inc

**UTC FIRE & SECURITY INDIA LIMITED**
**Notes to the Financial Statements for the year ended March 31, 2020**
*All amounts in Rs. Lakhs, unless otherwise stated*

Sensitech  
 UT Electronic Controls  
 UTC Fire & Security Americas Corp Inc. Bradenton  
 UTC Fire & Security B.V  
 UTC FS Hong Kong Ltd  
 UTC Fire & Security Management,China  
 UTC Fire & Security Singapore Pte Ltd.  
 UTC Fire & Security- Spain  
 UTC Fire & Security, Finland  
 UTC Fire & Security-Mec-Australia  
 UTC Fire & Security Trading Co Ltd  
 Walter Kidde

**IV. Key Management Personnel**

Mr. Balasubramaniam Prasad	Whole time Director
Mrs.Vasanthi Narayana	Whole time Director
Mr. Muthalagappan Karuppiah	Whole time Director (w.e.f. 20 August 2019)
Ms. Uma Varadarajan	Chief Financial Officer (w.e.f. 24 April 2019)

\*The list of parties above have been limited to the entities with whom transactions have taken place during the year/previous year or balances are outstanding as at the year end/previous year.

Nature of Transaction/ Name of the Related party	Ultimate Holding Company	Enterprises under common control	Key Management Personnel	Total
<b>Sales and Services</b>				
Carrier Airconditioning & Refrigeration Limited, India	-	35	-	35
	(-)	(6)	(-)	(6)
Chubb Alba Control Systems Limited, India	-	58	-	58
	(-)	(13)	(-)	(13)
Others	-	1	-	1
	(-)	(1)	(-)	(1)
<b>Total- Current Year</b>	-	<b>93</b>	-	<b>93</b>
<b>Previous Year</b>	(-)	<b>(20)</b>	(-)	<b>(20)</b>
<b>Research And Development Income</b>				
UTC Fire & Security Americas Corp Inc. Bradenton	-	4,501	-	4,501
	(-)	(4,335)	(-)	(4,335)
Carrier Corporation, U.S.A	-	9,060	-	9,060
	(-)	(8,497)	(-)	(8,497)
BIS Systems & Controller Engineering	-	1,939	-	1,939
	(-)	(3,722)	(-)	(3,722)
Others	-	8,466	-	8,466
	(-)	(6,821)	(-)	(6,821)
<b>Total- Current Year</b>	-	<b>23,966</b>	-	<b>23,967</b>
<b>Previous Year</b>	(-)	<b>(23,375)</b>	(-)	<b>(23,375)</b>
<b>Unbilled Revenue</b>				
UTC Fire & Security Americas Corp Inc. Bradenton	-	217	-	217
	(-)	(205)	(-)	(205)

**UTC FIRE & SECURITY INDIA LIMITED**
**Notes to the Financial Statements for the year ended March 31, 2020**
*All amounts in Rs. Lakhs, unless otherwise stated*

