



UTC Fire & Security

A United Technologies Company

36th ANNUAL REPORT 2017 - 18



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UTC Fire & Security India Limited

CIN: U29193MH1981FLC024364

The Board of Directors:

Mr. Balasubramaniam Prasad

(DIN: 07916810)

Whole Time Director

Mr. Rabindra Nath Ghosh

(DIN:00194250)

Independent Director

Mr. Srinivas Kotni

(DIN:01085277)

Independent Director

Mr. Vikram Arthur Fernandes Prabhu

(DIN:06421340)

Non-Executive Director

Mr. Srinivasan Ravisankar Jagan

(DIN: 06841272)

Non-Executive Director

Ms. Piyali Ghosh

(DIN: 07124622)

Non-Executive Director

Board Committees:

**Nomination and Remuneration
Committee**

Ms. Piyali Ghosh

(DIN: 07124622)

Chairperson

Mr. Rabindra Nath Ghosh

(DIN:00194250)

Member

Mr. Srinivas Kotni

(DIN:01085277)

Member

Audit Committee:

Mr. Rabindra Nath Ghosh

(DIN:00194250)

Member

Mr. Srinivas Kotni

(DIN:01085277)

Member

Mr. Srinivasan Ravisankar Jagan

(DIN: 06841272)

Member

Stakeholder Relationship Committee:

Mr. Vikram Arthur Fernandes Prabhu

(DIN:06421340)

Chairman

Mr. Balasubramaniam Prasad

(DIN: 07916810)

Member

Ms. Piyali Ghosh

(DIN: 07124622)

Member

Key Managerial Personnel:

Mr. Balasubramaniam Prasad

(DIN: 07916810)

Whole Time Director

Mysore Narasimha Swamy Sudheendra

(PAN:AJBPS9711L) Chief Financial Officer up to
15th January 2018

Suraj Arora

(PAN: AZKPS4573P)

Company Secretary

**Auditors:****M/s. BSR & 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

M/s. Ernst & Young LLP,

Chartered Accountants
Internal Auditors
Oval Office, 18, iLabs Center, Hitech City Madhapur,
Hyderabad - 500 081, Telangana State, India.

M/s. B. Samrish & Co.,

Company Secretaries
(CP No: 4835)
Secretarial Auditors
94, Sector-11, Pocket-4, Dwarka, New Delhi-110075

Bankers:

Hongkong & Shanghai Banking Corporation
Citibank N.A.

Registrar & Share Transfer Agent:**Adroit Corporate Services Private Limited**

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

Registered Office:**UTC Fire & Security India Limited**

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



UTC FIRE & SECURITY INDIA LIMITED

(CIN: U29193MH1981FLC024364)

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

Website: <https://www.carrier.com/building-solutions/en/in/investor> **Email:** suraj.arora@carrier.utc.com

Tel: 022-61700700 **Fax:** +91-124-2372230

NOTICE OF 36th ANNUAL GENERAL MEETING

NOTICE is hereby given that the **36th Annual General Meeting** of members of **UTC Fire & Security India Limited** will be held on **Tuesday, September 25, 2018 at 12:30 P.M.** at unit 4B, Level -2 , 15 LBS, Phoenix Market City, Kamani, Kurla (W), Mumbai - 400 070 to transact the following business(es):

Ordinary Business:

1. To receive, consider and adopt audited financial statements of the company for the financial year ended on 31st March, 2018 and the report of board of directors and auditors thereon and in this regard pass the following resolution as an ordinary resolution:

“Resolved that the audited financial statements of the company for the financial year ended on 31st March, 2018 together with the report of board of directors and auditors thereon be and are hereby received, considered and adopted.”

2. To re-appoint Mr. Balasubramaniam Prasad (**DIN: 07916810**) who retires by rotation and being eligible, offers himself for re-appointment and in this regard pass the following resolution as an ordinary resolution:

“Resolved that Mr. Balasubramaniam Prasad (**DIN: 07916810**) 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.”

3. To re-appoint Ms. Piyali Ghosh (**DIN: 07124622**) who retires by rotation and being eligible, offers herself for re-appointment and in this regard pass the following resolution as an ordinary resolution:

“Resolved that Ms. Piyali Ghosh (**DIN: 07124622**) who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a director of the company liable to retire by rotation.”

Special Business:

4. To approve remuneration of Mr. Balasubramaniam Prasad (**DIN: 07916810**) Whole Time Director of the company and in this regard pass the following resolution as special resolution:

“Resolved that pursuant to provisions of section 197 and any other applicable provisions of the Companies Act, 2013 and the applicable rules made thereunder read with schedule V of the Companies Act, 2013 which includes any statutory modification(s) and/or re-enactment thereof for the time being in force consent of members of the company be and is hereby accorded by way of special resolution to pay remuneration up to maximum of Rs. 1,00,00,000 (Rupees One Crore Only) per annum to Mr. Balasubramaniam Prasad (**DIN: 07916810**) Whole Time Director of the company for next three financial years commencing from financial year 2018-19 to 2020-2021 (“tenure”).

Resolved further that in event of no profit or inadequate profits in any financial year during the currency of tenure of Mr. Balasubramaniam Prasad (**DIN: 07916810**) the company shall pay remuneration to Mr. Balasubramaniam Prasad (**DIN: 07916810**) subject to ceiling mentioned in above said resolution and absolute authority/liberty is hereby given to board of directors of the company by this resolution to approve/ratify the remuneration and/or any other terms as may be agreed between the board of directors and Mr. Balasubramaniam Prasad (**DIN: 07916810**) from time to time subject to ceiling of remuneration as mentioned in above said resolution.



Resolved further that for purpose of giving effect to the above said resolution the board of directors of the company be and are 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.

Resolved further that any director or company secretary or chief financial officer of the company be and is/are hereby authorized to do all such acts, deeds and things including filling of necessary forms, papers, documents with statutory authorities including to Registrar of Companies as may be necessary and to apply and seek approval of appropriate statutory authorities if any required under law to give effect the above said resolution."

Registered office:

UTC Fire & Security India Limited

Unit No. 8, 1st Floor, The Centrium, Lal Bahadur Shastri Marg,

Kurla West, Mumbai- 400070, India

CIN:U29193MH1981FLC024364

Email Id: suraj.arora@carrier.utc.com

By order of the Board

For **UTC Fire & Security India Limited**

Sd/-

Suraj Arora

Company Secretary

Membership No. **ACS 27675**

Date: 31st August, 2018

Place: Gurugram

NOTES:

1. A member entitled to attend and vote at annual general meeting (AGM/meeting) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy (enclosed herewith) in order to be effective must be deposited at the company's registered office duly completed, signed and deposited not less than forty eight hours before the meeting. Proxies submitted on behalf of limited companies, societies etc. must be supported by appropriate resolutions/ authority as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or member. Proxy holder shall prove his / her identity at the time of attending the Meeting. When a member appoints a proxy and both the member and proxy attend the annual general meeting, the proxy shall stand automatically revoked.
2. The explanatory statement pursuant to section 102(1) of the Companies Act, 2013 with respect to the special business of the notice is annexed hereto and forms part of this notice.
3. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote at the annual general meeting.
4. 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 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, India.
5. Members holding shares in physical form are requested to consider converting 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.
6. Attendance slip, proxy form and the route map of the venue of the Annual General Meeting are annexed hereto.
7. Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature recorded with Adroit and hand over the same at the entrance for attending the meeting. Members who hold shares in the de-mat form are requested to bring their client-ID and DP-ID numbers for easier identification



- of attendance at the meeting.
8. 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.
 9. 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.
 10. 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.
 11. The register of members and share transfer register will remain closed from Wednesday, September 19, 2018 to Tuesday, September 25, 2018 (both days inclusive) for the purpose of annual general meeting.
 12. Members seeking any information with regard to the accounts are requested to write to the company at an early date so as to enable the management to keep the information ready at the meeting.
 13. 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.
 14. 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.
 15. The notice of the annual general meeting along with the annual report for financial year 2017-18 is being sent through the permitted mode.
 16. 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 there will not be voting by show of hands on any of the agenda items at the meeting and poll will be conducted in lieu thereof.
 17. The members can opt for only one mode of voting i.e. remote e-voting or physical polling at the meeting. In case of voting by both the modes, vote casted through remote e-voting will be considered final and voting through physical ballot will not be considered. The members who have casted their vote by remote e-voting may also attend the meeting.
 18. The company has engaged the services of central depository services limited (CDSL) as the agency to provide e-voting facility.
 19. Detailed instruction to exercise e-voting are given on a separate sheet dispatched with annual report forms an integral part of notice.
 20. The board has appointed M/s DMK Associates Company Secretaries having office at 31/36, Basement, Old Rajinder Nagar, New Delhi-110060 as scrutinizer to scrutinize the physical voting and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for same purpose.
 21. The voting rights of members for e-voting and for physical voting 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. Tuesday, September 18, 2018.
 22. 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. Tuesday, September 18, 2018 shall only be entitled to avail the facility of remote e-voting / physical voting.
 23. The scrutinizer, after scrutinizing the votes casted at the meeting (physical voting) 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.
 24. 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. Tuesday, September 18, 2018 may obtain their user ID and password for remote e-voting by sending a request to Adroit at info@adroitcorporate.com.
 25. The landmark place to reach the venue of annual general Meeting is Phoenix Market City, Kurla and map to



reach at the venue of annual general meeting is attached herewith.

26. The company's ISIN number is INE226D01017.
27. 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.
28. 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.
29. Relevant documents referred to in the notice are open for inspection by members at the registered office of the company on all working days (i.e. except Saturday, Sunday and Public Holidays) during business hours up to date of annual general meeting. The aforesaid documents will be also available for inspection by members at the annual general meeting.

Information of directors seeking re-appointment at the forthcoming annual general meeting (pursuant to secretarial standard 2 issued by The Institute Company Secretaries of India):

Name and Designation of the Director	Mr. Balasubramaniam Prasad Whole Time Director	Ms. Piyali Ghosh Non-Executive Director
Director Identification Number	07916810	07124622
Date of Birth (Age in years)	7th May, 1968 (50 Years)	22nd November 1979 (38 Years)
Original date of appointment	8th September, 2017	25th March, 2015
Qualifications	B.E.(MECH)	MBA
Experience & expertise in specific functional area	Experience: 28 years Expertise: Overall Marketing and Operations etc.	Experience: 13 years Expertise: Human Resource Management
Shareholding in UTC Fire & Security India Limited	Nil	Nil
Remuneration sought to be paid	Under Maximum Limit of Rupees. 10,000,000/-per annum	Nil
Remuneration last drawn from UTC Fire & Security India Limited	Rupees. 53,82,148/-	Nil
Number of board meetings attended during the year	2	1
Terms & conditions of appointment/re-appointment and remuneration	Appointed as a Whole Time Director liable to retire by rotation -As per Nomination & Remuneration Policy forming part of Director's Report	Re-appointed as a Director liable to retire by rotation -As per Nomination & Remuneration Policy forming part of Director's Report
Relationship with other director/KMP	No Relationship with other Director/KMP	No Relationship with other Director/KMP
Directorships held in other companies	Nil	Nil
Members/chairmanship of committees in public limited companies in India	UTC Fire & Security India Limited Member- Stakeholder Relationship Committee	UTC Fire & Security India Limited Chairperson- Nomination & Remuneration Committee

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 4 of the accompanying notice of annual general meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:****Item No. 4: To approve remuneration of Mr. Balasubramaniam Prasad (DIN: 07916810) Whole Time Director of the company:**

Mr. Balasubramaniam Prasad (**DIN: 07916810**) has been appointed as Whole Time Director of the company for a period of 5 (Five) years commencing from 8th September 2017 at a remuneration of Rs. 65,00,000/- (Indian Rupees Sixty Five Lakhs Only) for financial year 2017-18 and entitled to get increment on his remuneration as per increment policy and decided by management of the company from time to time in compliance with applicable provisions of the Companies Act 2013.

Based on the recommendation of the Nomination and Remuneration Committee and considering the expertise possessed by Mr. Balasubramaniam Prasad (**DIN: 07916810**) and specialized knowledge in the field in which the company operates, the board of directors in their meeting held on 28th May, 2018 approved remuneration payable to Mr. Balasubramaniam Prasad (**DIN: 07916810**) up to maximum of Rs. 1,00,00,000/- (Rupees One Crore Only) per annum for three financial years commencing from 2018-19 to 2020-21. The statement required under section II, Part II of schedule V of the Companies Act 2013 with reference to resolution at item number 4 is attached hereto as **Annexure I**.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors/KMP as the case may be except Mr. Balasubramaniam Prasad (**DIN: 07916810**) Whole Time Director of the company is interested in the said resolution.

The board of directors re-recommends the resolution given in item number 4 for consideration and approval by members of the company 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, 1st Floor, The Centrium, Lal Bahadur Shastri Marg,

Kurla West, Mumbai- 400070, India

CIN:U29193MH1981FLC024364

Email Id: suraj.arora@carrier.utc.com

By order of the Board

For **UTC Fire & Security India Limited**

Sd/-

Suraj Arora

Company Secretary

Membership No. **ACS 27675**

Date: 31st August, 2018

Place: Gurugram



ANNEXURE-I

Statement as required under section II, Part II of the schedule V of the Companies Act, 2013 with reference to the resolution at item number 4 of the notice for the annual general meeting of UTC Fire & Security India Limited to be held on September 25, 2018.

I. General Information:

1. Nature of Industry: Fire Protection.
2. Date or expected date of commencement of commercial production: The company was incorporated in 1981 and already in operation.
3. In case of new companies, expected date of commencement of activities as per project: N.A.
4. Financial Performance of the company in the last three years is as under:

(Rs. In Lakhs)

Particulars	2017-18	2016-17	2015-16
Total Revenue	21,602	18,966	15,974
Total Expenses	22,040	19,373	14,240
Exceptional Item	-	-	2,998
Profit/(Loss) before tax	(438)	(407)	(1264)
Net Profit/ (Loss) after tax	(438)	(407)	(1264)
Paid-up share capital	30,684	10,422	10,422
Reserves & Surplus	(17,725)	(22,363)	(21,956)

5. Foreign investments or collaborators, if any: Kidde International Limited, United Kingdom is holding 99.83% shares in the company.

