



VOLTAS LIMITED

21st July, 2015

BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

cc: National Stock Exchange of India Limited
Listing Department
(Together with enclosure)

Dear Sir,

Sub: Annual Report 2014-15

Subsequent to the despatch of Annual Report for 2014-15, the Company has noticed certain inadvertent errors. We therefore enclose herewith three copies of Corrigendum proposed to be published in newspapers, for your information and record. Corrected soft copy of Annual Report would be uploaded on BSE Listing Centre and NEAPS and also on the website of the Company.

2. We sincerely regret the inconvenience caused in the matter.

Thanking you,

Yours faithfully,

VOLTAS LIMITED

(V. P. MALHOTRA)

Vice President - Taxation,
Legal & Company Secretary

Enc.

CORRIGENDUM

Dear Shareholders,

This has reference to the Annual Report for the year ended 31st March, 2015 sent to you in connection with the 61st Annual General Meeting of the Company to be held on 3rd August, 2015. Subsequent to despatch of Annual Report, the Company has noticed certain inadvertent errors which have crept in at the printing stage. The corrections are as under:

- Page 22** - Category-wise Shareholding. In item 2(b)(ii) the number of shares in demat be read as 664380 instead of 6643800.
- Page 65** – Item IV Expenses, the serial number for purchase of traded goods be read as (b); for (Increase)/Decrease in finished goods, work-in-progress and stock-in-trade be read as (c); and for Depreciation and amortization expenses be read as (f). Similarly, under item VIII Tax Expense, serial number (1) Current Tax be read as under:

	₹ in lakhs	
	Year ended 31-3-2015	Year ended 31-3-2014
(1) Current Tax		
(i) Current tax	11254.44	8415.42
(ii) Provision for taxation of earlier years provided / (written back)	(20.38)	(739.31)

- Page 75** – Serial number for Capital Reserve, Capital Redemption Reserve, Securities Premium Account, General Reserve and Staff Welfare Reserve be read as (1), (2), (3), (4) and (5), respectively.
- Page 117** – Note III – the country of incorporation of Terrot GmbH be read as Germany instead of India.

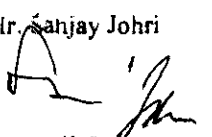
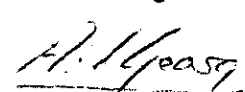

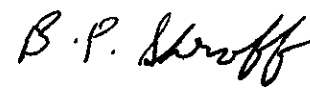
We sincerely regret the inconvenience caused to you.

VOLTAS LIMITED


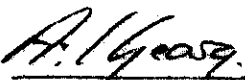


V. P. Malhotra
Vice President – Taxation,
Legal & Company Secretary

Date: 21st July, 2015

FORM A
(Pursuant to Clause 31(a) of Listing Agreement)

No.	Particulars	Details
1.	Name of the Company	Voltas Limited
2.	Annual standalone financial statements for the year ended	31 st March, 2015
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	To be signed by:	
	• Managing Director	Mr. Sanjay Johri 
	• President - Corporate Affairs & CFO	Mr. Anil George 
	• Audit Committee Chairman	Mr. Nani Jayeri 
	• Auditors of the Company	Refer our Audit Report dated 21 st May, 2015 on the standalone financial statements of the Company For DELOITTE HASKINS & SELLS LLP Chartered Accountants (Firm Registration No. 117366W/W-100018)  B. P. Shrofi (Partner) (Membership No. 34382) Mumbai, 6 th July, 2015

FORM A
(Pursuant to Clause 31(a) of Listing Agreement)

No.	Particulars	Details
1.	Name of the Company	Voltas Limited
2.	Annual consolidated financial statements for the year ended	31 st March, 2015
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	To be signed by:	
	<ul style="list-style-type: none"> • Managing Director 	Mr. Sanjay Johri 
	<ul style="list-style-type: none"> • President – Corporate Affairs & CFO 	Mr. Anil George 
	<ul style="list-style-type: none"> • Audit Committee Chairman 	Mr. Nani Javeri 
	<ul style="list-style-type: none"> • Auditors of the Company 	Refer our Audit Report dated 21 st May, 2015 on the consolidated financial statements of the Company For DELOITTE HASKINS & SELLS LLP Chartered Accountants (Firm Registration No. 117366W/W-100018)  B. P. Shroff (Partner, (Membership No. 34382) Mumbai, 6 th July, 2015



NOTICE

THE SIXTY-FIRST ANNUAL GENERAL MEETING OF VOLTAS LIMITED will be held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020, on Monday, 3rd August, 2015 at 3.00 p.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2015 together with the Report of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements for the year ended 31st March, 2015 together with the Report of the Auditors thereon.
3. To declare a dividend for the financial year 2014-15.
4. To appoint a Director in place of Mr. Vinayak Deshpande (DIN: 00036827), who retires by rotation and is eligible for reappointment.
5. **Ratification of appointment of Auditors:**

To consider and, if thought fit, to pass the following Resolution, with or without modification, as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, as amended from time to time, the Company do hereby ratify the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.117366W/W-100018) as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Sixty-Second AGM of the Company to be held in the year 2016 to examine and audit the accounts of the Company for the financial year 2015-16 on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

6. **Appointment of Ms. Anjali Bansal as an Independent Director of the Company:**

To consider and, if thought fit, to pass the following Resolution, with or without modification, as an Ordinary Resolution:

“RESOLVED that Ms. Anjali Bansal (DIN: 00207746) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 9th March, 2015 and who holds office upto the date of the forthcoming Annual General Meeting under Section 161(1) of the Companies Act, 2013 (‘the Act’) and the Articles of Association of the Company, but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER that pursuant to the provisions of Sections 149, 152, and other applicable provisions, if any, of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV to the Act, as amended from time to time, Ms. Anjali Bansal, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years from 9th March, 2015 up to 8th March, 2020."

7. Re-appointment of Mr. Sanjay Johri as the Managing Director:

To consider and, if thought fit, to pass the following Resolution, with or without modification, as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V to the Act, including any statutory modifications, re-enactments thereof, the Company hereby approves the re-appointment and terms of remuneration of Mr. Sanjay Johri as the Managing Director of the Company for a period between 23rd April, 2015 and 9th February, 2018, on the terms and conditions, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr. Sanjay Johri.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

8. Commission to Non-Executive Directors:

To consider and, if thought fit, to pass the following Resolution, with or without modification, as an Ordinary Resolution:

"RESOLVED that pursuant to the provision of Section 197 and other applicable provisions, if any, of the Companies Act 2013 ('the Act'), as amended from time to time, commission not exceeding 1% (One per cent) of the net profits of the Company for each financial year, calculated in accordance with the provisions of Section 198 of the Act, be paid to and distributed amongst all or some of the Directors of the Company (other than the Managing Director and Executive Director/s) in such amounts or proportions and in such manner and in all aspects as may be decided by the Board of Directors of the Company and such payments shall be made out of profits of the Company for each year, for a period of five consecutive financial years, commencing from 1st April, 2015."

9. Ratification of Cost Auditor's Remuneration:

To consider and, if thought fit, to pass the following Resolution, with or without modification, as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 or such other Rules as may be prescribed (including any statutory modifications made thereunder), from time to time, the Company do hereby ratify the remuneration of ₹ 4 lakhs plus service tax and out-of-pocket expenses payable to M/s. Sagar & Associates, the Cost Accountants, who are appointed as Cost Auditors by the Board of Directors of the Company, based on the recommendation of the Audit Committee, to conduct the audit of the cost records of the Company for the year ending 31st March, 2016."

NOTES:

- (a) The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 5 to 9 set out above and the relevant details of Directors seeking appointment/reappointment under Item Nos. 4, 6 and 7 above, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, are annexed hereto.
- (b) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** A person can act as a Proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. However, a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as a Proxy for any other person or Member. A Proxy Form is sent herewith. Proxies submitted on behalf of the companies, societies, etc. must be supported by an appropriate Resolution/authority, as applicable.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 14th July, 2015 to Monday, 3rd August, 2015, both days inclusive, for determining the names of Members eligible for dividend.
- (d) If dividend on shares as recommended by the Directors is approved at the Meeting, the payment will be made on or after 7th August, 2015, as under:
 - (i) to all Beneficial Owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and Central Depository Services (India) Limited as of the close of business hours on 13th July, 2015;

- (ii) to all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 13th July, 2015.
- (e) Members are requested to notify any change in their address, bank details, etc.:
 - (i) to their Depository Participants (DPs) in respect of shares held in demat form; and
 - (ii) to the Registrar and Share Transfer Agent of the Company in respect of shares held in physical form, quoting their folio numbers.
- (f) 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.
- (g) It is notified for the information of the Members concerned that the unclaimed dividends for the years 1973-74 to 1994-95 have been transferred by the Company to the General Revenue Account of the Central Government and the same can be claimed by the Members from the office of the Registrar of Companies, Maharashtra, situated at CGO Complex, 'A' Wing, 2nd floor, Next to Reserve Bank of India, CBD-Belapur, Navi Mumbai 400 614 (Phone No.27576802).
- (h) Pursuant to the provisions of Sections 205A(5) and 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company was required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. The unclaimed dividends for the financial years 1995-96 and 1998-99 to 2006-07 have been transferred to the IEPF. Currently, no claim shall lie against the IEPF or the Company for the amounts so transferred prior to 31st March, 2015 nor shall any payment be made in respect of such claim. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2008 or any subsequent financial years are requested to approach the Company or the Company's Registrar and Share Transfer Agent for claiming the same. It may be noted that the unpaid dividend for the financial year ended 31st March, 2008 declared on 28th July, 2008 can be claimed by the Members by 27th July, 2015.
- (i) Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of the unclaimed dividends in respect of the financial years from 2006-07, as on the date of the 60th AGM held on 1st September, 2014, on the website of the IEPF - www.iepf.gov.in and on the website of the Company – www.voltas.com, under Investor Section.
- (j) The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to TSR Darashaw Limited (TSRDL), Registrar and Share Transfer Agent of the Company.

- (k) The Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its Members through an electronic mode. Members who have not yet registered their e-mail address are requested to support this green initiative by registering their e-mail addresses with TSRDL in case the shares are held in physical form and with the Depository Participant in case the shares are held in demat form.
- (l) Electronic copy of the Annual Report is being sent to all the Members whose e-mail IDs are registered with the Company/Depository Participant unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, hard copy of the Annual Report is being sent in the permitted mode.
- (m) The Annual Report for 2014-15 is also available on the Company's website www.voltas.com for download.
- (n) Members holding shares in physical form are requested to consider converting their shareholding in dematerialized form, to eliminate the risks associated with physical shares including fraudulent transfers and lost in transit. Members can contact TSRDL for assistance in this regard.
- (o) In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and pursuant to Clause 35B of the Listing Agreement, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all Resolutions set forth in this Notice. Ballot form is also sent to the shareholders who desire to vote in physical form.

The facility for voting, either through electronic voting system or through ballot/ polling paper shall also be made available at the venue of the 61st AGM. The Members attending the Meeting, who have not already cast their vote through remote e-voting/Ballot form shall be able to exercise their voting rights at the AGM. The Members, who have already cast their vote through remote e-voting/ Ballot form may attend the Meeting but shall not be entitled to cast their vote again at the AGM.

In terms of the requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed 27th July 2015 as the 'Cut-off' Date. The remote e-voting/ voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on Cut-off Date, i.e. 27th July, 2015.

The instructions for e-voting are as under:

- (A) In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):
 - (i) Open the e-mail and also open PDF file namely "Voltas e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - (ii) Open the internet browser and type the following URL :
<https://www.evoting.nsdl.com>
 - (iii) Click on Shareholder – Login.

- (iv) If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
 - (v) If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
 - (vi) The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - (vii) Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
 - (viii) Select "EVEN" (E-Voting Event Number) of Voltas Limited which is **102016**. Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once the vote on the Resolution is cast, the Member shall not be allowed to change it subsequently.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the **Scrutinizer through e-mail to navnitlb@nlba.in, with a copy marked to evoting@nsdl.co.in.**
 - (xiii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com.
- B. In case a Member receives hard copy of the Notice of AGM (for Members whose e-mail addresses are not registered with the Company/Depositories):
- (i) Initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast the vote.
- C. Other Instructions:
- (i) **The e-voting period commences on Friday, 31st July, 2015 (9.00 a.m.) and ends on Sunday, 2nd August, 2015 (5.00 p.m.).** During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 27th July, 2015 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a Resolution is cast by the Member, he shall not be allowed to change it subsequently.
 - (ii) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 27th July, 2015.
 - (iii) Mr. N. L. Bhatia, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.

- (iv) The Scrutinizer shall immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter, unblock the votes through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make his consolidated Report of the votes cast in favour or against, if any, within a period not exceeding three days from the conclusion of the AGM, to the Chairman of the Company.
- (v) **Members who do not have access to e-voting facility may send duly completed Ballot Form so as to reach the Scrutinizer** appointed by the Board of Directors of the Company, Mr. N. L. Bhatia, Practicing Company Secretary, (Membership No.1176), c/o TSR Darashaw Limited, 6/10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011, **not later than Friday, 31st July, 2015 (5.00 p.m.).**

Members have the option to request for hard copy of the Ballot Form by sending an e-mail to shareservices@voltas.com by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Scrutinizer appointed by the Company not later than 31st July, 2015 (5.00 p.m.).

Ballot Form received after this date will be treated as invalid.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

- (vi) The results along with the Scrutinizer's Report shall be placed on the Company's website www.voltas.com and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared by the Company and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

By Order of the Board of Directors

V.P. Malhotra

Vice President – Taxation, Legal
& Company Secretary

Mumbai, 21st May, 2015

Registered Office:

Voltas House 'A',
Dr. Babasaheb Ambedkar Road,
Chinchpokli, Mumbai 400 033.
Tel: 91 22 66656666
Fax: 91 22 66656231
CIN: L29308MH1954PLC009371
e-mail: shareservices@voltas.com
website: www.voltas.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 9 of the accompanying Notice dated 21st May, 2015.

2. Item No. 5:

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

The Members had, at the last Annual General Meeting held on 1st September, 2014, approved appointment of Deloitte Haskins & Sells LLP (DHS) as the Statutory Auditors of the Company for a period of three years from the conclusion of the Sixtieth Annual General Meeting (AGM) till the conclusion of the Sixty-Third AGM of the Company to be held in the year 2017, subject to ratification of their appointment at every AGM. Accordingly, the Resolution is placed before the Members to ratify appointment of DHS, as per the proposal contained in the Resolution set out at Item No. 5 of the Notice.

The Board commends the Resolution at Item No. 5 for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution at Item No. 5 of the accompanying Notice.

3. Item No. 6:

The Board of Directors had, on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Anjali Bansal as an Additional Director and also as an Independent Director of the Company for a term of five years with effect from 9th March, 2015 up to 8th March, 2020, subject to the approval of the Members at the Sixty-First Annual General Meeting (AGM) of the Company to be held on 3rd August, 2015. As an Additional Director, Ms. Anjali Bansal holds office up to the date of the forthcoming AGM of the Company. The Company has received a Notice in writing from a Member, proposing her candidature for the office of Director under the provisions of Section 160(1) of the Act.

Ms. Anjali Bansal is the Managing Director of Spencer Stuart India Private Limited, co-leads the firm's Asia Pacific Board & CEO practice and is a part of the Asia Pacific leadership team. She founded the firm's India practice and has grown it successfully across Mumbai, Gurgaon and Bangalore. She had earlier served on the Firm's global Strategy Task Force and the Boards Nomination Committees. Earlier, she was a strategy consultant with McKinsey & Company based in New York and Mumbai.

Ms. Anjali Bansal received her Master's Degree in international affairs, with distinction, from Columbia University, New York, where she majored in international finance and business, as well as a Bachelor's Degree in computer engineering from Gujarat University.

Ms. Anjali Bansal was listed as one of the 'Most Powerful Woman in Indian Business' by Business Today and also as one of the 'Most Powerful Woman in Business in India' by Fortune India magazine.

Ms. Anjali Bansal is presently on the Board of GlaxoSmithKline Pharmaceuticals Limited, Bata India Limited and Bombay Chamber of Commerce & Industry. She is on the Advisory Board of the Columbia University Global Centres, South Asia and a trustee on the Board of the United Way of Mumbai and Enactus.

As per Section 149 and other applicable provisions of the Act and Clause 49 of the Listing Agreement, an Independent Director shall hold office for a term upto five consecutive years on the Board of a company and is not liable to retire by rotation. Ms. Anjali Bansal has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act and Clause 49 of the Listing Agreement.

In the opinion of the Board, Ms. Anjali Bansal fulfils the conditions specified in the Act and the Rules made there under for appointment as an Independent Director and she is independent of the Management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Ms. Anjali Bansal as an Independent Director is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Ms. Anjali Bansal shall be open for inspection by the Members at the Registered Office during normal business hours on any working days of the Company.

Ms. Anjali Bansal is interested and concerned in the Resolution at Item No. 6 of the Notice as it relates to her own appointment. Other than Ms. Anjali Bansal, no other Directors or Key Managerial Personnel of the Company or their respective relatives, are concerned or interested in the Resolution at Item No. 6 of the Notice.

4. Item No. 7:

Mr. Sanjay Johri who has over 39 years of experience in marketing and business operations, joined Voltas in September 2004 as Executive Vice President – Strategic Growth and Organisation Development and was over a period of time, entrusted with additional responsibilities and promoted as the President of the Company on 1st October, 2008. Mr. Sanjay Johri was appointed as the Managing Director of the Company with effect from 23rd April, 2010 for a period of five years on certain terms and conditions which were approved by the Members at the Fifty-Sixth Annual General Meeting of the Company held on 16th August, 2010. The present term of Mr. Sanjay Johri was upto 22nd April, 2015.

In view of his long tenure and experience of business operations, the Board of Directors have, at its meeting held on 21st April, 2015, based on the recommendation of the Nomination and Remuneration Committee, re-appointed Mr. Sanjay Johri as the Managing Director of the Company, subject to approval of Members at the Annual General Meeting. The main terms and conditions of Mr. Sanjay Johri's re-appointment are as follows:

1. Tenure of Appointment:

From 23rd April, 2015 to 9th February, 2018.

2. Nature of Duties:

Mr. Sanjay Johri, Managing Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associate companies and/or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the Boards of such associate companies and/or subsidiaries or any other executive body or any committee of such a company.

3. Remuneration:

(a) Salary: Current Salary of ₹6,00,000 per month; Upto a maximum of ₹12,00,000 per month. The annual increments which will be effective 1st April each year, will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee (hereinafter called the "NRC") and will be performance-based and take into account the Company's performance as well, within the said maximum amount.

(b) Benefits, Perquisites and Allowances:

Details of Benefits, Perquisites and Allowances are as follows:

- (i) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation OR House Rent and Maintenance Allowance (in case residential accommodation is not provided by the Company) of 85% of Salary per annum.
 - (ii) Reimbursement of hospitalisation and major medical expenses incurred as per the Rules of the Company (this includes mediclaim insurance premium).
 - (iii) Car facility, telecommunication facility and housing loan facility as per the Rules of the Company.
 - (iv) Other perquisites and allowances given below subject to a maximum of 55% of Salary per annum. This includes Medical Allowance, Leave Travel Concession/ Allowance, Other Allowances, Personal Accident Insurance Premium and Club membership fees.
 - (v) Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity as per the Rules of the Company.
 - (vi) Leave and encashment of unavailed leave as per the Rules of the Company.
- (c) Commission: In addition to Salary, Benefits, Perquisites and Allowances, Mr. Sanjay Johri could be paid such remuneration by way of Commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceilings stipulated in Section 197. The specific amount payable to Mr. Sanjay Johri, will be based on his performance as evaluated by the Board or the NRC and approved by the Board and will be payable annually, after the Annual Accounts have been approved by the Board.
- (d) Incentive Remuneration: Incentive Remuneration could be paid annually, at the discretion of the Board, based on certain performance criteria and such other parameters as may be considered appropriate from time to time.

The Board, on recommendation of the NRC, will take appropriate decision on payment of incentive remuneration or commission, after taking into consideration the performance of the Company on certain defined qualitative and quantitative parameters (as decided by the Board from time to time); industry benchmarks of remuneration and performance of Mr. Sanjay Johri.

4. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Sanjay Johri, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, incentive remuneration, benefits, perquisites and allowances, as specified above, subject to such further approvals as may be required under the Act, as amended from time to time.

5. Insurance:

The Company will take an appropriate Directors and Officers Liability Insurance Policy and pay premium for the same. The Company shall maintain such insurance cover for his entire term, subject to the terms and conditions of such policy in force from time to time.

6. Personnel Policies:

All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company, shall also be applicable to the Managing director, unless specifically provided otherwise.

7. Other terms of appointment:

- (i) The Managing Director shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
- (ii) The terms and conditions of his appointment as the Managing Director may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, irrespective of the limits stipulated under Schedule V to the Act, or any amendments made hereinafter in this regard, in such manner as may be agreed to between the Board and the Managing Director, subject to such approvals as may be required.
- (iii) The appointment may be terminated by either party by giving to the other party, six months' notice of such termination or the Company paying six months' remuneration, which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Incentive Remuneration (paid at the discretion of the Board), in lieu of such notice.
- (iv) The employment of the Managing Director may be terminated by the Company without notice or payment in lieu of notice:
 - (a) if the Managing Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required by the Agreement to render services; or
 - (b) in the event of any serious repeated or continuing breach (after prior warning) or non observance by the Managing Director of any of the stipulations contained in the Agreement to be executed between the Company and the Managing Director; or
 - (c) in the event the Board expresses its loss of confidence in the Managing Director.
- (v) In the event the Managing Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

- (vi) Upon the termination by whatever means of his employment under the Agreement:
 - (a) the Managing Director shall immediately cease to hold offices held by him in any holding company, subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167 (1)(h) of the Act and shall resign as trustee of any trusts connected with the Company.
 - (b) the Managing Director shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiaries or associate companies.
- (vii) Mr. Sanjay Johri is appointed as a Director by virtue of his employment in the Company and his appointment is subject to the provisions of Section 167(1)(h) of the Companies Act, 2013. Mr. Johri is not liable to retire by rotation.
- (viii) The terms and conditions of appointment of the Managing Director also include clauses pertaining to adherence with the Tata Code of Conduct, Intellectual Property, non-competition / conflict of interest with the Company, non-solicitation and maintenance of confidentiality.
- (ix) The Managing Director covenants with the Company that he will not during the continuance of his employment with the Company accept any other directorships in any company or body corporate, without the prior written consent of the Board.
- (x) If and when the Agreement expires or is terminated for any reason whatsoever, Mr. Sanjay Johri will cease to be the Managing Director and also cease to be a Director of the Company. If at any time, the Mr. Sanjay Johri ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director and the Agreement shall forthwith terminate. If at any time, Mr. Sanjay Johri ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Managing Director of the Company.

In compliance with the provisions of Sections 196 and 197 and other applicable provisions of the Act read with Schedule V to the Act, the terms of appointment and remuneration specified above are now being placed before the Members in General Meeting for their approval.

Brief information of Mr. Sanjay Johri is given in the Annexure attached to the Notice.

The Board commends the Resolution at Item No. 7 for acceptance by the Members.

Mr. Sanjay Johri is interested and concerned in the Resolution at Item No. 7 of the Notice as it relates to his own appointment. The relatives of Mr. Sanjay Johri may be deemed to be interested in the Resolution at Item No. 7, to the extent of their shareholding interest, if any, in the Company. Other than Mr. Sanjay Johri, no other Director or Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution at Item No. 7 of the Notice.

5. Item No. 8:

The Members had, at the Fifty-Fifth Annual General Meeting of the Company held on 10th August, 2009, approved payment of commission to the Directors (other than the Managing Director and Executive Director/s) of an amount not exceeding one per cent per annum of the net profits of the Company for each year, for a period of five financial years commencing from 1st April, 2010.

Taking into consideration the increased role of Directors in the emerging competitive environment and the added responsibilities of Non-Executive Directors, it is proposed to continue with the payment of commission to the Non-Executive Directors of the Company. Accordingly, it is proposed in terms of Section 197 of the Act that the Directors (apart from the Managing Director and Executive Director/s) be paid for each of the five financial years commencing 1st April, 2015, a commission not exceeding one per cent of the net profits of the Company computed in accordance with the Act. Such remuneration will be distributed amongst all or some of the Directors at the discretion of the Board in such proportion and manner as the Board may from time to time determine.

As per the provisions of Clause 49 of the Listing Agreement, all fees/compensation, payable to Non-Executive Directors shall be fixed by the Board of Directors and shall require approval of Members in General Meeting. However, no approval of Members is required if payment of Sitting fees to Non-Executive Directors is made within the limits prescribed under the Act. The Sitting fees paid to the Non-Executive Directors of the Company are well within the limits prescribed under the Act.

The Resolution proposed at Item No. 8 is an enabling Resolution. No remuneration will accrue or become payable to the Directors until the Board at its discretion and within the limit approved by the Members, decides to distribute the amount of commission after taking into account all the relevant circumstances and the provisions of the Act.

All the Non-Executive Directors are deemed to be interested in the Resolution at Item No. 8 to the extent of commission that may be received by them. The relatives of the Non-Executive Directors may be deemed to be interested in the Resolution at Item No. 8 to the extent of their shareholding interest, if any, in the Company. The Managing Director or Key Managerial Personnel of the Company or their respective relatives are not interested in the Resolution at Item No. 8 of the Notice.

6. Item No. 9:

Based on the recommendation of the Audit Committee, the Board of Directors of the Company have approved the appointment and remuneration of M/s. Sagar & Associates, Cost Accountants as Cost Auditors to examine and conduct audit of cost records of the Company for the year ending 31st March, 2016, at a remuneration of ₹ 4 lakhs plus service tax and out of pocket

expenses. M/s. Sagar & Associates, the existing Cost Accountants, have furnished a certificate regarding their eligibility for appointment as Cost Auditor of the Company and confirmed that they are not disqualified under the provisions of Sections 148(5) read with Section 139 and Section 141(3) of the Act and their appointment would be within the limits prescribed under Section 141(3)(g) of the Act.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is being sought for passing an Ordinary Resolution at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the year ending 31st March, 2016.

The Board commends the Ordinary Resolution at Item No. 9 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution at Item No. 9 of the Notice.

By Order of the Board of Directors

V.P. Malhotra

Vice President – Taxation, Legal
& Company Secretary

Mumbai, 21st May, 2015

Registered Office:

Voltas House 'A',

Dr. Babasaheb Ambedkar Road,

Chinchpokli, Mumbai 400 033.