Nature of Transaction/ Name of the Related party	Ultimate Holding Company	Enterprises under common control	Key Management Personnel	Total
BIS Systems & Controller Engineering	-	-	-	-
	(-)	(71)	(-)	(71)
Carrier Corporation, U.S.A	-	123	-	123
	(-)	(21)	(-)	(21)
Others	-	39	-	39
	(-)	(78)	(-)	(78)
<b>Total- Current Year</b>	-	<b>380</b>	-	<b>380</b>
<b>Previous Year</b>	(-)	<b>(375)</b>	(-)	<b>(375)</b>
<b>Purchases of Stock in Trade</b>				
Gulf Security Technology Corp Ltd, China	-	1,534	-	1,534
	(-)	(1,903)	(-)	(1,903)
Kidde Fire Protection Limited	-	800	-	800
	(-)	(377)	(-)	(377)
Others	-	511	-	511
	(-)	(317)	(-)	(317)
<b>Total- Current Year</b>	-	<b>2,845</b>	-	<b>2,845</b>
<b>Previous Year</b>	(-)	<b>(2,597)</b>	(-)	<b>(2,597)</b>
<b>Other Expenses</b>				
Carrier Airconditioning & Refrigeration Limited, India	-	118	-	94
	(-)	(168)	(-)	(168)
Carrier Corporation, U.S.A	-	224	-	-
	(-)	(212)	(-)	(212)
Others	-	95	-	95
	(-)	(1)	(-)	(1)
<b>Total- Current Year</b>	-	<b>436</b>	-	<b>188</b>
<b>Previous Year</b>	(-)	<b>(381)</b>	(-)	<b>(381)</b>
<b>Other income</b>				
OTIS Global Services Center Private Limited	-	339	-	339
	(-)	(-)	(-)	(-)
<b>Total- Current Year</b>	-	<b>339</b>	-	<b>339</b>
<b>Previous Year</b>	(-)	<b>(-)</b>	(-)	<b>(-)</b>
<b>Commission Income</b>				
UTC Fire & Security Singapore Pte Ltd.	-	1,110	-	1,110
	(-)	(1,096)	(-)	(1,096)
<b>Total- Current Year</b>	-	<b>1,110</b>	-	<b>1,110</b>
<b>Previous Year</b>	(-)	<b>(1,096)</b>	(-)	<b>(1,096)</b>
<b>Rent Paid</b>				
Carrier Airconditioning & Refrigeration Limited , India	-	45	-	45
	(-)	(44)	(-)	(44)
<b>Total- Current Year</b>	-	<b>45</b>	-	<b>45</b>
<b>Previous Year</b>	(-)	<b>(44)</b>	(-)	<b>(44)</b>

**UTC FIRE & SECURITY INDIA LIMITED**
**Notes to the Financial Statements for the year ended March 31, 2020**
*All amounts in Rs. Lakhs, unless otherwise stated*

Nature of Transaction/ Name of the Related party	Ultimate Holding Company	Enterprises under common control	Key Management Personnel	Total
<b>Reimbursement of Expenses from Group Companies</b>				
Detector Electronics Corporation, Singapore	-	19	-	19
	(-)	(22)	(-)	(22)
Carrier Airconditioning & Refrigeration Limited, India	-	331	-	331
	(-)	(331)	(-)	(331)
Carrier Corporation, U.S.A.	-	66	-	66
	(-)	(55)	(-)	(55)
Others	-	96	-	96
	(-)	(90)	(-)	(90)
<b>Total- Current Year</b>	-	<b>512</b>	-	<b>512</b>
<b>Previous Year</b>	(-)	<b>(498)</b>	(-)	<b>(498)</b>
<b>Rent Income</b>				
Carrier Airconditioning & Refrigeration Limited , India	-	112	-	112
	(-)	(96)	(-)	(96)
Chubb Alba Control Systems Limited, India	-	98	-	98
	(-)	(83)	(-)	(83)
Carrier Race Technologies Private Limited, India	-	44	-	44
	(-)	(37)	(-)	(37)
<b>Total- Current Year</b>	-	<b>254</b>	-	<b>254</b>
<b>Previous Year</b>	(-)	<b>(216)</b>	(-)	<b>(216)</b>
<b>Reimbursements of Expenses to group companies</b>				
Carrier Airconditioning & Refrigeration Limited , India	-	244	-	244
	(-)	(136)	(-)	(136)
Others	-	10	-	10
	(-)	(5)	(-)	(5)
<b>Total- Current Year</b>	-	<b>253</b>	-	<b>253</b>
<b>Previous Year</b>	(-)	<b>(141)</b>	(-)	<b>(141)</b>
<b>Accounts Receivables</b>				
UTC Fire & Security Singapore Pte Ltd.	-	278	-	278
	(-)	(159)	(-)	(159)
UTC Fire & Security Americas Corp. Inc., Bradenton.	-	263	-	263
	(-)	(567)	(-)	(567)
Carrier Corporation, U.S.A	-	1,023	-	1,023
	(-)	(1,683)	(-)	(1,683)
Others	-	1,451	-	1,451
	(-)	(2,184)	(-)	(2,184)
<b>Total- Current Year</b>	-	<b>3,014</b>	-	<b>3,014</b>
<b>Previous Year</b>	(-)	<b>(4,593)</b>	(-)	<b>(4,593)</b>
<b>Accounts Payables</b>				
Carrier Airconditioning & Refrigeration Limited , India	-	232	-	232
	(-)	(239)	(-)	(239)
Gulf Security Technology Corp Ltd	-	338	-	338
	(-)	(480)	(-)	(480)