II. Information about the Appointee:

1. **Background details:** Mr. Balasubramaniam Prasad (**DIN: 07916810**) [DOB: 07-05-1968, Age 50] is graduated with a bachelor technology degree in engineering and is having 28 years of experience in the industry. Prior to joining the company in March 2011, he was serving in Siemens Limited. He was appointed on board as on 8th September, 2017. He is heading India Fire Operations, Suppression along with other support functions in the company.
2. **Past Remuneration:** Mr. Balasubramaniam Prasad (**DIN: 07916810**) has been appointed as Whole Time Director of the company for a period of 5 (five) years effective from 8th September, 2017. The details of past remuneration is as follows:

Financial Year	Amount (in Rs.)
2015-16	58,19,589/-
2016-17	51,92,621/-
2017-18	53,82,148/-

3. **Recognition or Awards:** Mr. Balasubramaniam Prasad (**DIN: 07916810**) is a renowned and highly respected personality in the industry.
4. **Job profile and his suitability:** Mr. Balasubramaniam Prasad (**DIN: 07916810**) has been looking after the overall sales, marketing and operations of the company under erstwhile whole time director of the company. The company has benefitted by the efficient leadership qualities of Mr. Balasubramaniam Prasad (**DIN: 07916810**) who has the management experience to handle the nature of business of the company and the vision to take the business forward.



5. **Remuneration proposed:** The terms of remuneration to Mr. Balasubramaniam Prasad (**DIN: 07916810**) proposed to be approved by the members have already been specified in the explanatory statement annexed to notice calling annual general meeting.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): Remuneration as proposed of Mr. Balasubramaniam Prasad (**DIN: 07916810**) is comparable to that drawn by the peers in the similar capacity in the similar industry and is commensurate with the size of the company and the nature of its business.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: NIL

III. Other Information:

1. Reasons of no profit/loss: There is an impact on revenue due to delay in projects for erection, supply and installation of fire and security equipment business and service income related to installed equipment. Further, there is also an incremental impact of expenses due to increments and inflation.
2. Steps taken or proposed to be taken for further improvement: The company has been taking various initiatives to increase turnover and profitability viz. approach cautiously while accepting new orders, settling problems, if any, with existing customers to pave way for new orders from them, optimum use of available resources, reducing financial, operational & administrative costs, job/project closure initiatives and accelerate execution of ongoing jobs/projects per schedule in system installation business.
3. Expected increase in productivity and profits in measurable terms: The company expects that the productivity and profitability may improve and would be comparable with the industry average.
4. Disclosure: Reasons and justification for payment beyond limits, if any, specified in schedule V: Mr. Balasubramaniam Prasad (**DIN: 07916810**) is functioning in a professional capacity and not having any interest in the capital of the company directly or indirectly or through any other statutory structures and not having any direct or indirect interest or related to the directors or promoters of the company or its holding company or any of its subsidiaries at any time during the last two years before or on or after the date of appointment. Further Mr. Balasubramaniam Prasad (**DIN: 07916810**) also possesses graduate level qualification with expertise and specialized knowledge in the field in which the company operates therefore above said remuneration is justifiable.

Registered office:

UTC Fire & Security India Limited

9th Floor, Magnus towers, Mindspace, link Road,

Malad (W), Mumbai 400064

CIN: U29193MH1981FLC024364

Email Id: suraj.arora@carrier.utc.com

Date: 31st August, 2018

Place: Gurugram

By order of the Board

For **UTC Fire & Security India Limited**

Sd/-

Suraj Arora

Company Secretary

Membership No: ACS 27675



DIRECTORS' REPORT

Dear Members,

Your directors have immense pleasure in presenting the 36th annual report on the business and operations together with the company's audited financial statements and auditors' report thereon for the financial year 2017-18. The financial highlights for the year under review are given below:

1. Financial Summary of the Company:

(Rs. In Lakhs)

Particulars	2017-18	2016-17
Total Revenue	21,602	18,966
Total Expenses	22,040	19,373
Profit /(Loss) before tax & exceptional item	(438)	(407)
Current Tax	-	-
(Loss) after tax	(438)	(407)

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 now has the most complete range of UL approved offerings and the company has completed the range with 34 litres in addition to larger capacities of 120 and 140 litres during the year. The company has also introduced the Kidde FM 200 systems and Kidde Novec Systems of 42 bar pressures for data centres, server rooms and other commercial applications. Kidde range of Alarmline LHD cables are also introduced for Power, Oil & Gas sectors.
- b. **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 centres, 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.
- c. **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). Agnicore shall execute the project and provide support in their technical closure, AR collection etc. as per the contractual clauses. Further out of 19 projects, 4 projects have been financially closed which includes account reconciliation with customer(s) and return of Bank Guarantees etc. & balance 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:

Mr. Anand Raghavendra Bagalwadi (**DIN: 02353063**) who was holding office of Whole Time Director of the company had tendered his resignation from directorship including whole time directorship of the company with effect from 21st April, 2017. Mr. Balasubramaniam Prasad (**DIN: 07916810**) has been appointed as Whole Time Director of the company with effect from 8th September, 2017.

Mr. Mysore Narasimha Swamy Sudheendra (**PAN: AJBPS9711L**) resigned from position of chief financial officer of company with effect from 15th January 2018 and thereafter Mr. Prem Nivasa (**PAN: AIRPS7942Q**) has been appointed as chief financial officer in the company with effect from 28th May 2018. Mr. Srinivasan Ravisankar Jagan (**DIN: 06841272**) has resigned from directorship and membership of audit committee of the company effective from 29th August 2018. The board acknowledges the outstanding contribution, support and guidance provided by Mr. Anand Raghavendra Bagalwadi (**DIN: 02353063**), Mr. Mysore Narasimha Swamy Sudheendra (**PAN: AJBPS9711L**) and Mr. Srinivasan Ravisankar Jagan (**DIN: 06841272**) during their tenure in the company.

Further in accordance with the articles of association of the company and relevant provisions of section 152 of the Companies Act, 2013 Mr. Balasubramaniam Prasad (**DIN: 07916810**) and Ms. Piyali Ghosh (**DIN: 07124622**) directors of the company are liable to retire by rotation at the ensuing annual general

meeting and being eligible, offer themselves for re-appointment. The board recommended their re-appointment as directors liable to retire by rotation in the company.

9. Board and committee meetings:

During the financial year under review the company had five 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-1 for meetings of board of directors 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:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. The directors had prepared the annual accounts on a going concern basis;
- e. The directors 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.
- g. The company complied with applicable secretarial standards.

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 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.

14. Corporate social responsibility:

The provisions of corporate social responsibility are not applicable on the company.

15. Extract of the annual return:

The extract of annual return for the financial year ended 31st March, 2018 as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 in Form MGT-9 is attached hereto as **Annexure "C"** and forms an integral part of this report.

16. Audit Committee:

The audit committee of the board of directors comprises of the following members:

1. Mr. Rabindra Nath Ghosh (**DIN: 00194250**), Non-Executive Independent Director;
2. Mr. Srinivas Kotni (**DIN: 01085277**) Non-Executive Independent Director; and
3. Mr. Vikram Arthur Fernandes Prabhu (**DIN:06421340**) Non-Executive Director

Mr. Srinivasan Ravisankar Jagan (DIN: 06841272) Non-Executive Director was member of audit committee till 29th August 2018. He has resigned from directorship and membership of audit committee effective from 29th August 2018.

17. Nomination and Remuneration Committee:

The nomination and remuneration committee of the board of directors comprises of the following members:

1. Ms. Piyali Ghosh (**DIN: 07124622**) Chairperson and Non-Executive Director;
2. Mr. Rabindra Nath Ghosh (**DIN: 00194250**) Non-Executive Independent Director;
3. Mr. Srinivas Kotni (**DIN: 01085277**) Non-Executive Independent Director.

18. Stakeholder Relationship Committee:

The stakeholder's relationship committee of the board of directors was reconstituted on 8th September, 2017 and comprises of the following members:

1. Mr. Vikram Arthur Fernandes Prabhu (**DIN:06421340**) Chairperson and Non-Executive Director;
2. Mr. Balasubramaniam Prasad (**DIN: 07916810**) Whole Time Director; and
3. Ms. Piyali Ghosh (**DIN: 07124622**) Non-Executive Director.

19. Changes in share capital:

The company allotted 20,26,20,968 equity shares to existing member of the company i.e. Kidde International Limited ("Kidde") on preferential basis during the financial year 2017-18 and consequently Kidde's shareholding in the company increased to 99.83% of total share capital of company.

**20. Statutory Auditors:**

The members of the company in their 35th annual general meeting held on 14th December, 2017 have appointed BSR & 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 40th 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 ministries of corporate affairs vide Companies (Amendment) Act 2017 dated 7th 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 BSR & Associates LLP (116231 W/W- 100024) in the ensuing annual general meeting.

21. Explanation to Emphasis on matters in Auditors' Report:

The explanations by the board on the emphasis on matters made by the auditors in their report are submitted as follows:

Managerial remuneration amounting to Rs. 24 lakhs paid to an erstwhile director of the Company during the period 8 November 2008 to 30th September 2009, which was in excess of the limits specified in the Schedule XIII to the Companies Act, 1956. The Company's applications for waiver of excess remuneration paid were rejected by the Central Government. The Company had resubmitted the application to the Central Government. In the current year, the Company has been granted partial waiver of Rs. 6 lakhs with a direction to recover the remaining Rs.18 lakhs from the said director. The Company has initiated recovery proceedings of the remaining amount from the director and will take appropriate action.

Auditors emphasis on matter regarding non settlement of foreign currency payables amounting to Rs. 738 lakhs as at 31 March 2018 due for more than six months from the date of imports and nonrealisation of foreign currency receivables amounting to Rs. 164 lakhs as at 31 March 2018 due for more than nine months from the date of exports is factual. The Company has filed applications with the authorised dealer seeking permission for extension of time period for settlement of the payables and realisation of the receivables.

22. 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, B. Samrith & Co company secretary in practice (C. P. No. 4835) was appointed as secretarial auditor of the company for financial year 2017-18. The report of the secretarial auditor is attached herewith as Annexure "D" and forms an integral part of this report.

23. 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.

24. 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.

25. 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.

26. 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.

27. Particulars of Employees:

Pursuant to section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments made thereto, a statement showing the names and other particulars of the employees drawing remuneration is provided in the Annexure "E" and forms an integral part of this report.

28. 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 potential 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.

29. 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.

30. 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 [14 of 2013]. The company has in place 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 company related to sexual harassment.

31. 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:

S. No	Foreign Exchange Earnings and Outgo	2017-18	2016-17
1.	Earnings in foreign exchange	16,902	14,125
2.	Expenditure in foreign currency	164	349
3.	CIF Value of Import	2263	1,700

32. 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 this financial statements relate and the date of this report.

33. 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.

34. 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. We look forward to your continued support in the future.

For and on behalf of the Board of Directors

UTC Fire & Security India Limited

Sd/-

Balasubramaniam Prasad
Whole Time Director
(DIN: 07916810)

Sd/-

Vikram Arthur Fernandes Prabhu
Director
(DIN: 06421340)

Date: 31st August, 2018

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	23.06.2017	6	4	Mr. Rabindra Nath Ghosh Mr. Srinivasan Ravisankar Jagan Mr. Srinivas Kotni Mr. Vikram Arthur Fernandes Prabhu
		08.09.2017	6	3	Mr. Srinivasan Ravisankar Jagan Mr. Srinivas Kotni Mr. Rabindra Nath Ghosh
		17.11.2017	6	3	Mr. Srinivasan Ravisankar Jagan Mr. Srinivas Kotni Mr. Rabindra Nath Ghosh
		19.12.2017	6	4	Mr. Srinivas Kotni Mr. Piyali Ghosh Mr. Balasubramaniam Prasad
		21.03.2018	6	4	Mr. Srinivas Kotni Mr. Vikram Arthur Fernandes Prabhu Mr. Balasubramaniam Prasad Mr. Rabindra Nath Ghosh
2.	Audit Committee	08.09.2017	3	3	Mr. Rabindra Nath Ghosh Mr. Srinivas Kotni Mr. Srinivasan Ravisankar Jagan
		17.11.2017	3	3	Mr. Rabindra Nath Ghosh Mr. Srinivas Kotni Mr. Srinivasan Ravisankar Jagan
		21.03.2018	3	2	Mr. Rabindra Nath Ghosh Mr. Srinivas Kotni
3.	Nomination & Remuneration Committee	08.09.2017	3	2	Mr. Rabindra Nath Ghosh Mr. Srinivas Kotni
		21.03.2018	3	2	Mr. Rabindra Nath Ghosh Mr. Srinivas Kotni
4.	Stakeholder Relationship Committee	19.12.2017	3	2	Mr. Balasubramaniam Prasad Ms. Piyali Ghosh

By Order of the Board

For **UTC Fire & Security India Limited**

Sd/-

Balasubramaniam Prasad

Whole Time Director

(DIN: 07916810)

Sd/-

Vikram Arthur Fernandes Prabhu

Director

(DIN: 06421340)

Date: 31st August, 2018**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.