Tel: 91 22 66656666

Fax: 91 22 66656231

CIN: L29308MH1954PLC009371

e-mail: shareservices@voltas.com

website: www.voltas.com

Details of the Directors seeking appointment/reappointment at the forthcoming Annual General Meeting

(In pursuance of Clause 49 VIII(E) of the Listing Agreement)

Name of Director	Mr. Vinayak Deshpande	Mr. Sanjay Johri
Date of Birth	21-7-1957	10-2-1953
Date of Appointment	14-2-2012	23-4-2010
Expertise in specific functional areas	Project Management, Strategy and Business Development	Business Management and Marketing
Qualifications	B.Tech (Chemical Engineering) IIT, Kharagpur	Masters in Economics – Delhi School of Economics
Shareholding in the Company as on 21st May, 2015	Nil	Nil
List of other public limited companies in which Directorship held as on 21st May, 2015	<ul style="list-style-type: none"> • Tata Projects Limited • Artson Engineering Limited • Kennametal India Limited • Tata Projects Infrastructure Limited • Honeywell Electrical Devices and Systems India Limited 	None
Chairman/ Member of the Committees of the Board across all public companies of which he is a Director as on 21st May, 2015	<ul style="list-style-type: none"> • Kennametal India Limited Audit Committee – Member 	None
Relationships between Directors inter-se	Nil	Nil

Details of the Directors seeking appointment/reappointment at the forthcoming Annual General Meeting

(In pursuance of Clause 49 VIII(E) of the Listing Agreement)

Name of Director	Ms. Anjali Bansal
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Date of Birth	25-02-1971
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Date of Appointment	09-03-2015
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Expertise in specific functional areas	Finance
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Qualifications	Masters in International Finance & Business (Columbia University) B.E. Computer Engineering (Gujarat University)
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Shareholding in the Company as on 21st May, 2015	Nil
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List of other public limited companies in which Directorship held as on 21st May, 2015	<ul style="list-style-type: none">• GlaxosmithklinePharmaceuticalsLimited• Bata India Ltd
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Chairman/ Member of the Committees of the Board across all public companies of which she is a Director as on 21st May, 2015	<ul style="list-style-type: none">• Bata India Ltd Audit Committee - Member
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Relationships between Directors inter-se	Nil
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VOLTAS LIMITED

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]

CIN	L29308MH1954PLC009371
Name of the Company	Voltas Limited
Registered Office	Voltas House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai 400 033 Phone No.022-66656666 Fax No.022-66656231 E-mail address: shareservices@voltas.com Website: www.voltas.com

Name of the member(s)			
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:			
	e-mail:		Signature	

or failing him

2.	Name:			
	Address:			
	e-mail:		Signature	

or failing him

3.	Name:			
	Address:			
	e-mail:		Signature	

PTO

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 61st Annual General Meeting of the Company, to be held on Monday, 3rd August, 2015 at 3.00 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution No.	Description
Ordinary Business	
1	Adoption of Audited Financial Statements for the year ended 31st March, 2015 together with the Report of the Board of Directors and the Auditors thereon.
2	Adoption of Audited Consolidated Financial Statements for the year ended 31st March, 2015 together with Auditors Report thereon.
3	Declaration of Dividend for the financial year 2014-15.
4	Re-appointment of Mr. Vinayak Deshpande, who retires by rotation.
5	Ratification of appointment of Auditors.
Special Business	
6	Appointment of Ms. Anjali Bansal as an Independent Director.
7	Re-appointment of Mr. Sanjay Johri, as Managing Director of the Company.
8	Payment of Commission to Non-Executive Directors.
9	Ratification of Cost Auditor's remuneration.

Signed this _____ day of _____ 2015

Affix Revenue Stamp

Signature of Shareholder _____

Signature of Proxy holder(s) _____

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



VOLTAS LIMITED

Corporate Identity No. (CIN): L29308MH1954PLC009371

Registered Office: Voltas House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai 400 033.
Tel. No.: 66656666 Fax No.: 66656231 e-mail: shareservices@voltas.com website: www.voltas.com

Attendance Slip

(To be presented at the entrance)

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand over the same duly signed at the space provided, at the entrance of the meeting hall.

I hereby record my presence at the SIXTY-FIRST ANNUAL GENERAL MEETING of the Company at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 on Monday, 3rd August, 2015 at 3.00 p.m.

Folio No...../DP ID No.*.....& Client ID No.....

.....
Name of the shareholder

.....
Signature

.....
Name of the Proxy holder

.....
Signature

Note : Shareholder/Proxyholder desiring to attend the Meeting should bring his copy of the Annual Report for reference at the Meeting.



VOLTAS

A TATA Enterprise

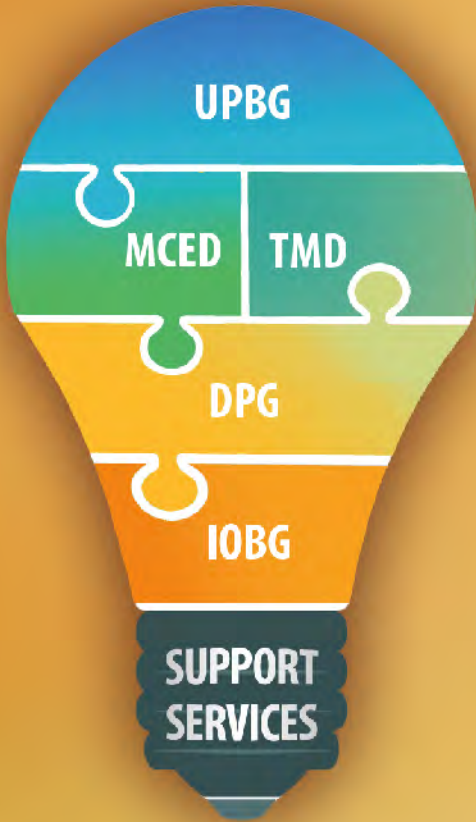
**Annual Report
2014 - 2015**

Driving Value
through
Smart Engineering





Driving value through smart engineering



The new Voltas Vision captures the philosophy that will power growth in the years ahead.

It's a commitment to offering enhanced value in all businesses. 'Smart' and sensible engineering solutions based on deep consumer insights. Featuring innovations. Improvements. Best-in-class technologies.

These will be delivered by a capable, dynamic workforce. Driving results with energy. With enthusiasm. A team that does things differently in order to do it better.

*Vision 2020 will be supported by SWIFT, the five pillars of Voltas Values: **S**mart thinking, **W**inning attitude, **I**nnovation, **F**lexibility and **T**eamwork.*

More than ever before, Voltas will be fit and ready... to build and sustain its market leadership in the years ahead.

The following pages illustrate the spirit of our Vision, as seen in the course of the year.



Unitary Products Business Group (UPBG)



Is it an AC? Is it a fan? No, it's the recently-launched Voltas Fresh-Air Cooler... a new proposition in cooling. With superior quality along with attractive and innovative features. Such as honeycomb cooling pads, carbonised dust filters and powerful air throw.



They asked and we delivered. The premium 'All-Weather Smart' AC range adds the benefits that consumers wanted. Such as 'smart' inverter technology, for power savings as high as 63%. A 'smart' Android-based mobile app that works as an AC remote control. And 'smart sense' technology, that can detect the ambient temperature and weather, and suggest the best AC settings. Conceived, designed and manufactured indigenously.



For a new generation on the go, a smart mobile website. It tracks where the user is, and offers rich-media info that he needs to know. Such as a product catalogue, lists of service touch-points, dealerships nearby, info on special offers. And even instant access to customer care... with messaging and chat facilities.



Full of new features... that's our new range of commercial refrigeration products, developed for the changing needs of customers. Microchip-based chocolate coolers, saving on electricity with no compromise on design and aesthetics. Trendy new curved glass chest freezers. And coolers and freezers based on temperature holding material, useful for power-deficient markets.

Domestic Projects Group (DPG)



What did Voltas engineers do differently at the Infosys project site? They actioned LEAP, as they've been doing on numerous other projects. That's an aspirational drive towards attaining dominance in domestic MEP. With improved systems and processes in projects businesses, for greater operational excellence and profitability.



Speedy long-distance service leaves the customer hassle-free and anxiety-free... and keeps the equipment running. It's DPG's state-of-the-art set-up that smartly organises technology for better service. Here a Mumbai technician remotely tracks the real-time performance of a chiller at Pune, ready to respond if needed. The time saved in travel is better used in ongoing preventive maintenance. And in capturing data about equipment and components, developing ways and means for predictive maintenance... designing new solutions and actively addressing problems.

International Operations Business Group (IOBG)

Speed and efficiency was the name of the game at the Qatar Multifunctional Complex in Doha... an international sporting venue for which Voltas installed world-class MEP solutions. The fast-track project implemented new systems and processes to sprint through an 8-month timeline for procurement and execution. The outcome: excellent engineering with sustainable 'green' standards, better cost control and profitability.



To do it better, do it in advance. That's the new motto at Voltas' International Operations. Pre-fabricated modules are manufactured off-site and later assembled and installed on-site. The payoff – on time delivery, less wastage, better manpower utilization, and a safer work environment.



Textile Machinery Division (TMD) and Mining & Construction Equipment Division (MCED)

It's a wide range of best-in-class technologies for the textiles sector, with the stamp of the most respected global leaders. Such as machinery manufactured by LMW, leaders in spinning, whom Voltas has partnered for decades. Made available to customers as end-to-end engineering solutions... from project planning, supply, and execution all the way to post-sales support.



It's a two-in-one service proposition for Vale, the world's 2nd largest mining company – heavy maintenance and repair, integrated under one umbrella, for ultra-large class mining equipment at its Mozambique mines. A smart fit with the customer's needs.

BOARD OF DIRECTORS

Chairman	Ishaat Hussain
Managing Director	Sanjay Johri
Directors	N. N. Tata Nani Javeri R. N. Mukhija V. Deshpande D. Sarangi Bahram N. Vakil Anjali Bansal
Vice President - Taxation, Legal & Company Secretary	V. P. Malhotra

AUDIT COMMITTEE

Chairman	Nani Javeri R. N. Mukhija D. Sarangi
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NOMINATION AND REMUNERATION COMMITTEE

Chairman	Bahram N. Vakil Ishaat Hussain Nani Javeri N. N. Tata
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SHAREHOLDERS RELATIONSHIP COMMITTEE

Chairman	N. N. Tata Bahram N. Vakil
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CORPORATE MANAGEMENT

Managing Director	Sanjay Johri
Presidents	Anil George Pradeep Bakshi
Executive Vice Presidents	M. Gopi Krishna Gavin Appleby Emmanuel David

Solicitors

Messrs Mulla & Mulla and Craigie, Blunt & Caroe

Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants

**Bankers
In India**

State Bank of India
Bank of India
Punjab National Bank
Citibank N. A.
BNP Paribas
Export - Import Bank of India
The Royal Bank of Scotland N.V.
Credit Agricole Corporate and Investment Bank

Overseas

Emirates NBD Bank PJSC (UAE)
Union National Bank (UAE)
HSBC Bank Middle East Limited (UAE, Qatar, Bahrain)
The Commercial Bank of Qatar (Qatar)
First Gulf Bank (UAE)
Doha Bank (Qatar)
The Royal Bank of Scotland N. V. (Singapore)
Credit Agricole Corporate and Investment Bank (Singapore)

Registered Office

Voltas House 'A',
Dr. Babasaheb Ambedkar Road,
Chinchpokli,
Mumbai 400 033

Share Registrars

TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011
Tel: +91-22-6656 8484; Fax: +91-22-6656 8494
email: csg-unit@tsrdarashaw.com

Annual General Meeting :
Monday, 3rd August, 2015 at 3.00 p.m.
at Birla Matushri Sabhagar,
19, Sir Vithaldas Thackersey Marg, Mumbai 400 020.

HIGHLIGHTS

		2014-15	2013-14	2012-13	2011-12	2010-11
1. SALES AND SERVICES	₹	515378	517086	560551	519397	516936
2. OTHER INCOME	₹	18599	14876	10945	11985	7372
3. COST OF SALES AND SERVICES (incl. Excise Duty)	₹	391645	407693	442675	393222	376211
4. OPERATING, ADMINISTRATION AND OTHER EXPENSES	₹	100798	98246	105396	102330	100351
5. Staff Expenses (included in 3 & 4)	₹	(46785)	(48377)	(56704)	(55197)	(51450)
Number of Employees (including Contract Staff)	Nos.	5287	6901	8862	9994	11527
6. OPERATING PROFIT	₹	41534	26023	23425	35830	47746
7. EXCEPTIONAL INCOME/(EXPENSES)	₹	1818	(340)	832	(15095)	4480
8. PROFIT/(LOSS) BEFORE TAXATION	₹	43352	25683	24257	20735	52226
Percentage to Sales	%	8.4	5.0	4.3	4.0	10.1
Percentage to Total Net Assets	%	22.9	14.3	14.3	13.5	38.2
9. TAXATION	₹	10429	7534	6250	5548	16873
10. PROFIT/(LOSS) AFTER TAXATION	₹	32923	18148	18007	15187	35353
Percentage to Sales	%	6.4	3.5	3.2	2.9	6.8
Percentage to Shareholders' Funds	%	17.9	11.4	12.1	11.1	27.8
11. RETAINED PROFIT	₹	23963	10987	11813	9034	27662
12. DIVIDEND ON EQUITY CAPITAL	₹	7445	6121	5294	5294	6618
Percentage	%	225	185	160	160	200
13. FIXED ASSETS (AT COST)	₹	36344	36768	35847	33398	32851
14. DEPRECIATION	₹	20326	19122	18237	16600	14436
15. INVESTMENTS	₹	122400	89141	55984	46741	39347
16. NET CURRENT AND NON-CURRENT ASSETS	₹	47166	69759	93418	87992	77106
17. DEFERRED TAX ASSET (NET)	₹	3674	2587	2446	2615	1696
18. DEFERRED REVENUE EXPENDITURE	₹	—	—	—	—	—
19. TOTAL NET ASSETS	₹	189258	179133	169458	154146	136564
20. SHARE CAPITAL	₹	3307	3307	3307	3307	3307
21. RESERVES AND SURPLUS	₹	180644	156487	144954	133060	123866
22. SHAREHOLDERS' FUNDS	₹	183951	159794	148261	136367	127173
Equity per Share (Book Value)	₹ †	*55.59	*48.29	*44.81	*41.21	*38.43
Earnings per Share	₹ †	*9.95	*5.48	*5.44	*4.59	*10.68
Number of Shareholders	Nos.	99973	103543	116804	120098	93220
Share Prices on Stock Exchange - High	₹ †	*301	*164	*138	*189	*263
- Low	₹ †	*149	*63	*73	*72	*147
23. BORROWINGS	₹	5306	19338	21197	17779	9391
Debt/Equity Ratio	%	3	12	14	13	7
(Percentage to Shareholders' Funds)						

* Face Value of ₹ 1 each

Notes : 1. All amounts are Rupees in Lakhs except those marked †

2. Previous year's figures have been regrouped / reclassified, wherever necessary.

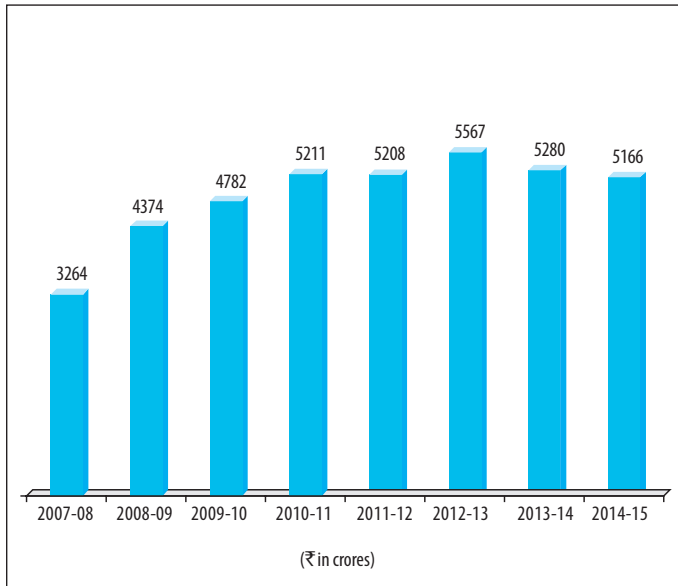
2009-10	2008-09	2007-08	2006-07	2005-06	1994-95	1984-85	1974-75	1964-65	1954-55	
451666	407025	308617	245078	190418	81089	26607	15934	4223	991	1
7520	9416	4632	3071	2431	759	150	40	5	2	2
319388	299802	227671	186100	145162	60368	21080	13856	3468	815	3
94873	83107	57811	46537	35899	19225	5556	1955	522	153	4
(49631)	(42860)	(27685)	(24008)	(17623)	(9997)	(3170)	(1031)	(363)	(109)	5
8608	9594	7378	5848	5390	10667	8147	7252	5082	2324	
44925	33532	27767	15512	11788	2255	121	163	238	25	6
3639	3201	2987	6771	(2619)	(78)	—	—	—	—	7
48564	36733	30754	22283	9169	2177	121	163	238	25	8
10.8	9.0	10.0	9.1	4.8	2.7	0.5	1.0	5.9	2.5	
47.9	42.8	52.5	48.1	29.3	5.0	1.1	4.6	18.3	6.5	
14142	11474	9917	3675	2120	5	Nil	83	141	11	9
34422	25259	20837	18608	7049	2172	121	80	97	14	10
7.6	6.2	6.8	7.6	3.7	2.7	0.5	0.5	2.3	1.4	
34.6	34.6	38.7	48.9	29.2	13.2	4.1	6.7	17.6	9.1	
26705	19065	15610	14737	4785	997	23	5	59	6	11
6618	5294	4467	3309	1985	1158	98	75	38	8	12
200	160	135	100	60	35	10	12	15	5.5	
31399	30358	28178	24493	28074	30651	5014	1232	447	53	13
13931	13053	12228	11506	14592	10718	1580	642	82	3	14
33997	23580	26793	13741	6103	8245	512	132	67	—	15
48062	42700	13813	16594	9089	14230	6583	2859	867	336	16
1903	2158	2043	2967	2668	—	—	—	—	—	17
—	—	—	—	—	720	—	—	—	—	18
101430	85743	58599	46289	31342	43128	10529	3581	1299	386	19
3307	3307	3307	3307	3306	3428	978	623	255	150	20
96215	69592	50525	34768	20835	13048	2002	570	295	4	21
99522	72899	53832	38075	24141	16476	2980	1193	550	154	22
*30.08	*22.03	*16.27	*11.50	72.96	49.5	305	191	216	1027	
*10.40	*7.63	*6.30	*5.62	21.3	6.8	12	13	38	93	
98788	119549	81371	96312	52365	84180	45237	14395	7356	150	
*190	*197	*267	*120	1088	176	470	211	276		
*46	*31	*79	*75	218	92	356	125	183		
1908	12844	4767	8214	7201	26652	7549	2388	749	232	23
2	18	9	22	30	162	253	200	136	151	

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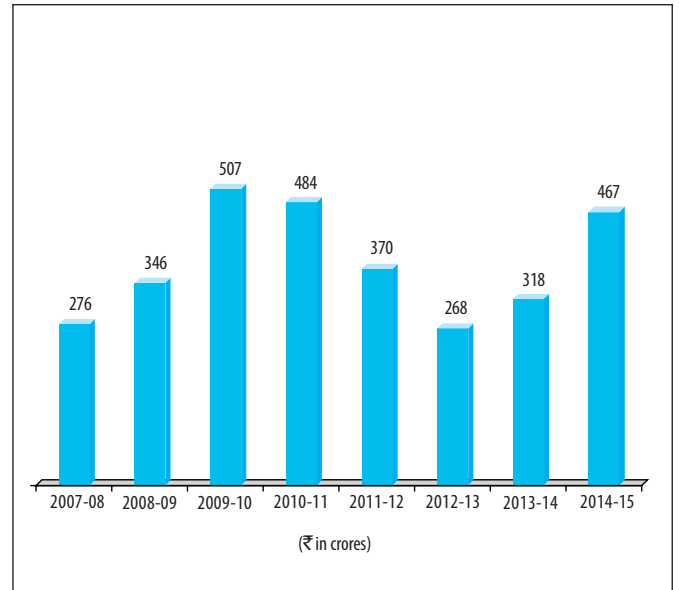
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FINANCIAL INDICATORS (CONSOLIDATED)

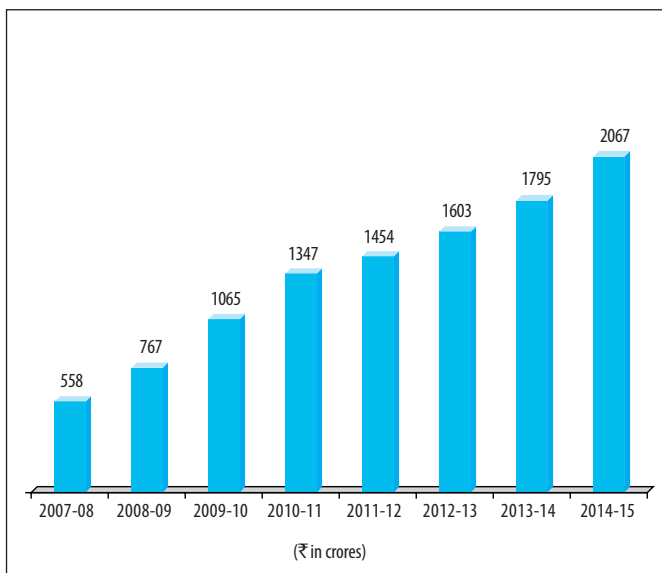
SALES AND SERVICES



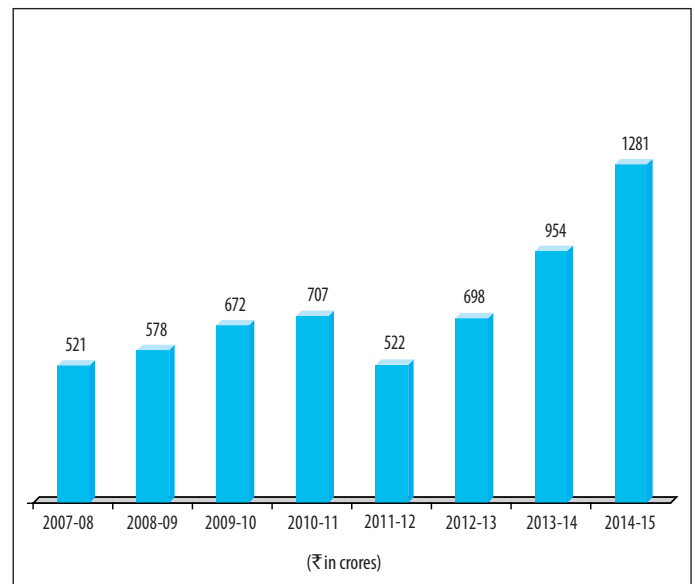
OPERATING PROFIT



NET WORTH

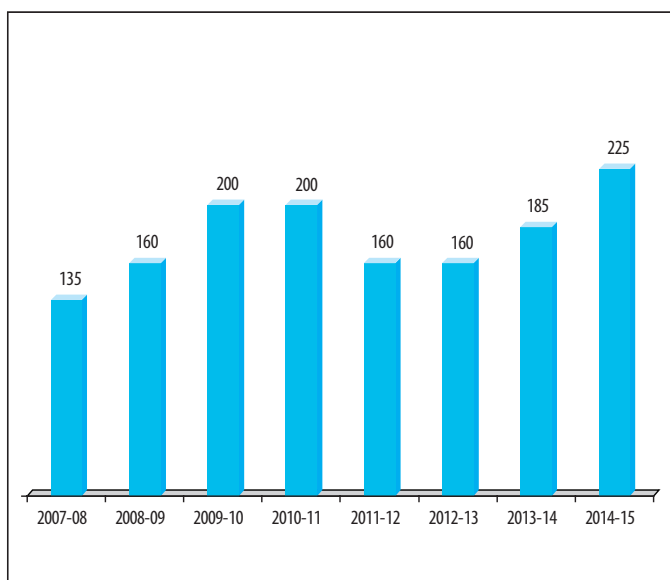


CASH AND BANK WITH LIQUID INVESTMENTS

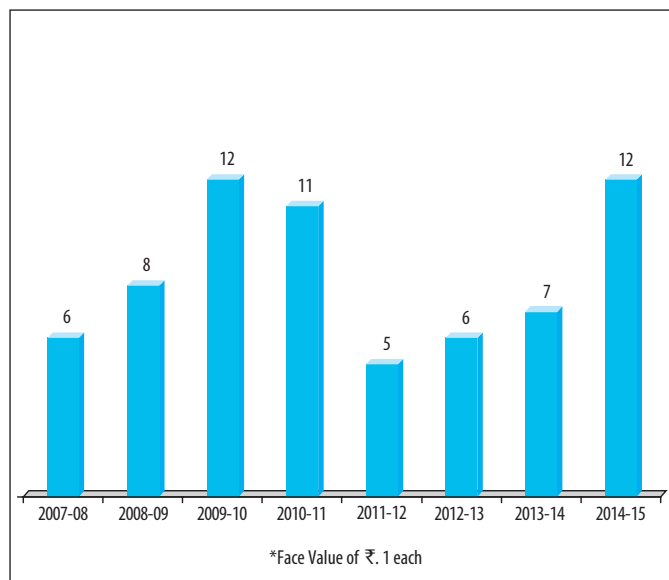


FINANCIAL INDICATORS (CONSOLIDATED)

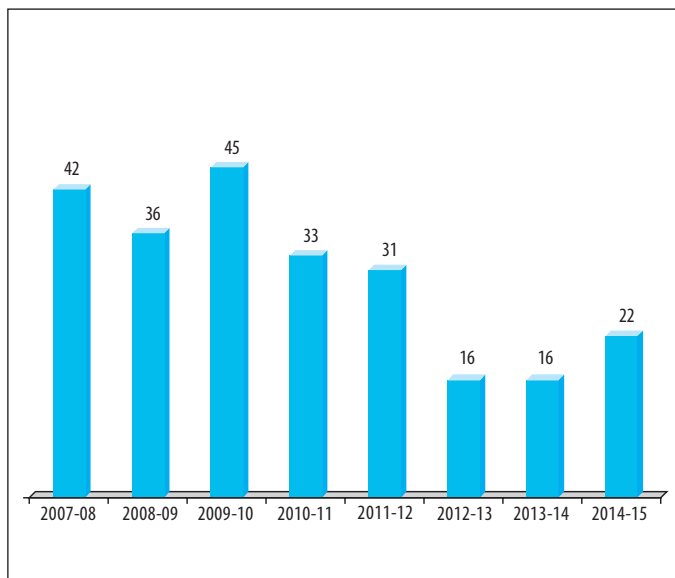
DIVIDEND % ON EQUITY CAPITAL



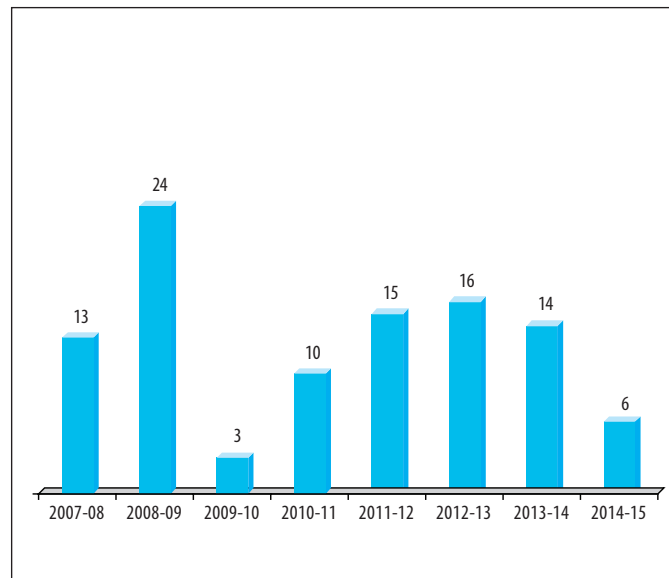
EARNINGS PER SHARE (₹)*



RETURN ON CAPITAL EMPLOYED %



DEBIT / EQUITY RATIO %



REPORT OF THE BOARD OF DIRECTORS

To The Members

Your Directors present their Sixty-First Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2015.

1. Financial Results

₹ in crores

	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Revenue from Operations (Gross)	5191	5188	5205*	5303*
Profit for the year after meeting all expenses but before interest, depreciation and exceptional items	453	295	518	366
Interest	16	16	23	23
Depreciation and amortization	22	19	28	25
Profit before exceptional items	415	260	467	318
Exceptional items (Net)	18	(3)	46	22
Profit before tax	433	257	513	340
Provision for taxation	104	76	127	94
Profit after tax	329	181	386	246
Minority Interest and Share of (Profit)/Loss of Associate	--	--	(2)	(1)
Profit after Minority Interest and Share of (Profit)/ Loss of Associate	329	181	384	245
Adding thereto:				
– Balance brought forward from the previous year	351	257	500	353
– Credit on Dividend Distribution Tax	6	4	2	4
Profit available for appropriations	686	442	886	602
Appropriations:				
– General Reserve	20	20	27	30
– Proposed Dividend	74	61	74	61
– Dividend Distribution Tax	15	10	24	10
– Legal Reserve	--	--	1	1
– Depreciation on transition to Schedule II of the Companies Act, 2013	5	--	5	--
Leaving a balance to be carried forward	572	351	755	500

* Consolidated turnover is after eliminating inter-company purchase/sales transactions.