**UTC FIRE & SECURITY INDIA LIMITED**
**Notes to the Financial Statements for the year ended March 31, 2020**
*All amounts in Rs. Lakhs, unless otherwise stated*

Nature of Transaction/ Name of the Related party	Ultimate Holding Company	Enterprises under common control	Key Management Personnel	Total
Carrier Corporation, U.S.A	-	530	-	530
	(-)	(507)	(-)	(507)
Others	-	492	-	492
	(-)	(415)	(-)	(415)
<b>Total- Current Year</b>	-	<b>1,593</b>	-	<b>1,593</b>
<b>Previous Year</b>	(-)	<b>(1,641)</b>	(-)	<b>(1,641)</b>
<b>Guarantee</b>				
United Technologies Corporation Inc.,U.S.A.	19,891	-	-	19,891
	(19,716)	(-)	(-)	(19,716)
<b>Total- Current Year</b>	<b>19,891</b>	-	-	<b>19,891</b>
<b>Previous Year</b>	<b>(19,716)</b>	(-)	(-)	<b>(19,716)</b>
<b>Remuneration</b>				
Mr. Muthalagappan Karuppiah	-	-	29	29
	(-)	(-)	(-)	-
Ms. Uma Varadarajan	-	-	53	53
	(-)	(-)	(-)	-
Mr. Balasubramaniam Prasad	-	-	17	17
	(-)	(-)	(61)	(61)
Mrs. Vasanthi Narayana	-	-	71	71
	(-)	(-)	(3)	(3)
<b>Total- Current Year</b>	-	-	<b>171</b>	<b>171</b>
<b>Previous Year</b>	(-)	(-)	<b>(64)</b>	<b>(64)</b>

**34. Share based payments**
**A. Description of share based payment arrangements**

"The Company employees are entitled to various stock options under United Technologies Corporation (UTC), 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 measure the cost of all share-based payments, including stock options, at fair value on grant date, on the basis of information available from parent 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/ 10 years	Settlement to be done by delivery of one common stock of UTC	
Performance stock units (PSU's)	3 years service condition	10 years	Settlement is done by delivery common stock of UTC.	
Stock Appreciation Rights (SAR's)	3 years service condition	10 years	Settlement is done by delivery common stock of UTC and no cash is being paid to employees. The number of common stock issued represents the amount of appreciation in options granted to employee	

## UTC FIRE & SECURITY INDIA LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

*All amounts in Rs. Lakhs, unless otherwise stated*

#### B. Measurement of fair values

The parent 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, 2020 and 2019. Lattice-based option models incorporate ranges of assumptions for inputs; those ranges are as follows:

	31-Mar-20	31-Mar-19
Expected volatility	18.8%-19.7%	17.5% - 21.1%
Weighted-average volatility	20%	18%
Expected term (in years)	6.5-6.6	6.5-6.6
Expected dividend yield	2.40%	2.20%
Risk-free rate	2.3%-2.7%	1.3% - 2.7%

Expected volatilities are based on the returns of UTC's stock, including implied volatilities from traded options on UTC's 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.

The weighted average grant date fair value of stock options granted during 2019-20 as estimated by parent company is as follows:

"RSU's - Rs.1,952 USD equivalent -\$27.54  
 SAR's - Rs.1,897 USD equivalent -\$26.75"

#### C. Reconciliation of outstanding share options

A summary of the transactions under all long-term incentive plans for the year ended March 31, 2020 is as follows:-

RSU's stock options	31-Mar-20	31-Mar-19
	Number of options	Number of options
Outstanding at the beginning of the year	2,598	1,950
Granted during the year	406	1,263
Exercised during the year	679	615
Forefieted/cancelled during the year	-	-
Outstanding at the end of the year	2,325	2,598
Exercisable at the end of the year	-	-

The options outstanding as at 31 March 2020 have a weighted average remaining contractual life of 6.62 years (31 March 2019 : 5.36 years)

The weighted average share price at the date of exercise for shares options exercised in 2019-20 was Rs. 10,651 USD equivalent \$150.20 (2018-19: Rs.7,487 USD equivalent \$107.02)