By Order of the Board

For **UTC Fire & Security India Limited**

Sd/-

Balasubramaniam Prasad

Whole Time Director

(DIN: 07916810)

Sd/-

Vikram Arthur Fernandes Prabhu

Director

(DIN: 06421340)

Date: 31st August, 2018

Place: Gurugram

**Annexure "C"****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on March 31st 2018**

[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	6th May, 1981
3.	Name of the Company	UTC Fire & Security India Limited
4.	Category/ Sub Category 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: suraj.arora@carrier.utc.com
6.	Whether Listed company (Yes / No)	No
7.	Name and Address of Registrar & Transfer Agents (Full address and contact details to be given)	Adroit Corporate Services Pvt. Ltd. (Firm Registration No: INR000002227) 17-20 Jafferbhoy Ind. Estate, 1st floor, Makwana Road, Marol, Andheri (E), Mumbai – 400 059. INDIA .+91-22- 4227 0400 / 2859 6060 / 2859 4060

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	78
2	Fire & Security products & Others	46909	22

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 UK	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) Shareholding Pattern of top Shareholders (Category wise shareholding):**

Category of Shareholders	No. of Shares held at the beginning of the year			% of Total Shares	No. of Shares held at the end of the year			% Change during the year
	Demat	Physical	Total		Demat	Physical	Total	
A. Promoters								
(1) Indian								



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	
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
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
Sub Total : A(1)	0	0	0	0.00	0	0	0	0.00	0.00
(2) Foreign									
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	89099455	103692638	99.49	14593183	291720423	306313606	99.83	0.34
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total : A(2)	14593183	89099455	103692638	99.49	14593183	291720423	306313606	99.83	0.34
Total Shareholding of Promoters (A)=(A)(1) + (A)(2)	14593183	89099455	103692638	99.49	14593183	291720423	306313606	99.83	0.34
B. Public Shareholding									
(1) Institutions									
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)									
Sub Total : B(1)	0	1700	1700	0.00	0	1700	1700	0.00	0.00
(2) Non - Institutions									
a) Bodies Corporates									
ai) Indian	2773	28460	31233	0.03	2873	28460	31333	0.01	-0.02
aii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
bj) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	112519	262689	375208	0.36	112739	262589	375328	0.12	-0.24
bii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	70784	0	70784	0.07	70784	0	70784	0.02	-0.04
c) Any Other (Specify)									
c-1) Non Resident Indians (Individuals)	8697	41140	49837	0.05	8477	41140	49617	0.02	-0.03
Sub Total : B(2)	194773	332289	527062	0.51	194873	332189	527062	0.17	-0.33
Total Public Shareholding (B)=(B)(1) + (B)(2)	194773	333989	528762	0.51	194873	333889	528762	0.17	-0.34



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	
C. Shares held by Custodian for GDRs & ADRs									
a) Promoter & Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
b) Public	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total : (C)(1)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Shares held by Custodian for GDRs & ADRs (C)=(C)(1)	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A + B + C)	14787956	89433444	104221400	100.00	14788056	292054312	306842368	100.00	0.00

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	99.49	0.00	306313606	99.83	0.00	0.34
	TOTAL	103692638	99.49	0.00	306313606	99.83	0.00	0.34

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	At the beginning of the year	KIDDE INTERNATIONAL LTD	01-04-2017	103692638	99.49	103692638	33.79
	Date wise Increase / Decrease in Promoters Share holding during the year		19-12-2017	202620968		202620968	66.04
	At the End of the year		31-03-2018	306313606	99.83	306313606	99.83

SHARE HOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity) Shareholding

(IV) Pattern of top Shareholders (Category wise shareholding):

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	01-04-2017	42476	0.04	42476	0.04
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31-03-2018	0	0.00	42476	0.01
2	At the beginning of the year	PATHEJA FORGINGS & AUTO PARTS MFTRS LTD	01-04-2017	27400	0.03	27400	0.03
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31-03-2018	0	0.00	27400	0.01
3	At the beginning of the year	HITESH RAMJI JAVERI	01-04-2017	18266	0.02	18266	0.02
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31-03-2018	0	0.00	18266	0.01



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
4	At the beginning of the year	KAMLESH NAVINCHANDRA SHAH	01-04-2017	10042	0.01	10042	0.01
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	10042	0.00
5	At the beginning of the year	PRITTY DEVI SARAWAGI	01-04-2017	2745	0.00	2745	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	2745	0.00
6	At the beginning of the year	SHIVHAR BABURAO BADGARE	01-04-2017	2550	0.00	2550	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	2550	0.00
7	At the beginning of the year	KRISHNA KUMAR DHARAMSHI SOMAIYA	01-04-2017	2300	0.00	2300	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	2300	0.00
8	At the beginning of the year	KISHORBHAI VALLABHBHAI RADADIA	01-04-2017	2250	0.00	2250	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	2250	0.00
9	At the beginning of the year	NEEPA SHAH	01-04-2017	2077	0.00	2077	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	2077	0.00
10	At the beginning of the year	DIPTI K SOMAIYA	01-04-2017	1880	0.00	1880	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	1880	0.00

(v) Shareholding of Directors and Key Managerial Personal

S. No.	For each of the Top Ten Shareholders	Name of Director and Key Managerial Personal	As On Date	Share holding 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	Mr. Anand Raghavendra Bagalwadi Whole Time Director	1-4-2017	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year			0	0	0	0
	At the End of the year		31-03-2018	Nil	Nil	Nil	Nil
2	At the beginning of the year	Mr. Balasubramaniam Prasad Whole Time Director	1-4-2017	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year			0	0	0	0
	At the End of the year		31-03-2018	Nil	Nil	Nil	Nil
3	At the beginning of the year	Mr. Rabindra Nath Ghosh Independent Director	1-4-2017	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year			0	0	0	0
	At the End of the year		31-03-2018	Nil	Nil	Nil	Nil



S. No.	For each of the Top Ten Shareholders	Name of Director and Key Managerial Personal	As On Date	Share holding 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
4	At the beginning of the year	Mr. Srinivas Kotni Independent Director	1-4-2017	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year			0	0	0	0
	At the End of the year		31-03-2018	Nil	Nil	Nil	Nil
5	At the beginning of the year	Mr. Vikram Arthur Fernandes Prabhu Non-Executive Director	1-4-2017	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year			0	0	0	0
	At the End of the year		31-03-2018	Nil	Nil	Nil	Nil
6	At the beginning of the year	Mr. Srinivasan Ravisankar Jagan Non-Executive Director	1-4-2017	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year			0	0	0	0
	At the End of the year		31-03-2018	Nil	Nil	Nil	Nil
7	At the beginning of the year	Ms. Piyali Ghosh Non-Executive Director	1-4-2017	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year			0	0	0	0
	At the End of the year		31-03-2018	Nil	Nil	Nil	Nil
8	At the beginning of the year	Suraj Arora Company Secretary	1-4-2017	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year			0	0	0	0
	At the End of the year		31-03-2018	Nil	Nil	Nil	Nil
9	At the beginning of the year	Mysore Narasimha Swamy Sudheendra Chief Financial Officer	1-4-2017	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year			0	0	0	0
	At the End of the year		31-03-2018	Nil	Nil	Nil	Nil

V) INDEBTEDNESS:
Indebtedness of the company including interest outstanding/accrued but not due for payment

S. No.		Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i	Principal Amount	-	1,708,000,000.00	-	1,708,000,000.00
ii	Interest due but not paid	-	168,021,053.50	-	168,021,053.50
iii	Interest accrued but not due	-	-	-	-
	Total (i+ ii+ iii)	-	1,876,021,053.50	-	1,876,021,053.50
Change in Indebtedness during the financial year					
i	Addition	-	157,893,114.00	-	157,893,114.00
ii	Reduction	-	2,033,914,167.50	-	2,033,914,167.50
	Net Change	-	1,876,021,053.50	-	1,876,021,053.50
Indebtedness at the end of the financial year					
i	Principal Amount	-	-	-	-
ii	Interest due but not paid	-	-	-	-
iii	Interest accrued but not due	-	-	-	-
	Total (i+ ii+ iii)	-	-	-	-

**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	Total Amount
		Anand Raghavendra Bagalwadi (DIN:02353063)	Balasubramaniam Prasad (DIN: 07916810)	
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	4,52,150	29,75,664	34,27,814
2.	Stock Option	---	---	---
3.	Sweat Equity	---	---	---
4.	Commission (Incentive) -- as % of profit -- others, specify...	-- 34,356	-- 2,69,772	-- 3,04,128
5.	Others, please specify (PF)	34,196	85,443	1,19,639
	Others, please specify (Leave Encashment)	---	---	---
	Total	*5,20,702	**33,30,879	38,51,581
	Ceiling as per the Act	##as given below	##as given below	

*From 01.04.2017 to 21.04.2017

** From 08.09.2017 to 31.03.2018

##The companies other than listed companies and subsidiary of a listed company may without Central Government approval pay remuneration to its managerial personnel, in the event of no profit or inadequate profit beyond ceiling specified in Section II, Part II of Schedule V, subject to complying with the conditions mentioned in rule 7(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Thus for payment of remuneration to Mr. Anand Raghavendra Bagalwadi (DIN:02353063) and Mr. Balasubramaniam Prasad (DIN: 07916810) Whole Time Directors, the company complied with required conditions mentioned in said applicable rule.

B. Remuneration to other directors:

S. No.	Particulars of Remuneration	Name of Directors		
		Mr. Vikram Arthur Fernandes Prabhu (DIN: 06421340) (Amount in Rs.)	Mr. Srinivasan Ravisankar Jagan (DIN:06841272) (Amount in Rs.)	Ms. Piyali Ghosh (DIN:07124622) (Amount in Rs.)
I	NA	Nil	Nil	Nil
	Total	Nil	Nil	Nil

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	3,00,000	5,70,000
	Total	2,70,000	3,00,000	5,70,000

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

S. No.	Particulars of Remuneration	Key Managerial Personnel (in Rs.)		
		Mysore Narasimha Swamy Sudheendra Chief Financial Officer	Mr. Suraj Arora Company Secretary	Total
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	34,04,513	14,50,164	48,54,677



S. No.	Particulars of Remuneration	Key Managerial Personnel (in Rs.)		
		Mysore Narasimha Swamy Sudheendra Chief Financial Officer	Mr. Suraj Arora Company Secretary	Total
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission (Incentive) -- as % of profit -- others, specify...	Nil	1,51,944	151,944
5.	Others, please specify (PF)	1,64,171	69,288	2,33,459
	Total	35,68,684	16,71,396	52,40,080

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)
A. COMPANY					
Penalty					
Punishment					
Compounding	441 of the Companies Act, 2013 read with erstwhile section 621A of Companies Act, 1956.	The Company has made an application for compounding of non-compliance for nonconstitution of audit committee relating to the period 19.10.2004 to 06.11.2012. The National Company Law Tribunal vide its order dated 11.04.2018 compounded the offence. The company paid the compounding fees.	1,00,000/-	NCLT	N.A.
Penalty					
Punishment					
Compounding	Section 196, 197, 200, 201(1), 203(1) and Sch. V of Companies Act, 2013 & Rules	The Company has filed application for waiver of excess remuneration paid to erstwhile Director, Mr. Devender Mehta. The Central Government allowed the application and waived off Rs. 6 lakhs with a direction to recover the remaining Rs.18 lakhs from the director. The Company has initiated recovery proceedings of the remaining amount from the director.	N.A.	CG	N.A.
B. DIRECTORS					
Penalty					
Punishment					
Compounding	621A of Companies Act, 1956	The National Company Law Tribunal (NCLT) allowed the company petition for compounding of offence of non-constitution of audit committee relating to period 19.10.2004 to 06.11.2012 with penalties of Rs. 1,00,000/- each on the then 3 executive directors of the company.	1,00,000/-	NCLT	N.A.
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment	No Penalties or Punishment during the F.Y. 2017-18				
Compounding					

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

Sd/-
Balasubramaniam Prasad
Whole Time Director
(DIN: 07916810)

Sd/-
Vikram Arthur Fernandes Prabhu
Director
(DIN: 06421340)

Date: 31st August, 2018
Place: Gurugram



Annexure “D”

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2018**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
UTC Fire & Security India Limited
(CIN: U29193MH1981FLC024364)
Unit No.8, 1st Floor, The Centrium, Lal Bhadur
Shashtri Marg, Kurla west,
Mumbai-400070

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **UTC Fire & Security India Limited** (hereinafter called ‘the Company’). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of **UTC Fire & Security India Limited’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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2018** 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:

- (i) I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of: The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iv) Other Laws specifically applicable to the Company:
 - a. The Information Technology Act, 2000;
 - b. Minimum Wages Act, 1948
 - c. The Payment of Gratuity Act, 1972
 - d. Payment of Bonus Act, 1965
 - e. The Employees’ Provident Fund and Misc. Provisions Act, 1952
 - f. Equal Remuneration Act, 1976
 - g. The Maternity Benefit Act, 1961
 - h. The Maharashtra Shops and Establishment Act 1948
 - i. The Maharashtra Workmen’s Minimum House-Rent Allowance Act, 1983
 - j. The Private Security Guards (Regulation Of Employment And Welfare) Scheme, 2002
 - k. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.



I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

I further report that the Board of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors 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.

Adequate notice is given to all directors to schedule the Board Meetings in advance, agenda and detailed notes on agenda were sent in advance, 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.

Decisions at the Board Meetings were taken by the majority of the Board of Directors. I, 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.

I further report that during the audit period, the Company has issued 20,26,20,968 (Twenty Crores Twenty Six Lakh Twenty Thousand Nine Hundred and Sixty Eight) equity shares on preferential basis at a price of Rs.12.40 each including a premium of INR 2.40/- aggregating to INR 251 crores as per the terms of issue.

For **B. Samrish & Co.**
Company Secretaries

Sd/-

(Samrish Bhanja)
Company Secretary
FCS No.: 4742
C.P. 4835

Place: New Delhi
Date: 31st August, 2018

Note: This Report is to be read with our letter of even date which is annexed as Annexure A and forms integral part of this Report.



Annexure A

To,

The Members

UTC Fire & Security India Limited

(CIN: U29193MH1981FLC024364)

Unit No. 8, 1st Floor, The Centrium, Lal Bhadur

Shashtri Marg, Kurla west,

Mumbai-400070

My Report 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of 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.