REPORT OF THE BOARD OF DIRECTORS, continued

2. Reserves

An amount of ₹ 20 crores was transferred to the General Reserve out of Profit available for appropriation and ₹ 572 crores was retained in the Statement of Profit and Loss.

3. Dividend

The Company's dividend policy is based on the need to balance the twin objectives of appropriately rewarding its shareholders with dividend and of conserving resources to meet its future needs. The Directors recommend a dividend of ₹ 2.25 per equity share of ₹ 1 each (225%) for the year 2014-15 (2013-14: 185% including a special Diamond Jubilee dividend of 25%), based on the Company's performance.

4. Operations

There is an uptick in economic sentiment in India largely led by announcements and some positive news inflow. While the HSBC Purchasing Managers Index has remained above 50 for most part of the year, other macro indicators like GDP, inflation and deficits are demonstrating an encouraging trend. All these factors have contributed to a general perception of improved macro-economic stability. However, this mood has not translated into increased demand in the domestic business environment. Additionally, the Projects business has had to contend with several current day concerns which plague the industry, such as the slow pace of execution, delays in approval of designs, timely certification, resolution of claims and final settlement of accounts.

Overall, led by a drop in turnover of the Projects business, the Consolidated Sales/Income from Operations was at ₹ 5205 crores as compared to ₹ 5303 crores last year. Nevertheless, improved margin realization and greater cost controls contributed to higher Profit before Exceptional items and tax at ₹ 467 crores, as compared to ₹ 318 crores in the previous year. During the year, an exceptional charge of ₹ 190 crores was taken to the Statement of Profit and Loss for Sidra, a well known onerous contract which was offset by an exceptional income of ₹ 236 crores realized on sale of property. Accordingly, Profit before Tax was higher at ₹ 513 crores as compared to ₹ 340 crores last year. Net Profit after Minority Interest was similarly higher at ₹ 384 crores.

Despite its fair share of challenges, the Room AC industry had a comparatively better year, reporting growth of over 20%, following two consecutive years of slow growth. The growth in volumes was partly owing to favourable weather conditions along with a general improvement in customer sentiment. The Unitary Cooling Products business through various strategic marketing and sales promotion activities, has

sustained its leadership position throughout the year and had widened its lead over its competition. This lead is reflective of the strong brand recall and associated customer pull that the Voltas brand now commands. There was also good growth in water dispensers and commercial refrigeration products. The steady rise in margin realization is due to favourable product mix (including growth in share of Split ACs), suitably complemented by optimization of procurement costs coupled with increased sales volumes. At the same time, the popular 0% finance scheme continues to add to the overall spend on promotion schemes. Nevertheless, the business contributed substantially to the Company's turnover and profits.

Similarly, the Textile Machinery business, despite environment led adversities, has recorded higher Revenue and Profit as compared to last year. The China effect leading to correction in cotton yarn prices and drop in yarn exports saw many mills curtailing utilization levels as well as taking all possible steps to cut losses. The more recent drop in domestic prices has eased some of the pressure, but the sentiments and operating levels of local spinning mills remain muted. The tight liquidity conditions and delays in disbursement of funds by financial institutions have added to the difficulties of this business. Meanwhile, the strategic focus on the parts and service business as well as diversification into post spinning assists the business to remain on an upward growth trajectory.

The revenue and profitability of Mining and Construction Equipment business were lower in 2014-15 as compared to last year due to transition of certain agency lines on global consolidation. At the same time, the Indian Mining Industry is passing through various setbacks, including mining bans, policy paralysis, Supreme Court cancelling allocation of coal blocks, etc. Nevertheless, the foray overseas into Africa has helped the business to partially offset the drop in demand in the domestic market. Mozambique operations continue to remain strong, with additional orders and healthy contribution to the bottom line.

In the Domestic Projects business, announcements are yet to translate into on the ground improvement. Slow pace of execution and delayed payments continue to put strain on the overall margins of this business. The larger metro project orders are yet to pick up given the slow pace of civil works. However, the launch of a timely business efficiency improvement program has led to various improvements in the processes and systems, leading to realization of better margins and savings in cost. Collection of outstandings and realization of money through settlements remain a priority for this business.

REPORT OF THE BOARD OF DIRECTORS, continued

Similarly, during the last 12-18 months, the International Projects business has also taken various actions to strengthen its internal capability to plan and address some critical challenges. In anticipation of heightened level of activity in the run-up to mega events such as FIFA and Dubai Expo, the competition levels have gone up manifold, leading to difficulty in procuring new orders at reasonable margins. Moreover, the increased propensity to dispute and delay payments have further compounded the adverse situation for existing projects. To mitigate these challenges, the business has adopted a stringent commercial approach apart from changes made in the leadership team. However, extension of project completion dates and delays in settlement have necessitated conservative accounting in line with the requirements of Accounting Standard (AS)-7.

In the previous years, due to significant upward revision in estimated costs of the Sidra Medical and Research Centre project in Qatar, the Company had accounted for cost overruns in accordance with the requirement of AS-7. In July 2014, the Main Contractor was terminated by the end customer (Qatar Foundation) and a new main contractor was appointed. Although Qatar Foundation had asked for the assignment of contracts of select subcontractors of the Main Contractor, no understanding could be reached. In view of the uncertainties attached to the sub-contract, the Company has, as a matter of prudence, charged off ₹ 190 crores to the Statement of Profit and loss after evaluation of underlying assets and liabilities and contingencies related thereto. Nevertheless, the Company continues to pursue its entitlements and has sought legal advice on the way forward.

The Company has adopted a strategy of selectively booking new orders with reasonable margins instead of aggressively pursuing turnover growth. The operating teams have defined business boundaries and key parameters to facilitate inflow of right quality of new orders. At the same time, Corporate extends support in ensuring that the strategy is implemented in a risk-mitigated manner. Risk assessments and Techno-commercial audits, both while booking jobs and during execution of the projects, are prudently carried out. In parallel, there is also an added thrust on speedy closure of old projects under execution. During 2014-15, new orders aggregating ₹ 2238 crores were booked and the consolidated order book of Projects business was ₹ 3893 crores at the year end.

5. Finance

For most part of the year, the Reserve Bank of India (RBI) maintained its stance with high interest rates and tight liquidity. However, more recently, RBI announced successive rate cuts, taking the repo rate down to 7.5 per cent. The 50 basis points (bps) cut was in response to the perception of risk emanating from low capacity utilization and weak indicators of production and credit off-take. These cuts come on the back of moderating inflation data given sharp correction in global oil prices. The actions taken by RBI also extend support to the Government which is pushing the revival of economic growth.

The Products business continues to provide much needed liquidity given the various challenges faced by the Projects businesses. Unitary Cooling Products business via support from initiatives like channel financing, cash discounts, etc., has been able to restrict credit to a minimum level whilst improving collections. The Engineering Products business with its lean organization structure, continues to deliver steady cash flows.

The Projects businesses face working capital pressures magnified by an increasing tendency of customers to delay and dispute certifications and payments. Settlements have become increasingly hard due to tight liquidity conditions of the end customer. In response, both International and Domestic projects businesses have become increasingly cash conscious and are making all possible efforts to recover their commercial entitlements. While the strong drive has yielded good results, the pain continues for some of the on-going projects, including the Sidra project at Qatar and puts significant strain on the Company's finances.

The overall cash position has been strengthened by increasing the cash and liquid investments to ₹ 1281 crores from ₹ 954 crores in the previous year. At the same time, borrowings specific to overseas projects were reduced substantially from ₹ 263 crores in previous year to ₹ 122 crores at a consolidated level. The focus on cash flow and working capital has started yielding some results. However, the vigil will need to be maintained given the various environment led challenges.

6. Tata Business Excellence Model (TBEM)

Advancing its commitment to business excellence, the Company passed an important milestone by opting for TBEM External Assessment of the organization as a single Business Entity, instead of individual Business Units, hitherto before. The assessment was carried out

REPORT OF THE BOARD OF DIRECTORS, continued

by experienced senior executives from other Tata Group companies, based on criteria that included Leadership, Strategic Planning, Customer Focus, Measurement, Analysis, Knowledge Management, Work Focus, Operation Focus, Business Results and Safety. Several useful insights were drawn and the Company was placed in the 'Good Performance' score band. The Company is now implementing plans based on its TBEM feedback and remains geared up to advance its Business Excellence journey in the coming years. The Company's capabilities are augmented by 30 certified BE champions on its roster, including 4 assessors who received recognition at the 2014 annual Business Excellence Convention.

The Company continues its participation in Tata Innovista, a Group initiative to foster the culture of innovation and continual improvement in Tata group companies. 17 effective practices were identified across the Company and assessed by subject matter experts across the Tata Group. Three projects were selected for Regional rounds and one of these qualified for the final round. Additionally, the Unitary Cooling Products business participated in 'Innovise', 'Challenges Worth Solving', and other Tata Group level initiatives.

7. IT Initiatives

The Company's IT function focused on providing deeper insights into data and improving user efficiency and productivity, through smart analytics, multi-device access and several user-friendly applications.

To assist the Unitary Cooling Products Service team take informed decisions, a Business Intelligence layer was built for Siebel CRM. This facility analyses CRM data and presents useful trends and insights.

The Service capability of domestic projects business was also enhanced by providing service management teams, real-time information about customers and their machines. This was achieved through a mobile-based Service Application that allowed the technicians to update equipment data at site and make it immediately available to service management teams for appropriate action.

Several other changes were also introduced to improve system functionality. For example, extending the HR Leave System to mobile handsets.

A critical cost related need in the Projects business – material pricing information, was similarly addressed through a search facility, to help extract historical purchase information from ERP transactional data.

At a more macro level, numerous improvements were made in overall IT systems to increase performance, reliability and security. These included migration of SAP to IBM Power 8 Series servers, Data Center and Location

firewalls and deployment of new Proxy and User Data Backup systems.

8. Environment and Safety

The Company's leadership believes that environment and safety of all its stakeholders including those associated with projects sites and manufacturing facilities is of prime importance. A Board Committee comprising 3 Directors, including the Managing Director reviews Environment, Health and Safety (EHS) performance and guides the Company on the way forward. A Steering Committee comprising Corporate Management Group and other key members periodically reviews Safety performance and oversees the timely implementation of various initiatives.

Improving Safety performance continues to be a priority for the Company. The manufacturing facilities certified as ISO 14001 and OHSAS 18001 undergo Internal as well as External audits and the systems / processes are continuously fine-tuned. OHSAS 18001 based Management Systems is being implemented at the Company's Thane and Dadra manufacturing facilities.

To assess the Safety processes, the Company engaged British Safety Council to conduct a 5 Star external audit within India as well as Overseas. Based on the observations, an action plan has been developed and is being implemented.

The Company has improved the communication channels to capture Safety – Health – Environment – Quality (SHEQ) related observations. To ensure uniform communication and understanding about Safety practices and knowledge sharing, the communication system has been enhanced through creation of groups of Safety practitioners. An On-line system for capturing SHEQ observations and ensuring timely implementation of action plans has been implemented, resulting in reduction of unsafe / adverse work conditions. The improved communication mechanisms have seen good participation by the workmen in Safety meetings and trainings at project sites, resulting in improved engagement. Safety awards have also been instituted at project sites and manufacturing locations.

The Company believes that incidents and risk to health and environmental impact are preventable through continuous involvement of all stakeholders to create Zero Harm, Zero Illness, Zero Waste and a Zero Defect work environment.

9. Community Development

In 2014-15, Voltas partnered with ICICI Foundation to launch the Central Air Conditioning (CAC) program and open a centre at Coimbatore. Subsequently, two more

REPORT OF THE BOARD OF DIRECTORS, continued

centers were set up at Indore and Bhilai. The project aims to provide vocational training to underprivileged youth for three months. Till date, 379 youths have passed out of the institute and are employed at various organizations.

The Company continues to impart skills based on its own core competencies, through five GMRVF centers across India, as well as its alliance with Joseph Cardijn Technical School and Bosco Boys Home in Mumbai. During the year, 314 youths successfully passed out from these centers. The Company is also exploring opportunities to collaborate with other Group companies to broaden this initiative.

To gauge the effectiveness of these 'skilling' programs, the Company conducted Impact Assessment studies at a GMRVF training facility, in consultation with Tata Institute of Social Science. The report has confirmed that alumni of these institutes have experienced significant advancement in their livelihoods.

Along with skilling, the Company also prioritizes Education, Health and Affirmative Action, largely through volunteer programs. Around 1311 employees across different geographies offered approximately 4466 hours of volunteering during the year. Voltas volunteers also took part in the Tata Engage global volunteering drive managed by Tata Sustainability Group. Employees and family members responded positively, with their efforts, time and money. Voltas was awarded for the highest number of employees who shared their experiences on the Tata Engage website.

As part of its Affirmative Action program, the Company conducted cancer screening camps in Panvel for Kathkari tribal women. In addition, the Company continues to provide a mid-day meal for 65 Kathkari children studying at the school run by the Bethany Society in Panvel, as well as faculty fees for the teaching staff.

All such initiatives now take directions from the CSR Policy, which the Company has formulated and uploaded on its website. A CSR Committee of 3 Board Members has been constituted. The Company has initiated a project to identify community needs at all its manufacturing locations (Pantnagar, Dadra and Thane) and would formulate specific programs based on inputs received, with focus on skill-building, education and health.

10. Corporate Social Responsibility

Disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 in prescribed form is given in Annexure I to the Directors' Report.

11. 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 have occurred after the close of the financial year on 31st March, 2015 till the date of Directors' Report, which could affect the financial position of the Company.

12. Details of significant and material orders passed by the regulators/ courts/ tribunals impacting the going concern status and the Company's operations in future

During the year under review, no material Orders were passed by the Regulators/ Courts/ Tribunals, impacting the Company's going concern status and future operations.

13. Details of Subsidiary / Joint Ventures / Associate Companies

Pursuant to AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial information of subsidiary companies. As per the requirement of Section 129(3) of the Companies Act, 2013, a separate statement containing the salient features of the financial statements of subsidiaries / joint ventures / associate companies in prescribed Form AOC-1 is attached to the financial statements of the Company. The annual Accounts of the subsidiary companies are available on the website of the Company – www.voltas.com.

The financial performance and other details of subsidiaries/ joint venture companies are given below:

- Universal Comfort Products Limited (UCPL), a wholly owned subsidiary of the Company, engaged in the business of manufacturing air conditioners, recorded higher turnover of ₹ 1158 crores and net profit of ₹ 72 crores for the year ended 31st March, 2015 as compared to turnover of ₹ 929 crores and profit of ₹ 58 crores in the previous year. UCPL has recommended dividend @ 150% aggregating ₹ 41 crores approx. (previous year: 100%).
- Rohini Industrial Electricals Limited (RIEL), a wholly owned subsidiary of the Company, is engaged in undertaking turnkey electrical and instrumentation projects for industrial and commercial sectors. RIEL reported turnover of ₹ 53 crores and loss of ₹ 29 crores for 2014-15. The drop in revenue was due to lack of new orders during the beginning of the year, which

REPORT OF THE BOARD OF DIRECTORS, continued

- could not get converted into turnover during the year. However, by year end, RIEL had pending orders worth ₹ 204 crores. The increase in loss was due to provisions made for bad and doubtful debts of old legacy projects.
- Auto Aircon (India) Limited (AAIL), a wholly owned subsidiary of the Company is a dormant company, with no assets and employees. In view of certain fixed overheads, AAIL reported loss of ₹ 0.15 lakh in 2014-15.
 - Weathermaker Limited (WML), a wholly owned subsidiary of the Company, is engaged in manufacturing and trading of ducts and duct accessories in Jebel Ali, Dubai, UAE. Slow down in the economy has impacted new orders and there are delays in execution of projects in hand due to extension of completion dates. WML reported lower turnover of AED 10.024 million for the year ended 31st December, 2014 and loss of AED 2.259 million in view of certain provisions made for bad and doubtful debts and slow moving inventories. During 2014, WML ventured into Offsite Pre-fabrication activity and is hopeful to get some good orders in 2015.
 - Saudi Ensas Company for Engineering Services WLL (SECL), incorporated in Kingdom of Saudi Arabia (KSA), is a wholly-owned subsidiary of the Company. SECL is engaged in the business of design, installation, operation and maintenance of airconditioning, refrigeration systems and electro-mechanical projects. SECL has reported higher turnover of SR 12.405 million and profit of SR 0.131 million for the year ended 31st December, 2014 and has booked orders aggregating SR 35 million in KSA during 2014.
 - Lalbuksh Voltas Engineering Services & Trading LLC (Lalvol), is a joint venture company with Lalbuksh Contracting & Trading Establishment LLC, with Voltas group shareholding at 60%. Lalvol is engaged in the business of water well drilling, water management and landscaping and has for the year ended 31st December, 2014 reported higher turnover of RO 4.065 million and net profit of RO 0.407 million as compared to turnover of RO 3.437 million and net profit of RO 0.028 million in the previous year. Lalvol declared dividend of RO 0.225 million for the year 2014 and improved its order book position with new orders aggregating RO 3.350 million.
 - Voltas Oman LLC, a subsidiary of the Company (65% shareholding of Voltas), is engaged in undertaking Engineering, Procurement and Construction (EPC) works for electromechanical projects in the Sultanate of Oman. Voltas Oman LLC, recorded higher turnover of Omani Rial (RO) 4.774 million and profit of RO 0.120 million as compared to turnover of RO 3.519 million and profit of RO 0.053 million in the previous year.
 - Voltas Netherlands B.V. (VNBV), a wholly-owned subsidiary of the Company, is an investment company in The Netherlands. VNBV has reported profit of Euro 0.152 million for the year ended 31st March, 2015 and recommended dividend of Euro 1 million from its accumulated Reserves.
 - Universal Voltas LLC (UV), Abu Dhabi, a flagship joint venture of the Company is engaged in the business of electro-mechanical projects and operations and maintenance contracts. UV recorded higher turnover of AED 183.268 million and Profit of AED 26.155 million for the year ended 31st December, 2014 as compared to turnover and profit of AED 154.870 million and AED 24.863 million, respectively in the previous year.
 - Universal Weathermaker Factory LLC (UWF), a joint venture company with Universal Group is engaged in manufacturing airconditioning ducts and related fixtures in Abu Dhabi, UAE. UWF reported turnover of AED 9.940 million and loss of AED 0.755 million for the year ended 31st December, 2014.
 - Olayan Voltas Contracting Company Limited (OVCL), a joint venture company with Olayan Group is engaged in the business of electro-mechanical projects in KSA. OVCL recorded turnover of Saudi Riyal (SR) 42.989 million and loss of SR 12.35 million for the year ended 31st December, 2014.
 - Voltas Qatar WLL (VQ), a joint venture company is engaged in the business of undertaking EPC works for MEP contracts in Qatar. VQ recorded turnover of Qatari Riyal (QR) 36.102 million and profit of QR 1.033 million for the year ended 31st December, 2014.
 - Voltas Water Solutions Private Limited (VWS), is a new joint venture company, incorporated on 1st July, 2014, to engage in the business of Water and Waste Water treatment products. VWS reported

REPORT OF THE BOARD OF DIRECTORS, continued

loss of ₹ 0.46 crore for the period ended 31st March, 2015, primarily due to pre-incorporation expenses and other standing overheads.

- During the year under review, the Company increased its shareholding in Terrot GmbH to 20.07% and therefore, Terrot is an Associate company. Terrot has reported sales of Euro 37.937 million and profit of Euro 1.002 million for the year ended 31st December, 2014.
- Naba Diganta Water Management Limited (NDWML) is a joint venture company with Jamshedpur Utilities and Services Company Limited (JUSCO) to provide water supply and sewerage system at Naba Diganta township, Kolkata. The Company's shareholding is 26% and balance 74% is held by JUSCO, a subsidiary of Tata Steel. NDWML has reported turnover of ₹ 8 crores and profit of ₹ 1.43 crores for the year ended 31st March, 2015.

14. Deposits

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013.

15. Number of Meetings of the Board

During 2014-15, nine Board Meetings were held on 28th April, 2014; 29th May, 2014; 20th June, 2014; 13th August, 2014; 29th September, 2014; 13th November, 2014; 16th January, 2015; 11th February, 2015 and 25th March, 2015.

16. Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director

Based on the recommendation of Nomination and Remuneration Committee (NRC), the Board has adopted the Remuneration Policy for Directors, KMP and other Employees. NRC has formulated the criteria for determining qualifications, positive attributes and independence of an Independent Director and also criteria for evaluation of individual Directors and the Board / Committees. Evaluation of Directors was done by the NRC at its meeting held on 26th March, 2015. The criteria for determining qualifications, positive attributes and independence of Directors and the Remuneration Policy is given by way of Annexure II to this Report.

17. Evaluation of Performance of Board, its Committees and of Directors

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, Committees and performance of individual Directors. The performance of the Board, Committees and individual

directors was evaluated by seeking inputs from all Directors based on certain parameters such as: degree of fulfillment of key responsibilities; Board / Committee structure and composition; establishment and delineation of responsibilities to various Committees; effectiveness of Board processes, information and functioning; Board / Committee culture and dynamics and quality of relationship between the Board / Committees and the Management. The Directors made a self assessment of their effectiveness in terms of attendance, contribution at Meetings and guidance / support extended to the Management outside Board / Committee Meetings. The feedback received from the Directors was discussed and reviewed by the Independent Directors at their annual separate Meeting and also shared with the NRC. The Chairman of the Board is a member of NRC. At the separate Meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman of the Company was evaluated taking into account the views of the Managing Director and Non-Executive Directors. The performance of the individual Directors, including Independent Directors, performance and role of the Board / Committees was also discussed at the Board Meeting.

18. Statutory Auditors

At the 60th Annual General Meeting (AGM) held on 1st September, 2014, the shareholders had approved the appointment of Deloitte Haskins & Sells LLP (DHS) as Statutory Auditors as well as Branch Auditors of the Company to audit the accounts of the Company for three consecutive financial years, between 2014-15 and 2016-17, subject to ratification at every AGM. The approval of members' is being sought for ratification of appointment of DHS as Statutory Auditors from the conclusion of the 61st AGM till the conclusion of the 62nd AGM to be held in 2016, to examine and audit the accounts of the Company for the financial year 2015-16. The Auditors' Report does not contain any qualification, reservation or adverse remark.

19. Cost Auditors

The Board has appointed M/s. Sagar & Associates, Cost Accountants as the Cost Auditors for the financial year 2014-15. M/s. Sagar & Associates, have been appointed as Cost Auditors of the Company for the financial year 2015-16 and approval of the Members is being sought for ratification of their remuneration.

20. Secretarial Auditor

M/s. N. L. Bhatia & Associates, the Practicing Company Secretaries were appointed as Secretarial Auditor to undertake Secretarial Audit of the Company for the year 2014-15. Their Secretarial Audit Report, in prescribed Form No. MR-3, is annexed to the Directors Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

REPORT OF THE BOARD OF DIRECTORS, continued

21. Audit Committee

The Audit Committee comprises Mr. Nani Javeri (Chairman), Mr. R. N. Mukhija and Mr. Debendranath Sarangi, in line with the requirements of Section 177 of the Companies Act, 2013. Mr. Thomas Mathew T. ceased to be the Member of Audit Committee on 5th May, 2015. The Board has accepted the recommendations made by the Audit Committee from time to time.

22. Internal Financial Controls

The Internal Financial Controls and its adequacy is included in the Management Discussion and Analysis, which forms part of this Report.

23. Risk Management

Pursuant to Section 134(3)(n) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company had constituted a Risk Management Committee comprising Mr. Nani Javeri (Chairman), Mr. R. N. Mukhija, Mr. Debendranath Sarangi and Mr. Thomas Mathew T. (upto 5th May, 2015). A Risk Management Committee Meeting was held on 15th January, 2015 whereat, the Risk policy of the Company and various elements of risks were discussed.

24. Particulars of employees

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- (a) **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

Non-Executive Directors	Ratio to median remuneration
Mr. Ishaat Hussain	6.21
Mr. Nasser Munjee (upto 31.8.2014) *	—
Mr. Noel N. Tata	3.29
Mr. Nani Javeri	6.45
Mr. R. N. Mukhija	5.97
Mr. Vinayak Deshpande	3.26
Mr. Thomas Mathew T.	3.34
Mr. Debendranath Sarangi (w.e.f. 1.9.2014) *	—
Mr. Bahram N. Vakil (w.e.f. 1.9.2014) *	—
Ms. Anjali Bansal (w.e.f. 9.3.2015) *	—
Managing Director	Ratio to median remuneration
Mr. Sanjay Johri	64.94

* Since this information is for part of the year, the same is not comparable.

- (b) **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Ishaat Hussain	147
Mr. Nasser Munjee (upto 31.8.2014) *	—
Mr. Noel N. Tata	91
Mr. Nani Javeri	140
Mr. R. N. Mukhija	110
Mr. Vinayak Deshpande	89
Mr. Thomas Mathew T.	—
Mr. Debendranath Sarangi (w.e.f. 1.9.2014) *	—
Mr. Bahram N. Vakil (w.e.f. 1.9.2014) *	—
Ms. Anjali Bansal (w.e.f. 9.3.2015) *	—
Mr. Sanjay Johri (Managing Director)	37
Mr. Anil George (Chief Financial Officer)	28
Mr. V. P. Malhotra (Company Secretary)	22

* Details are not given as the concerned Director was for part of the year in 2014-15 and in case of Mr. Thomas Mathew T, remuneration was partly paid to LIC.

- (c) **Percentage increase in the median remuneration of employees in the financial year: 5.54%**
- (d) **Number of permanent employees on the rolls of Company: 4823 employees.**
- (e) **Explanation on the relationship between average increase in remuneration and Company performance:**
- Profit before Tax for 2014-15 has grown from ₹ 257 crores to ₹ 433 crores, an increase of 68% against which, increase in median remuneration is 5.54%. The average increase in median remuneration is in line with the Remuneration guidelines of the Company.
- (f) **Comparison of remuneration of Key Managerial Personnel against the performance of the Company:**

Aggregate remuneration of Key Managerial Personnel (KMP) in financial year 2014-15	₹ 5.03 crores
Revenue	₹ 5191 crores
Remuneration of KMPs (as % of revenue)	0.10%
Profit before Tax (PBT)	₹ 433 crores
Remuneration of KMP (as % of PBT)	1.16%

REPORT OF THE BOARD OF DIRECTORS, continued

- (g) **Variations in market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

Date	Closing Market Price per share (₹)	Earnings Per Share (₹)	Price Earnings Ratio	Market Capitalisation ₹ in crores
31.3.2014	160.95	5.48	29.37	5325.59
31.3.2015	279.35	9.95	28.08	9243.27
% change	74	82	(-)4	74

- (h) **Percentage increase / decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

The Company made its Initial Public Offer (IPO) in 1957. An amount of ₹ 1000 invested in the IPO towards 10 shares of ₹ 100 each was worth ₹ 18.85 lakhs (6750 shares of ₹ 1 each) as on 31st March, 2015, excluding dividend. After considering Rights shares offered, Bonus and Sub-division of shares from time to time, 10 shares of ₹ 100 each issued in 1957 have become 6750 shares of ₹ 1 each.

- (i) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstance for increase in managerial remuneration:**

Average increase in remuneration is 10.90% for Employees other than Managerial Personnel and 37% for Managerial Personnel .

- (j) **Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:**

	Mr. Sanjay Johri Managing Director	Mr. Anil George Chief Financial Officer	Mr. V. P. Malhotra Company Secretary
Remuneration in 2014-15 (₹ in crores)	2.63	1.57	0.83
Revenue (₹ in crores)	5191		
Remuneration as % of revenue	0.05	0.03	0.02
Profit before Tax (PBT) (₹ in crores)	433		
Remuneration as % of PBT	0.61	0.36	0.19

- (k) **Key parameters for any variable component of remuneration availed by the Directors:**

The Shareholders have, at the 55th AGM of the Company held on 10th August, 2009, approved payment of commission to Non-Executive Directors upto 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board / Committee meetings, as well as time spent on Company related matters, other than at Meetings.

- (l) **Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: 0.95:1**

- (m) **Affirmation that the remuneration is as per the Remuneration policy of the Company:**

The Company affirms that the remuneration paid is as per the Remuneration policy of the Company.