PSU's stock options	31-Mar-20	31-Mar-19
	Number of options	Number of options
Outstanding at the beginning of the year	960	740
Granted during the year	34	460
Exercised during the year	274	240
Forefieted/cancelled during the year	-	-
Outstanding at the end of the year	720	960
Exercisable at the end of the year	-	-

The options outstanding as at 31 March 2020 have a weighted average remaining contractual life of 5.93 years (31 March 2019: 5.39 years)

The weighted average share price at the date of exercise for shares options exercised in 2019-20 was Rs. 9,260, USD equivalent \$130.59 (2018-19: Rs. 8,585, USD equivalent - \$122.72)

SAR's	31-Mar-20		31-Mar-19	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	11,732	111.21	11,932	103.96
Granted during the year	4,840	148.66	2,600	120.77
Exercised during the year	3,050	112.22	2,800	121.31

## UTC FIRE & SECURITY INDIA LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

All amounts in Rs. Lakhs, unless otherwise stated)

SAR's	31-Mar-20		31-Mar-19	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Forefieted/cancelled during the year	-	-	-	-
Outstanding at the end of the year	13,722	124	11,732	111.21

The options outstanding as at 31 March 2020 have a weighted average remaining contractual life of 4.09 years (31 March 2019 : 2.38 years)

The weighted average share price at the date of exercise for shares options exercised in 2019-20 was Rs. 10,112 USD equivalent \$142.61 (2018-19: Rs. 8,487, USD equivalent - \$121.31)

#### D. Expense recognised in statement of profit and loss

For details on the employee benefits expense, see Note 21

### 35. Leases

#### Operating Lease

The Company has operating leases for office premises and motor vehicle. These lease arrangements range for a period between 11 months to 120 months, which include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

The aggregate lease rentals payable are charged as Rent in Note 23 aggregating Rs. 1,363 lakhs (Previous Year Rs 1,297 lakhs).

With respect to non-cancellable operating leases, the future minimum lease payments are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
not later than one year	2,683	1,326
later than one year but not later than five years	7,599	1,493
later than five years	10,795	-

#### Finance Lease

The Company has finance leases for Laptops and Computers. These lease arrangements range for a period between 36 months to 48 months, which is non-cancellable lease. Leases are renewable for further period on mutually agreeable terms.

	As at March 31, 2020	As at March 31, 2019
a. Assets acquired under finance lease	1,112	-
b. Net carrying amount of asset at 31st March 2020	854	-
c. Total minimum lease payments and the maturity profile of finance leases at the balance sheet date, the element of interest included in such payments, and the present value of the minimum lease payments are as follows:		

Particulars	Total Minimum Lease Payments as on 31st March 2020	Interest included in Minimum Lease Payments	Present value of Minimum Lease Payments
Not later than one year	269	6	263
	(-)	(-)	(-)
Later than one year but not later than five years	1022	173	849
	(-)	(-)	(-)
Total	1,291	179	1,112
	(-)	(-)	(-)

Previous year figures are in bracket

	As at March 31, 2020	As at March 31, 2019
d. Lease expense recognised in the statement of profit and loss for the period;	269	-

## UTC FIRE & SECURITY INDIA LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

*All amounts in Rs. Lakhs, unless otherwise stated)*

#### 36. Earnings/Loss per share (EPS/LPS)

Particulars	As at March 31, 2020	As at March 31, 2019
Net earnings/loss for calculation of Basic and Diluted EPS/LPS (Rs. in lakhs)	7,171	4,981
No. of shares outstanding at the beginning of the year	30,68,42,368	30,68,42,368
No. of shares outstanding at the end of the year	30,68,42,368	30,68,42,368
Weighted average number of equity shares for calculating basic EPS/LPS	30,68,42,368	30,68,42,368
Weighted average number of equity shares for calculating diluted EPS/LPS	30,68,42,368	30,68,42,368
Nominal Value of each Equity Share (Rs.)	10	10
Basic Earnings / Loss Per Share (Rs.)	2.34	1.62
Diluted Earnings / Loss Per Share (Rs.)	2.34	1.62

37. The Company has established a comprehensive system on maintenance of information and documents required by the transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The Management is of the opinion that its transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements particularly on the amount of income tax expense and that of provision of taxation.