For **B. Samrish & Co.**

Company Secretaries

Sd/-

(Samrish Bhanja)

Company Secretary

FCS No.: 4742

C.P. 4835

Place: New Delhi

Date: 31st August, 2018

Annexure "E"

Statement showing details of the employees as required under Section 197 of the Companies Act, 2013 As on 31.03.2018

S. No.	Business	Name	Designation	Qualification	Previous Experience (Yrs)	Joining Date	Other Terms & Conditions	Remuneration (Rs.)	Age (Yrs)	Last Employment Held
1	HRDC	PRAKASH VERA BODLA	Executive Director & Centre Head	MS, MBA	11.04	21-Jan-05	N.A.	1,44,40,381	48	GE Security
2	FSP	ANAND BAGALWADI	Director F & S Products	B.E.	35	8-Oct-03	N.A.	89,37,202	60	GE Interlogix
3	HRDC	VENKATA RAVI DANGETI	Senior Technology Manager	B.Tech	18.03	22-Feb-18	N.A.	80,00,065	40	Visa Consolidated Support Services
4	HRDC	LAKSHMAN SUBRAMANIAN	Director - Engineering	M.S & PGCBM	20.05	1-Apr-14	N.A.	78,00,000	48	UTC-CCS
5	HRDC	SUNIL NECKARAJE	Director - Engineering	B.Tech	4	30-Sep-02	N.A.	66,00,000	43	GE Security
6	HRDC	VEERABHADRA RAO BALLA	Director - Engineering	ME (Computer Science)	15.09	7-Oct-13	N.A.	64,00,000	45	ISRC
7	HRDC	MANMADHA RAO KANCHARLA	Senior System Engineer	B.Tech	14.05	14-Jul-16	N.A.	62,40,000	40	UHG
8	HRDC	KONDAIAH DASARI	Director - Engineering	M.Tech	17.01	1-May-17	N.A.	60,00,000	42	Honeywell
9	HRDC	BALAJI KALIAPPAN	Senior Technology Manager	DBM, BE	19	26-Mar-14	N.A.	55,80,000	45	GE Energy
10	HRDC	PREM NIVASA	Finance Controller	CA,CS	19.11	22-Sep-17	N.A.	55,00,000	54	Qualcomm

Notes

1. Mr. Anand Bagawadi was in fixed term employment contract during the year under review.
2. None of the employees, as listed in Annexure 'E' is related to any director of the Company.
3. None of the employees, as listed in Annexure 'E' holds (by himself or along with his spouse and dependant children) equity shares in the Company.

For and on behalf of the Board of Directors

By Order of the Board

For **UTC Fire & Security India Limited**

Sd/-

Balasubramaniam Prasad

Whole Time Director

(DIN: 07916810)

Date: 31st August, 2018

Place: Gurugram

Sd/-

Vikram Arthur Fernandes Prabhu

Director

(DIN: 06421340)



UTC Fire & Security

A United Technologies Company

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
	Date of approval by the Board	N/A
F	Amount paid as advances, if any	N/A
G	Date on which the special resolution was passed in General meeting as re-quired under first proviso to section 188	N/A
H	Date on which the special resolution was passed in General meeting as re-quired 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

For **UTC Fire & Security India Limited**

Sd/-

Balasubramaniam Prasad

Whole Time Director

(DIN: 07916810)

Sd/-

Vikram Arthur Fernandes Prabhu

Director

(DIN: 06421340)

Place: New Delhi

Date: 31st August, 2018

**B S R & Associates LLP**

Chartered Accountants

Building No. 10 8th Floor, Tower-B

DLF Cyber City, Phase-II

Gurgaon - 122 002, India

Telephone: + 91 124 2358 610

Fax: + 91 124 2358 613

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF UTC Fire & Security India Limited

Report on the Audit of the Financial Statements (prepared as per Accounting Standards)

We have audited the accompanying financial statements (prepared as per Accounting Standards) of UTC Fire & Security India Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and, a summary of the significant accounting policies and other explanatory information.

Management's 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 Companies Act, 2013 ("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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

INDEPENDENT AUDITORS' REPORT

To the Members of UTC Fire & Security India Limited

Report on the Financial Statements

Page 2 of 3

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditors' report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

1. Attention is invited to Note 44 to the financial statements regarding managerial remuneration amounting to Rs. 24 lakhs 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's applications in this regard were rejected by the Central Government. The Company had resubmitted the application to the Central Government. In the current year, the Company has been granted partial waiver of Rs. 6 lakhs with a direction to recover the remaining Rs.18 lakhs from the director. The Company has initiated recovery proceedings of the remaining amount from the director. This amount will be recorded in the books of accounts, as and when recovered from the director.
2. Attention is invited to Note 47 to the financial statements regarding non settlement of foreign currency payables amounting to Rs. 738 lakhs as at 31 March 2018 due for more than six months from the date of imports and nonrealisation of foreign currency receivables amounting to Rs. 164 lakhs as at 31 March 2018 due for more than nine months from the date of exports. The Company has filed applications with the authorised dealer seeking permission for extension of time period for settlement of the payables and realisation of the receivables.

Our opinion is not modified in respect of the above matters.

Opinion

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 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 2018, its loss and its cash flows for the year ended on that date.

**INDEPENDENT AUDITORS' REPORT**

To the Members of UTC Fire & Security India Limited
Report on the Financial Statements
Page 3 of 3

Other Matters

The financial statements of the Company for the year ended 31 March 2017 were audited by earlier auditors whose report dated 8 September 2017 expressed a modified opinion on those financial statements.

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 "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement 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 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - 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"; and
 - g) With respect to the Other Matter to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2018 on its financial position in its financial statements - Refer Note 10 and 40 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 Company did not have any holdings or dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 – Refer Note 48 to the financial statements.

For B S R & Associates LLP*Chartered Accountants*

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

Sd/-**Manish Gupta***Partner*

Membership No.: 095037

Place: Gurugram
Date : 31 August, 2018



Annexure A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2018, we report that:

Page 1 of 4

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets in which all fixed assets are verified in a phased manner over a period of two years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the year. No material discrepancies were noticed on such verification during the year.
- (c) According to the information and explanations given to us, the Company does not hold any immovable property.
- (ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, inventory except goods in transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us, the discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) 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.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any transactions in respect of loans, investments, guarantees, and security which are covered under section 185 and 186 of the Companies Act, 2013. Accordingly, provisions of paragraph 3(iv) of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposits covered under Section 73 to 76 or any other provisions of the Act and the rules framed thereunder.
- (vi) The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of 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 Sales tax, Duty of customs, Value added tax, Provident Fund, Income-tax, Service tax, Cess, Goods and Service tax have been generally been regularly deposited during the year by the Company with the appropriate authorities, except that there has been a slight delay in a few cases. As explained to us, the Company did not have any dues on account of Employees State Insurance and Duty of Excise.

According to the information and explanation given to us, except as disclosed below, no undisputed amount payable in respect of Provident fund, Income-tax, Sales tax, Service tax, value added tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.



Annexure A to the Independent Auditors’ Report

The Annexure referred to in our Independent Auditor’s Report to the members of the Company on the financial statements for the year ended 31 March 2018, we report that:

Page 2 of 4

Name of the statute	Nature of dues	Amount payable (Rs. in lakhs)	Period to which the amount relates	Due date	Date of Payment
Finance Act, 1994	Service tax	57	February 2007 to June 2011	Various dates	Not yet paid

(b) According to the information and explanations given to us, except as stated below, there are no dues of Income tax , Sales tax , Service tax ,Duty of Excise, Duty of customs or Value added tax that have not been deposited with the appropriate authorities on account of any dispute.

Name of the Statute	Nature of the dues	Amount (Rs. in lakhs)	Amount paid (Rs. in lakhs)	Period to which amount relates	Forum where dispute is pending
Income tax					
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)
Sales Tax					
Central Sales tax Act, 1961	Demand against non-submission of various Forms	247	47	2002-03 to 2004-05 and 2006-07	Assistant 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

**Annexure A to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2018, we report that:

Page 3 of 4

Sales tax/ Value added tax Act of Uttar Pradesh	Demand against non-submission of various Forms	29	-	2007-08 and 2008-09	UP trade tax authority, Agra
Sales tax/ Value added tax Act of Maharashtra	Demand against non-submission of various Forms	181	22	2010-11, 2011-12 and 2013-14	Joint Commissioner of Sales tax (Appeals)
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					
Central Excise Act, 1994	Excise duty liability	206	55	1986-87 to 1998-89 and 2008-09	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	25	6	January, 1998 to March, 2001	CESTAT, Mumbai
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	
Central Excise Act, 1994	Excise duty liability	1	-	January 1999 to March 1999	Deputy Commissioner of Central Excise, Vapi

- (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, banks, government or dues to debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) 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 year.
- (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.

**Annexure A to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2018, we report that:

Page 4 of 4

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.
- (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 explanations given to us, the Company has made preferential allotment of shares. In our opinion, the Company has complied with the requirements of section 42 of the Act and the rules framed thereunder and used the funds raised for the purpose for which they have been raised.
- (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 directors. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For B S R & Associates LLP

Chartered Accountants

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

Sd/-

Manish Gupta

Partner

Membership No.: 095037

Place: Gurugram

Date : 31 August, 2018



Annexure B to the Independent Auditor's Report to the Members of even date on the financial statements of UTC Fire & Security India Limited

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

We have audited the internal financial controls with reference to financial statements of UTC Fire & Security India Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on 'Audit of Internal Financial Controls over Financial Reporting' issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's 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 on 'Audit of Internal Financial Controls Over Financial Reporting' (the "Guidance Note") and the Standards on Auditing, issued by Institute of Chartered Accountants of India ("ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting 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 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 control over financial reporting 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For B S R & Associates LLP

Chartered Accountants

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

Sd/-

Manish Gupta

Partner

Membership No.: 095037

Place: Gurugram

Date: 31 August, 2018

**UTC FIRE & SECURITY INDIA LIMITED**
Balance Sheet as at March 31, 2018*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
I. Equity and Liabilities			
(1) Shareholders' funds	3	30,684	10,422
(a) Share Capital	4	(17,725)	(22,363)
(b) Reserves and Surplus		12,959	(11,941)
(2) Non Current Liabilities			
(a) Long Term Provisions	5	768	586
(b) Other Long term Liabilities	6	102	44
		871	630
(3) Current Liabilities			
(a) Short Term Borrowings	7	-	17,080
(b) Trade Payables	8		
Total outstanding dues of MSME and		-	27
Total outstanding dues of creditors other than MSME		3,024	3,267
(c) Other Current Liabilities	9	3,227	4,604
(d) Short Term Provisions	10	1,909	2,162
		8,160	27,140
Total		21,989	15,829
II. Assets			
(1) Non Current Assets			
(a) Fixed Assets	11		
(i) Property, Plant and Equipment		2,902	3,302
(ii) Intangible Assets		118	-
(b) Long Term Loans and Advances	12	1,413	1,539
		4,433	4,841
(2) Current Assets			
(a) Inventories	13	698	540
(b) Trade Receivables	14	5,989	4,827
(c) Cash and Bank Balances	15	8,040	2,845
(d) Short Term Loans and Advances	16	847	699
(e) Other Current Assets	17	1,982	2,075
		17,556	10,987
Total		21,989	15,829

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

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

Sd/-

Manish Gupta

Partner

Membership No: 095037

Place : Gurugram

Date: August 31, 2018

Sd/-

Vikram Arthur Fernandes Prabhu

Director

DIN: 06421340

Place : Gurugram

Date: August 31, 2018

Sd/-

Balasubramaniam Prasad

Director

DIN: 07916810

Place : Gurugram

Date: August 31, 2018

Sd/-

Prem Nivasa

Chief Financial Officer

Place : Gurugram

Date: August 31, 2018

Sd/-

Suraj Arora

Company Secretary

Place : Gurugram

Date: August 31, 2018

**UTC FIRE & SECURITY INDIA LIMITED****Statement of Profit and Loss for the year ended March 31, 2018***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I. Revenue from operations	18	20,415	17,672
II. Other Income	19	1,187	1,294
III. Total Revenue (I + II)		21,602	18,966
IV. Expenses			
Subcontract and Site expenses		167	696
Purchases of Stock-in-trade	20	2,514	2,120
Changes in inventories of Stock-in-trade	21	(152)	(96)
Employee benefits expense	22	11,111	8,046
Finance costs	23	1,612	1,867
Depreciation expense	11	672	251
Other expenses	24	6,115	6,489
Total expenses		22,040	19,373
V. Profit/(Loss) before tax (V-VI)		(438)	(407)
VI. Tax expenses:			
(1) Current Tax	38	-	-
(2) Deferred Tax	39	-	-
VII. Loss for the year		(438)	(407)
VIII. Loss per equity share [Nominal value per Equity Share Rs. 10 (Previous Year Rs. 10)]	37		
(1) Basic		(0.27)	(0.39)
(2) Diluted		(0.27)	(0.39)