- (n) A statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate Annexure forming part of this Report. Further, the Report and the Accounts are being sent to the members excluding the aforesaid Annexure. In terms of Section 136 of the Act, the said Annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

REPORT OF THE BOARD OF DIRECTORS, continued

25. Employee Stock Option

The Company has not issued any Employee Stock Options.

26. Conservation of energy, technology absorption, foreign exchange earnings and outgo

Information pursuant to Section 134(3)(m) of the Companies Act, 2013, relating to conservation of energy, technology absorption, foreign exchange earning and outgo is given as Annexure III to this Report.

27. Directors and Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Mr. Vinayak Deshpande retires by rotation and being eligible, offers himself for re-appointment.

Ms. Anjali Bansal was appointed as an Additional Director with effect from 9th March, 2015. In accordance with the provisions of Section 161 of the Companies Act, 2013, Ms. Anjali Bansal holds office upto the date of the forthcoming Annual General Meeting and is eligible for appointment as a Director. Notice under Section 160 of the Act has been received from a member proposing her appointment as Director of the Company. Ms. Anjali Bansal was also appointed as Independent Director for a term of 5 years upto 8th March, 2020, subject to approval of Shareholders at the forthcoming AGM. Ms. Anjali Bansal satisfies the test of independence as stipulated under Section 149(6) of the Act. The Resolution seeking approval of the members for appointment of Ms. Anjali Bansal as a Director and as Independent Director forms part of the Notice of AGM of the Company.

The Members had at the 56th Annual General Meeting of the Company held on 16th August, 2010 approved appointment of Mr. Sanjay Johri as the 'Managing Director' of the Company with effect from 23rd April, 2010 for a term of 5 years. Based on the recommendation of NRC, the Board of Directors have, at its Meeting held on 21st April, 2015, approved the re-appointment of Mr. Sanjay Johri as Managing Director for a further period up to 9th February, 2018, with effect from 23rd April, 2015.

Mr. Nasser Munjee and Mr. Thomas Mathew T., a Director representing Life Insurance Corporation of India ceased to be Directors of the Company with effect from 31st August, 2014 and 5th May, 2015, respectively. The Directors place on record their sincere appreciation of the valuable advice given by Mr. Nasser Munjee and Mr. Thomas Mathew T. during their respective tenures on the Board.

None of the Directors is the Managing or Wholetime Director of any subsidiary of the Company.

During the year, Mr. Sanjay Johri (Managing Director), Mr. Anil George (CFO) and Mr. V. P. Malhotra (Company Secretary) were appointed as Key Managerial Personnel (KMPs) of the Company, in line with the requirements of Section 203 of the Companies Act, 2013.

28. Declaration by Independent Directors

Pursuant to Section 149(7) of the Companies Act, 2013, the Company has received declarations from all Independent Directors confirming that they meet the criteria of independence as specified in Section 149(6) of the Act and Clause 49 of the Listing Agreement.

29. Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance form part of the Annual Report. A declaration signed by the Managing Director in regard to compliance with the Code of Conduct by the Board Members and Senior Management personnel also forms part of the Annual Report.

30. Details of establishment of vigil mechanism for directors and employees

The Company had adopted a Whistle Blower Policy ("the Policy") as required under Section 177(9) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Policy has been formulated with a view to provide a mechanism for directors and employees of the Company to approach the Ethics Counsellor/Chairman of the Audit Committee of the Company in case of any concern. The Whistle Blower Policy may be accessed on the Company's website at the link: <http://www.voltas.com/WBP.PDF>

REPORT OF THE BOARD OF DIRECTORS, continued

31. Particulars of loans, guarantees or investments under Section 186 during 2014-15

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statements (Please refer to Notes 10, 12 and 28 of the standalone financial statements).

32. Particulars of contracts or arrangements with related parties

All related party transactions during 2014-15 were in the ordinary course of business and satisfied the test of arm's length. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in prescribed Form No. AOC-2 as Annexure IV to this Report.

33. Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied their recommendations consistently and made judgements 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 financial year and of the profit of the Company for that period;

- (iii) they have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

34. Extract of the Annual Return

Pursuant to Sections 92(3) and 134(3)(a) of the Companies Act, 2013, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in prescribed Form No. MGT-9 is given as Annexure V to this Report.

35. Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a 'Respect for Gender' Policy on prevention, prohibition and redressal of sexual harassment in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Company has not received any written complaint on sexual harassment during the financial year.

36. General

The Notes forming part of the Accounts are self-explanatory or to the extent, necessary, have been dealt with in the preceding paragraphs of the Report.

On behalf of the Board of Directors

Ishaat Hussain
Chairman

Mumbai, 21st May, 2015

ANNEXURE I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[Pursuant to Section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline of the Company's CSR Policy, including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:

The CSR Policy sets out the Company's commitment and approach towards Corporate Social Responsibility of improving the quality of life of the communities it serves. Through the CSR theme of building sustainable livelihoods, the Company endeavors to facilitate livelihood opportunities and promote socio-cultural development.

The focus areas for CSR activities are:

(i) Vocational Skill Development Programs:

- (a) Unemployment and lack of a stable source of income is often the result of skill vs. job requirement mismatch. Apart from inadequate training facilities, the ease of accessibility to available training is also an issue for large sections of the marginalized population. Therefore, Voltas intends to strengthen its focus on Skill Development to address critical national and state level skill training gaps. These interventions are expected to assist and result in income generation and social inclusion for youth coming from underprivileged sections of the community. The Company currently has vocational training arrangements with implementing partners like the GMR Varalakshmi Foundation, ICICI, JCTS and Bosco Boys. Working with these and other like minded partners, the skilling initiative will focus on specific trades to address sector identified supply gaps (e.g. projected need for AC service technicians and other inter-related trades like ducting, plumbing, electrical, etc).
- (b) Voltas will also address the critical needs of the community around its areas of operation and in locations where skill development interventions are necessary. The objective of these initiatives is to holistically address various socio-economic needs and aspirations of the community.

(ii) Education:

- (a) Voltas will undertake initiatives for imparting training to develop language skills to enhance individual employability of youth in marginalized and deprived sections of Society. These Programs will also incorporate awareness and advocacy

modules on values and ethics, intended to benefit the community at large, by preparing young people to be better corporate citizens.

- (b) Supporting projects and programs for education and development of children from weaker sections of the society, as considered necessary.

(iii) Health:

- (a) Providing financial assistance to institutions, hospitals, charitable trusts and NGOs, including projects and programs aimed at supporting differently abled children including rehabilitation of mentally challenged people.
- (b) Providing financial assistance to institutions, hospitals, charitable trusts and NGOs pursuing projects and programs benefiting pediatric and cancer patients, people suffering from AIDS, the Blind, Deaf and Dumb.
- (c) Contribution to programs focused on eradicating hunger, poverty and malnutrition, promoting health care including preventive measures and sanitation. Additionally, the CSR Policy also provides assistance to the Swachh Bharat Kosh, set up by the Central Government for the promotion of sanitation and making available safe drinking water.

(iv) Disaster Relief:

Contributions towards disaster relief and rehabilitation through appropriate agencies at the right time, as and when required.

In addition to the identified areas of focus mentioned above, the Company may also undertake other activities defined in Schedule VII of the Companies Act, 2013.

The CSR policy has been uploaded on the website of the Company at www.voltas.com.

2. Composition of the CSR Committee:

1. Mr. Noel N. Tata (Chairman)
2. Mr. Sanjay Johri (Managing Director)
3. Mr. Bahram N. Vakil (Independent Director)

Mr. Thomas Mathew T. ceased to be a member of the CSR Committee with effect from 5th May, 2015.

3. Average net profit of the company for last three financial years: ₹ 299.70 crores.
 4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): ₹ 6 crores.
 5. Details of CSR spent during the financial year:

- (a) Total amount to be spent for the financial year: ₹ 6 crores
 (b) Amount unspent, if any: ₹ 2.69 crores during 2014-15
 (c) Manner in which the amount spent during the financial year is detailed below.

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs Local area or other Specify the state and district where projects or programs was undertaken	Amount Outlay (budget) project or programs wise (₹ in Lakhs)	Amount spent on the projects or programs Sub heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period (₹ in Lakhs)	Amount spent: Direct or through implementing agency
1	Donation towards natural disasters	Disaster relief	Jammu & Kashmir	20.00	Direct Expenditure	20.00	Through Tata Relief Fund
2	Aid for Cancer treatments; Medical activities	Health	Mumbai	7.50	Direct Expenditure	7.50	Through Cancer Patients Aid Association
			Mumbai	0.50	Direct Expenditure	8.00	Through Yusuf Meherali Centre
			Kolkatta	100.00	Direct Expenditure	108.00	Through Tata Medical Centre
			Gujarat	50.00	Direct Expenditure	158.00	Through Bhansali Trust
			Chennai	50.00	Direct Expenditure	208.00	Through Medical Research Foundation
			Mumbai	10.00	Direct Expenditure	218.00	Through St. Jude India Childcare Centre
			Thane	1.22	Direct Expenditure	219.22	The Bethany Society
			Mumbai	0.30	Direct Expenditure	219.52	Indian Cancer Society
3	Vocational Skills	Vocational Skills	Mumbai	5.62	Direct Expenditure	5.62	Joseph Cardjin Tehcnical Institute
4	Education	Education	Mumbai	10.00	Direct Expenditure	10.00	The MARG Foundation
			Mumbai	33.85	Direct Expenditure	43.85	ICICI Foundation
			Mumbai	4.89	Direct Expenditure	48.74	Tata Institute of Social Science
				12.00	Direct Expenditure	60.74	Various parties
5	Administrative Expenses		Mumbai	24.95	Direct Expenditure	24.95	Administrative Expenses
		Total		330.83		330.83	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The balance amount of ₹ 2.69 crores for 2014-15 was approved by CSR Committee and spent subsequent to the close of financial year 2014-15 by donations to the implementing agencies (Tata Medical Centre, Bhansali Trust, Medical Research Foundation, Snehalaya, Child Rights and You (CRY), The Marg Foundation and India Foundation for Arts) .

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

This is to confirm that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Sanjay Johri	Noel N. Tata
Managing Director	Chairman – CSR Committee

ANNEXURE II

Criteria for determining qualifications, positive attributes and independence of Directors and Remuneration Policy of the Company

A. Criteria for determining qualifications, positive attributes and independence of Directors:

The Nomination and Remuneration Committee (NRC) has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178(3) of the Act and Clause 49 of the Listing Agreement.

Independence: A Director will be considered as an ‘Independent Director’ if he / she meets with the criteria for ‘Independent Director’ as laid down in the Act and Clause 49 of the Listing Agreement.

Qualifications: A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the NRC considers the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

Positive Attributes: In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgement. Independent Directors are also expected to abide by the ‘Code for Independent Directors’ as outlined in Schedule IV to the Act.

B. Remuneration Policy:

The Company has adopted a Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act and Clause 49 of the Listing Agreement.

The philosophy for remuneration of Directors, Key Managerial Personnel and all other employees of the

Company is based on the commitment of fostering a culture of leadership with trust. The Remuneration Policy of the Company is aligned to this philosophy.

The NRC has considered the following factors while formulating the Policy:

- (i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The key principles governing the Company’s Remuneration Policy are as follows:

Remuneration for Independent Directors and Non-Independent Non-Executive Directors

- Independent Directors (‘ID’) and Non-Independent Non-Executive Directors (‘NED’) may be paid sitting fees for attending the Meetings of the Board and of Committees of which they may be members, and commission within regulatory limits, as recommended by the NRC and approved by the Board.
- Overall remuneration should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company, taking into consideration the challenges faced by the Company and its future growth imperatives. Remuneration paid should be reflective of the size

of the Company, complexity of the sector / industry / Company's operations and the Company's capacity to pay the remuneration and be consistent with recognized best practices.

- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board. The NRC will recommend to the Board the quantum of commission for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee Meetings, individual contributions at the meetings and contributions made by Directors other than in meetings.
- The remuneration payable to Directors shall be inclusive of any remuneration payable for services rendered in any other capacity, unless the services rendered are of a professional nature and the NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession.

Remuneration for Managing Director ('MD')/Executive Directors ('ED')/Key Managerial Personnel ('KMP')/rest of the Employees

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be market competitive, driven by the role played by the individual reflective of the size of the Company, complexity of the sector / industry / Company's

operations and the Company's capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements.

- Basic / fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience. In addition, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings. The Company also provides all employees with a social security net subject to limits, by covering medical expenses and hospitalization through re-imburements or insurance cover and accidental death and dismemberment through personal accident insurance. The Company provides retirement benefits as applicable.
- In addition to the basic / fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD / EDs such remuneration by way of incentive remuneration or commission which is calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013. The specific amount payable to the MD / EDs would be based on performance as evaluated by the NRC and approved by the Board.
- The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

ANNEXURE III

Conservation of energy, technology absorption, foreign exchange earnings and outgo

Conservation of energy:

Planning has been carried out in the year 2014-15 to reduce electricity consumption by replacing Sodium Vapour light with LED. The execution of the same has been done in April 2015. Capital expenditure of ₹ 9 lakhs has been incurred for the initiative and energy savings of approx similar amount will be done on yearly basis.

Following are some of the initiatives taken for conservation of energy:

- Replaced CFL lights with LED bulbs in Thane offices.
- Replacing Sodium Vapour lights with LED lights at Pantnagar Plant.
- Provided transparent FRP sheets on the roof to get natural lights on shop floors.
- Replaced packaged air-conditioners with panel coolers for CNC machine panels.
- Usage of solar water heaters for washing utensils at Thane Canteen.

Technology absorption:

- Introduced Aluminium tube evaporator coil to ensure faster cooling and reduction in power consumption.
- Energy efficient compressor in commercial refrigerator for optimizing power consumption.
- Development of water cooler with two taps, one for normal water and one for cold water.
- Smaller capacity of chocolate cooler.

The Company continues to use latest technologies for improving productivity and quality of its products. The Company has not imported technology during the last three years.

Research & Development:

Specific areas in which R&D carried out by the company

- In the areas of energy efficiency and HCFC Phase out:
 - Development of Inverter base Variable Refrigerant Flow (VRF) system.
 - Development of large capacity Vapour Absorption Machine for sea water application.

(b) Product and Processes developed through in house technology:

- (i) Commercialized High Efficiency Package Air-conditioners with R-410A refrigerant.
- (ii) Commercialized Air-cooled Screw Chillers using Variable Frequency Drive (VFD).
- (iii) Enhanced the range of Energy Efficient AHRI certified Screw Chiller Packages.
- (iv) Standardized condensing units of Ductable Split Air conditioners for refrigerant R22, R407C and R410A.

Expenditure on Research and Development:

The Company has incurred Research and Development expenditure of ₹ 375.95 lakhs (including capital expenditure of ₹ 11.65 lakhs) during 2014-15.

Foreign exchange earnings and outgo:

	₹ in Lakhs
Earnings in foreign exchange	10658.52
Expenditure in foreign currency	599.01
Value of imports on CIF basis	73750.52

ANNEXURE IV

Form No. AOC-2

Form for disclosure of particulars of contracts / arrangement entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis:

The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the financial year 2014-15.

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

- (a) Name(s) of the related party and nature of relationship:

Universal Comfort Products Limited (UCPL), a wholly-owned subsidiary of the Company.

- (b) Nature of contracts/ arrangements/ transactions:

Refer Note No. 39 of Standalone financial statements for related party transactions with UCPL.

- (c) Duration of the contracts / arrangements / transactions:

It is an ongoing contract.

- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:

Sales/purchase of goods and components and other transactions as indicated in Note No.39 of Standalone financial statements.

- (e) Date(s) of approval by the Board, if any:

Not applicable, since the transactions were in the ordinary course of business and on arm's length basis.

- (f) Amount paid as advances, if any:

Nil

On behalf of the Board of Directors

Ishaat Hussain
Chairman

Mumbai, 21st May, 2015

ANNEXURE V

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015

[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:

i	CIN	L29308MH1954PLC009371
ii	Registration Date	6th September, 1954
iii	Name of the Company	Voltas Limited
iv	Category / Sub-Category of the Company	Company Limited by Shares / Indian Non Government company
v	Address of the Registered Office and contact details	Voltas House 'A' Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai 400 033 Phone: 022-66656666 Fax : 022-66656311 e-mail: shareservices@voltas.com
vi	Whether listed company	Yes Listed company
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011 Phone: 022-66568484 Fax: 022-66568494 e-mail: csg-unit@tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/Service	% to total turnover of the company
1	Room Airconditioners	29192	34%
2	Contract Revenue	45302	25%
3	Other Unitary Products	28191	22%
4	Sale of Services	NA	12%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable Section
1	Universal Comfort Products Limited Voltas House 'B', T.B. Kadam Marg, Chinchpokli, Mumbai 400 033	U29193MH2001PLC249228	Subsidiary	100%	Sec 2(87)(ii)
2	Rohini Industrial Electricals Limited Voltas House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai- 400 033	U74210MH1983PLC030705	Subsidiary	100%	Sec 2(87)(ii)
3	Auto Aircon (India) Limited 5/4 Nagar Road, Pune, 411 014.	U29192PN1995PLC012885	Subsidiary	100%	Sec 2(87)(ii)
4	Weathermaker Limited P.O. Box 17127, Between Round About 6/7, Jebel Ali Free Zone, Dubai, U.A.E.	NA	Subsidiary	100%	Sec 2(87)(ii)
5	Saudi Ensas Company for Engineering Services W.L.L. Masader Commercial Centre, 7th Floor, Baldiyah Street, Aziziyah District, P.O. Box 8292, Jeddah, Kingdom of Saudi Arabia	NA	Subsidiary	100% *	Sec 2(87)(ii)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable Section
6	Lalbuksh Voltas Engineering Services & Trading L.L.C. 'ORIS' 3817-A, Ground Floor Way No.4451, Behind Al Meera Hypermarket., Azaiba, P.O. Box 3146, Postal Code 112, Ruwi, Sultanate of Oman	NA	Subsidiary	60% *	Sec 2(87)(ii)
7	Voltas Oman L.L.C. 'ORIS' 3817-A, Ground Floor, Way No.4451, Behind Al Meera Hypermarket, Azaiba, P.O. Box 2263, Postal Code 112, Ruwi, Sultanate of Oman	NA	Subsidiary	65% *	Sec 2(87)(ii)
8	Voltas Netherlands B.V. Herikerbergweg, 238, Luna Arena, 1101CM, Postbus 23393, 1100DW, Amsterdam Zuidoost, The Netherlands	NA	Subsidiary	100%	Sec 2(87)(ii)
9	Universal Weathermaker Factory L.L.C. P.O. Box 25513, C.R.No.18649, Plot No.85/B1, ICAD-1, Mustaffah, Abu Dhabi, U.A.E	NA	Associate	49%	Sec 2(6)
10	Universal Voltas L.L.C. P.O. Box 25513, C.R.No.18649 Universal Trading Company Building, Istqlal Street, Abu Dhabi, U.A.E	NA	Associate	49% *	Sec 2(6)
11	Olayan Voltas Contracting Company Limited Olayan Complex, Tower B, 2nd floor Al Ahsa Road, Al Malaz, P.O. Box 8772 Riyadh 11492, Kingdom of Saudi Arabia	NA	Associate	50%	Sec 2(6)
12	Voltas Qatar W.L.L. P.O. Box 24706, NGM Project, Al Shamal Road, Al Kharaitiyat, Doha, State of Qatar	NA	Associate	49%	Sec 2(6)
13	Naba Diganta Water Management Limited GN 11-19, Sector-V, Salt Lake, Kolkata 700 091	U93010WB2008PLC121573	Associate	26%	Sec 2(6)
14	Voltas Water Solutions Private Limited Voltas House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai- 400 033	U74999MH2014PTC255780	Associate	50%	Sec 2(6)
15	Terrot GmbH Paul-Gruner Str., 72b 09120, Chemnitz, Germany	N.A.	Associate	20.07%	Sec 2(6)
16	Brihat Trading Private Limited Bank of Baroda Building Bombay Samachar Marg, Mumbai 400 001	U51900MH1988PTC049926	Associate	33.33%	Sec.2(6)

* aggregate % of shares held by the Company and/or its subsidiary

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2014)				No. of Shares held at the end of the year (31st March, 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	0	0	0	0	0	0	0	0	0
(b) Central Government	0	0	0	0	0	0	0	0	0
(c) State Government(s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corporate	100253480	0	100253480	30.30	100253480	0	100253480	30.30	0
(e) Banks / FI	0	0	0	0	0	0	0	0	0
(f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)	100253480	0	100253480	30.30	100253480	0	100253480	30.30	0
(2) Foreign									
(a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
(b) Other – Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corporate	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	100253480	0	100253480	30.30	100253480	0	100253480	30.30	0
B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	0
(a) Mutual Funds	36621789	68450	36690239	11.09	42817891	68450	42886341	12.96	1.87
(b) Banks / FI	631366	102770	734136	0.22	544960	102770	647730	0.20	-0.02
(c) Central Government	0	0	0	0	0	0	0	0	0
(d) State Government(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	58320361	0	58320361	17.63	45630136	0	45630136	13.79	-3.84
(g) FIs	59863359	5500	59868859	18.09	67898446	5500	67903946	20.52	2.43
(h) FPIs	0	0	0	0	3605326	0	3605326	1.09	1.09
(i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	155436875	176720	155613595	47.03	160496759	176720	160673479	48.56	1.53

Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2014)				No. of Shares held at the end of the year (31st March, 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
(a) Bodies Corporate									
(i) Indian	14566438	152100	14718538	4.45	13837205	146700	13983905	4.23	-0.22
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	42521344	11563328	54084672	16.35	39492736	10961781	50454517	15.25	-1.1
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1159050	0	1159150	0.35	6643800	0	664380	0.20	-0.15
(c) Others (specify)									
(i) Trust	2403537	580	2404117	0.73	2495088	580	2495668	0.75	0.02
(ii) Directors & Relatives	0	0	0	0	0	0	0	0	0
(iii) NRIs	2388915	170740	2559655	0.77	2124688	142990	2267678	0.68	-0.09
(iv) Foreign Nationals	1783	0	1783	0	1783	0	1783	0	0
(v) Foreign Bodies	0	89850	89850	0.03	0	89850	89850	0.03	0
Sub-total (B)(2)	63041067	11976598	75017665	22.67	58615880	11341901	69957781	21.14	-1.53
Total Public Shareholding (B)= (B)(1)+(B)(2)	218477942	12153318	230631260	69.70	219112639	11518621	230631260	69.70	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	318731422	12153318	330884740	100	319366119	11518621	330884740	100	0

(ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April, 2014)			Shareholding at the end of the year (as on 31st March, 2015)			% change in share holding 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	Tata Sons Limited	88131780	26.64	0	88131780	26.64	0	0
2	Tata Investment Corporation Limited	9962330	3.01	0	9962330	3.01	0	0
3	Ewart Investments Limited	1925950	0.58	0	1925950	0.58	0	0
4	The Tata Power Company Limited	233420	0.07	0	233420	0.07	0	0
	Total	100253480	30.30	0	100253480	30.30	0	0

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

SI. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year (as on 1-4-2014)	100253480	30.30	100253480	30.30
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change in Promoters' shareholding			
3	At the end of the year (as on 31-3-2015)	100253480	30.30	100253480	30.30

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SI. No.	Name	Shareholding		Date	Increase/ Decrease in share- holding	Reason	Cummulative Shareholding during the year	
		No. of Shares at the beginning (1.4.2014)/ end of the year (31.3.2015)	% of total shares of the Company				No. of Shares	% of total Shares of the company
1	Life Insurance Corporation of India (Various Accounts)	3,53,60,709	10.69	01-Apr-2014				
				09-May-2014	-50,000	Transfer	3,53,10,709	10.67
				16-May-2014	-1,58,000	Transfer	3,51,52,709	10.62
				23-May-2014	-1,50,000	Transfer	3,50,02,709	10.58
				30-May-2014	-13,344	Transfer	3,49,89,365	10.57
				06-Jun-2014	-2,95,000	Transfer	3,46,94,365	10.49
				13-Jun-2014	-4,72,401	Transfer	3,42,21,964	10.34
				20-Jun-2014	-2,15,886	Transfer	3,40,06,078	10.28
				30-Jun-2014	-1,00,000	Transfer	3,39,06,078	10.25
				04-Jul-2014	-2,53,241	Transfer	3,36,52,837	10.17
				11-Jul-2014	-720	Transfer	3,36,52,117	10.17
				22-Aug-2014	-1,00,000	Transfer	3,35,52,117	10.14

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cummulative Shareholding during the year	
		No. of Shares at the beginning (1.4.2014)/ end of the year (31.3.2015)	% of total shares of the Company				No. of Shares	% of total Shares of the company
				29-Aug-2014	-5,47,398	Transfer	3,30,04,719	9.97
				01-Sep-2014	-1,00,000	Transfer	3,29,04,719	9.94
				05-Sep-2014	-14,11,486	Transfer	3,14,93,233	9.52
				12-Sep-2014	-20,52,642	Transfer	2,94,40,591	8.90
				19-Sep-2014	-7,34,614	Transfer	2,87,05,977	8.68
				30-Sep-2014	-6,51,258	Transfer	2,80,54,719	8.48
				10-Oct-2014	-3,11,138	Transfer	2,77,43,581	8.38
				17-Oct-2014	-1,20,179	Transfer	2,76,23,402	8.35
				24-Oct-2014	-4,00,000	Transfer	2,72,23,402	8.23
				31-Oct-2014	-2,79,821	Transfer	2,69,43,581	8.14
				20-Mar-2015	-3,96,130	Transfer	2,65,47,451	8.02
				27-Mar-2015	-13,50,252	Transfer	2,51,97,199	7.62
		251,47,199	7.60	31-Mar-2015	-50,000	Transfer	2,51,47,199	7.60
2	Government Pension Fund Global	1,67,03,496	5.05	01-Apr-2014				
				11-Apr-2014	-5,59,420	Transfer	1,61,44,076	4.88
				18-Apr-2014	-4,59,062	Transfer	1,56,85,014	4.74
				25-Apr-2014	-6,12,338	Transfer	1,50,72,676	4.56
				02-May-2014	-6,18,774	Transfer	1,44,53,902	4.37
				09-May-2014	-6,41,812	Transfer	1,38,12,090	4.17
				16-May-2014	-1,22,979	Transfer	1,36,89,111	4.14
				30-May-2014	-1,01,234	Transfer	1,35,87,877	4.11
				06-Jun-2014	-4,46,665	Transfer	1,31,41,212	3.97
				13-Jun-2014	-3,37,749	Transfer	1,28,03,463	3.87
				20-Jun-2014	-4,13,241	Transfer	1,23,90,222	3.74
				30-Jun-2014	-4,09,010	Transfer	1,19,81,212	3.62
				04-Jul-2014	-14,31,794	Transfer	1,05,49,418	3.19
				11-Jul-2014	-8,02,450	Transfer	97,46,968	2.95
				21-Nov-2014	-97,46,968	Transfer	0	0.00
				21-Nov-2014	97,46,968	Transfer	97,46,968	2.95
		97,46,968	2.95	31-Mar-2015			97,46,968	2.95
3	ICICI Prudential Mutual Fund (Various Accounts)	73,11,783	2.21	01-Apr-2014				
				04-Apr-2014	-2,48,804	Transfer	70,62,979	2.13
				23-May-2014	5,00,000	Transfer	75,62,979	2.29
				13-Jun-2014	-5,00,000	Transfer	70,62,979	2.13
				05-Sep-2014	1,38,000	Transfer	72,00,979	2.18
				12-Sep-2014	22,000	Transfer	72,22,979	2.18
				19-Dec-2014	-10,68,950	Transfer	61,54,029	1.86
				31-Dec-2014	-2,52,731	Transfer	59,01,298	1.78