#### 38. Deferred tax assets/liabilities

Major components of deferred tax arising on account of timing difference are:

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Deferred tax assets :</b>		
Unabsorbed Business loss & Depreciation	963	3,208
Provision for doubtful debts	452	627
Provision for doubtful advances	44	31
Provision for Litigation/disputes	244	339
Provision for Liquidated Damages	24	8
Provision for warranty	3	8
Provision for De-commissioning cost	95	117
Lease Equalisation reserve	25	55
Provision for forceable losses	75	105
Provision for Employee benefits	173	233
Provision for doubtful slow/non moving stock	64	118
Depreciation	225	227
Finance Lease (Net of Asset)	2	-
	<b>2,389</b>	<b>5,075</b>
<b>Deferred tax liability :</b>		
Depreciation	-	-
Deferred Tax Assets (net) *	<b>2,389</b>	<b>5,075</b>
Deferred Tax asset recognized (Refer note (a) below)	<b>2,389</b>	-

\*Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.

## UTC FIRE & SECURITY INDIA LIMITED

### Notes to the Financial Statements for the year ended March 31, 2020

*All amounts in Rs. Lakhs, unless otherwise stated)*

39. In accordance with Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets", the movement of provisions is detailed below:

Particulars	Balance as on March 31, 2019	Addition during the year	Reversed during the year	Utilised during the year	Balance as on March 31, 2020
Litigation/disputes (Refer note (a) below)	971	-	-	-	971
	(1,079)	-	(108)	-	(971)
Liquidated Damages (Refer note (b) below)	24	70	-	-	94
	(24)	-	-	-	(24)
Warranty (Refer note (c) below)	21	-	-	9	12
	(38)	-	-	(17)	(21)
Provision for Foreseeable Losses on Projects (Refer note (d) below)	299	-	-	-	299
	(319)	-	(19)	-	(299)
<b>Total</b>	<b>1,314</b>	<b>70</b>	<b>-</b>	<b>10</b>	<b>1,376</b>
	<b>(1,460)</b>	<b>-</b>	<b>(126)</b>	<b>(17)</b>	<b>(1,314)</b>

**Note :** Figures in brackets represent corresponding previous year figures.

#### Notes :

- Provision for Litigations/disputes in respect of Direct and Indirect Tax matters represents estimates made for probable liabilities arising out of pending disputes/ litigations /claims with various authorities. The timing of the outflow with regard to the said matters depends on exhaustion of remedies available to the Company under the law and hence the Company is not able to reasonably ascertain the timing of cash outflow.
- Provision for liquidated damages represents estimates made for penalty in the form of liquidated damages charged by the customer and disputed by the Company. The timing of the outflow with regard to the said matters depends on resolution of dispute by the Company and exhaustion of remedies available to the Company under the law and hence the Company is not able to reasonably ascertain the timing of cash outflow.
- Warranty covers the expenses related to repairing and maintenance activities of security products sold as per the terms of the contract entered into by the Company with its Customers. Future Cash Flows in respect of the same is expected to occur over the period of warranty.
- Provision for foreseeable losses is created for the projects where foreseeable estimated cost exceeds contract price.

40. 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.

	Year ended March 31, 2020	Year ended March 31, 2019
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	-	17
b) 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.	-	-
c) 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.	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	1	16
e) 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.	5	16

#### 41. Derivatives instruments and unhedged foreign currency exposure

##### a. Derivatives outstanding as at the reporting date

Particulars	Purpose	As at March 31, 2020	As at March 31, 2019
Forward contracts to sell USD (USD in lakhs)	Hedge of company commitment and highly probable forecast transaction	USD 29.09 lakhs (Rs. 2,127.10 lakhs)	USD 24.52 lakhs (Rs. 1,756 lakhs)

**b. Particulars of unhedged foreign currency exposure as at the reporting date**

Particulars	As at March 31, 2020			As at March 31, 2019	
	Foreign Currency Denomination	Foreign Currency Amount (in lakhs)	Amount (In Rupees)	Foreign Currency Amount (in lakhs)	Amount (In Rupees)
Assets	USD	9	673	40	2,787
Liabilities	DKK	5	54	5	49
	GBP	2	146	3	237
	USD	8	651	20	1,358