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/-

Manish Gupta

Partner

Membership No: 095037

Place : Gurugram

Date: August 31, 2018

Sd/-

Vikram Arthur Fernandes Prabhu

Director

DIN: 06421340

Place : Gurugram

Date: August 31, 2018

Sd/-

Prem Nivasa

Chief Financial Officer

Place : Gurugram

Date: August 31, 2018

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

Sd/-

Balasubramaniam Prasad

Director

DIN: 07916810

Place : Gurugram

Date: August 31, 2018

Sd/-

Suraj Arora

Company Secretary

Place : Gurugram

Date: August 31, 2018

**UTC FIRE & SECURITY INDIA LIMITED****Cash Flow Statement for the year ended March 31, 2018***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash flow from operating activities:		
Profit/(Loss) before tax & exceptional item	(438)	(407)
Adjustments for:		
Depreciation	672	251
Bad Debts	0	7
Share based payments	212	-
Provision for doubtful debts	104	173
(Reversal)/Provision for slow / Non moving inventory	(6)	(28)
(Reversal)/Provision for doubtful advances	(1)	(54)
Provision for warranty	72	(24)
(Reversal)/ Provision for foreseeable loss on projects	(135)	(259)
(Reversal)/ Provision for contingencies (Net)	14	82
Liabilities/ Provisions no longer required written back	(41)	(250)
Provision for litigation no longer required written back	(359)	-
Fixed Assets discarded/ written off	-	119
Interest expense	1,612	1,867
Interest income	(75)	(116)
Unrealised Foreign Exchange Gain (Net)	(24)	85
Forward contract Discount	(3)	(4)
Provision for litigation	94	779
Operating Gain before working capital changes before exceptional item	1,698	1,486
(Decrease) / Increase in trade payables	(205)	438
(Decrease) / Increase in provisions	211	(3,169)
(Decrease) / Increase in other liabilities	364	(1,196)
Decrease / (Increase) in trade receivables	(1,266)	(482)
Decrease / (Increase) in Inventory	(152)	(68)
Decrease / (Increase) in loans and advances and other current assets	138	(43)
Cash generated from / (used in) operations	788	(2,256)
Taxes paid	(62)	-
Net cash generated from / (used in) operations	726	(2,256)
B. Cash flow from investing activities:		
Purchase of fixed assets including capital work in progress (Net of capital creditors)	(391)	(2,608)
Interest received on deposits	74	139
Net cash generated from/(used in) investing activities	(317)	(2,469)



Particulars	Year ended March 31, 2018	Year ended March 31, 2017
C. Cash flow from financing activities :		
Repayment of loans from related parties	(17,080)	5,450
Proceeds from Issue of Equity shares (including share premium)	25,125	-
Interest paid	(3,259)	(1,315)
Net cash generated from financing activities	4,786	4,135
Net increase in cash and cash equivalents (A + B + C)	5,195	(590)
Add: Cash and cash equivalents at the beginning of the year	2,824	3,413
Cash and cash equivalents at the end of the year	8,019	2,824
Cash and Bank Balances (as per schedule : 15)	8,040	2,845
Less: Deposits held as Margin Money with Banks	21	21
Less: Deposits with maturity more than 3 months	-	-
Cash and Cash Equivalents as at the end of the year	8,019	2824
	As at March 31, 2018	As at March 31, 2017
Cash and Cash Equivalents		
Balances with Banks in Current Account	2,819	1,524
Demand Deposits (less than 3 months maturity)	5,200	1,300
	8,019	2,824

Notes:

- 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.
- Figures in brackets indicate outflow of cash and cash equivalents.
- Previous year's figures have been regrouped/ rearranged wherever necessary to confirm to the current year's classification.

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/-

Manish Gupta

Partner

Membership No: 095037

Place : Gurugram

Date: August 31, 2018

Sd/-

Vikram Arthur Fernandes Prabhu

Director

DIN: 06421340

Place : Gurugram

Date: August 31, 2018

Sd/-

Prem Nivasa

Chief Financial Officer

Place : Gurugram

Date: August 31, 2018

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

Sd/-

Balasubramaniam Prasad

Director

DIN: 07916810

Place : Gurugram

Date: August 31, 2018

Sd/-

Suraj Arora

Company Secretary

Place : Gurugram

Date: August 31, 2018

UTC FIRE & SECURITY INDIA LIMITED

Notes to the Financial Statements for the year ended March 31, 2018

1. General Information

UTC Fire & Security India Limited ("the Company") is a public Company incorporated on 6th 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 12 months 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, 2018***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2018	As at March 31, 2017
3. Share Capital		
Authorised :		
308,000,000 (Previous year: 105,000,000) Equity Shares of Rs. 10 each.	30,800	10,500
	30,800	10,500
Issued, Subscribed and Paid up :		
306,842,368 (Previous year: 104,221,400) Equity Shares of Rs. 10 each fully paid up.	30,684	10,422
	30,684	10,422

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, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Number of shares outstanding as at the beginning of the year	104,221,400	104,221,400	10,422	10,422
Add: Shares issued during the year	202,620,968	-	20,262	-
Number of shares outstanding as at the end of the year	306,842,368	104,221,400	30,684	10,422

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.

Particulars	Percentage Holding	Numbers		Amount	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
c. Shareholder holding more than 5% of entire Share Capital					
Kidde International Ltd, U.K. - Holding Company (Previous Year 99.49%)	99.83%	306,313,606	103,692,638	30,631	10,369

	As at March 31, 2018	As at March 31, 2017
4. Reserves And Surplus		
Capital Redemption Reserve		
Balance as at the beginning of the year	5	5
Securities Premium Account		
Balance as at the beginning of the year	4,064	4,064
Add: Addition during the year	4,863	-
Balance as at the end of the year	8,927	4,064
General Reserve		
Balance as at the beginning of the year	454	454
Deficit in Statement of Profit and Loss		
Balance as at the beginning of the year	(26,886)	(26,479)
Add: Profit/(Loss) for the year	(438)	(407)
Balance as at the end of the year	(27,324)	(26,886)
Share options outstanding account		
Balance as at the beginning of the year	-	-
Add: Addition during the year	212	-
Balance as at the end of the year	(17,725)	(22,363)

**UTC FIRE & SECURITY INDIA LIMITED****Notes to the Financial Statements for the year ended March 31, 2018***(All amounts in Rs. Lakhs, unless otherwise stated)*

	As at March 31, 2018	As at March 31, 2017
5. Long Term Provisions		
Provision for employee benefits:		
- Gratuity (Refer Note 32)	221	119
- Compensated Absences	250	203
Provision for De-commissioning cost	297	264
	768	586
6. Other Long term Liabilities		
Lease Equalisation Reserve	102	44
	102	44
7. Short Term Borrowings		
Unsecured Loans:		
From related parties (Refer Note 34)	-	17,080
	-	17,080
8. Trade Payables		
Trade Payables	3,024	3,294
* For dues to MSME, refer note 41	3,024	3,294
9. Other Current Liabilities		
Advance from customers	468	348
Invoices Raised for Incomplete Projects (Refer Note 31):		
Unearned Revenue	862	776
Employee liabilities	66	50
Statutory liabilities	450	357
Unamortized Discount on forward contract	4	7
Interest accrued on loans from related party	-	1,680
Forward Contract Payable	1,376	1,386
Others	1	-
	3,227	4,604
10. Short Term Provisions		
Provision for Employee benefits:		
- Compensated Absences	227	176
- Gratuity (Refer note 32)	100	50
Provision for Warranty (Refer Note 40)	37	6
Provision for foreseeable Losses on Projects (Refer Note 40)	319	454
Provision for Litigation/disputes (Refer Note 40)	867	1,131
Provision for Liquidated Damages (Refer Note 40)	359	345
	1,909	2,162

UTC FIRE & SECURITY INDIA LIMITED

Notes to the Financial Statements for the year ended March 31, 2018

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

11. Property, Plant and Equipment

Particulars	GROSS BLOCK (at cost)			DEPRECIATION			NET BOOK VALUE
	As at April 1, 2017	Additions during the year	Deductions during the year	As at March 31, 2018	Depreciation for the year	Deductions during the year	As at March 31, 2018
Tangible Assets							
Leasehold Improvements [Refer Note (a) below]	2,422	71	-	2,493	492	-	1,783
Furniture and Fixtures [Refer Note (a) below]	727	23	-	750	77	-	585
Office Equipment	601	108	-	709	64	-	487
Computers	531	52	-	583	20	-	47
Subtotal (a)	4,281	254	-	4,535	653	-	2,901
Intangible Assets							
Software	-	137	-	137	19	-	118
Subtotal (b)	-	137	-	137	19	-	118
Total (a) + (b)	4,281	391	-	4,672	672	-	3,019

Particulars	GROSS BLOCK (at cost)			DEPRECIATION			NET BOOK VALUE
	As at April 1, 2016	Additions during the year	Deductions during the year	As at March 31, 2017	Depreciation for the year	Deductions during the year	As at March 31, 2017
Tangible Assets							
Leasehold Improvements [Refer Note (a) below]	473	2,323	374	2,422	154	308	2,204
Furniture and Fixtures [Refer Note (a) below]	289	565	127	727	44	50	639
Office Equipment	221	408	28	601	39	27	443
Computers	548	14	30	531	14	29	14
Subtotal (a)	1,531	3,311	560	4,282	251	415	3,302
Intangible Assets							
Software	-	-	-	-	-	-	-
Subtotal (b)	-	-	-	-	-	-	-
Total (a) + (b)	1,531	3,311	560	4,282	251	415	3,302

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 19.12 lakhs, Depreciation 12.57 lakhs & Net Block 6.54 lakhs, as at 31st March 2018 (Previous Year Gross Block 19.12 lakhs, Depreciation 10.49 lakhs & Net Block 8.62 lakhs).
- (b) During previous year fixed assets amounting to INR 2,925 lakhs (Leasehold Improvements Rs.2043 lakhs, Furniture & Fixture Rs. 564 lakhs and Office Equipments Rs.318 lakhs) relating to new office renovation at HRDC has been capitalized and depreciated on estimated basis on values and quantities as stated in the purchase order, as the assets have been put to use during previous year. The Company appointed a reputed consultant to validate the final measurement of work performed including quantity of assets and asset classification. On the basis of report, adjustments to the values capitalized including the categories in which it has been capitalized has been incorporated amounting to 143.91 lakhs.



**UTC FIRE & SECURITY INDIA LIMITED****Notes to the Financial Statements for the year ended March 31, 2018***(All amounts in Rs. Lakhs, unless otherwise stated)*

	As at March 31, 2018	As at March 31, 2017
12. Long Term Loans and Advances		
<u>Unsecured, considered good :</u>	645	812
Security Deposits	487	421
Advance income tax and Tax Deducted at Source	281	306
Deposit under protest	1,413	1,539
<u>Unsecured, considered doubtful:</u>		
Security Deposits	-	5
Advance to suppliers	-	3
Balance with Government Authorities	196	213
	196	221
Less : Provision for doubtful loans, advances and deposits	(196)	(221)
	-	-
	1,413	1,539
13. Inventories (At lower of cost and net realisable value)		
<u>Stock-in-trade</u> (includes Goods-in-transit Rs. 312 lakhs (Previous Year Rs. 235 lakhs))	912	760
Less : Provision for Slow and Non moving stock	(214)	(220)
	698	540
14. Trade Receivables		
<u>Unsecured considered good :</u>		
Outstanding for period exceeding 6 months from the date they are due for payment	524	231
Others	5,465	4,596
	5,989	4,827
<u>Unsecured considered doubtful :</u>		
Outstanding for period exceeding 6 months from the date they are due for payment	1,832	1,727
Less: Provision for doubtful debts	(1,832)	(1,727)
	-	-
	5,989	4,827
15. Cash and Bank Balances		
<u>Cash and Cash Equivalents :</u>		
Balances with Banks in Current Account	2,819	1,524
Demand Deposits (less than 3 months maturity)	5,200	1,300
	8,019	2,824
<u>Other Bank Balances :</u>		
Deposits with Banks held as Margin Money having maturity more than 3 months but less than 12 months	21	21
	21	21
	8,040	2,845
16. Short Term Loans and Advances		
<u>Unsecured considered good, unless otherwise stated:</u>		
Security Deposits	1	-
Advance to employees	19	16
Prepaid expenses	323	308
Advance to suppliers	252	117
Balance with Government Authorities	235	254
Others	17	4
<u>Unsecured considered Doubtful :</u>		
Advance to suppliers	37	23
Less: Provision for doubtful debts	(37)	(23)
	847	699

**UTC FIRE & SECURITY INDIA LIMITED****Notes to the Financial Statements for the year ended March 31, 2018***(All amounts in Rs. Lakhs, unless otherwise stated)*

	As at March 31, 2018	As at March 31, 2017
17. Other current assets		
Interest accrued but not due	4	3
Forward Contract Receivable*	1,384	1,397
Unbilled revenue	594	675
	1,982	2,075
	Year ended March 31, 2018	Year ended March 31, 2017
18. Revenue From Operations		
Sale of Products and Spares	3,364	2,801
Revenue from Supply and Installation of Fire Protection Systems (Refer Note 31)*	68	567
Sale of Services:		
Revenue from Maintenance Services	81	179
Commission income	1,019	987
Research and Development Services	15,883	13,138
	20,415	17,672
Details of Sales (Products and Spares) :		
Detectors	1,580	1,575
Devices	593	668
Panels	428	498
Accessories and Others	764	60
	3,365	2,801
19. Other Income		
Interest Income from Bank	75	116
Rent Income	213	210
Reversal of Provision for slow moving and non moving inventories	6	-
Recoveries against bad debts	-	35
Provisions/Liabilities no longer required written back	41	250
Provision for litigation no longer required written back (Refer note 40)	359	-
Gain on Foreign Exchange Fluctuation(Net)	27	-
Service Charges	266	342
Reversal of provision for Foreseeable Losses on Projects	135	259
Reversal of provision for warranty reserve	-	24
Reversal of provision for doubtful loans, advances and deposits	1	54
Miscellaneous income	64	4
	1,187	1,294
20. Purchase of stock in trade*		
Detectors	1,082	1,078
Devices	553	406
Panels	289	390
Accessories and Others	589	246
	2,514	2,120

*includes 12.27 lakhs for FY 16-17

**UTC FIRE & SECURITY INDIA LIMITED****Notes to the Financial Statements for the year ended March 31, 2018***(All amounts in Rs. Lakhs, unless otherwise stated)*