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cummulative Shareholding during the year	
		No. of Shares at the beginning (1.4.2014)/ end of the year (31.3.2015)	% of total shares of the Company				No. of Shares	% of total Shares of the company
				09-Jan-2015	-76,225	Transfer	58,25,073	1.76
				23-Jan-2015	-3,78,261	Transfer	54,46,812	1.65
				20-Mar-2015	62,000	Transfer	55,08,812	1.66
		53,29,000	1.61	31-Mar-2015	-1,79,812	Transfer	53,29,000	1.61
4	Reliance Mutual Fund (Various Accounts)	56,45,147	1.71	01-Apr-2014				
				11-Apr-2014	-1,00,000	Transfer	55,45,147	1.68
				16-May-2014	-4,00,000	Transfer	51,45,147	1.55
				30-May-2014	50,000	Transfer	51,95,147	1.57
				06-Jun-2014	4,00,000	Transfer	55,95,147	1.69
				01-Aug-2014	1,00,000	Transfer	56,95,147	1.72
				08-Aug-2014	1,00,000	Transfer	57,95,147	1.75
				12-Sep-2014	-2,00,000	Transfer	55,95,147	1.69
				19-Sep-2014	-4,00,000	Transfer	51,95,147	1.57
				17-Oct-2014	-1,00,000	Transfer	50,95,147	1.54
				21-Nov-2014	-5,00,000	Transfer	45,95,147	1.39
				28-Nov-2014	-50,000	Transfer	45,45,147	1.37
				05-Dec-2014	-20,00,000	Transfer	25,45,147	0.77
				05-Dec-2014	1,50,000	Transfer	26,95,147	0.81
				12-Dec-2014	-11,00,000	Transfer	15,95,147	0.48
				31-Dec-2014	30,000	Transfer	16,25,147	0.49
				23-Jan-2015	-80,000	Transfer	15,45,147	0.47
		15,45,147	0.47	31-Mar-2015			15,45,147	0.47
5	Vidya Investment and Trading Co. Pvt. Ltd.	56,45,741	1.71	1-Apr-14				
				16-Jan-15	-56,45,741	Transfer	Nil	0
		Nil	-	31-Mar-15			Nil	0
6	Bajaj Allianz Life Insurance Company Limited	56,13,427	1.70	01-Apr-2014				
				04-Apr-2014	2,00,000	Transfer	58,13,427	1.76
				25-Apr-2014	-1,00,000	Transfer	57,13,427	1.73
				02-May-2014	-2,00,000	Transfer	55,13,427	1.67
				16-May-2014	-4,00,000	Transfer	51,13,427	1.55
				23-May-2014	-5,000	Transfer	51,08,427	1.54
				30-May-2014	-4,21,000	Transfer	46,87,427	1.42
				06-Jun-2014	2,25,000	Transfer	49,12,427	1.48
				18-Jul-2014	70,000	Transfer	49,82,427	1.51
				22-Aug-2014	-2,25,000	Transfer	47,57,427	1.44
				17-Oct-2014	9,00,000	Transfer	56,57,427	1.71
				28-Nov-2014	-1,50,000	Transfer	55,07,427	1.66
				12-Dec-2014	-2,00,000	Transfer	53,07,427	1.60

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cummulative Shareholding during the year	
		No. of Shares at the beginning (1.4.2014)/ end of the year (31.3.2015)	% of total shares of the Company				No. of Shares	% of total Shares of the company
				19-Dec-2014	1,00,000	Transfer	54,07,427	1.63
				31-Dec-2014	2,00,000	Transfer	56,07,427	1.69
				09-Jan-2015	-1,00,000	Transfer	55,07,427	1.66
				27-Feb-2015	-73,279	Transfer	54,34,148	1.64
				13-Mar-2015	-50,000	Transfer	53,84,148	1.63
				20-Mar-2015	-1,306	Transfer	53,82,842	1.63
				27-Mar-2015	5,00,000	Transfer	58,82,842	1.78
		60,82,842	1.84	31-Mar-2015	2,00,000	Transfer	60,82,842	1.84
7	British Columbia Investment Management Corporation A/C Emerging Markets Equity Fund	41,90,437	1.27	1-Apr-14				
				23-May-14	-3,00,890	Transfer	38,89,547	1.18
				30-May-14	-4,56,122	Transfer	34,33,425	1.04
				20-Mar-15	-3,57,946	Transfer	30,75,479	0.93
				27-Mar-15	-71,629	Transfer	30,03,850	0.91
		29,85,301	0.90	31-Mar-15	-18,549	Transfer	29,85,301	0.90
8	The New India Assurance Company Limited	39,23,682	1.19	01-Apr-2014				
				25-Apr-2014	-10,000	Transfer	39,13,682	1.18
				16-May-2014	-1,60,000	Transfer	37,53,682	1.13
				23-May-2014	-1,06,729	Transfer	36,46,953	1.10
				30-May-2014	-23,271	Transfer	36,23,682	1.10
				22-Aug-2014	-77,500	Transfer	35,46,182	1.07
				29-Aug-2014	-75,000	Transfer	34,71,182	1.05
				01-Sep-2014	-30,000	Transfer	34,41,182	1.04
				05-Sep-2014	-17,500	Transfer	34,23,682	1.03
				12-Sep-2014	-96,421	Transfer	33,27,261	1.01
				19-Sep-2014	-40,000	Transfer	32,87,261	0.99
				30-Sep-2014	-30,000	Transfer	32,57,261	0.98
				03-Oct-2014	-20,000	Transfer	32,37,261	0.98
				31-Oct-2014	-25,000	Transfer	32,12,261	0.97
				07-Nov-2014	-20,000	Transfer	31,92,261	0.96
				14-Nov-2014	-15,000	Transfer	31,77,261	0.96
				21-Nov-2014	-50,000	Transfer	31,27,261	0.95
				28-Nov-2014	-55,000	Transfer	30,72,261	0.93
				05-Dec-2014	-22,500	Transfer	30,49,761	0.92
				12-Dec-2014	-47,500	Transfer	30,02,261	0.91
		30,02,261	0.91	31-Mar-2015			30,02,261	0.91

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (1.4.2014)/ end of the year (31.3.2015)	% of total shares of the Company				No. of Shares	% of total Shares of the company
9	General Insurance Corporation Of India	38,59,157	1.17	01-Apr-2014				
				04-Apr-2014	-56,057	Transfer	38,03,100	1.15
				23-May-2014	-5,00,000	Transfer	33,03,100	1.00
				21-Nov-2014	-2,25,000	Transfer	30,78,100	0.93
				28-Nov-2014	-1,85,000	Transfer	28,93,100	0.87
				05-Dec-2014	-25,000	Transfer	28,68,100	0.87
		28,68,100	0.87	31-Mar-2015			28,68,100	0.87
10	HDFC Mutual Fund (Various Accounts)	32,00,000	0.97	01-Apr-2014				
				20-Jun-2014	18,00,000	Transfer	50,00,000	1.51
				30-Jun-2014	5,50,000	Transfer	55,50,000	1.68
				04-Jul-2014	1,00,000	Transfer	56,50,000	1.71
				11-Jul-2014	5,00,000	Transfer	61,50,000	1.86
				18-Jul-2014	8,90,000	Transfer	70,40,000	2.13
				01-Aug-2014	3,65,000	Transfer	74,05,000	2.24
				08-Aug-2014	18,21,998	Transfer	92,26,998	2.79
				11-Aug-2014	2	Transfer	92,27,000	2.79
				15-Aug-2014	1,99,970	Transfer	94,26,970	2.85
				22-Aug-2014	21,25,030	Transfer	1,15,52,000	3.49
				29-Aug-2014	2,35,000	Transfer	1,17,87,000	3.56
				05-Sep-2014	-1,25,000	Transfer	1,16,62,000	3.52
				05-Sep-2014	48,000	Transfer	1,17,10,000	3.54
				19-Sep-2014	2,24,400	Transfer	1,19,34,400	3.61
				30-Sep-2014	1,60,000	Transfer	1,20,94,400	3.66
				24-Oct-2014	2,00,000	Transfer	1,22,94,400	3.72
				12-Dec-2014	-3,20,000	Transfer	1,19,74,400	3.62
				09-Jan-2015	1,00,000	Transfer	1,20,74,400	3.65
				23-Jan-2015	2,00,000	Transfer	1,22,74,400	3.71
				30-Jan-2015	-48,000	Transfer	1,22,26,400	3.70
				30-Jan-2015	81,000	Transfer	1,23,07,400	3.72
				06-Feb-2015	-5,64,000	Transfer	1,17,43,400	3.55
				20-Feb-2015	1,00,000	Transfer	1,18,43,400	3.58
27-Feb-2015	-50,000	Transfer	1,17,93,400	3.56				
06-Mar-2015	1,00,000	Transfer	1,18,93,400	3.59				
20-Mar-2015	-10,00,000	Transfer	1,08,93,400	3.29				
		1,08,93,400	3.29	31-Mar-2015			1,08,93,400	3.29

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cummulative Shareholding during the year	
		No. of Shares at the beginning (1.4.2014)/ end of the year (31.3.2015)	% of total shares of the Company				No. of Shares	% of total Shares of the company
11	Franklin Templeton Mutual Fund (Various Accounts)	21,54,035	0.65	01-Apr-2014				
				04-Apr-2014	-1,00,000	Transfer	20,54,035	0.62
				09-May-2014	50,000	Transfer	21,04,035	0.64
				16-May-2014	3,17,048	Transfer	24,21,083	0.73
				23-May-2014	-1,77,671	Transfer	22,43,412	0.68
				30-May-2014	19,82,952	Transfer	42,26,364	1.28
				30-Jun-2014	-8,39,357	Transfer	33,87,007	1.02
				22-Aug-2014	-2,00,000	Transfer	31,87,007	0.96
				12-Sep-2014	-9,00,000	Transfer	22,87,007	0.69
				30-Sep-2014	3,00,000	Transfer	25,87,007	0.78
				28-Nov-2014	7,00,000	Transfer	32,87,007	0.99
				05-Dec-2014	2,74,554	Transfer	35,61,561	1.08
				12-Dec-2014	6,73,573	Transfer	42,35,134	1.28
				19-Dec-2014	5,46,873	Transfer	47,82,007	1.45
				31-Dec-2014	3,50,000	Transfer	51,32,007	1.55
				02-Jan-2015	2,25,000	Transfer	53,57,007	1.62
				09-Jan-2015	50,000	Transfer	54,07,007	1.63
20-Mar-2015	-1,50,000	Transfer	52,57,007	1.59				
	52,57,007	1.59	31-Mar-2015			52,57,007	1.59	
12	HDFC Standard Life Insurance Company Limited (Various Accounts)	5,00,000	0.15	01-Apr-2014				
				02-May-2014	2,00,000	Transfer	7,00,000	0.21
				16-May-2014	4,000	Transfer	7,04,000	0.21
				23-May-2014	1,00,000	Transfer	8,04,000	0.24
				30-May-2014	7,000	Transfer	8,11,000	0.25
				13-Jun-2014	3,000	Transfer	8,14,000	0.25
				30-Jun-2014	2,00,000	Transfer	10,14,000	0.31
				04-Jul-2014	5,000	Transfer	10,19,000	0.31
				25-Jul-2014	1,00,000	Transfer	11,19,000	0.34
				22-Aug-2014	82,469	Transfer	12,01,469	0.36
				05-Sep-2014	3,42,531	Transfer	15,44,000	0.47
				12-Sep-2014	6,43,305	Transfer	21,87,305	0.66
				19-Sep-2014	3,25,000	Transfer	25,12,305	0.76
				30-Sep-2014	2,50,000	Transfer	27,62,305	0.83
				10-Oct-2014	1,75,000	Transfer	29,37,305	0.89
				17-Oct-2014	-50,000	Transfer	28,87,305	0.87
				24-Oct-2014	1,50,000	Transfer	30,37,305	0.92
				21-Nov-2014	95,000	Transfer	31,32,305	0.95
				31-Dec-2014	1,06,081	Transfer	32,38,386	0.98
				02-Jan-2015	1,935	Transfer	32,40,321	0.98
				09-Jan-2015	25,000	Transfer	32,65,321	0.99
				30-Jan-2015	8,283	Transfer	32,73,604	0.99
				06-Feb-2015	40,846	Transfer	33,14,450	1.00
13-Feb-2015	1,40,251	Transfer	34,54,701	1.04				
27-Mar-2015	24,920	Transfer	34,79,621	1.05				
	35,30,621	1.07	31-Mar-2015	51,000	Transfer	35,30,621	1.07	

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cummulative Shareholding during the year	
		No. of Shares at the beginning (1.4.2014)/ end of the year (31.3.2015)	% of total shares of the Company				No. of Shares	% of total Shares of the company
13	IDFC Mutual Fund (Various Accounts)	1,02,000	0.03	01-Apr-2014				
				04-Apr-2014	-45,000	Transfer	57,000	0.02
				11-Apr-2014	-57,000	Transfer	0	0.00
				19-Sep-2014	34,000	Transfer	34,000	0.01
				30-Jan-2015	-34,000	Transfer	0	0.00
				13-Feb-2015	1,19,361	Transfer	1,19,361	0.04
				20-Feb-2015	19,45,123	Transfer	20,64,484	0.62
				27-Feb-2015	8,56,703	Transfer	29,21,187	0.88
				06-Mar-2015	5,88,202	Transfer	35,09,389	1.06
				13-Mar-2015	4,94,878	Transfer	40,04,267	1.21
				20-Mar-2015	8,80,733	Transfer	48,85,000	1.48
				27-Mar-2015	1,55,000	Transfer	50,40,000	1.52
	50,80,000	1.54	31-Mar-2015	40,000	Transfer	50,80,000	1.54	
14	Franklin Templeton Investment Funds	Nil	-	01-Apr-2014				
				16-May-2014	1,10,500	Transfer	1,10,500	0.03
				23-May-2014	12,39,500	Transfer	13,50,000	0.41
				06-Jun-2014	10,88,272	Transfer	24,38,272	0.74
				13-Jun-2014	3,82,500	Transfer	28,20,772	0.85
				11-Jul-2014	7,68,343	Transfer	35,89,115	1.08
				18-Jul-2014	5,96,657	Transfer	41,85,772	1.27
				01-Aug-2014	3,69,750	Transfer	45,55,522	1.38
				08-Aug-2014	3,50,000	Transfer	49,05,522	1.48
				30-Sep-2014	11,50,000	Transfer	60,55,522	1.83
				24-Oct-2014	5,50,000	Transfer	66,05,522	2.00
				07-Nov-2014	12,70,100	Transfer	78,75,622	2.38
				28-Nov-2014	2,89,883	Transfer	81,65,505	2.47
				05-Dec-2014	11,85,117	Transfer	93,50,622	2.83
				31-Dec-2014	6,30,000	Transfer	99,80,622	3.02
				30-Jan-2015	7,68,822	Transfer	1,07,49,444	3.25
06-Mar-2015	9,14,909	Transfer	1,16,64,353	3.53				
13-Mar-2015	34,519	Transfer	1,16,98,872	3.54				
	1,16,98,872	3.54	31-Mar-2015			1,16,98,872	3.54	
15	Napean Trading and Investment Company Private Limited	Nil	-	01-Apr-2014				
				16-Jan-2015	36,00,000	Transfer	36,00,000	1.09
				23-Jan-2015	46,24,269	Transfer	82,24,269	2.49
				31-Mar-2015			82,24,269	2.49
	82,24,269	2.49				82,24,269	2.49	

Note: The Above information is based on weekly downloads of beneficiary position received from Depositories.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year (as on 1st April, 2014)				
1.	Mr. Ishaat Hussain	0	0	0	0
2.	Mr. Sanjay Johri (MD) - KMP	0	0	0	0
3.	Mr. Nasser Munjee	0	0	0	0
4.	Mr. Noel N. Tata	0	0	0	0
5.	Mr. Nani Javeri	0	0	0	0
6.	Mr. R. N. Mukhija	0	0	0	0
7.	Mr. Vinayak Deshpande	0	0	0	0
8.	Mr. Thomas Mathew T.	0	0	0	0
9.	Mr, Anil George (CFO) - KMP	1000	0	1000	0
10.	Mr. V. P. Malhotra (CS) - KMP	2520	0	2520	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer / bonus/ sweat equity etc):	NIL			
	At the end of the year (as on 31st March, 2015)				
1.	Mr. Ishaat Hussain	0	0	0	0
2.	Mr. Sanjay Johri (MD) - KMP	0	0	0	0
3.	Mr. Noel N. Tata	0	0	0	0
4.	Mr. Nani Javeri	0	0	0	0
5.	Mr. R. N. Mukhija	0	0	0	0
6.	Mr. Vinayak Deshpande	0	0	0	0
7.	Mr. Thomas Mathew T.	0	0	0	0
8.	Ms. Anjali Bansal	0	0	0	0
9.	Mr. Debendranath Sarangi	0	0	0	0
10.	Mr. Bahram N Vakil	0	0	0	0
11.	Mr, Anil George (CFO) - KMP	1000	0	1000	0
12.	Mr. V. P. Malhotra (CS) - KMP	2520	0	2520	0

V. INDEBTEDNESS:

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

₹ in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (as on 1st April, 2014)				
(i) Principal Amount	19337.63	--	--	19337.63
(ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due	23.36	--	--	23.36
Total (i+ii+iii)	19360.99	--	--	19360.99
Change in Indebtedness during the financial year				
(i) Addition	2595.00	--	--	2595.00
(ii) Reduction	16636.68	--	--	16636.68
Net Change	(14041.68)	--	--	(14041.68)
Indebtedness at the end of the financial year (as on 31st March, 2015)				
(i) Principal Amount	5305.83	--	--	5305.83
(ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due	13.48	--	--	13.48
Total (i+ii+iii)	5319.31	--	--	5319.31

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in Lakhs

Sl. No.	Particulars of Remuneration	Mr. Sanjay Johri Managing Director
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	128.14
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	7.63
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission - as % of profit	120.00
5.	Others, please specify - - PF & Superannuation - Personal Accident Insurance Premia	7.59 0.51
	Total (A)	263.87
	Ceiling as per the Act (5% of Profit u/s 198 of the Companies Act, 2013)	1101.37

B. Remuneration to other directors:

₹ in Lakhs

Sl. No.	Particulars of Remuneration	Name of Directors										Total Amount			
		Ishaat Hussain	N. N. Tata	Nasser Munjee	Nani Javeri	R. N. Mukhija	Vinayak Deshpande	Thomas Mathew T.	Debendranath Sarangi	Bahram N. Vakil	Anjali Bansal				
1.	Independent Directors														
	(i) Fee for attending Board / Committee meetings	--	--	1.10	4.70	5.20	--	3.00	1.90	0.60					16.50
	(ii) Commission	--	--	10.00	22.00	19.00	--	--	--	--	--	--	--	--	51.00
	(iii) Others, please specify	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	Total (1)	--	--	11.10	26.70	24.20	--	3.00	1.90	0.60					67.50
2.	Other Non-Executive Directors														
	(i) Fee for attending Board/ Committee meetings	3.30	3.35	--	--	--	3.20	3.55	--	--					13.40
	(ii) Commission	22.00	10.00	--	--	--	10.00	10.00	--	--					52.00
	(iii) Others, please specify	--	--	--	--	--	--	--	--	--					--
	Total (2)	25.30	13.35	--	--	--	13.20	13.55	--	--					65.40
Total (B)=(1+2)	25.30	13.35	11.10	26.70	24.20	13.20	3.00	1.90	0.60					132.90	
Total Managerial Remuneration (Commission)												103.00			
Overall Ceiling as per the Act for payment of commission to Non-Executive Directors (1% of Profit u/s 198 of the Companies Act. 2013)												220.27			

Notes: (1) Commission is for the year 2013-14, paid in 2014-15.

(2) Ceiling limits are for the year 2014-15.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

₹ in Lakhs

S I. no.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Anil George, CFO	Mr. V. P. Malhotra, Company Secretary	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	145.77	77.77	223.54
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	5.31	1.96	7.27
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	--	--	--
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5.	Others, please specify – - PF & Superannuation	5.68	3.16	8.84
	Total	156.76	82.89	239.65

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other Officers in default, if any, during the year.

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

To,

The Members of Voltas Limited

We have conducted the secretarial audit of the compliance of **VOLTAS LIMITED**, applicable statutory provisions and the adherence to good corporate practices by VOLTAS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2015 complied with the statutory provisions listed hereunder. The Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by VOLTAS LIMITED ("the Company") for the financial year ended March 31, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

Other Laws applicable to the Company;

1. Payment of Wages, 1956
2. Payment of Bonus, 1965
3. Minimum Wages Act, 1948
4. Industrial Disputes Act, 1948
5. Industrial Employment (Standing Orders) Act, 1946
6. Payment of Gratuity, 1972
7. Employees Provident Fund and Miscellaneous Provisions Act, 1952
8. Factories Act, 1948
9. Income Tax Act, 1961 and Rules
10. Central Excise Act, 1944
11. Cenvat Credit Rules, 2004
12. Finance Act, 1994 (Service Tax)
13. Customs Act, 1962
14. State VAT Acts
15. State Shops and Establishment Act
16. Contract Labour (Regulation and Abolition) Act, 1970
17. Employees Compensation Act, 1923
18. Employees State Insurance Act, 1948
19. Central Sales Tax, 1956
20. Wealth Tax Act, 1957

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India limited.

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

We further report that The Board of Directors 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, agenda and detailed notes on agenda were sent at least seven days 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. **All the decisions at the Board Meetings were passed unanimously and with requisite majority in General Meeting.**

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, no specific event has taken place which has major bearing on the Company's affairs.

For **N L Bhatia & Associates**
UIN:- (S1996MH016600)

N L Bhatia
(Managing partner)

Place: Mumbai

Date: 11th May, 2015

FCS.No. 1176

C.P. No. 422

To,

The Members

VOLTAS LIMITED

Our 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. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
- (2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- (3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (4) Where ever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
- (6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **N L Bhatia & Associates**
UIN:- (S1996MH016600)

N L Bhatia
(Managing partner)

Place: Mumbai

Date: 11th May, 2015

FCS.No. 1176

C.P. No. 422

MANAGEMENT DISCUSSION AND ANALYSIS

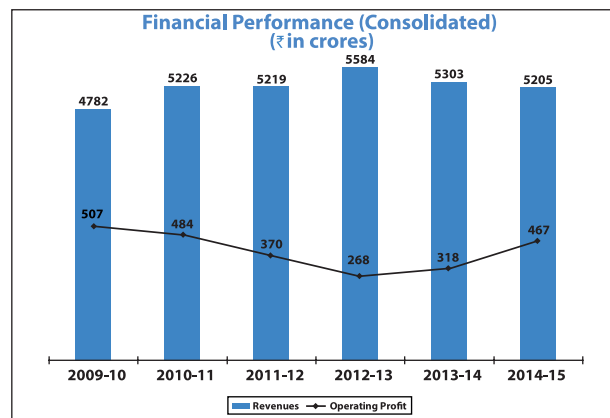
OVERVIEW

1. The global economy continued to show some improvement through 2014-15, with the US evidently in revival mode, as seen from the various data points including the more recent strengthening of the Dollar. Europe, however, has not picked up its pace, and remains in peril of continued recession. China too seems to be losing momentum after multiple years of steady growth. Meanwhile, with the steep correction of international crude oil prices, the Middle East geographies in which the Company operates might moderate their spending, which is presently directed more towards the social sector and core infrastructure.

2. On the Domestic front, economic sentiment has shown an uptick, amidst high expectations sparked by encouraging announcements and news, post the election of a stable Government at the Centre. The nation's macro-economic situation has improved, with inflation and the Current Account Deficit largely under control, and the GDP showing recovery. Similarly, the HSBC Purchasing Managers' Index has remained in positive territory for over a year. RBI also exhibited optimism in lowering the Repo rate and marginally bringing down bank interest rates. However, the environment of positivity failed to raise demand or investment levels. The industry remained at a sub-par 72% capacity utilization as per RBI estimates. Private sector spending remained constrained, especially on capital goods; and credit growth stayed slow. Although industrial production grew by 2.8% overall, sluggish performance persisted in key verticals such as automotives, metals, infra and real estate, while IT and pharma slowed down in Q4 (2014-15) after building up growth momentum earlier. Nevertheless, there is hope of a revival, based on the Government's announcements of intent.

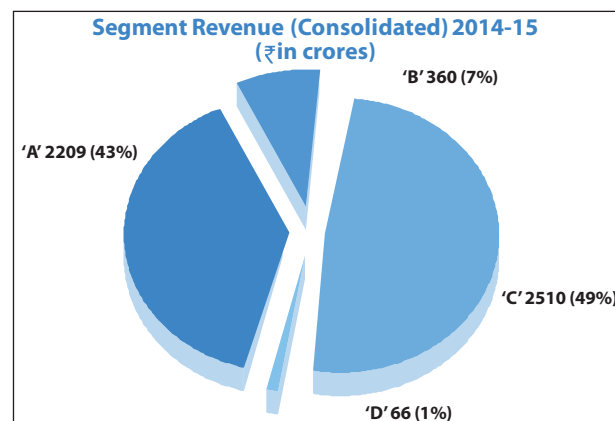
3. Against this backdrop, the Company unveiled its newly-crafted Vision 2020, 'Driving value through smart engineering', defining a new identity for the Company to govern future growth. The focus will be on enhancing the value proposition, with 'smart' and 'sensible' engineering solutions based on consumer insights. These offerings will feature best-in-class technologies, delivered by a dynamic and engaged workforce that believes in improvement through innovation. The new Vision will be supported by 5 SWIFT pillars: Smart thinking, Winning attitude, Innovation, Flexibility and Teamwork.

4. Revenues and Operating Profits (Profit before exceptional items) of Voltas (consolidated) for the period between financial year 2009-10 and 2014-15 are given below:



5. The business segments of Voltas (Consolidated) are:

- 'A' - Electro-mechanical Projects and Services
- 'B' - Engineering Products and Services
- 'C' - Unitary Cooling Products for Comfort and Commercial use
- 'D' - Others



An important feature across all its segments is that the Company pursues an asset light model, focusing on cash and operating with low levels of capital employed. The Company has accordingly generated 'Return on Capital Employed' (ROCE) of 22% in 2014-15 as compared to 16% last year.

ELECTRO-MECHANICAL PROJECTS AND SERVICES

International Projects

6. GCC countries have managed to keep up their diversification and reform efforts supported by fiscal expansionary policies, over the first half of 2014-15. The drop in oil prices in the latter half, which could constrain government

spending, could yet impede these activities. While there has been some growth in the number of new project enquiries, this has unfortunately been often accompanied by illogical commercial conditions, particularly in Qatar. The business has however succeeded in securing appropriately risk mitigated orders worth ₹ 1185 crores over the course of the year. Some of these are currently in the early stages of execution and will hopefully, provide an uptick to earnings in the coming year. The total carry-forward order book of International Projects amounts to ₹ 1871 crores, which includes proportionate share of orders booked by JVs.

7. The Company had simultaneously focused on the commercial closure and resolution of legacy projects, but disputes and delayed payments continue to be the order of the day. Meanwhile visa issues, design changes, non-availability of work fronts (impacted by the crawling pace of Main Contractor's construction activity), etc. are challenges that sub-contractors like Voltas constantly wrestle with. The iconic Yas Mall project in Abu Dhabi was successfully inaugurated in December 2014 and the World Trade Center in Abu Dhabi is fast approaching readiness for handover, following testing and commissioning.

Domestic Projects

8. The difficulties of the contracting environment in India and the slow pace of project execution are well known and require no elaboration. Delayed payments and postponed projects continue to strain and challenge the overall performance of this business. Some of the newer projects including Metro have yet to pick up pace, leading to a drop in turnover. Nevertheless, the business efficiency improvement program which had commenced earlier has helped to improve the internal processes and systems, thereby contributing to an improvement in profitability.

9. The Company's Domestic Projects business was able to garner several new projects aggregating ₹ 1053 crores in line with the Company's selection criteria of reasonable threshold margins and sound credit ratings. However, there continued to be delays in finalization of many projects, due to the continuing sentiment of risk-aversion and cautious investments. Meanwhile, the business also established itself in rural electrification specifically in Madhya Pradesh, with projects aggregating ₹ 180 crores for electrification of around 2000 villages.