**42. Remuneration to Directors**

The Company had paid excess remuneration aggregating to Rs 2,351,033 for period November 8, 2008 to September 30, 2009 to Mr Devendra Mehta, erstwhile wholetime director (since resigned). The Company filed an application for waiver of excess remuneration by the Central Government. The Central Government vide its letter dated December 1, 2017 waived 25% of total amount i.e. Rs 587,758 and directed the Company to recover Rs. 1,763,275. The Company sent a letter to the erstwhile wholetime director on 15th March 2019 followed by another reminder dated 29th April, 2019 demanding refund of excess managerial remuneration. However, the Company has not received any response from the erstwhile wholetime director and unable to recover the excess remuneration despite its best efforts.

Basis the legal advice, the Company has passed a special resolution in its Annual General Meeting held on 23 September 2019 to obtain shareholders approval for waiver of excess remuneration of Rs. 1,763,275. The Company is in the process to intimate the Central Government about waiver of excess remuneration by the shareholders through a special resolution.

43. The Company has foreign currency payables to various parties aggregating to Rs. 311 lakhs (Previous Year Rs. 654 lakhs) as of March 31, 2020 and foreign currency receivables from various parties aggregating to Rs. 116 lakhs (Previous Year Rs. 50 lakhs) which are outstanding for more than respective stipulated time period as of March 31, 2020. Out of the above balance, the Company has subsequently settled Rs. 85 lakhs and received Rs. 23 lakhs till date. The Company has filed applications with the Authorized dealer seeking permission for extension of time period for settlement of trade receivables and payables and to write back certain payables.
44. With the Covid-19 outbreak it was only from the end of March that the existence of an effective "National Emergency" was declared and a pandemic was only declared on 24 March 2020. Its impact on the Company are constantly kept under close review by the management and appropriate measures are being implemented to protect the Company. Currently, the company believe that there is no substantial doubt about its ability to continue as a going concern, for a reasonable period of time, from the date the financial statements are issued.

**45. Expenditure towards corporate social responsibility**

	Year ended March 31, 2020	Year ended March 31, 2019
a) Gross amount required to be spent by the Company	27	-
b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	35	-

46. Pursuant to Demerger of the Carrier and OTIS Businesses from parent company i.e United Technologies Corporation Inc. The Company transferred its employees who were involved in R&D activities of OTIS Business ('OTIS Team') from HRDC Division to OTIS Global Services Center Private Limited ('OGSC') in the month of October and November 2019. Pursuant to such transfer, HRDC transferred all the assets belonging to the OTIS Business to OGSC for a consideration of INR 346 lakhs. Additionally, the Company paid INR 163 lakhs (Gross of plan assets amounting to INR 68 lakhs) to OGSC in respect of accrued gratuity liability on the date of transfer.

47. During the year the office of Company secretary was vacant for 5 months and accordingly new company secretary has been appointed W.e.f. 4th December 2019.

As per our report of even date attached.

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No.: 116231W/W-100024

Sd/-

**Girish Arora**

Partner

Membership No. 098652

Place : Gurugram

Date: 30 November 2020

ICAI UDIN No: 20098652AAAABL7978

**For and on behalf of the Board of Directors  
of UTC Fire & Security India Limited**

Sd/-

**Vasanthi Narayana**

Director

DIN: 08319835

Place : Gurugram

Date: 30 November 2020

Sd/-

**Uma Varadarajan**

Chief Financial Officer

Place : Gurugram

Date: 30 November 2020

Sd/-

**Farokh Phiroz Madan**

Director

DIN: 07412324

Place : Gurugram

Date: 30 November 2020

Sd/-

**Anurag Gupta**

Company Secretary

Membership No: A43500

Place : Gurugram

Date: 30 November 2020





# **UTC Fire & Security**

A United Technologies Company

## **UTC FIRE & SECURITY INDIA LIMITED**

(CIN: U29193MH1981FLC024364)

Registered Office: Unit No.8, 1st Floor, The Centrium, Lal Bhadur Shastri Marg,  
Kurla (West), Mumbai – 400070, Maharashtra, India

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