	Year ended March 31, 2018	Year ended March 31, 2017
21. Changes In Inventories of Stock-in-Trade		
Opening Inventories	760	664
Stock-in-trade		
Less: Closing Inventories	912	760
Stock-in-trade		
	(152)	(96)
22. Employee Benefits Expense		
Salaries, wages and bonus	10,009	7,422
Contribution to provident fund and other funds [Refer note 32(A)]	477	340
Gratuity Expenses [Refer note 32(B)(vi)]	244	116
Workmen and staff welfare expenses	169	168
Share based payments (Refer note 35)	212	-
	11,111	8,046
23. Finance Costs		
Interest on short term borrowings	1,579	1,867
Interest - Others	33	-
	1,612	1,867
24. Other Expenses		
Consumption of stores and spare parts	73	10
Cost of Service	122	-
Power and fuel	163	128
Rent (Refer Note 36)*	2,159	1,927
Rates and taxes	463	438
Repairs and Maintenance	420	520
Insurance	217	153
Loss on Foreign Exchange Fluctuation(Net)	-	67
Auditors Remuneration (Refer Note 30)	23	38
Travelling and conveyance	806	841
Communication costs	35	57
Legal and professional fees	485	416
Bad debts	-	7
Provision for doubtful debts**	104	173
Provision for warranty	72	-
Office Expenses	181	92
Business Support Services	15	38
Fixed Assets discarded / Written off	-	119
IT Support Charges and Software expenses	172	245
Provision for Litigation (Refer Note 40)	94	779
Provision for Liquidated Damages(Refer Note 40)	14	82
Miscellaneous	497	359
	6,115	6,489

* Includes prior period expense of Rs. 35 lakhs (Previous year Nil)

** Net of reversal of provision for retention debtors amounting 90 lakhs (previous year 27 lakhs)

**UTC FIRE & SECURITY INDIA LIMITED****Notes to the Financial Statements for the year ended March 31, 2018***(All amounts in Rs. Lakhs, unless otherwise stated)*

	Year ended March 31, 2018	Year ended March 31, 2017
25. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016.		
26. A. Contingent Liabilities to the extent not provided for		
(a) Demands / Show Cause notice raised by excise authorities which are contested by the Company	232	274
(b) Demands raised by Sales Tax authorities against which the Company has filed appeals	126	211
(c) Demands raised by Income Tax authorities against which the Company has filed appeals	327	322
(d) Claims against the company not acknowledged as debt	84	84
(e) Liquidated Damages*	997	1,034
	1,766	1,925
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.		
*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 such liability to be probable. Accordingly, no provisions has been made in respect of the same.		
26. B. Other Commitments :		
(a) Value of custom duty in respect of export obligation (against advance licenses) remaining to be met at year end	8	8
27. CIF Value of Imports		
Purchase of traded goods and components	2,263	1,700
	2,263	1,700
28. Expenditure in foreign currency		
Travelling	6	207
IT Support charges and Software expenses	150	141
Other expenses	8	1
	164	349
29. Earnings in foreign exchange		
Commission	1,019	987
Research and Development services	15,883	13,138
	16,902	14,125
30. Auditors' Remuneration (Exclusive of GST/Service Tax)		
As Auditors		
- Audit Fees	18	35
- Out-of-Pocket Expenses	3	1
- Other services	2	2
	23	38

**UTC FIRE & SECURITY INDIA LIMITED****Notes to the Financial Statements for the year ended March 31, 2018***(All amounts in Rs. Lakhs, unless otherwise stated)***31. Disclosures pursuant to Accounting Standard (AS) 7 (Revised)**

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
i.	Contract revenue recognised for the year	68	567
ii.	Aggregate amounts of costs incurred and recognised profits (less recognised losses) up to the reporting date	14,320	13,949
iii.	Amount of customer advances outstanding for contracts-work-in-progress as at the year end	115	137
iv.	Amount of retentions not due from customers for contracts- work-in-progress as at the year end	1,194	1,283
v.	Amount due from customers		
	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	4,324
b)	Less: Aggregate amount of progress billings	2,520	4,122
		4	202
vi.	Amount due to customers		
	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	12,827	11,344
b)	Less: Aggregate amounts of costs incurred and recognised profits (less recognised losses) up to the reporting date.	11,796	10,268
		1,031	1,076

32. 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, 2018	Year ended March 31, 2017
Contribution to Provident Fund	405	268
Contribution to Family Pension Fund	72	72
Total*	477	340

*Included in Note 22 - '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, 2018	Year ended March 31, 2017
Discount Rate (per annum)	7.80%	7.35%
Rate of increase in Compensation Levels	7.50%	8.00%
Rate of Return on Plan Assets (Per annum)	8.00%	8.00%

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.

(i) Changes in the Present Value of Obligation

	Year ended March 31, 2018	Year ended March 31, 2017
Present value of obligation as at the beginning of the year	412	283
Interest cost	37	28
Current Service cost	107	72

**UTC FIRE & SECURITY INDIA LIMITED****Notes to the Financial Statements for the year ended March 31, 2018***(All amounts in Rs. Lakhs, unless otherwise stated)*

Past service cost	81	-
Benefits Paid	(91)	(3)
Actuarial (Gain)/Loss	35	32
Present Value of Obligation as at the end of year	581	412

(ii) Changes in the Fair value of Plan Assets

	Year ended March 31, 2018	Year ended March 31, 2017
Fair Value of Plan Assets as at beginning of the year	269	210
Expected Return on Plan Assets	22	18
Contributions by employer	65	46
Actuarial (Gain)/Loss	(7)	(2)
Benefits Paid	(91)	(3)
Fair Value of Plan Assets as at the end of year	258	269

(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, 2018	Year ended March 31, 2017
Present Value of Obligation as at the end of the year	581	412
Fair Value of Plan Assets as at the end of the year	(258)	(269)
Unfunded Liability	323	143
Amount paid by the Company directly [Refer Note (a) below]	-	26
Net Unfunded (Asset)/Liability recognised in the Balance Sheet	323	169

(v) Amount recognised in the Balance Sheet

	Year ended March 31, 2018	Year ended March 31, 2017
Present Value of Obligation as at the end of the year	581	412
Fair Value of Plan Assets as at the end of the year	(258)	(269)
Net Balance	323	143
Amount paid by the Company directly [Refer Note (a) below]	-	26
Net Liability recognised as at the end of the year	323	169

Note:

(a) During the current year, the Company has paid gratuity to certain employees directly amounting to Rs. Nil lakhs (Previous year : Rs.26 lakhs) which need to be claimed from LIC subsequently. Necessary adjustment to give the effect of the above has been made to the Net Liability recognised as at the end of the year.

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

	Year ended March 31, 2018	Year ended March 31, 2017
Current Service Cost	107	72
Past service cost	81	-
Interest Cost	37	28
Expected Return on Plan Assets	(22)	(18)
Net actuarial (Gain)/ Loss	41	34
Total Expense recognised in the Statement of Profit and Loss *	244	116

* Included in Employee benefits expense "Gratuity" (Refer Note "22").

**UTC FIRE & SECURITY INDIA LIMITED****Notes to the Financial Statements for the year ended March 31, 2018***(All amounts in Rs. Lakhs, unless otherwise stated)***(vii) Expected Employer contribution for next year****100****50****(viii) Other Disclosures**

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2014
Present value of obligation at the end of the year	581	412	283	202	115
Fair value of plan Assets at the end of the year	(258)	(269)	(210)	(193)	(101)
(Surplus)/ Deficit	323	143	73	9	14
Experience Adjustments:					
On Plan Liabilities - (Gain)/Loss	(72)	11	9	(46)	(5)
On Plan Assets - Gain/(Loss)	(7)	(2)	(2)	(1)	-

33. 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, 2018			Year ended March 31, 2017		
		Fire Protection and Security	Research and Development	Total	Fire Protection and Security	Research and Development	Total
1.	Net Sales and Services	4,532	15,883	20,415	4,534	13,138	17,672
2.	Segment Result [Loss/(Profit)]	318	(1,203)	(885)	660	(1,794)	(1,134)
	Add/Less : Interest Income	-	-	75	-	-	116
	Add/Less : Rental Income	-	-	213	-	-	210
	Add : Interest Expense	-	-	1,612	-	-	1,867
	Loss after taxation (After Exceptional item)	-	-	438	-	-	407
3.	Capital Employed						
	Segment Assets	5,724	7,738	13,462	9,068	3,516	12,584
	Add : Unallocated Assets	-	-	8,527	-	-	3,269
	Total Assets	-	-	21,989	-	-	15,852
	Segment Liabilities	7,985	1,916	9,901	7,742	2,971	10,713
	Add : Unallocated Liabilities	-	-	-	-	-	17,080
	Total Liabilities	-	-	9,901	-	-	27,793
	Capital Expenditure	-	391	391	-	3,311	3,311
4.	Depreciation expense	3	669	672	3	248	251
5.	Non Cash Expenditure	-	-	(373)	-	-	(109)

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”.

**UTC FIRE & SECURITY INDIA LIMITED****Notes to the Financial Statements for the year ended March 31, 2018**

Particulars	Year ended March 31, 2018			Year ended March 31, 2017		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenue from external customers	3,513	16,902	20,415	3,374	14,125	17,499
Carrying amount of Segment Assets	18,521	3,468	21,989	14,498	2,721	17,219
Capital Expenditure during the year	391	-	391	3,311	-	3,311

34. 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 Enterprises having control over the Company

Kidde International Limited, U.K.

III Enterprises under common control *

Autronica Fire and Security As, Norway

Carrier Airconditioning & Refrigeration Limited

Carrier Race Technologies Private Limited

BIS Systems & Controller Engineering

Carrier Corporation, U.S.A

Chemtron Fire Systems, U.S.A.

Chubb Alba Control Systems Limited

Chubb Singapore Pte Limited

Detector Electronics Corporation, Singapore

Fireye, Inc.

Gulf Security Technology Company Limited, China

Carrier Asia Limited, Hong Kong

Kidde Denmark A/S

Kidde Fenwel Inc., U.S.A.

Kidde Fire Protection Limited, U.K.

Lenel Systems International Inc., U.S.A.

Otis Elevator Company (India) Limited

United Technologies Corporation India Private Limited

UTC Fire & Security Singapore Pte Ltd. (formerly Kidde Asia Pte Limited, Singapore)

UTC Fire & Security Americas Corp. Inc., Bradenton

UTC Fire & Security Corporation, U.S.A.

UTC Fire & Security Company-Onity

UTC Fire & Security Australia Pty. Ltd

UTC Fire & Security, Marrioff (Finland)

UTC Fire & Security Management, China

UTC Fire & Security - Switzerland

UTC Electronic Controls, America

Automated Logic Corporation, Georgia

Carrier Transicold, U.S.A.

Information Systems Resource Centre Private Limited, India

Otis Elevator Company [DE], Delaware

Taylor Company S.r.L., Italy

UTC Fire & Security Espana SL, Spain

United Technologies Research Center

**UTC FIRE & SECURITY INDIA LIMITED****Notes to the Financial Statements for the year ended March 31, 2018***(All amounts in Rs. Lakhs, unless otherwise stated)***IV Key Management Personnel**

Mr Anand Bagalwadi	Whole time Director	From : 01.04.2017 to 21.04.2017
Mr. M. N. Sudheendra	CFO	From : 01.04.2017 to 31.10.2017
Mr. Balasubramaniam Prasad	Whole time Director	From : 08.09.2017 to 31.03.2018

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
Sales and Services				
Carrier Airconditioning & Refrigeration Limited	-	8	-	8
	-	(6)	-	(6)
Chubb Alba Control Systems Limited, India	-	22	-	22
	-	(37)	-	(37)
Others	-	2	-	2
	-	(2)	-	(2)
Total- Current Year	-	32	-	32
Previous Year	-	(45)	-	(45)
Research And Development Services				
UTC Electronic Controls, America	-	994	-	994
	-	(994)	-	(994)
UTC Fire & Security Americas Corp. Inc. Bradenton	-	3,618	-	3,618
	-	(4,385)	-	(4,385)
Carrier Corporation, U.S.A	-	4,779	-	4,779
	-	(4,520)	-	(4,520)
BIS Systems & Controller Engineering	-	2,080	-	2,080
	-	-	-	-
Others	-	4,290	-	4,290
	-	(2,777)	-	(2,777)
Total- Current Year	-	15,761	-	15,761
Previous Year	-	(12,676)	-	(12,676)
Purchases of Stock in Trade				
Carrier Airconditioning & Refrigeration Limited	-	17	-	17
	-	(3)	-	(3)
UTC Fire & Security Singapore Pte Ltd.	-	49	-	49
	-	(40)	-	(40)
Gulf Security Technology Corp Ltd, China	-	1,654	-	1,654
	-	(1,414)	-	(1,414)
Kidde Fire Protection Limited, U.K.	-	306	-	306
	-	(174)	-	(174)
Others	-	121	-	121
	-	(11)	-	(11)
Total- Current Year	-	2,147	-	2,147
Previous Year	-	(1,642)	-	(1,642)
Other Expenses				
Carrier Corporation, U.S.A	-	159	-	159
	-	(174)	-	(174)
Carrier Air Conditioning & Refrigeration Limited	-	101	-	101
	-	(44)	-	(44)
Others	-	17	-	17
	-	-	-	-
Total- Current Year	-	277	-	277
Previous Year	-	(218)	-	(218)

UTC FIRE & SECURITY INDIA LIMITED
Notes to the Financial Statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