10. Overall, the segment's carry-forward order book as of 31st March, 2015 stood at ₹ 3893 crores.

ENGINEERING PRODUCTS AND SERVICES

Textile Machinery

11. The Indian textile industry went through some turbulence, in contrast to its healthy growth in 2013-14. China revised its Cotton Policy to cut down on yarn imports from India and rely on its own surplus cotton stock. This led to a steep correction in yarn prices, adversely impacting the domestic spinning industry and dampening demand for textile machinery. Textile manufacturers in the Southern States were also hit by power cuts.

12. Nonetheless, the Company's Textile Machinery business grew at reasonable rates, in tandem with the growth of the Lakshmi Group and other Principals and sustained its leadership in spinning machinery. Additionally, the Company's focus on the parts, accessories and allied machinery segments aided the growth of business. In post-spinning business activities, the Company further established its weaving solutions by leveraging positive referrals from customers.

Mining & Construction Equipment

13. For the Mining industry, the year was marked by low output resulting from bans in iron ore mining, cancellation of coal block allotments and drop in global iron ore prices, resulting in a significant slowdown in the sector. Consequently, the Company sustained its focus on its mining service operations in Mozambique, which continued to grow with the addition of a new 3 year service contract with the existing customer.

14. An important new initiative was a venture into refurbishment of used loaders, by which the Company could more fully utilize its capabilities and provide customers with savings in a depressed market. Delivery on the first breakthrough order, to a major metals producer was completed successfully.

UNITARY COOLING PRODUCTS FOR COMFORT AND COMMERCIAL USE

15. The domestic Room AC industry registered growth of over 20% in sales volume during the year under review, due to better consumer confidence as well as an extended summer. The Company's primary sales of ACs grew by 16% in the same period. Despite intense competition, the Company sustained its No.1 market position in the Unitary Cooling Products business for the second consecutive year during 2014-15 with market share of 20.8% for the full year at Multi-Brand Outlets compared to 19.8% in the previous year.

16. Voltas' Brand Equity Index reached 4.0, the highest among all AC brands; this was the outcome of a strong advertising campaign, an augmented product mix and extensive distribution reach. The Company's advertising won several awards, including the India Effie Award, as well as the prestigious Asia PAC Effie Award, for which the brand competed against global brands across several categories.

17. The Commercial Refrigeration business also witnessed a healthy increase in volumes, especially in Chest Freezers, yielding 11% growth. This was achieved through cementing better customer relationships, pursuing deeper penetration and targeting a more diversified customer base.

18. Overall, better quality cum range of products, wider distribution, sensible advertising and appropriate pricing resulted in higher revenues for this segment. The overall profitability of the segment also improved due to a favourable product mix, with larger sales contribution of Split ACs, coupled with stringent cost controls.

19. Revenue of this business segment increased by 22% and was ₹ 2510 crores as compared to ₹ 2052 crores last year. Similarly, profit increased by 38% and was at ₹ 349 crores in 2014-15 as compared to ₹ 252 crores last year. Unitary Cooling Products business is the largest contributor, both in terms of revenue and profit accounting for 49% of total revenues of the Company in 2014-15 as compared to 39% last year. ROCE had also increased to 120% as compared to 92% last year.

OPPORTUNITIES AND OUTLOOK

ELECTRO-MECHANICAL PROJECTS AND SERVICES

Domestic

20. Following years of a muted investment environment and policy paralysis, the formation of an industry friendly government at the Centre raised hopes of a possible revival. However, the situation on the ground is yet to change significantly. Nevertheless, given the pent up demand and need for improvement in infrastructure, it is expected that both private and public spending would increase. Promising opportunities are also likely from the new educational institutes and medical facilities being facilitated by the Government, where the Company can leverage its prior experience. There are also good prospects in rural electrification in certain geographies, for which the Company is well-equipped via its wholly-owned subsidiary, Rohini Industrial Electricals Limited (RIEL).

21. Water and waste water management projects are expected to accelerate, once appropriate policy and funding decisions are made. The 'Clean Ganga' investments could probably yield good business opportunities for the Company, in sewage and effluent treatment plants. The expected growth in cold storage sectors will increase the demand for process refrigeration, for which the Company's Low Temperature equipment is well suited.

International

22. Despite the slippage of oil prices in late 2014, the GCC construction sector is expected to see reasonable growth in awarding of new projects. In the building segment, United

Arab Emirates and Kingdom of Saudi Arabia (KSA) could offer good opportunities in terms of value of projects that are budgeted by the Governments.

23. Mega events of FIFA 2022 and the Expo 2020 will remain enablers for business opportunities in Qatar and Dubai, respectively, coupled with travel and tourism-related projects. Also, these are the two States which are potentially less affected by the oil plunge. However, the ability to compete successfully and procure right quality orders which are suitably risk mitigated is key to future profitability. With the GCC nations increasingly turning their focus to social infrastructure projects, the Company is also examining the feasibility of pursuing projects in adjacent MEP sectors, such as the industrial, water and refrigeration segments.

24. With the objective of increasing productivity, the Company introduced MEP prefabrication as a staple construction methodology. Additionally, the use of BIM has also been introduced for MEP drawings, to prevent on-site clashes and conflicts. These measures while improving efficiency, safety and speeding up delivery, would also offer the Company, an appropriate key advantage in the market place.

ENGINEERING PRODUCTS AND SERVICES

Textile Machinery

25. Although the industry has been through a difficult year, it has high expectations that the Central Government will suitably incentivize economic revival helping to raise the operating levels of textile and apparel companies in 2015-16. Once cotton and yarn prices bottom out, industry sentiment is also expected to take a positive turn and accelerate off-take of spinning machinery. Additionally, it is expected that Andhra Pradesh, Telangana and Uttar Pradesh will finalize and announce favourable State-level textile policies that will boost the demand.

26. The post-spinning segment expects to benefit from the Textile Upgradation Fund and creation of special zones dedicated to weaving and knitting activities. In time, India is projected to grow its share of apparel exports to the US and the European Union, which would further energize the business.

Mining & Construction Equipment

27. Significant opportunities are foreseen from the recently announced plans of Coal India, the world's largest coal producer, to double its coal production to over 1 billion tons, with an investment of ₹ 12000 crores. This offers good prospects in Equipment sales as well as Operations & Maintenance contracts.

28. Following the recent auctioning of coal blocks, renewed private sector investment in mining is

expected. Mine development organizations are likely to demand high-performance equipment so as to maximise returns on investment – a scenario in which the Company can leverage its track record of high equipment uptime, both in India and overseas.

29. The Company's reputation shall stand in good stead as it explores opportunities arising from investments by Indian mining firms in South Africa, Kenya, Mozambique and other African territories.

UNITARY COOLING PRODUCTS FOR COMFORT AND COMMERCIAL USE

30. The Company sees healthy long-term growth potential in the changing social landscape, marked by increasing urbanization, growing middle class and rising income levels. There is a large vacuum to be addressed in air conditioner ownership, with only estimated around 5% penetration – in contrast to 77% for TV, 33% for refrigerators and 13% for washing machines.

31. In spite of such low penetration, growth is dependent upon weather conditions which tend to be erratic and the state of the economy. On the other hand, rising consumer sentiment will probably stimulate demand for second-ownership and replacement units, especially in the Split AC category.

32. Both the high cost of electricity and the growing consumer consciousness are expected to stimulate demand for energy efficient products. Identifying this as a need, the Company's ad-campaign this year focuses on Smart Inverter technology AC's which offer greater savings in power consumption to the consumers. Additionally, the 'Smart App' turns a mobile handset into a remote control and the 'Smart Sense' monitors ambient conditions and suggests optimum settings.

33. Leveraging its market standing and equity in the cooling domain, the Company has launched a new range of 'Fresh-Air Coolers' in selected North India markets. The new range comes with exclusive honeycomb cooling pads, carbonized dust filter and powerful air flow. With this introduction, the Company aims to bridge the space between a fan and an AC, thereby tapping the growing need for a comfort product at an affordable price.

34. Efficiently Servicing end consumers remains a key focus area. In order to improve service delivery, a new 'business intelligence' module has been included in the Company's new CRM, to capture data and perform analytics. Multiple training centres have been opened, conducting a series of training programs for the Company's technicians. Call Centre operations have also been significantly revamped.

35. In Commercial Refrigeration business, the Company expects to leverage its expanded customer base of key accounts in the chocolate cooler and chest freezer segments.

THREATS

ELECTRO-MECHANICAL PROJECTS AND SERVICES

Domestic

36. The traditional MEP contracting space occupied by the Company appears to be increasingly engaged by main contractors and smaller regional players. The key reason for this trend is the dearth of quality orders in the market which is making various players look at alternate areas for growth. In a more recent trend, many Government agencies are releasing a consolidated order to a single party which makes it difficult for sub-contractors. Additionally, India's growth potential is drawing more and more multinationals, which make deep investments in technology. Such competition from MNCs will need to be met with ongoing investment in product development and manufacturing and puts additional pressure on project margins.

37. The subdued domestic business environment has been a key factor leading to sluggish pace of project execution. The Balance Sheet and over leveraged position of some customers gives cause for concern and is expected to impact their cash flow. There is an increasing tendency to thus delay certifications, payments and settlement of variations and claims which in turn warrants conservative provisioning in line with accounting regulations.

38. In the accelerated phasing-out of certain refrigerants, the transition to new-generation replacements is being hampered and controlled by a few global manufacturers, who have the patented technology for the required substitutes.

International

39. The prospect of business opportunities from the Dubai Expo 2020 and FIFA 2022 event in Qatar has attracted numerous new players from across geographies into the Middle East market. Civil construction companies in the Middle East are displaying the potential to build their own in-house MEP capabilities, with a view to undertake the electro-mechanical subcontracts routed to them by clients and consultants. This threatens the Company's MEP business, although clients still prefer established specialist companies for the larger and more challenging jobs.

40. Additionally, in the aftermath of the oil price collapse, margin compression due to the budget deficits of GCC countries adds further pressure to the existing difficult

environment. At the same time, onerous new contractual conditions have heightened the challenges, putting security of commercial entitlement in such orders at risk. In general, all these factors have contributed to intensifying competition, posing challenges and making the market adversarial.

41. Issuance of visas remains a challenge in the Middle East, with KSA posing the greatest hurdles and Qatar running a close second. The Company's capabilities are also hampered by Government requirements for employing larger numbers of locals in Oman and KSA, impacting availability of suitable talent and increasing related costs.

ENGINEERING PRODUCTS AND SERVICES

Textile Machinery

42. The industry is experiencing some relief from the pressures of issues which prevailed in 2014, such as slowdown in yarn exports and low availability of power and finance. However, there has not yet been a strong uptick in sentiment, along with growth in new investments. Meanwhile, the Business remains highly sensitive to changes in domestic and international policies as well as the overall economic environment.

Mining & Construction Equipment

43. Global consolidation of the mining industry's OEMs remains a threat to the Company's Mining Equipment business. Many equipment manufacturers restrict the number of dealers representing them; this usually leads to elimination of multiple dealerships and associated service opportunities when OEMs consolidate. To mitigate the risks arising from such consolidation, the Company is strengthening its position as a supplier-neutral service provider, identifying new mining sector OEMs who seek representation and adding new product lines to serve the growing road-building and construction sectors.

UNITARY COOLING PRODUCTS FOR COMFORT AND COMMERCIAL USE

44. In spite of its recent growth trajectory, the AC industry continues to show signs of fragmentation, caused by an excess of international and domestic brands in the market, enticed by the growth opportunity. Many of these pursue top-line growth at the cost of their bottom lines. A special threat arises from Japanese brands with a wide portfolio of Inverter ACs, a growing trend.

45. The AC category continues to have the highest Average Selling Prices vis-a-vis any other consumer durable, driven up by the cost of complying with BEE's upgraded energy

regulations, as well as by adverse foreign exchange trends.

46. Unpredictability in climate is likely to continue and may be aggravated by the forecasted El Nino weather phenomenon. A contemporary threat arises from online e-tailers and e-commerce sites which engage in predatory pricing, creating conflict with traditional trade partners and impacting operating prices in the market.

47. In Commercial Refrigeration, the Visi-Cooler OEM segment is facing strong competition from both, international and domestic players armed with extensive product portfolios.

FINANCIAL PERFORMANCE - STANDALONE

48. Financial performance as a measure of operational performance.

(a) Sales and Services, net of Excise duty (Segment Revenues):

₹ in crores

	2014-15	2013-14	Change	Change %
Segment-A (Electro-mechanical Projects and Services)	1837	2174	(-337)	(-16%)
Segment-B (Engineering Products and Services)	360	448	(-88)	(-20%)
Segment-C (Unitary Cooling Products for Comfort and Commercial Use)	2935	2512	423	17%
Total	5132	5134	(-2)	—

Revenues in Electro-mechanical Projects and Services (Segment A) were lower by 16% as compared to the previous year. The turnover of international projects business in 2014-15 was substantially lower by 24% as compared to the previous year, due to delay in execution of projects and a low carry-forward order book position. In Segment B, while revenue of Textile Machinery business was better than last year, Mining and Construction business reported lower revenue due to assignment of certain long term contracts post transition of part of the business, last year. Despite intense competition, revenue of Unitary Cooling Products (Segment C) was significantly better than last year with some benefits also accruing from an extended summer and improvement in consumer sentiment. The Company sustained its No.1 market position during the year with better than market growth and increased its gap over its nearest competition.

(b) **Other Income:**

₹ in crores

	2014-15	2013-14	Change	Change%
Other Income	149	131	18	14%

Other Income comprises rental income, dividend from investments, interest income, profit from sale of current investments and foreign exchange gain/loss, if any. While Rental income was, by and large, at the same level as last year, dividend income was significantly higher, with an increase of around 24% at ₹ 78 crores as compared to ₹ 63 crores last year. The Company had a net foreign exchange gain of approximately ₹ 7 crores in 2014-15 as compared to ₹ 18 crores gain in 2013-14.

(c) **Exceptional Items:**

₹ in crores

	2014-15	2013-14	Change	Change%
Exceptional Items	18	(-3)	21	>100%

Exceptional income during 2014-15 was mainly on account of profit on sale of fixed assets which was partially offset by onerous contract and provision for diminution in value of investments in RIEL.

(d) **Employee Benefits:**

₹ in crores

	2014-15	2013-14	Change	Change%
Employee Benefits – Expenses	468	484	(-16)	(-3)%

Employee Benefit Expenses consists of salary, wages, commission to Managing Director, Company's contribution to Provident Fund and other funds, gratuity and staff welfare expenses. There has been an overall 3% decrease in Employee Benefit expenses during the year under review as compared to the previous year, mainly on account of demobilization of workmen due to closure of projects under execution and lower carry-forward order book position of overseas projects.

(e) **Finance Costs:**

₹ in crores

	2014-15	2013-14	Change	Change%
Interest	16	16	—	—

Finance costs largely comprises interest paid on borrowings from banks for execution of overseas projects.

(f) **Depreciation and Amortisation Expenses:**

₹ in crores

	2014-15	2013-14	Change	Change%
Depreciation and Amortisation Expenses	22	19	3	16%

The charge for depreciation on tangible assets is higher for the year under review as compared to last year due to increase in depreciation rate upon transition to Schedule II of the Companies Act, 2013. The amortization expenses are towards intangible assets (Manufacturing Rights & Technical Know-how and Software).

(g) **Other General Expenses:**

₹ in crores

	2014-15	2013-14	Change	Change%
Other General Expenses	208	175	33	19%

Other Expenses includes service maintenance charges, other selling expenses, external services/contract labour charges, subscription to clubs, e-auction charges, C&F charges, moving and shifting expenses, staff selection expenses, brand equity expenses and commission paid to Non-Executive Directors.

(h) **Profitability:**

₹ in crores

	2014-15	2013-14	Change	Change%
Profit Before Tax	434	257	177	69%
Profit After Tax (Net Profit)	329	181	148	82%

While the performance and profitability of Engineering Products and Unitary Cooling Products businesses were significantly better than the previous year, profitability in the Projects business was adversely impacted by extension of completion dates and other extraneous issues, especially in overseas projects resulting in cost overruns.

49. FINANCIAL POSITION – STANDALONE

(a) **Short Term Borrowings:**

₹ in crores

	2014-15	2013-14	Change	Change%
Short Term Borrowings	53	193	(-140)	(-73)%

Borrowings were primarily for execution of overseas projects. Due to completion of some projects and better cash collections, the overall bank borrowings for overseas projects have substantially decreased.

(b) **Investments:**

₹ in crores

	2014-15	2013-14	Change	Change%
• Non-current Investments:				
- Investment in subsidiaries, joint ventures and associates	205	205	-	-
- Other Investments	69	67	2	3%
- Investment Properties	26	24	2	8%
- FMPs/Units of Debt Mutual Funds (Growth Scheme)	533	50	483	>100%
Total	833	346	487	>100%
• Current Investments:				
-FMPs / Units of Debt Mutual Funds (Growth Scheme)	60	255	(-195)	(-76)%
- Liquid Funds / Liquid Plus (Dividend)	407	338	69	20%
Total	467	593	(-126)	(-21)%

The Company's investment of surplus cash in Mutual Funds (Current and Non-Current) has increased by ₹ 357 crores (net) and was ₹ 1000 crores as on 31st March, 2015 as compared to ₹ 643 crores as on 31st March, 2014. However, as larger portion of investments in Mutual Funds have been strategically made in Growth Schemes and FMPs, income arising there from would be reckoned only in the year of its redemption /maturity. Investment properties consist of office buildings in Mumbai, Chennai, Jamshedpur and other office premises let out on rent.

(c) Inventories:

₹ in crores

	2014-15	2013-14	Change	Change%
Raw materials, components, stores and spares	73	82	(-9)	(-) 11%
Work-in progress (net)	61	132	(-71)	(-)54%
Finished goods	140	156	(-16)	(-)10%
Stock-in-trade of goods (for trading)	418	345	73	21%

Due to completion of some of the overseas projects, Work-in-Progress (net) had reduced by 54% during 2014-15.

(d) Trade Receivables:

₹ in crores

	2014-15	2013-14	Change	Change %
- Current Trade Receivables (Net)	1150	1059	91	9%
- Non-Current Trade Receivables (Net)	48	112	(-)64	(-)57%

The increase is primarily in Current Trade Receivables in projects businesses due to longer payment cycles and delays in certification of bills. However, the Company's renewed focus on collections have yielded some results and reduced the Non-Current Trade Receivables.

(e) Cash and Cash equivalents:

₹ in crores

	2014-15	2013-14	Change	Change%
Cash and Bank balances	148	209	(-)61	(-)29%

Cash and Bank balances reduced by 29% in 2014-15 primarily due to reduction in short-term fixed deposits placed for overseas projects.

(f) Loans and Advances:

₹ in crores

	2014-15	2013-14	Change	Change%
- Long Term Loans and Advances - Net	135	146	(-)11	(-)8%
- Short Term Loans and Advances - Net	147	173	(-)26	(-)15%
Total	282	319	(-)37	(-)12%

Loans and Advances consists of advance payment of taxes (net), Capital advances, Security Deposits, advance to Customs, Port Trust / other authorities and suppliers. It also includes inter-corporate deposits and share application money to subsidiaries / joint venture companies.

(g) Other Assets:

₹ in crores

	2014-15	2013-14	Change	Change%
- Other Current Assets	481	595	(-)114	(-)19%
- Other Non-Current Assets	26	6	20	>100%

Other Current Assets are basically the contract revenues recognized as being in excess of certified bills pertaining to projects businesses. Revenues are recognized on the basis of Percentage Completion Method, in line with the Accounting Standard.

(h) Liabilities and Provisions:

₹ in crores

	2014-15	2013-14	Change	Change%
Current liabilities	2296	2406	(-)110	(-)5%
Non-Current liabilities	112	106	6	6%

Current liabilities comprises short term borrowings, trade payables, short- term provisions and other current liabilities. Non-Current liabilities consist of long-term provisions and trade payables. In addition to decrease in Short-term borrowings (as explained in point 49(a) above), there was also significant reduction in short-term trade payables. Provisions (long-term and short-term) are towards Employee Benefits – gratuity, pension, medical benefits, compensated absences, etc. - and for trade guarantees, contingencies, taxation and proposed dividend, including dividend distribution tax.

FINANCIAL PERFORMANCE - CONSOLIDATED

50. Financial performance as a measure of operational performance.

(a) Sales and Services, net of Excise duty (Segment Revenues):

₹ in crores

	2014-15	2013-14	Change	Change%
Segment-A (Electro-mechanical Projects and Services)	2208	2692	(-)484	(-)18%
Segment-B (Engineering Products and Services)	360	448	(-)88	(-)20%
Segment-C (Unitary Cooling Products for Comfort and Commercial Use)	2510	2052	458	22%
Others	66	52	14	27%
Total	5144	5244	(-)100	(-)2%

The Consolidated Segment Revenues for 2014-15 were lower by 2% at ₹ 5144 crores as compared to ₹ 5244 crores last year. However, most of the subsidiaries and joint venture companies reported higher turnover. Lalbuksh Voltas Engineering Services and Trading LLC (Lalvol) under 'Others' segment reported turnover of ₹ 66 crores for the year ended 31st December, 2014 as compared to ₹ 52 crores in the previous year.

(b) **Profitability:**

₹ in crores

	2014-15	2013-14	Change	Change%
Profit Before Tax	514	340	174	51%
Profit After Tax and Minority Interest / Share of Profit / loss of Associates	384	245	139	57%

Consolidated Profit before tax in 2014-15 was higher by 51% as compared to the previous year despite lower profitability in Projects businesses. While RIEL reported loss of ₹ 29 crores in 2014-15 (as compared to loss of ₹ 7 crores in 2013-14), Universal Comfort Products Limited performed better and reported higher profit before tax of ₹ 94 crores as compared to ₹ 75 crores in the previous year. The other major contributors were Universal Voltas, Lalbuksh Voltas, Voltas Oman, overseas subsidiary / joint venture companies.

LIQUIDITY AND CAPITAL RESOURCES

51. With the Fiscal and Current Account Deficit coming under control and inflation seeing some amount of cooling off, it is widely believed that the threat to macro-economic stability has dissipated. Further, the steep fall in crude oil price has also provided some respite to both, the Rupee and inflation. Due to this traction, RBI responded twice with reduction in interest rates in the last quarter of 2014-15. However, for most part of the year under review, the external environment was challenging. The stretched balance sheets of various industry players coupled with long period of tight liquidity and high interest rate regime has made cash a very precious commodity. However, the Company' retained its sharp focus on cash conservation, evinced by the comfortable position of cash and bank balances and liquid investments of ₹ 1281 crores as on 31st March, 2015. Due to negligible borrowings, the Debt-Equity Ratio has been further reduced.

RISKS AND CONCERNS

52. The Company has robust systems for risk assessment and mitigation and has a Risk Policy in place with well-established internal controls and risk management processes, at both Business Unit and Corporate levels. This includes review and monitoring of the top risks at an Entity level by the Risk Management Committee of the Board.

53. The mitigation planning for these risks is embedded in the longer term Strategic Business Plan (SBP) of each of the businesses. The Management has identified the major risks

and concerns and developed a risk assessment matrix which is reviewed periodically.

54. The Company also has a well-defined forex policy which ensures timely monitoring and coverage of foreign exchange exposures. The Company is not vulnerable to interest rate risks since it does not have any debts for domestic business operations other than temporary working capital borrowings. With regard to various operational risks, necessary insurance coverage is taken by a central team of internal and external persons.

55. Both the International and Domestic projects businesses have utilized the elongated recovery period to strengthen their respective business improvement programs. This has entailed a re-look at key resources, procedures, practices etc., and has also reinforced the established practice of Techno-commercial audits. Such audits are conducted for major international as well as domestic projects at the tender stage as well as during the course of execution to assess the physical progress and financial performance and validate the end-of-project forecast.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

56. The Company has an internal control system commensurate with the nature of its business and the size and complexity of its operations. The Company has taken adequate steps for compliance with the requirements of Internal Financial Controls as per the requirements of the Companies Act, 2013.

57. The Company's Internal Audit team consists of qualified professionals led by the Chief Internal Auditor, who reports to the Board Audit Committee. Further, M/s. Mahajan & Aibara, Chartered Accountants, are the co-sourcing partners for internal audit.

58. Audits are conducted based on an annual risk-based internal audit plan which is approved by the Board Audit Committee at the beginning of the financial year. The annual audit plan and internal audit reports are shared with the Statutory Auditors. Significant audit observations and status of follow-up actions taken are periodically reported to the Audit Committee. The Audit Committee monitors and reviews the significant internal audit observations, compliance with accounting standards, risk management and control systems and profitability / risk ratings of overseas contracts.

59. The scope and coverage of the internal audit plan includes reviewing and reporting on key process risks, adherence to operating guidelines and statutory compliances. The internal audit function provides assurance to the Board and the Audit Committee regarding the design, adequacy and operating effectiveness of the internal control system.

60. The priorities of Internal Audit are to conduct internal audits objectively with transparency and to help the business

proactively detect emerging operating risks. Internal audit, through its suggestions, helps business in its quest for operational excellence and continuous improvement.

61. The Company has, with the assistance of external consultants, reviewed the framework of Internal Financial Controls including documentation / processes to ensure that they are adequate and working effectively. Internal Audit team has tested the effectiveness of these documented controls.

HUMAN RESOURCES

62. With a view to equip the Company to address the business challenges of a dynamic economic environment, the HR function focused on retaining and attracting suitable talent, enhancing the technical / behavioural skills of employees and optimising employee costs.

63. To augment its leadership and build up its talent pipeline, the Company hired 39 Management / Engineering trainees from select campuses, and through Tata Group programs like TAS. Further 65 trainees from various institutes are expected to come aboard in July 2015.

64. Learning and Development has been prioritized as a means of expanding the knowledge base of employees, which is seen as a key driver of growth. There has been increasing focus on greater awareness and evaluation of Learning and Development interventions in terms of their business impact. Some key initiatives were:

- The High Potential (Hi-Po) Development Program for middle and junior levels was given the necessary momentum to develop the managerial skills of the selected employees and render them capable of bridging levels / functions in the organisation. The year-long Voltas Young Leaders (VYL) and Voltas Emerging Leaders (VEL) programs have been successfully completed.
- Eight Certification workshops on 'Behavioural Event Interviewing (BEI)' across India were conducted in order to equip managers with tools and techniques for interviewing and selecting suitable candidates. In future, interviewing panels at various levels will consist of certified BEI interviewers.
- Textile Machinery business has focused on the need for its employees to adapt to industry-wide transformation as well as a new generation of customers. With this objective, a workshop was conducted in association with Mercuri Goldman International, to enhance the competencies of 22 Sales Managers.
- Measures for Project Management Professional (PMP) training and certification of Project Managers were instituted, in recognition of the vital role of project management capabilities across the Company's Projects businesses. Training programs were held in Dubai, Qatar, Mumbai and Kolkata, covering 57 Project Managers for PMP, as well as 63 Project Engineers.

65. Contrary to global trends, Voltas' employee engagement score showed upward movement, recognised as a lead indicator of improved business results. To further advance and enhance the employee experience, an internal online portal was developed for team leaders, where they can absorb learnings, upload their own plans and refer to appropriate reading material.

66. The IR situation showed marked improvement over the year, with Management and Union leaders agreeing to resolve issues across the table. The current discussions cover the Charter of Demands (CoD) and the long-term settlement for revising the salary and benefits of the general staff. The talks are proceeding satisfactory. The Management place on record their recognition of the efforts made by the Union leadership to maintain a cordial and harmonious atmosphere.

67. In its continuing concern for creating and maintaining a safe working environment in Voltas, several initiatives were taken during the year under review. The British Safety Council was engaged and the consultant made recommendations based on which suitable changes are being implemented in the Safety Management System. Quarterly safety audits have also been initiated to identify potential risks. Employees participate in near-miss reporting and sharing of their safety observations. Despite best efforts, the Company regrets to report that two fatalities occurred in 2014-15 in project sites in India.

68. Following its formal policy on 'Respect for Gender', the Company has in place an Internal Complaints Committee (ICC) to redress grievances arising from gender-based disrespect and harassment. No written complaints were filed during the year. The Committee members have been trained for proper handling of complaints; additionally, the Committee organised 5 'general awareness' training events at 4 locations, attended by 83 participants.