Commission Income				
UTC Fire & Security Singapore Pte Ltd.	-	1,019	-	1,019
	-	987	-	987
Total- Current Year	-	1,019	-	1,019
Previous Year	-	987	-	987
Rent Expense				
Carrier Airconditioning & Refrigeration Limited	-	36	-	36
	-	-	-	-
Otis Elevator Company Limited	-	-	-	-
	-	(29)	-	(29)
Total- Current Year	-	36	-	36
Previous Year	-	(29)	-	(29)
Interest Expense				
Carrier Airconditioning & Refrigeration Limited	-	154	-	154
	-	(206)	-	(206)
Otis Elevator Company (India) Limited	-	1,425	-	1,425
	-	(1,661)	-	(1,661)
Total- Current Year	-	1,579	-	1,579
Previous Year	-	(1,867)	-	(1,867)
Reimbursement of Expenses from Group Companies				
Detector Electronics Corporation, Singapore	-	16	-	16
	-	(16)	-	(16)
Carrier Airconditioning & Refrigeration Limited	-	338	-	338
	-	(292)	-	(292)
Carrier Corporation, U.S.A.	-	39	-	39
	-	(43)	-	(43)
Others	-	81	-	81
	-	(26)	-	(26)
Total- Current Year	-	474	-	474
Previous Year	-	(376)	-	(376)
Rent Income				
Carrier Airconditioning & Refrigeration Limited	-	73	-	73
	-	(116)	-	(116)
Chubb Alba Control Systems Limited	-	113	-	113
	-	(58)	-	(58)
Carrier Race Technologies Private Limited	-	28	-	28
	-	(35)	-	(35)
Total- Current Year	-	214	-	214
Previous Year	-	(210)	-	(210)
Reimbursements of Expenses to group companies				
Carrier Corporation, U.S.A.	-	0	-	0
	-	(4)	-	(4)
Carrier Airconditioning & Refrigeration Limited	-	33	-	33
	-	(315)	-	(315)
Otis Elevator Company (India) Limited	-	10	-	10
	-	(2)	-	(2)
Total- Current Year	-	43	-	43
Previous Year	-	(321)	-	(321)

UTC FIRE & SECURITY INDIA LIMITED
Notes to the Financial Statements for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

Loan Received				
Otis Elevator Company (India) Limited	-	2,100	-	2,100
	-	(5,450)	-	(5,450)
Total- Current Year	-	2,100	-	2,100
Previous Year	-	(5,450)	-	(5,450)
Loan Repaid				
Carrier Airconditioning & Refrigeration Limited	-	1,650	-	1,650
	-	-	-	-
Otis Elevator Company (India) Limited	-	17,530	-	17,530
	-	-	-	-
Total- Current Year	-	19,180	-	19,180
Previous Year	-	-	-	-
Receivables net of payables				
Utc Fire & Security Singapore Pte Ltd.	-	285	-	285
	-	(177)	-	(177)
UTC Fire & Security Americas Corp. Inc., Bradenton.	-	819	-	819
	-	(785)	-	(785)
Carrier Corporation, U.S.A	-	824	-	824
	-	(454)	-	(454)
BIS Systems & Controller Engineering	-	464	-	464
	-	-	-	-
Others	-	1,618	-	1,618
	-	(743)	-	(743)
Total- Current Year	-	3,080	-	3,080
Previous Year	-	(2,160)	-	(2,160)
Payables net of Receivables				
United Technologies Corporation India Private Limited	-	45	-	45
	-	(56)	-	(56)
Carrier Airconditioning & Refrigeration Ltd.	-	202	-	202
	-	(168)	-	(168)
Gulf Security Technology Corp Ltd	-	224	-	224
	-	(379)	-	(379)
Kidde Fire Protection Ltd.	-	290	-	290
	-	(175)	-	(175)
UTC Fire & Security Management,China	-	94	-	94
	-	-	-	-
Others	-	607	-	607
	-	(263)	-	(263)
Total- Current Year	-	1,272	-	1,272
Previous Year	-	(1,041)	-	(1,041)
Unsecured Loan				
Carrier Airconditioning & Refrigeration Limited	-	-	-	-
(Bearing Interest Rate @12.5% and repayable with in 12 months)	-	(1,650)	-	(1,650)
Otis Elevator Company (India) Limited	-	-	-	-
(Bearing Interest Rate @12.5% and repayable with in 12 months)	-	(15,430)	-	(15,430)
Total- Current Year	-	-	-	-
Previous Year	-	(17,080)	-	(17,080)



UTC FIRE & SECURITY INDIA LIMITED

Notes to the Financial Statements for the year ended March 31, 2018

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

Interest accrued on loans from Related party

Carrier Airconditioning & Refrigeration Limited	-	-	-	-
	-	(186)	-	(186)
Otis Elevator Company (India) Limited	-	-	-	-
	-	(1,495)	-	(1,495)
Total- Current Year	-	-	-	-
Previous Year	-	(1,681)	-	(1,681)

Guarantee

United Technologies Corporation Inc., U.S.A.	19,314	-	-	19,314
	(19,284)	-	-	(19,284)
Total- Current Year	19,314	-	-	19,314
Previous Year	(19,284)	-	-	(19,284)

Remuneration

Mr. Anand Bagalwadi	-	-	5	5
	-	-	(127)	(127)
Mr. M. N. Sudheendra	-	-	36	36
	-	-	(67)	(67)
Mr. Balasubramaniam Prasad	-	-	33	33
	-	-	(52)	(52)
Total- Current Year	-	-	74	74
Previous Year	-	-	(246)	(246)

Notes:

1. Figures shown in brackets are in respect of the previous year
2. Corporate Guarantee has been given to the banks by United Technology Corporation Inc., U.S.A, ultimate holding company.

35. 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."

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 and in some cases graded vesting over a period of 8 years	Equal to vesting period	Settlement to be done by delivery of one common stock of UTC
Performance stock units (PSU's)	"3 years service condition and performance conditions against following pre-established metrics:- a) Earning per share and Return on invested capital (Internal performance conditions) b) Total Shareholder return (Market condition)"	Equal to vesting period	Settlement to be done by delivery of one 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, 2018***(All amounts in Rs. Lakhs, unless otherwise stated)***B. Measurement of fair values**

The fair value of RSU option award and SAR option award is estimated on the date of grant using various valuation models and as per information & valuations provided by parent company. The following table indicates the assumptions used in estimating fair value for the years ended March 31, 2018 and March 31, 2017.

	31-Mar-18	31-Mar-17
Expected volatility	19%	20%
Weighted-average volatility	19%	20%
Expected term (in years)	6.5	6.5
Expected dividend yield	2.40%	2.70%
Risk-free rate	0.5% - 2.5%	0.5% - 2.6%

Expected volatilities are based on the returns of our stock, including implied volatilities from traded options on our stock. We use historical data to estimate equity award exercise and employee termination behavior within the valuation model. Prior to 2016, separate employee groups and equity award characteristics were an estimate of the period of time equity awards are expected to remain outstanding. The risk-free rate is based on the term structure of interest rates at the time of equity award grant.

C. Reconciliation of outstanding share options

A summary of the transactions under all long-term incentive plans for the year ended March 31, 2018 is as follows:

RSU's stock options	31-Mar-18		31-Mar-17	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	1,616	-	1,223	-
Granted during the year	679	-	656	-
Exercised during the year	345	-	263	-
Forfeited/cancelled during the year	-	-	-	-
Outstanding at the end of the year	1,950	-	1,616	-
Exercisable at the end of the year	-	-	-	-

The options outstanding as at 31 March 2018 have a weighted average remaining contractual life of 1.79 years (31 March 2017: 1.83 years)

The weighted average share price at the date of exercise for shares options exercised in 2017-18 was Rs.7,873, USD equivalent -\$122.12 (2016-17: Rs.7,431 (USD equivalent -\$110.83))

PSU's stock options	31-Mar-18		31-Mar-17	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	680	-	620	-
Granted during the year	260	-	240	-
Exercised during the year	56	-	-	-
Forfeited/cancelled during the year	144	-	180	-
Outstanding at the end of the year	740	-	680	-
Exercisable at the end of the year	-	-	-	-

The options outstanding as at 31 March 2018 have a weighted average remaining contractual life of 1.79 years (31 March 2017: 1.82 years)

The weighted average share price at the date of exercise for shares options exercised in 2017-18 was Rs. 8,212, USD equivalent -\$127.38 (2016-17: No shares exercised)

SAR's	31-Mar-18		31-Mar-17	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	11,571	97.82	10,071	95.89

**UTC FIRE & SECURITY INDIA LIMITED****Notes to the Financial Statements for the year ended March 31, 2018***(All amounts in Rs. Lakhs, unless otherwise stated)*

Granted during the year	1,700	-	1,500	-
Exercised during the year	1,339	81.66	-	-
Forfeited/cancelled during the year	-	-	-	-
Outstanding at the end of the year	11,932	103.96	11,571	97.82

The options outstanding as at 31 March 2018 have a weighted average remaining contractual life of 4.17 years (31 March 2017 : 5.62 years)

The weighted average share price at the date of exercise for shares options exercised in 2017-18 was Rs.7,732 USD equivalent - \$118.14 (2016-17: No shares exercised)

D. Expense recognized in statement of profit and loss

For details on the employee benefits expense, see Note 22

36. Leases

The Company has operating leases for office premises and motor vehicle. These lease arrangements range for a period between 11 months to 60 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 24 aggregating Rs. 2,159 lakhs (Previous Year Rs 1,927 lakhs).

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

Particulars	As at March 31, 2018	As at March 31, 2017
not later than one year	1,172	906
later than one year but not later than five years	2,765	3,911
later than five years	-	-

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

Particulars	As at March 31, 2018	As at March 31, 2017
not later than one year	64	213
later than one year but not later than five years	-	64
later than five years	-	-

37. Earnings/Loss per share (EPS/LPS)

Particulars	As at March 31, 2018	As at March 31, 2017
Net loss for calculation of Basic and Diluted EPS (Rs. in lakhs)	(438)	(407)
No. of shares outstanding at the beginning of the year	104,221,400	104,221,400
No. of shares outstanding at the end of the year	306,842,368	104,221,400
Weighted average number of equity shares for calculating basic LPS	161,399,372	104,221,400
Weighted average number of equity shares for calculating diluted LPS	161,399,372	104,221,400
Nominal Value of each Equity Share (Rs.)	10	10
Basic Loss Per Share(Rs.)	(0.27)	(0.39)
Diluted Loss Per Share(Rs.)	(0.27)	(0.39)

38. Current Tax

(i) In view of non-availability of taxable income, provision for taxation has not been made for the current year.

(ii) 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.

**39. Deferred Tax**

On the consideration of prudence and in the absence of virtual certainty of sufficient future taxable income, the net deferred tax asset as at March 31, 2018 has not been recognised.

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

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax assets :		
Unabsorbed Business loss & Depreciation	4,063	3,904
Provision for Doubtful Debts	640	598
Provision for Doubtful Advances	81	82
Provision for Litigation/disputes	303	391
Provision for Liquidated Damages	125	119
Provision for Warranty	13	2
Provision for De-commissioning cost	104	91
Lease Equalisation reserve	36	15
Provision for Foreseeable Losses on Projects	111	157
Provision for Employee Benefits	112	58
Difference in WDV of fixed assets	167	131
Other Disallowances	75	76
	5,830	5,624
Deferred tax liability :		
Depreciation	-	-
Deferred Tax Assets (net) *	5,830	5,624
Deferred Tax asset recognized (Refer note (a) below)	-	-

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

(a) According to the accounting policy of the Company for recognition of the deferred tax assets, in view of the losses incurred in the current year and absence of virtual certainty of realisation of carryforward tax losses in the foreseeable future, no deferred tax asset has been recognized as at March 31, 2017 and as at March 31, 2018.

40. 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, 2017	Addition during the year	Reversed during the year	Utilize during the year	Balance as on March 31, 2018
Litigation/disputes (Refer note (a) below)	1,132	94	359	-	867
	(3,718)	(779)	-	3,365	(1,132)
Liquidated Damages (Refer note (b) below)	345	14	-	-	359
	(263)	(82)	-	-	(345)
Warranty (Refer note (c) below)	6	72	-	40	38
	(37)	-	(24)	(7)	(6)
Provision for Foreseeable Losses on Projects (Refer note (d) below)	454	-	135	-	319
	(713)	-	(259)	-	(454)
Total	1,937	180	494	40	1,583
	(4,732)	(860)	(283)	(3,372)	(1,936)

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.



41. 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, 2018	Year ended March 31, 2017
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	13	11
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.	31	31
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.	13	10
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.	13	10

42. The Company has constituted an audit committee on November 7, 2012 as required under section 292A of the Companies Act, 1956. The Company has made the application to the authorities on August 21, 2015 for compounding the non-compliance relating to the period prior to the date of constitution of the audit committee in the prior years. The Company has received a letter dated August 29, 2016 from the Registrar of Companies, Mumbai which required the Company to submit certain information/documents. The Company has submitted such information/documents to the Registrar of Companies(ROC) and received order on April 11, 2018 that petition has been allowed on cost of INR 4 lakhs. The said amount has been paid to appropriate authorities via Demand draft on June 14, 2018.

43. Derivatives instruments and unhedged foreign currency exposure

a. Derivatives outstanding as at the reporting date

Particulars	Purpose	As at March 31, 2018	As at March 31, 2017
Forward contracts to sell USD (USD in lakhs)	Hedge of company commitment and highly probable forecast transaction	USD 21.20 lakhs (Rs. 1,384 lakhs)	USD 21.02 lakhs (Rs. 1,397 lakhs)

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

Particulars	As at March 31, 2018			As at March 31, 2017	
	Foreign Currency Denomination	Foreign Currency Amount (in lakhs)	Amount (In Rupees)	Foreign Currency Amount (in lakhs)	Amount (In Rupees)
Assets	USD	32	2,084	20	1,316
	EUR	-	-	-	-
	DKK	-	-	1	8
	GBP	-	-	-	-
Liabilities	DKK	5	50	6	52
	EURO	-	-	-	-
	GBP	3	295	2	174
	SGD	-	-	-	-
	CNY	-	-	-	-
	USD	18	1,181	17	1,108

**44. Remuneration to Directors**

The Company had paid excess remuneration aggregating to Rs 24 lakhs related to period November 8, 2008 to September 30, 2009 to Mr Devendra Mehta (since resigned). The application for waiver of excess remuneration was rejected by the Central Government vide letter dated July 28, 2015 due to certain technical grounds. The Company had resubmitted their application on August 25, 2015 and received mail dated September 30, 2015 from the Central Government which required the Company to submit certain information/documents/clarification on the matter. However, the said application was rejected by the Central Government vide mail dated March 15, 2016 and the Company has resubmitted the application to the Central Government on October 24, 2016. The Central Government vide letter dated December 1, 2017 waived 25% of such amount. The company has initiated recovery proceedings from Mr Devendra Mehta.

45. The Company has noticed that charges created on facilities availed with State Bank of India, Sakinaka Branch, Mumbai in previous years and which has been paid & satisfied subsequently is still appearing in the Index of Charges of Ministry of Corporate Affairs as outstanding. The Company does not have any existing banking relations / transactions with the said bank and has no loan outstanding with the Bank. The company is in the process of obtaining no due certificate from the bank and taking necessary actions for removal of other charges from MCA web portal.

46. The Company's Hyderabad unit is registered under the Special Economic Zones ("SEZ") Act, 2005. In accordance with the SEZ Rules, 2006 the Company is required to maintain positive foreign exchange earnings during the period of its operations. The management is confident of continuing to achieve such commitments in future periods for Hyderabad unit.

47. The Company has foreign currency receivables aggregating to Rs. 164 lakhs (Previous Year 49 lakhs) which are outstanding for more than nine months as of March 31, 2018 and foreign currency payables aggregating to Rs. 738 lakhs (Previous Year 225 lakhs) which are outstanding for more than six months as of March 31, 2018. The Company has applied to Authorised dealer for extension of period of receipt of these receivables vide letter dated 30 April 2018 and waiver & extension of these payables vide letter dated 7 June 2018 and 30 August 2018 respectively.

48. The financial statements for the previous year were audited by another firm of Chartered Accountants.

49. The previous period figures have been regrouped/reclassified where necessary to conform to current year's classification. The following table shows the amount reported in balance sheet as 31 March 2017 and the manner these amounts would have appeared in the financial statement for previous period if classification as done in the current year have been followed.

Balance Sheet Schedule	Caption Name	31-Mar-18	31-Mar-17
		(As per Current year classification)	(As per audited accounts of previous period)
Short Term Provisions	Provision for employee benefits: Gratuity	50	
Long term provisions	Provision for employee benefits: Gratuity		50
Long term Loans and advances	Security Deposits	141	
Short term Loans and advances	Security Deposits		141
Short term Loans and advances	Deposit under protest	61	
Long term Loans and advances	Security Deposits		61
Long term Loans and advances	Deposit under protest	245	
Short term Loans and advances	Security Deposits		55
Short term Loans and advances	Advances recoverable in cash or kind		94
Long term Loans and advances	Balance with Government Authorities		96
Short term Loans and advances	Doubtful : Provision for doubtful debts	23	
Trade payables	Trade payables		23
Long term provisions	Provision for employee benefits- Compensated Absences	203	
Short Term Provisions	Provision for employee benefits- Compensated Absences		203
Short Term Provisions	Provision for Litigation	1,131	
Short Term Provisions	Provision for Liquidated damages	345	
Long term provisions	Provision for Litigation		1,131
Long term provisions	Provision for Liquidated damages		345



Other Expenses	Repairs and Maintenance	447	
Other Expenses	Travelling and conveyance		447
Trade Receivables	Others - considered good	1,110	
Trade Receivables	Considered doubtful	400	
Trade Receivables	Provision for doubtful debts	400	
Other non current liabilities	Retentions - considered good		1,110
Other non current liabilities	Considered doubtful		400
Other non current liabilities	Provision for doubtful debts		400

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231W/W-100024

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

Sd/-

Manish Gupta

Partner

Membership No: 095037

Place : Gurugram

Date: August 31, 2018

Sd/-

Vikram Arthur Fernandes Prabhu

Director

DIN: 06421340

Place : Gurugram

Date: August 31, 2018

Sd/-

Balasubramaniam Prasad

Director

DIN: 07916810

Place : Gurugram

Date: August 31, 2018

Sd/-

Prem Nivasa

Chief Financial Officer

Place : Gurugram

Date: August 31, 2018

Sd/-

Suraj Arora

Company Secretary

Place : Gurugram

Date: August 31, 2018

**UTC FIRE & SECURITY INDIA LIMITED****(CIN: U29193MH1981FLC024364)**

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

Website: <https://www.carrier.com/building-solutions/en/in/investor> Email: suraj.arora@carrier.utc.com

Tel: 022-61700700 Fax: +91-124-2372230

Form No. MGT- 12**Polling Paper**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

BALLOT PAPER

1.	Name(s) of the Sole/First Named Member (In Block Letters)	:	
2.	Registered Address of Sole/First named Member	:	
3.	Name(s) of the Joint holder(s), if any	:	
4.	Registered Folio Number / DP ID No. /* Client ID No. (*applicable to investors Holding Shares in dematerialized form)	:	
5.	Number & Class of Ordinary Share(s) held	:	

I/We hereby exercise my/our vote(s) in respect of the ordinary/special resolution set out in the notice of the 36th annual general meeting (AGM) of the company to be held on Tuesday on September 25, 2018 at 12:30 P. M. at Unit 4B, Level -2 , 15 LBS, Phoenix Market City, Kamani, Kurla (W), Mumbai - 400 070 by giving my/our assent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate box below:

Item No.	Description of Resolution	No. of Shares held by me	I/We assent to the Resolution	I/We dissent to the Resolution
1	To receive, consider and adopt audited financial statements of the company for the financial year ended 31st March, 2018 and the report of board of directors and auditor thereon.			
2	To re-appoint Mr. Balasubramaniam Prasad (DIN: 07916810) who retires by rotation and being eligible, offers himself for re-appointment.			
3	To re-appoint Ms. Piyali Ghosh (DIN: 07124622) who retires by rotation and being eligible, offers herself for re-appointment.			
4	To approve remuneration of Mr. Balasubramaniam Prasad (DIN: 07916810) Whole Time Director of the company.			

Place:

Date:

Signature of the Member

(*as per Company records)

Notes: Please read the instructions printed below carefully before exercising your vote



INSTRUCTIONS

1. Please complete and sign the ballot form (no other form or photocopy thereof is permitted).
2. The ballot form should be signed by the member as per the specimen signature registered with the company/ depositories. In case of joint holding, the ballot form should be completed and signed by the first named member and in his/her absence by the next named joint holder.
3. Votes should be cast in case of each resolution, either in favour or against by putting the tick () mark in the column provided in the ballot form.
4. The voting rights of members shall be in proportion of the shares held by them in the paid up equity share capital of the company as on cut-off date i.e. Tuesday, September 18, 2018 as per the register of members of the company.
5. Duly completed ballot form should be handed over to the scrutinizer within 30 minutes of distribution of ballot forms.
6. Unsigned, incomplete, improperly or incorrectly tick marked ballot forms will be rejected. A ballot form will also be rejected if it is received torn, defaced, or mutilated to an extent which makes it difficult for the scrutinizer to identify either the member or as to whether the votes are in favour or against or if the signature cannot be verified.
7. The decision of the scrutinizer on the validity of the ballot form and any other related matter shall be final.
8. The results will be declared by the chairman of the meeting immediately after counting.

**UTC FIRE & SECURITY INDIA LIMITED****(CIN: U29193MH1981FLC024364)****Registered Office:** Unit No. 8, 1st Floor, The Centrium, Lal Bahadur Shastri Marg, Kurla West, Mumbai- 400070, India**Website:** <https://www.carrier.com/building-solutions/en/in/investor> **Email:** suraj.arora@carrier.utc.com**Tel:** 022-61700700 **Fax:** +91-124-2372230**FORM NO. MGT -11****Proxy form***[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014*

Name of the Member(s):	Details
Registered address:	
E mail id:	
Folio No./Client Id:	
DP ID:	

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint:

1	Name:	
	Address:	
	Email id:	
	Signature:	or failing him

2	Name:	
	Address:	
	Email id:	
	Signature:	or failing him

3	Name:	
	Address:	
	Email id:	
	Signature:	or failing him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th annual general meeting of the company, to be held on Tuesday on September 25, 2018 at 12:30 P.M. at unit 4B, Level -2, 15 LBS, Phoenix Market City, Kamani, Kurla (W), Mumbai - 400 070 and at any adjournment thereof in respect of the proposed resolutions as are indicated below:

Resolution Number	Resolution	Vote (Optional, see Note 3)	
		For	Against
Ordinary Business			
1	To receive, consider and adopt audited financial statements of the company for the financial year ended 31st March, 2018 and the report of board of directors and auditor thereon.		



Resolution Number	Resolution	Vote (Optional, see Note 3)	
		For	Against
2	To re-appoint Mr. Balasubramaniam Prasad (DIN: 07916810) who retires by rotation and being eligible, offers himself for re-appointment.		
3	To re-appoint Ms. Piyali Ghosh (DIN: 07124622) who retires by rotation and being eligible, offers herself for re-appointment.		
Special Business			
4.	To approve remuneration of Mr. Balasubramaniam Prasad (DIN: 07916810) Whole Time Director of the company.		

Signed this _____ day of _____, 2018

Affix Revenue Stamp

Signature of Member_____
Signature of the first proxy holder_____
Signature of the second proxy holder_____
Signature of the third proxy holder**Notes:**

1. This proxy form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting.
2. A proxy need not be a member of the company.
3. It is optional to indicate your preference. Please put a '✓' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
5. For the resolutions, explanatory statement and notes, please refer to the notice of the annual general meeting.



UTC FIRE & SECURITY INDIA LIMITED

(CIN: U29193MH1981FLC024364)

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Tel: 022-61700700 **Fax:** +91-124-2372230

ATTENDANCE SLIP
36th ANNUAL GENERAL MEETING

Name	
Address	
DP Id*	
Client Id*	
Folio No.	
Joint Holder(s), if any	
No. of Equity shares held	
Name of Proxy/ Representative, if any.	

*Applicable for investors holding shares in Electronic form.

I certify that I am a member/proxy for the member of the company.

I/we hereby record my/our presence at the 36th annual general meeting of the company, being held on Tuesday on September 25, 2018 at 12:30 P.M. at Unit 4B, Level -2, 15 LBS, Phoenix Market City, Kamani, Kurla (W), Mumbai - 400070

Name of Member/Proxy

Signature of Shareholder/Proxy

IMPORTANT: This attendance slip may please be handed over at the entrance of the meeting hall.

Note:

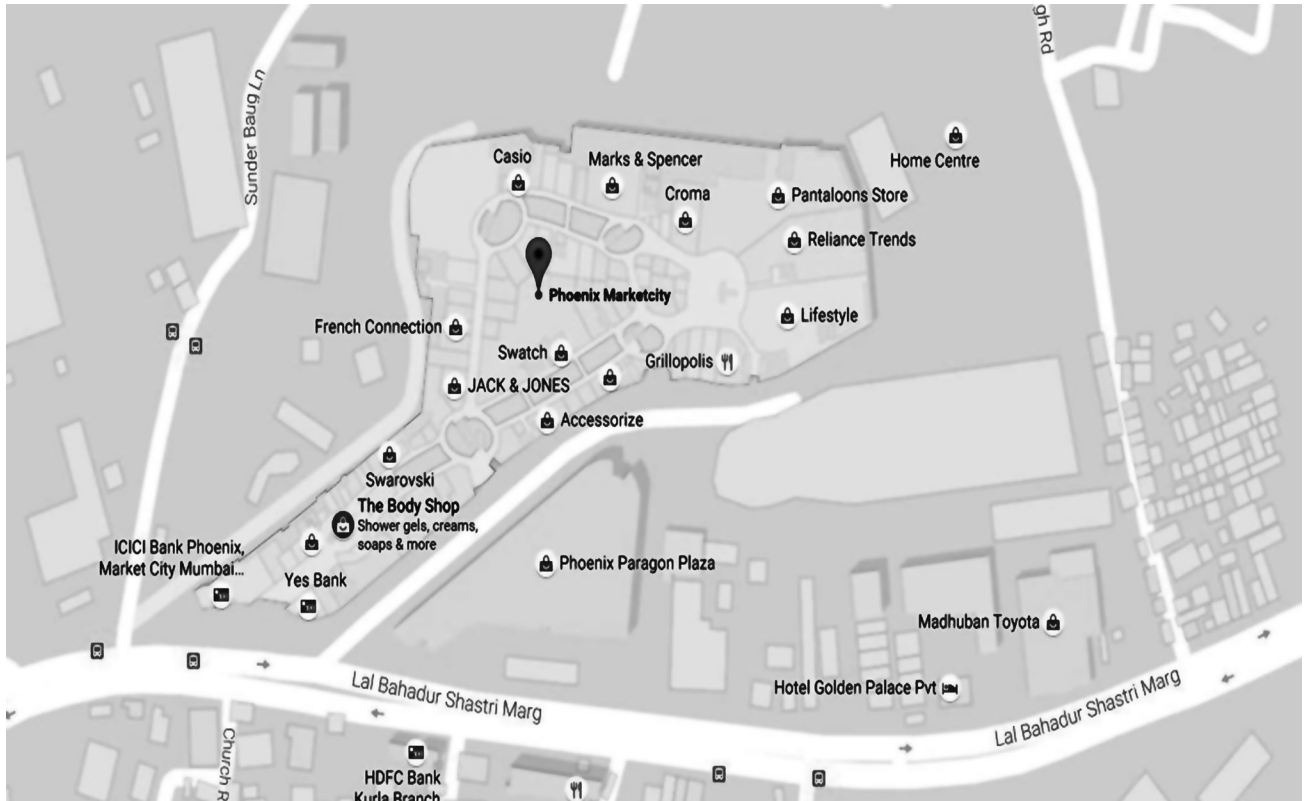
Copy of the annual report 2018 and notice of the annual general meeting along with attendance slip and proxy form is being sent to all the members.



MAP TO ANNUAL GENERAL MEETING VENUE

Address:

Unit 4B, Level -2, 15 LBS, Phoenix Market City, Kamani,
Kurla (W), Mumbai - 400070.





UTC Fire & Security

A United Technologies Company

UTC FIRE & SECURITY INDIA LIMITED

(CIN: U29193MH1981FLC024364)

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