69. The total staff strength of Voltas Limited as on 31st March, 2015 was 5287, including 3008 contract staff, primarily for overseas projects.

CAUTIONARY STATEMENT

70. Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

Report on Corporate Governance

1. Company's philosophy on code of governance

Good Corporate Governance is an integral part of the Company's Management and business philosophy. The Company subscribes fully to the principles and spirit of good Corporate Governance and embeds the principles of independence, integrity, accountability and transparency into the value system driving the Company.

The Board of Directors exercise their fiduciary responsibilities towards all stakeholders by ensuring transparency and independence in the decision making process. The Company has adopted the Tata Business Excellence Model as a means of driving excellence. The Company has also adopted the Tata Code of Conduct which serves as a guide to each employee including the Managing Director, on the standards of values, ethics and business principles. The Whistle Blower Policy of the Company provides a mechanism for the employees to approach the Chairman of Board Audit Committee/Ethics Counsellor and disclose information that may evidence unethical or improper activity concerning the Company.

2. Board of Directors

(a) Composition

The present Board comprises 9 members: 8 Non-Executive Directors (NEDs) and the Managing Director. Of the 8 NEDs, 5 are Independent Directors including a Woman Director. The Company has a Non-Executive Chairman and the number of Independent Directors was more than 50% of the total number of Directors. Except Independent Directors, and the Managing Director, all other Non-Executive Directors are liable to retire by rotation.

(b) Independent Directors

All the Independent Directors of the Company have confirmed that they satisfy the criteria of Independence as indicated in the Companies Act, 2013 and Listing Agreement. None of the Independent Directors of the Company is Wholtime Director of any listed Company and does not serve as an Independent Director in more than 7 listed companies. The Independent Directors

are appointed for a term of five years or upto the age of retirement, as per Retirement Policy adopted by the Company, whichever is earlier. The Company has issued letter of appointment to the Independent Directors in the manner as provided in the Companies Act, 2013. The terms and conditions of their appointment have been disclosed on the website of the Company.

The Board has adopted the Governance Guidelines on Board Effectiveness, formulated by Group HR. Accordingly, the Company followed the process for evaluation of the Directors, Board as a whole and evaluation of the respective Committees, based on certain criteria and questionnaires filled in by the Directors. The Nomination and Remuneration Committee has laid down the evaluation criteria for performance evaluation of Individual Directors (including Independent Directors) which also includes the attendance of Directors, contribution at Board/Committee Meetings and guidance/support to Management outside Board/Committee Meetings.

During 2014-15, a separate Meeting of Independent Directors of the Company was held on 26th March, 2015 to discuss the Performance evaluation based on the self assessment of Directors, Board and Committees and also assess the quality, content and timeliness of flow of information between the Management and the Board.

The Independent Directors of the Company are familiarised with the Company's operations, business, industry and environment in which it functions and the regulatory environment applicable to it. The familiarisation programme for Directors has been disclosed on the website of the Company www.voltas.com and the weblink is <http://www.voltas.com/FPID.PDF>

(c) Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the performance evaluation of the Directors, Board as a whole and Committees.

(d) Non-Executive Directors' compensation and disclosures

Sitting fees paid to Non-Executive Directors, including Independent Directors for attending Board/Committee Meetings are within the limits prescribed under the Companies Act, 2013 (the Act). Same amount of Sitting fees is paid to Independent and other Non-Executive Directors. The shareholders have at the 55th Annual General Meeting (AGM) held on 10th August, 2009 passed the Special Resolution and approved payment of commission to Non-Executive Directors not exceeding 1% per annum of the net profits of the Company, to be calculated in accordance with the provisions of the Act. The aforesaid Resolution was passed for a period of five financial years, between 1st April, 2010 and 31st March, 2015.

(e) Other provisions as to Board and Committees

During 2014-15, nine Board Meetings were held on the following dates and the gap between two consecutive Board Meetings did not exceed 120 days.

28th April, 2014; 29th May, 2014; 20th June, 2014; 13th August, 2014; 29th September, 2014; 13th November, 2014; 16th January, 2015; 11th February, 2015 and 25th March, 2015.

The annual calendar of Board/Committee Meetings is agreed upon at the beginning of the year and Notice for Board Meetings and detailed agenda papers are circulated to all the Directors well in advance to enable them to attend and take informed decisions at the Meetings. Most of the Directors attended at least 8 out of total 9 Board Meetings held during 2014-15. The information as required under Annexure - X to the Listing Agreement is made available to the Board. In addition, all proposals of investments, divestments and decisions in respect of properties of the Company, execution of overseas projects and credit facilities in respect thereof are placed before the Board for its consideration and

appropriate decision in the matter. The annual budgets – Revenue, Capital as well as the Divisional Budgets/Annual Operating Plans are presented in detail to the Directors and their valuable inputs/suggestions are taken and implemented. Similarly, actions in respect of suggestions made/decisions taken at Board/Committee Meetings are reported and reviewed regularly at subsequent Meetings by the Directors/Committee Members. Considerable time is spent by the Directors on discussions and deliberations at the Board/Committee Meetings and their active participation is reflected by the number of meetings held during the year and attended by the Directors.

No Director is a Member of more than 10 Committees and Chairman of more than 5 Committees, across all the companies of which he/she is a Director. Necessary disclosures regarding Committee positions have been made by all the Directors.

The Board periodically reviews compliance of all laws applicable to the Company, based on a certificate given by the Managing Director including the steps taken, to rectify instances of non-compliances, if any.

(f) Code of Conduct

The Board has adopted the Codes for all Directors and senior management of the Company and the same have been posted on the website of the Company. All the Board members and senior management of the Company have affirmed compliance with their respective Codes as on 31st March, 2015. A declaration to this effect, signed by the Managing Director of the Company is annexed hereto. Senior management comprises the Division/Department/Functional Heads, General Managers and the CFOs of the respective business clusters.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies (as on the date of the Directors' Report) are given below:

Name of Directors	Category	Board Meetings Attended during 2014-15	Attendance at the last AGM held on 1st September, 2014	Number of Directorships in other public limited companies (excluding directorship in associations, private/ Section 8/foreign companies)	Number of Committee positions held in other public companies#	
					Chairman	Member
Mr. Ishaat Hussain (Chairman)	Not Independent Non-Executive	9	Yes	9	3	4
Mr. Sanjay Johri (Managing Director)	Not Independent Executive	9	Yes	–	–	–
Mr. Nasser Munjee (upto 31.8.2014)	Independent Non-Executive	2	NA	–	–	–
Mr. Noel N. Tata	Not Independent Non-Executive	8	No	7	–	2
Mr. Nani Javeri	Independent Non-Executive	8	Yes	3	–	3
Mr. R. N. Mukhija	Independent Non-Executive	8	Yes	2	–	2
Mr. Vinayak Deshpande	Not Independent Non-Executive	9	Yes	5	–	1
Mr. Thomas Mathew T. (upto 5.5.2015)	Not Independent Non-Executive	8	Yes	5	–	–
Mr. Debendranath Sarangi (w.e.f. 1.9.2014)	Independent Non-Executive	5	NA	2	–	1
Mr. Bahram N. Vakil (w.e.f. 1.9.2014)	Independent Non-Executive	2	NA	5	–	2
Ms. Anjali Bansal (w.e.f. 9.3.2015)	Independent Non-Executive	1	NA	2	–	1

Comprises Chairmanship/Membership in Board Audit Committee and Shareholders Relationship Committee.

3. Audit Committee

(a) Composition, name of Members and Chairman

The Board Audit Committee (BAC) presently comprises 3 Non-Executive Independent Directors – Mr. Nani Javeri (Chairman), Mr. R. N. Mukhija, and Mr. Debendranath Sarangi. Mr. Thomas Mathew T. has ceased to be Member of BAC with effect from 5th May, 2015. All Members of BAC are financially literate and have relevant finance and/or audit exposure. The Managing Director, the President – Corporate Affairs & CFO, the Chief Internal Auditor and the Statutory Auditors attend the Meetings as Invitees. The Business Heads (COOs) and other Operating people also attend the Meetings, when required. The Cost Auditor attends the Meetings at which Cost Audit related matters are discussed. The Company Secretary acts as the Secretary and the Minutes are circulated and discussed at the Board Meetings.

(b) Meetings and attendance during the year

Six Board Audit Committee Meetings were held during the financial year 2014-15 on the following dates:

28th May, 2014; 31st July, 2014; 13th August, 2014; 13th November, 2014; 15th January, 2015 and 10th February, 2015.

The attendance of each Member of the Committee is given below:

Name of Members	No. of Meetings attended
Mr. Nani Javeri	6
Mr. Nasser Munjee*	2
Mr. R. N. Mukhija	6
Mr. Thomas Mathew T.**	3
Mr. Debendranath Sarangi**	3

* Mr. Nasser Munjee, ceased to be a Director and Member of Audit Committee with effect from 31st August, 2014.

** Mr. Debendranath Sarangi and Mr. Thomas Mathew T., were nominated as Members of Audit Committee on 29th September, 2014 and attended all the three Meetings held thereafter.

The quorum of Board Audit Committee Meetings is two Members or one-third of the Members, whichever is greater. Mr. Nani Javeri attended the last Annual General Meeting of the Company as Chairman of Audit Committee.

(c) Terms of reference and role of Audit Committee

The terms of reference, powers and role of Audit Committee are in accordance with Clause 49 III of the Listing Agreement with the Stock Exchanges read with Section 177(4) of the Companies Act, 2013. The broad terms of reference includes the following:

- Oversight of Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommend to the Board, the remuneration and terms of appointment of auditors of the Company.
- Approve payment to Statutory Auditors for Other Services rendered.
- Review with the Management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - (i) Matters required to be included in the Directors' Responsibility Statement forming part of the Directors' Report, in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - (ii) Changes if any, in the accounting policies and practices and reasons for the same.

- (iii) Major accounting entries involving estimates based on the exercise of judgement by Management.
 - (iv) Significant adjustments made in the financial statements arising out of audit findings.
 - (v) Compliance with listing and other legal requirements relating to financial statements.
 - (vi) Disclosure of related party transactions.
 - (vii) Qualifications in the draft Audit Report.
 - Review with the Management, the quarterly financial statements before submission to the Board for approval.
 - Review with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus / notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board.
 - Review and monitor the auditor's independence and performance, and effectiveness of audit process.
 - Approve related party transactions, including any subsequent modifications thereto.
 - Scrutiny of inter-corporate loans and investments.
 - Valuation of undertakings or assets of the Company, wherever it is necessary.
 - Evaluation of internal financial controls and risk management systems.
 - Review with the Management, performance of statutory, branch and internal auditors, adequacy of the internal control systems.
 - Review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - Discuss with internal auditors, significant audit findings and follow up thereon.
 - Review the findings of investigations by internal auditors in matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - Discuss with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - To look into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - To review the functioning of the Whistle Blower mechanism.
 - Approve the appointment of Chief Financial Officer (CFO).
 - Carrying out any other function as mentioned in the terms of reference of the Audit Committee or as may be assigned by the Board of Directors.
- The Board Audit Committee also reviews the following:
- (i) Management Discussion and Analysis of financial condition and results of operations;
 - (ii) Related party transactions submitted by Management on quarterly basis;
 - (iii) Management letters/letters of internal control weaknesses, if any, issued by the statutory auditors;
 - (iv) Internal audit reports relating to internal control weaknesses including major audit observations;
 - (v) Appointment, removal and terms of remuneration of Chief Internal Auditor;
 - (vi) Concerns, if any, received under the Code of Conduct;
 - (vii) Discussions with Cost Auditor on cost audit related matters;
 - (viii) Performance of all major on-going projects in India and Abroad; and
 - (ix) Financial Statements of subsidiary companies, on a quarterly basis.
- The Board Audit Committee also periodically reviews the progress on execution of major overseas projects and the risk ratings, Outstandings and Inventory levels including the action plan for its realization and other specific areas as requested by the Board, from time to time.

4. Subsidiary Companies

The Company has eight unlisted subsidiary companies, of which three are Indian subsidiaries. As defined in Clause 49 V of the Listing Agreement, none of the Indian subsidiaries falls under the category of 'material non-listed Indian subsidiary'. However, the financial statements of all subsidiary companies including investments made, if any, are periodically reviewed by the Board Audit Committee. The financial performance, Minutes of Board Meetings of these subsidiary companies and all significant transactions or arrangements entered into by the subsidiary companies are reviewed by the Board. Some of the Independent Directors of the Company have been appointed as Non-Executive Independent Directors of the Indian wholly-owned subsidiaries of the Company.

The Board of Directors have, adopted the Policy for determining 'material' subsidiaries as specified in revised Clause 49 of the Listing Agreement. This Policy is uploaded on the Company's website -www.voltas.com and the weblink is <http://www.voltas.com/PDMS.PDF>

5. Risk Management

The Company has constituted a Risk Management Committee on 29th September, 2014, comprising Mr. Nani Javeri (Chairman), Mr. R. N. Makhija, Mr. Debendranath Sarangi and Mr. Thomas Mathew T. (up to 5th May, 2015). During 2014-15, one Meeting was held on 15th January, 2015. The Company has formulated a detailed Risk Management Policy to establish an effective and integrated framework for the risk management process. After discussions/deliberations and workshops at Corporate as well as Divisional level, the Company has identified top ten corporate risks along with its mitigation measures which are periodically reviewed by the respective Businesses/Corporate and changes if any, are reported to the Board / Risk Management Committee. The Strategic Business Plan of the respective Divisions factor the risks associated with the businesses.

6. Related Party Transactions

The Company has formulated a Policy on materiality of Related Party transactions and also on dealing with Related Party transactions (RPTs). The Audit Committee had granted omnibus approval upto certain threshold limits for RPTs during 2014-15 and the actual value of transactions were reviewed on quarterly basis vis-a-vis the limits. Details of all material RPTs are disclosed in the Compliance Report filed with the Stock Exchanges on quarterly basis as per the requirements of revised Clause 49 of the Listing Agreement. During the year under review, besides the transactions reported in

the Notes to Accounts (Refer Note No. 39), there were no other related party transactions with promoters, directors, management, joint ventures/subsidiaries, etc. that had a potential conflict with the interest of the Company at large. All transactions with related parties were in the normal course of business during 2014-15. The interest of Directors, if any, in transactions are disclosed at Board Meetings and the interested Director does not participate in the discussion or vote on such transactions. The Policy on RPTs is uploaded on the Company's website – www.voltas.com and the weblink is <http://www.voltas.com/RPT.PDF>

7. Managerial Remuneration

(a) Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) presently comprises Mr. Bahram N. Vakil and Mr. Nani Javeri (Independent Directors), Mr. Ishaat Hussain and Mr. Noel N. Tata (Non-Executive Directors). Mr. Nasser Munjee ceased to be a Member of the Committee with effect from 31st August, 2014. Mr. Nani Javeri was the Chairman of NRC upto January 2015 and thereafter, Mr. Bahram N. Vakil is the Chairman. During 2014-15, five meetings were held on 9th May, 2014; 29th May, 2014; 26th September, 2014; 16th January, 2015 and 26th March, 2015. The attendance of each Member of the Committee is given below:

Name of Members	No. of Meetings attended
Mr. Bahram N. Vakil	2
Mr. Nani Javeri	4
Mr. Ishaat Hussain	5
Mr. Noel N. Tata	4
Mr. Nasser Munjee	1

The Minutes of NRC Meetings are circulated and noted by the Directors at Board Meetings. Mr. Nani Javeri, the earlier Chairman of NRC was present at the last Annual General Meeting of the Company.

The broad terms of reference of NRC are as under:

- (i) Recommend to the Board, the set-up and composition of the Board and its Committees, including the "formulation of the criteria for determining qualifications, positive attributes and independence of a Director". The Committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- (ii) Recommend to the Board, the appointment or reappointment of Directors.

- (iii) Devise a policy on Board diversity.
 - (iv) Recommend to the Board, appointment of Key Managerial Personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this Committee).
 - (v) Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors. This shall include “formulation of criteria for evaluation of Independent Directors and the Board.”
 - (vi) Recommend to the Board, the Remuneration Policy for Directors, Executive team or Key Managerial Personnel as well as the rest of the employees.
 - (vii) On an annual basis, recommend to the Board, the remuneration payable to Directors and oversee the performance review process and remuneration of the KMP and the executive team of the Company.
 - (viii) Oversee familiarisation programmes for Directors.
 - (ix) Oversee the Human Resource (HR) philosophy, HR and People strategy and HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for Board, Key Managerial Personnel and executive team).
 - (x) Provide guidelines for remuneration of Directors on material subsidiaries.
 - (xi) Recommend to the Board on voting pattern on Resolutions for appointment and remuneration of Directors on the Boards of its material subsidiary companies.
 - (xii) Performing such other duties and responsibilities as may be consistent with the provisions of the Committee Charter.
- (b) Overall remuneration should be reasonable and significant to attract, retain and motivate Directors aligned to the requirements of the Company.
 - (c) Overall remuneration should be reflective of the size of the Company, complexity of the sector/ industry/ Company's operation and the Company's capacity to pay the remuneration.
 - (d) Overall remuneration practices should be consistent with the recognized best practices.
 - (e) The NRC will recommend to the Board, the quantum of commission for each Director based on the outcome of the evaluation process which also includes attendance and time spent by the Directors for Board and Committee Meetings, individual contributions made by Directors at the Meetings and other than in Meetings.

The NRC of the Company has formulated the respective criteria as stated in (i) and (v) above and also devised the Policy on Board Diversity. Based on the recommendations of NRC, the Board has adopted the Policy relating to remuneration of the Directors, KMP and other employees.

(b) Remuneration Policy

The NRC has adopted the Remuneration Policy for Directors, KMP and other employees as disclosed in the Directors' Reports. The key principles governing the Remuneration Policy are as under:

- (a) Sitting fees/commission to Directors may be paid within regulatory limits.

The remuneration of the Managing Director is reviewed by the NRC based on certain criteria such as industry benchmarks, Company's performance and the responsibilities shouldered by him. The remuneration of the Managing Director comprises salary, perquisites, allowances and benefits and commission or incentive remuneration. Annual salary increment and commission or incentive remuneration is decided by the NRC within the overall ceilings prescribed under the Companies Act, 2013 and in line with the terms and conditions approved by the shareholders. The recommendation of the NRC is placed before the Board for its approval. The retirement benefits payable to Managing Director is considered by the NRC and thereafter recommended to the Board. Revision in pension amounts payable to the retired Managing Directors/Executive Directors from time to time, are also reviewed by NRC and recommended to the Board for approval.

The remuneration of Non-Executive Directors, by way of sitting fees and commission is decided and approved by the Board of Directors based on recommendations of the NRC. The shareholders have, at the 55th Annual General Meeting of the Company held on 10th August, 2009, approved payment of commission to the Non-Executive Directors, of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Companies Act for a period of five years commencing from 1st April, 2010. Commission for 2014-15 will be distributed amongst the Non-Executive Directors in accordance with the directives given by the Board. In addition to commission, the Non-Executive Directors of the Company were paid sitting fees for attending

Board/ Committee Meetings. Sitting fees for attending the Board/Committee Meetings was revised during the year and the same are as under:

● Board Meeting	– ₹ 30,000
● Board Audit Committee Meeting	– ₹ 30,000
● Nomination and Remuneration Committee Meeting	– ₹ 30,000
● Investment Committee Meeting	– ₹ 15,000
● Project Committee Meeting	– ₹ 15,000
● Safety-Health-Environment Committee Meeting	– ₹ 15,000
● Corporate Social Responsibility Committee Meeting	– ₹ 15,000
● Risk Management Committee Meeting	– ₹ 15,000
● Shareholders Relationship Committee Meeting	– ₹ 15,000
● Ethics and Compliance Committee Meeting	– ₹ 15,000
● Annual Independent Directors Meeting	– ₹ 30,000

Remuneration to Directors

The Directors' remuneration paid/payable and sitting fees paid in 2014-15 and their shareholding in the Company as on date are given below:

● Non-Executive Directors

Name of Directors	Commission for 2014-15* (₹ in Lakhs)	Sitting Fees paid in 2014-15 (₹ in Lakhs)	No. of Shares held
Mr. Ishaat Hussain	27.80	3.30	–
Mr. Nasser Munjee	6.00	1.10	–
Mr. Noel N. Tata	18.20	3.35	–
Mr. Nani Javeri	27.60	4.70	–
Mr. R.N. Mukhija	20.70	5.20	–
Mr. Vinayak Deshpande	13.30	3.20	–
Mr. Thomas Mathew T.**	14.40	3.55	–
Mr. Debendranath Sarangi	11.00	3.00	–
Mr. Bahram N. Vakil	9.00	1.90	–
Ms. Anjali Bansal	2.00	0.60	–

* payable in 2015-16

** While sitting fees has been paid to Mr. Thomas Mathew T., commission is payable to LIC as Mr. Thomas Mathew T. was a Representative Director of LIC.

The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during 2014-15, except as stated above.

● Remuneration of Managing Director

(₹ in Lakhs)

Name of Managing Director	Salary	Perquisites and allowances including contribution to PF and Superannuation Fund	Commission for 2014-15*
Mr. Sanjay Johri	54.90	89.96	160.00

* payable in 2015-16

Notes:

- Mr. Sanjay Johri was appointed as the Managing Director for a period of five years with effect from 23rd April, 2010 upto 22nd April, 2015. Based on recommendation of the NRC, the Board of Directors have, at its Meeting held on 21st April, 2015, re-appointed Mr. Sanjay Johri as the Managing Director for a further period upto 9th February, 2018, subject to approval of the Shareholders at the ensuing AGM. As per the terms of re-appointment of Mr. Sanjay Johri, either party is entitled to terminate the agreement by giving not less than six months notice in writing to the other party or the Company paying six months remuneration in lieu of such notice. No severance fee is payable.
- The Company has not introduced any stock options for its Directors/ employees.
- Mr. Sanjay Johri does not hold any Equity Shares of the Company either singly or jointly.

(c) Retirement Policy for Directors

The Governance Guidelines on Board Effectiveness adopted by the Company provides for the retirement age of Directors. As per the Guidelines, the Managing and Executive Directors retire at the age of 65 years and Non-Independent Non-Executive Directors retire at the age of 70 years. The retirement age for Independent Directors is 75 years.

8. Shareholders Relationship Committee

The Shareholders Relationship Committee, apart from reviewing the shares related activities, also looks into the redressal of shareholder and investor complaints, compliances in respect of dividend payments and

transfer of unclaimed dividend amounts to the Investor Education and Protection Fund pursuant to the provisions of Section 205C of the Companies Act, 1956. Mr. Noel N. Tata, Non-Executive Director of the Company is the Chairman and Mr. Bahram N. Vakil, Independent Director is a Member of this Committee. During 2014-15, two meetings of Shareholders Relationship Committee were held on 5th November, 2014 and 30th March, 2015 which were also attended by the Company Secretary. The Minutes of the Shareholders Relationship Committee Meetings are circulated and noted by the Directors at Board Meetings. The Chairman of the Shareholders Relationship Committee had authorised Mr. Nani Javeri (Member of this Committee up to 29th September, 2014) to attend on his behalf, the last Annual General Meeting of the Company.

During 2014-15, only 6 complaints were received from SEBI/Stock Exchanges which were suitably dealt with and closed. As on 31st March, 2015, no complaints were pending. 13 transfers amounting to 9282 shares were pending as on 31st March, 2015, which were subsequently completed.

Mr. V. P. Malhotra, Vice President – Taxation, Legal & Company Secretary liaise with SEBI and other Regulatory authorities in the matter of investors complaints. The Board has nominated Mr. V. P. Malhotra as the Compliance Officer of the Company for monitoring the share transfer process and other related matters. **His e-mail id is vpmalhotra@voltas.com and his contact details are 022-66656251 and 022-66656258.**

9. Corporate Social Responsibility Committee

Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have, at its Meeting held on 29th September, 2014, constituted the Corporate Social Responsibility Committee comprising Mr. Noel N. Tata (Chairman), Mr. Bahram N. Vakil, Mr. Sanjay Johri and Mr. Thomas Mathew T. (up to 5th May, 2015).

A CSR Policy has been formulated by the Committee, which has been approved by Board, to undertake CSR projects/activities. During 2014-15, two meetings were held on 18th December, 2014 and 16th February, 2015, which were attended by all Committee Members.

10. Other Committees

In addition to the above Committees, the Board has constituted certain other Committees, i.e. Board

Committee, Investment Committee, Committee of Board, Project Committee, Safety-Health-Environment Committee and Ethics and Compliance Committee.

- (a) The Board Committee comprising any two Directors is authorized to approve routine matters such as opening/closing and changes in the operation of bank accounts of the Company, to grant limited power of attorney to the officers of the Company and for authorizing executives for signing sales tax and excise forms, declarations, etc.
- (b) The Investment Committee considers and takes appropriate decisions for deployment of surplus funds of the Company/investments in Mutual Funds. The Company has formulated an Investment Policy in consultation with the Investment Committee, which has been approved by the Board. Mr. Nani Javeri, is the Chairman of the Committee. Mr. Sanjay Johri, Managing Director and Mr. Anil George, President (Corporate Affairs) & Chief Financial Officer are members of the Investment Committee. During 2014-15, two Meetings were held on 14th October, 2014 and 24th March, 2015. Status of investments made in Mutual Funds and returns/dividends earned are reported to the Investment Committee on a monthly basis and to the Board, on quarterly basis.
- (c) The Committee of Board (COB) comprising Mr. Ishaat Hussain, Mr. Sanjay Johri and Mr. Noel N. Tata periodically meet to discuss and guide the Management on various strategic issues. During the year under review, six COB meetings were held.
- (d) Project Committee comprising Mr. R. N. Mukhija (Chairman), Mr. Vinayak Deshpande and Mr. Sanjay Johri review and monitor the progress and execution of projects and other related matters. During 2014-15, two Project Committee Meetings were held on 11th February, 2015 and 25th March, 2015.
- (e) Safety-Health-Environment (S-H-E) Committee comprising Mr. R. N. Mukhija (Chairman), Mr. Vinayak Deshpande and Mr. Sanjay Johri review and monitor the safety standards and practices followed by the Company. The Management had engaged the services of safety consultant from the British Safety Council, who visited several projects sites/ office premises and manufacturing plants of the Company. Suggestions made by him are

under evaluation and would be implemented. The Company has started safety audits by cross-functional teams at project sites. During 2014-15, three Meetings of S-H-E Committee were held on 28th April, 2014, 13th November, 2014 and 11th February, 2015.

- (f) Ethics and Compliance Committee comprises Mr. R. N. Mukhija and Mr. Debendranath Sarangi (Independent Directors). The Committee oversees the implementation of the Code of Conduct adopted by the Company for Prevention of Insider Trading and Corporate Disclosure Practices formulated in accordance with the SEBI (Prohibition of Insider Trading) Regulations 1992/2015. During 2014-15, one Meeting of Ethics and Compliance Committee was held on 10th February, 2015. The Board has nominated Mr. Anil George, President (Corporate Affairs) and Chief Financial Officer of the Company as the Compliance Officer to ensure due compliance of the aforesaid Code. Mr. B. N. Garudachar, Senior General Manager (Corporate Communications) has been nominated as the Chief Investor Relations Officer of the Company for Corporate Disclosures.

11. General Body Meetings

The last three Annual General Meetings (AGMs) were held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020. The date and time of the AGMs held during preceding three years and the Special Resolution(s) passed thereat are as follows:

Date of AGM	Time	Special Resolution passed
58th AGM – 23rd August, 2012	3.00 p.m.	Nil
59th AGM – 19th August, 2013	3.00 p.m.	Nil
60th AGM- 1st September, 2014	3.00 p.m.	Special Resolution authorizing the Board of Directors for creation of charge on movable and immovable properties of the Company not exceeding ₹ 500 crores.

During 2014-15, no Special Resolution was passed through postal ballot.

No Extraordinary General Meeting was held during the financial year 2014-15.

12. Details of Directors seeking appointment/reappointment as required under revised Clause 49 VIII (E) of the Listing Agreement entered into with Stock Exchanges

As required under revised Clause 49 VIII (E), particulars of Directors seeking appointment/reappointment are given in the Explanatory Statement annexed to the Notice of the Annual General Meeting to be held on 3rd August, 2015.

13. Disclosures

- None of the Directors are related to each other.
- During the last three years, there were no strictures or penalties imposed by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to capital markets.
- The Company has adopted a Whistle Blower Policy which enables the employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and provides direct access to the Chairman of the Board Audit Committee on concerns relating to financial accounting matters. For all other concerns, if they pertain to employees below the Vice-President level, the same gets referred to the Ethics Counsellor and for Vice-Presidents and above, the same is referred to the Chairman of the Board Audit Committee. The Whistle Blower Policy has been communicated to the employees of the Company and its functioning is reviewed by the Board Audit Committee, periodically. Concerns received under the Tata Code of Conduct are also reported and discussed at the Audit Committee Meetings. The Whistle Blower Policy of the Company has been disclosed on the website of the Company.
- Senior management has made the disclosure to the Board and confirmed that they had no material financial and commercial transactions that could have a potential conflict with the interest of the Company at large.

- In the preparation of financial statements, the Company has followed the Accounting Standards as prescribed by the Central Government under the Companies (Accounting Standards) Rules, 2006.

- The Company did not raise funds through public/ rights / preferential issues during the financial year 2014-15.

- In line with the requirements of SEBI, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a firm of practicing Company Secretaries to confirm that the aggregate number of equity shares of the Company held in NSDL and CDSL and in physical form, tally with the total number of issued/paid-up, listed and admitted capital of the Company.

- The Managing Director and President (Corporate Affairs) & CFO have in accordance with Clause 49 IX of the Listing Agreement certified to the Board on matters pertaining to CEO/CFO certification during the financial year 2014-15.

- The Company has complied with the Mandatory requirements of Clause 49 of the Listing Agreement and has unqualified financial statements. The Non-Executive Directors freely interact with the Management on information that may be required by them. The Management also shares with the Board, changes/ proposed changes in relevant laws and regulations and their implication on the Company. The Company has not adopted the Non-mandatory requirements in regard to maintenance of Non-Executive Chairman's office and sending half-yearly financial results to the shareholders at their residence.

14. Means of Communication

- The quarterly, half-yearly and annual results are published in widely circulated newspapers: Business Standard in English; Sakaal in Marathi and also displayed on the website of the Company www.voltas.com soon after its submission to the Stock Exchanges.

- Shareholding Pattern, Corporate Governance Report and financial results are uploaded on NEAPS and Listing Centre maintained by NSE and BSE, respectively.

- The financial results, official news releases and presentations, conference calls with the institutional investors or with the analysts are displayed on the Company's website www.voltas.com. Copies of Press Release are sent to the Stock Exchanges.

15. General Shareholders Information

- **AGM: Date, time and venue**

Monday, 3rd August, 2015 at 3.00 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai - 400 020.

- **Financial Calendar**

(a) 1st April to 31st March

(b) First Quarter Results

– By 14th August, 2015

(c) Second Quarter Results

– By 14th November, 2015

(d) Third Quarter Results

– By 13th February, 2016

(e) Results for the year ending 31st March, 2016

– By 29th May, 2016

- **Date of Book closure**

Tuesday, 14th July, 2015 to Monday, 3rd August, 2015

(both days inclusive).

- **Dividend Payment date**

Dividend would be paid on or after 7th August, 2015.

- **Listing on Stock Exchange**

BSE Limited

National Stock Exchange of India Limited

The Company has paid the listing fees to BSE and NSE for the year 2015-16.

- **Stock Code**

- NSE : VOLTAS

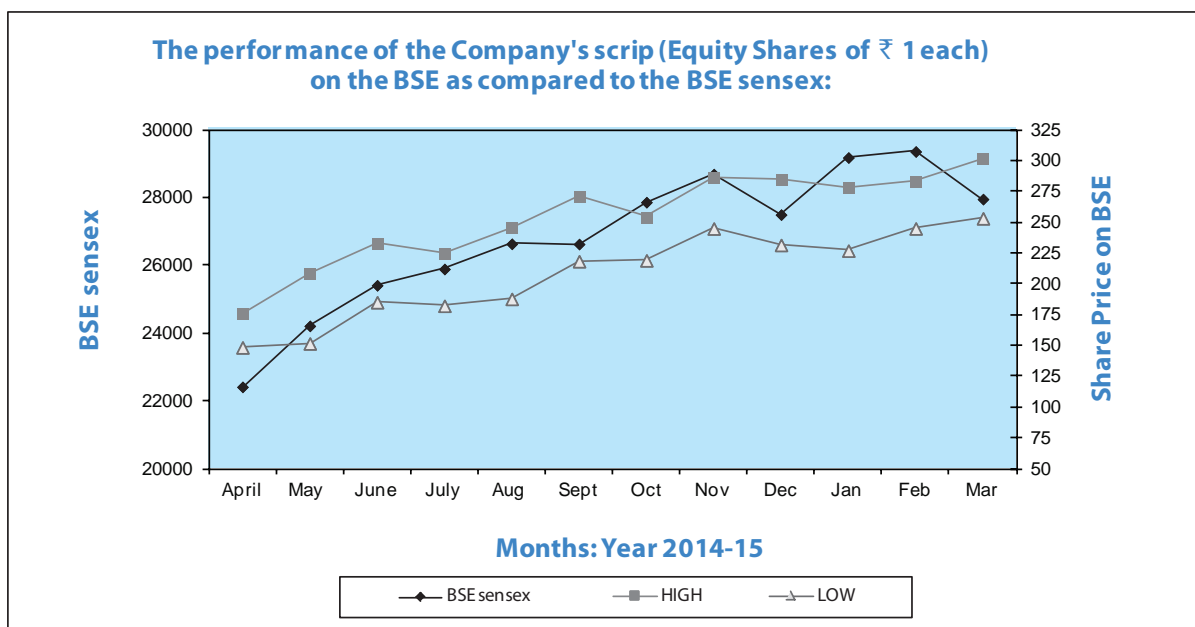
- BSE : 500575

- ISIN Number for NSDL/CDSL : INE226A01021

● **Market Information**

Market price data-monthly high/low and trading volumes during the last financial year on the BSE/NSE depicting liquidity of the Company's Equity Shares of ₹ 1 each on the said exchanges is given hereunder:

Month	BSE Sensex	BSE Ltd. (BSE)				National Stock Exchange of India Ltd.(NSE)			
		High ₹	Low ₹	No. of Shares Traded	Turnover ₹ in Lakhs	High ₹	Low ₹	No. of Shares Traded	Turnover ₹ in Lakhs
2014									
April	22418	176.25	148.50	5400262	8905.35	176.45	148.30	59368199	97689.31
May	24217	208.70	151.70	10584461	19231.59	209.40	151.55	64893749	115527.29
June	25414	233.05	185.15	7948101	17235.66	233.45	184.90	67831336	146843.06
July	25895	224.90	182.25	5682151	11485.29	224.70	180.00	60442590	122609.26
August	26638	245.45	187.85	7334801	16368.18	245.60	187.95	74017554	164455.24
September	26631	270.70	218.40	8238961	20235.62	271.20	218.00	74688842	184077.27
October	27866	254.25	219.10	5290598	12519.84	254.00	218.85	38253042	91025.66
November	28694	286.50	244.95	6313776	16892.00	286.45	244.15	52516157	140388.05
December	27499	285.00	231.60	5154793	13266.78	285.35	231.55	51446837	131458.03
2015									
January	29183	278.60	227.00	4179077	10526.94	278.45	227.00	51698854	130327.98
February	29361	282.85	245.00	4065993	10545.66	277.15	245.10	38110912	98396.17
March	27957	301.45	253.20	5842058	16350.28	301.40	253.35	55287737	154261.57



● **Distribution of shareholding as on 31st March, 2015**

No. of equity shares held	No. of Shareholders	No. of Shares held	% of Issued Share Capital
Upto 5000	98121	37125635	11.22
5001 to 10000	987	7048543	2.13
10001 to 20000	432	6143689	1.86
20001 to 30000	112	2758579	0.83
30001 to 40000	57	1973082	0.60
40001 to 50000	35	1604630	0.48
50001 to 100000	60	4293404	1.30
100001 and above	169	269937178	81.58
Total	99973	330884740	100.00
Physical Mode	17182	11518621	3.48
Electronic Mode	82791	319366119	96.52

● **Shareholding Pattern as on 31st March, 2015**

Category	No. of Shares held	% of Issued Share Capital
Tata Group of companies	100253480	30.30
Insurance companies (Government)	32633708	9.86
Insurance companies (Others)	12996428	3.93
Mutual Funds and UTI	42886341	12.96
FII's	67903946	20.52
FPI's	3605326	1.09
Bodies Corporate	16479573	4.98
NRI's	2267678	0.69
Banks	647730	0.20
Foreign companies and Foreign National	91633	0.03
Public	51118897	15.44
Total	330884740	100.00

● **Shareholders holding more than 1% Equity shares of the Company as on 31st March, 2015**

Name of Shareholder	No. of Shares held	% of Issued Share Capital
Tata Sons Ltd.	88131780	26.64
Life Insurance Corporation of India	20911176	6.32
Franklin Templeton Investment Funds	11698872	3.53
Tata Investment Corporation Ltd.	9962330	3.01
Government Pension Fund Global	9746968	2.94
Napean Trading and Investment Co. Pvt. Ltd.	8224269	2.49
HDFC Trustee Company Ltd. - A/c HDFC Mid - Cap Opportunities Fund	8100000	2.45
Bajaj Allianz Life Insurance Company Ltd.	6082842	1.84
ICICI Prudential Value Discovery Fund	5250000	1.59
IDFC Premier Equity Fund	5030000	1.52
HDFC Standard Life Insurance Company Limited	3451694	1.04

● **Registrar and Transfer Agent**

TSR Darashaw Limited

Unit : Voltas Limited

6-10, Haji Moosa Patrawala Industrial Estate,

20, Dr. E. Moses Road, Mahalaxmi,

Mumbai 400 011.

Tel : 022-66568484

Fax : 022-66568494

e-mail : csg-unit@tsrdarashaw.com

● **Share Transfer System**

The transfers are processed and approved by the Share Transfer Committee on a fortnightly basis.

● **Dematerialisation of shares and liquidity**

96.52% of the share capital has been dematerialized as on 31st March, 2015.

● **Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity**

The Company has not issued GDRs/ADRs/Warrants or any Convertible instruments.

● **Plant locations**

The Company's Plants are located at:

(i) 2nd Pokhran Road, Thane 400 601.

(ii) Shreenath Industrial Estate, C Building, Survey No.197, Near Dadra Check Post, Dadra 396 230.

(iii) Plot No.1-5, Sector 8, I.I.E. Pantnagar Industrial Area, Dist. Udham Singh Nagar, Rudrapur, Uttarakhand 263 145.

● **Addresses for correspondence**

All correspondence relating to shares should be addressed to TSR Darashaw Limited, the Company's Registrar and Transfer Agent at the address mentioned aforesaid.

Shareholders holding shares in electronic mode should address their correspondence to the respective Depository Participants.

● **Unclaimed Dividends**

Pursuant to Section 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Shareholders are advised to claim the un-cashed dividends lying in the unpaid dividend accounts of the Company before the due date. Given below are the dates of declaration of dividend and due dates for claiming dividend.

Date of declaration of dividend	Dividend for the year	Last date for claiming unpaid dividend
28th July, 2008	2007-08	27th July, 2015
10th August, 2009	2008-09	9th August, 2016
16th August, 2010	2009-10	14th August, 2017
16th August, 2011	2010-11	14th August, 2018
23rd August, 2012	2011-12	22nd August, 2019
19th August, 2013	2012-13	18th August, 2020
1st September, 2014	2013-14	31st August, 2021

● **Remittance of Dividend through NECS**

Members holding shares in physical form, desirous of receiving dividend by direct electronic deposit through National Electronic Clearing Service (NECS) Scheme of Reserve Bank of India to their bank accounts may authorize the Company with their NECS mandate. For details, kindly write to the Company's Registrar and Transfer Agent – TSR Darashaw Limited.

● **Bank details for Electronic Shareholding**

While opening Accounts with Depository Participants (DPs), you may have given your Bank Account details, which were used by the Company for ECS / printing on dividend warrants for remittance of dividend. However, pursuant to RBI notification, remittance of dividend through ECS has been replaced by NECS. NECS operates on the new and unique bank account number allotted by banks, post implementation of Core Banking Solutions (CBS). In order to facilitate the Company remit the dividend amount through NECS, please furnish your new bank account number allotted to you by your bank to your Depository Participants (DP), along with photocopy of cheque pertaining to your bank account.

● **Bank details for Physical Shareholding**

In order to provide protection against fraudulent encashment of dividend warrants, the Members are requested to provide,

if not provided earlier, their bank Account numbers, names and addresses of the Bank, quoting Folio numbers to the Company's Registrar and Transfer Agent – TSR Darashaw Limited to incorporate the same on the dividend warrants.

● **Dematerialisation of Shares**

Shares held in demat form helps the investors/shareholders to get immediate transfer of shares. No stamp duty is payable on transfer of shares held in demat form and risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries, loss of certificates in transit, get eliminated. Shareholders presently holding shares in physical form are therefore requested to convert their physical holding into demat holding. As per the requirements of the Companies Act, 2013 and Rule 11 of the Companies (Share Capital and Debentures) Rules, 2014, transfer requests have to be lodged with the Company at its Registered office or with TSR Darashaw Limited, the Company's Registrar and Transfer Agent in new prescribed Form SH-4.

● **Nomination facility**

Shareholders should register their nominations in case of physical shares with the Company's Registrar and Transfer Agent – TSR Darashaw Limited. In case of dematerialized shares, nomination should be registered by the Shareholders with their DP. Nomination would help the nominees to get the shares transmitted in their favour in a smooth manner without much documentation/legal requirements.

● **Receipt of Financial Statement/other documents through Electronic mode**

As servicing of documents to Shareholders, including Notice of Annual General Meeting, Financial Statements, etc. is permitted through electronic mail, the Company will send the Annual Report and other documents in electronic form to those Shareholders whose e-mail address are registered with the Company's Registrar and Transfer Agent – TSR Darashaw Limited or made available by the Depositories.

● **Exchange of new Share Certificates on sub-division of shares**

The Company had in September 2006 sub-divided its Equity Shares of ₹ 10 each into Equity Shares of ₹ 1 each. Upon sub-division, shares of ₹ 10 each stand cancelled and are not tradable in the market. Shareholders who have still not surrendered the share certificates of ₹ 10 each for exchange of new share certificates of ₹ 1 each should approach the Company's Registrar and Transfer Agent – TSR Darashaw Limited for the same.

DECLARATION BY THE MANAGING DIRECTOR ON COMPLIANCE WITH THE CODE OF CONDUCT

I hereby declare that all the Directors and Senior Management personnel have as on 31st March, 2015 affirmed compliance of their respective Codes of Conduct adopted by the Company and confirmation to that effect has been given by each of them.

Mumbai,
21st May, 2015

Sanjay Johri
Managing Director

AUDITORS' CERTIFICATE

To the Members of VOLTAS LIMITED

We have examined the compliance of conditions of Corporate Governance by **VOLTAS LIMITED** ("the Company") for the year ended on 31st March, 2015 as stipulated in Clause 49 of the Listing Agreements of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mumbai,
21st May, 2015

B. P. Shroff
Partner
Membership No. 34382

INDEPENDENT AUDITORS' REPORT

To the Members of Voltas Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **VOLTAS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 judgements 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone 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 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.

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 auditor's judgement, 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 28(b), 28(c), 28(d), 28(e) and 28(f) to the financial statements.
 - (ii) The Company has made provision, as required under applicable law or accounting standards for the material foreseeable losses, if any, for long term contracts including derivative contracts- Refer Note 1A(iii)(c) to the financial statements.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mumbai,
21st May, 2015

B. P. Shroff
Partner
Membership No. 34382

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There was no unclaimed deposits outstanding during the year or as at 31st March, 2015. Consequently, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 with respect to unclaimed deposit is not applicable to the Company.
- (vi) In our opinion and according to the information and explanations given to us, the cost records are not required to be maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, Value Added Tax and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, Value Added Tax and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Excise Duty, Cess and Value Added Tax which have not been deposited as on 31st March, 2015 on account of disputes are given below :

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which amount relates	Amount involved (₹ in Lakhs)
The Central Excise Act, 1944	Excise Duty	Supreme Court	1975,1993-1996	45.74
		Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2013-14	10.01
		Commissioner / Adjudicating Authority	1982, 1984-2008, 2008-12, 2013-14	738.25
Finance Act, 1994 and Service Tax Laws	Service Tax	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	1998-2010	451.13
		Commissioner of Central Excise (Appeals)	2003-2008	1511.54
		Commissioner / Adjudicating Authority	1998-2010	890.97
Sales Tax	CST, VAT, GST and Entry Tax (including penalty and interest)	Supreme Court	1993-1994	39.55
		High Court	1988-1992, 1993-2000, 2001-2009	2543.79
		Appellate Tribunals	1987-1988, 1995-1998, 1999-2011	908.44
		Commissioner (Appeals)	1989-1991, 1992-1993, 1994-1997, 2002-2014	3459.23
		Deputy Commissioner (Appeals)	2005-2006, 2009-2013	374.52
		Assessing Authority	1987-1989, 1990-2009, 2014-2015	238.42

- (d) The Company has been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us, the Company, has neither obtained nor utilized any term loan during the year.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

B. P. Shroff
Partner
Mumbai,
21st May, 2015

Membership No. 34382

BALANCE SHEET AS AT 31ST MARCH, 2015

	Note	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	2	3307.48	3307.48
(b) Reserves and surplus	3	180644.14	156487.44
		183951.62	159794.92
2. Non-current liabilities			
(a) Other long-term liabilities	4	1871.45	2906.54
(b) Long-term provisions	5	9341.78	7689.92
		11213.23	10596.46
3. Current liabilities			
(a) Short-term borrowings	6	5305.83	19337.63
(b) Trade payables	7	145639.28	146103.02
(c) Other current liabilities	7	56450.10	57328.06
(d) Short-term provisions	5	22215.85	17802.05
		229611.06	240570.76
TOTAL EQUITY AND LIABILITIES		424775.91	410962.14
II. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	14743.97	16584.74
(ii) Intangible assets	9	831.88	883.75
(iii) Capital work-in-progress		442.17	177.35
		16018.02	17645.84
(b) Non-current investments	10	75701.79	29869.52
(c) Deferred tax assets (net)	11	3673.53	2587.41
(d) Long-term loans and advances	12	13487.23	14622.81
(e) Other non-current assets	13	7474.27	11838.59
		116354.84	76564.17
2. Current assets			
(a) Current investments	10	46698.27	59271.39
(b) Inventories	14	69148.82	71532.67
(c) Trade receivables	15	114957.64	105906.29
(d) Cash and cash equivalents	16	14839.21	20850.79
(e) Short-term loans and advances	12	14691.42	17303.46
(f) Other current assets	13	48085.71	59533.37
		308421.07	334397.97
TOTAL ASSETS		424775.91	410962.14
Summary of significant accounting policies	1A		
See accompanying notes forming part of the financial statements.	1-42		

For and on behalf of the Board

Chairman
Managing Director
Directors

Ishaat Hussain
Sanjay Johri
N. N. Tata
Nani Javeri
R. N. Mukhija
Vinayak Deshpande
Bahram N. Vakil
Anjali Bansal

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

B. P. Shroff
Partner

Mumbai, 21st May, 2015

President - Corporate Affairs & CFO
Vice President- Taxation, Legal &
Company Secretary

Mumbai, 21st May, 2015

Anil George

V. P. Malhotra

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Note	₹ in Lakhs	Year ended 31-3-2014 ₹ in Lakhs
I. Revenue from operations (Gross)	17	519065.87	518816.67
Less: Excise duty		2171.01	3680.99
Net Revenue from operations		516894.86	515135.68
II. Other Income	18	14911.44	13145.58
III. Total Revenue (I + II)		531806.30	528281.26
IV. Expenses			
(a) Consumption of raw materials, cost of jobs and services	19	161980.81	197170.55
Purchase of traded goods	20	226011.29	195261.29
(Increase) / Decrease in finished goods, work-in-progress and stock-in-trade	21	1481.53	11579.58
(d) Employee benefits expenses	22	46785.37	48376.84
(e) Finance costs	23	1625.22	1598.51
Depreciation and amortisation expenses	24	2245.45	1896.24
(g) Other expenses	25	50142.54	46374.87
Total Expenses (IV)		490272.21	502257.88
V. Profit before exceptional items and tax (III - IV)		41534.09	26023.38
VI. Exceptional Items	26	1818.33	(340.64)
VII. Profit before tax (V + VI)		43352.42	25682.74
VIII. Tax Expense			
(1) Current tax			
(i)		11254.44	8415.42
		(20.38)	(739.31)
(2) Deferred tax	11	(805.12)	(141.64)
Total tax expense		10428.94	7534.47
IX. Profit after tax (VII - VIII)		32923.48	18148.27
X. Earnings per share :	32		
Earnings Per Share (₹) - Basic and Diluted (Face value ₹ 1 per share)		9.95	5.48
Summary of significant accounting policies	1A		
See accompanying notes forming part of the financial statements.	1-42		

For and on behalf of the Board

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

B. P. Shroff
Partner
Mumbai, 21st May, 2015

*Chairman
Managing Director
Directors*

**Ishaat Hussain
Sanjay Johri
N. N. Tata
Nani Javeri
R. N. Mukhija
Vinayak Deshpande
Bahram N. Vakil
Anjali Bansal**

*President - Corporate Affairs & CFO
Vice President- Taxation, Legal &
Company Secretary
Mumbai, 21st May, 2015*

**Anil George
V. P. Malhotra**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Lakhs	₹ in Lakhs	2013-14 ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before Tax		43352.42	25682.74
Adjustments for :			
Depreciation and amortisation expenses	2245.45		1896.24
Provision for doubtful trade and other receivables, loans and advances	2813.98		1920.30
Net unrealised exchange (gain) / loss	946.39		(747.71)
Provision for Diminution in value of Investments	2805.79		2017.72
(Profit) / loss on sale / write off of assets	(23418.73)		46.97
Net (gain) on sale of investments	(984.71)		(26.41)
Finance costs	1625.22		1598.51
Interest income	(629.59)		(813.32)
Dividend income	(7819.15)		(6314.38)
Liabilities / provisions no longer required written back	(977.75)		(573.35)
Provision for Contingencies	1075.23		Nil
Provision for Trade Guarantees	759.48		(309.58)
		(21558.39)	(1305.01)
Operating profit before Working Capital changes		21794.03	24377.73
Changes in Working Capital:			
Adjustments for (increase) / decrease in operating assets :			
Inventories	2383.85		11741.10
Trade receivables	(5372.56)		5887.14
Short-term loans and advances	2612.03		(440.77)
Long-term loans and advances	(330.97)		(728.72)
Other current assets	11925.88		2780.33
Other non-current assets	(2175.04)		(121.78)
Adjustments for increase / (decrease) in operating liabilities :			
Trade payables	(1338.55)		(5064.49)
Other current liabilities	(908.98)		2641.21
Other long-term liabilities	3.18		2.70
Short-term provisions	173.54		(127.03)
Long-term provisions	1342.20		(167.48)
		8314.58	16402.21
Cash generated from operations		30108.61	40779.94
Net income tax paid		(8013.90)	(7419.94)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		22094.71	33360.00

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

	₹ in Lakhs	₹ in Lakhs	2013-14 ₹ in Lakhs
B. CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets, including capital advances and capital work-in-progress	(2797.61)		(1985.69)
Proceeds from sale of fixed assets	23837.54		28.27
Bank balances not considered as Cash and cash equivalents (net)	(54.78)		(21.58)
Current investments not considered as Cash and cash equivalents :			
- Purchased	(181943.91)		(154612.75)
- Proceeds from sale	198002.22		127171.73
Purchase of long-term investments :			
- Associates	(8.60)		Nil
- Joint ventures	(38.60)		Nil
- Others	(50853.63)		(5000.00)
Refund of purchase consideration paid in earlier year	Nil		1000.00
Loans / advances given :			
- Subsidiaries	Nil		(2650.25)
Loans / advances realised :			
- Subsidiaries	Nil		0.30
Interest received	151.37		521.14
Dividend received :			
- Subsidiaries	4031.33		3035.18
- Others	3787.82		3279.20
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES (B)		(5886.85)	(29234.45)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

	₹ in Lakhs	₹ in Lakhs	2013-14 ₹ in Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity shares (Calls-in-Arrears) (* includes amount below ₹ 500)	*		0.02
Securities Premium (Calls-in-Arrears)	0.02		0.08
Net increase / (decrease) in working capital borrowings	(14031.80)		(1859.13)
Finance costs	(1636.59)		(1654.66)
Repayment of deposits and interest thereon	Nil		(0.02)
Dividends paid	(6079.00)		(5254.44)
Dividend distribution tax	(367.31)		(489.00)
NET CASH FLOW USED IN FINANCING ACTIVITIES (C)		(22114.68)	(9257.15)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(5906.82)	(5131.60)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		20331.39	25462.99
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		14424.57	20331.39
Cash and cash equivalents consist of :			
Cash and cash equivalents at the end of the year (Refer note :16 Cash and cash equivalents)		14427.28	20493.64
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		(2.71)	(162.25)
		14424.57	20331.39

For and on behalf of the Board

*Chairman
Managing Director
Directors*

**Ishaat Hussain
Sanjay Johri
N. N. Tata
Nani Javeri
R. N. Mukhija
Vinayak Deshpande
Bahram N. Vakil
Anjali Bansal**

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

President - Corporate Affairs & CFO

Anil George

*Vice President- Taxation, Legal &
Company Secretary*

V. P. Malhotra

B. P. Shroff
Partner

Mumbai, 21st May, 2015

Mumbai, 21st May, 2015

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

1. NATURE OF BUSINESS

Voltas Limited, a premier Air-Conditioning and Engineering company was established in the year 1954. It is a Tata Group company in the field of air conditioning, refrigeration, in the business of electro-mechanical projects as an EPC contractor both in domestic and international geographies (Middle East and Singapore), and also in the business of engineering product services for mining, water management and treatment, construction equipments and textile industry.

1A. SIGNIFICANT ACCOUNTING POLICIES

(i) BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014 and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation.

(ii) USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Some of the estimations require higher degrees of judgment to be applied than others. These include the recognition of revenue and earnings from construction contracts under the percentage of completion method, and the valuation of long-term assets. Management continually evaluates all of its estimates and judgements based on available information and its experience and believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(iii) REVENUE RECOGNITION

(a) Sales excludes sales tax, value added tax and works contract tax but includes excise duty. Commission earned on consignment sales is accounted for as part of revenue from operations.

(b) Revenue from sale of goods is recognised, net of trade discounts and rebates, when the substantial risks and rewards of ownership are transferred to the buyer under the terms of contract. Service revenue is recognised on rendering of services. Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

(c) Revenue from construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs based on current technical data. For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue has been reflected under "Other Current Liabilities" in the Balance Sheet.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)**(d) Long-term maintenance contracts**

The revenue from maintenance contracts is recognised on accrual basis and advance received in respect of future period is accounted for as Unexpired Service Contracts.

In case of mining equipment maintenance contracts, the revenue from such contracts is recognised in proportion to the cost actually incurred during the year in terms of the total estimated cost for such contracts, as repairs and maintenance of such machineries depends on its utilisation and wear and tear which varies from year to year. The excess of billings over revenue is deferred and accounted for as "Unexpired Service Contracts" under "Other Current Liabilities".

(e) Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

(iv) JOINT VENTURES

The accounts of the Company reflect its share of the Assets, Liabilities, Income and Expenditure of the Joint Venture Operations which are accounted on the basis of the audited accounts of the Joint Ventures on line-by-line basis with similar items in the Company's accounts to the extent of the participating interest of the Company as per the Joint Venture Agreements.

(v) TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation / impairment.

The cost of tangible fixed asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Own manufactured goods are capitalised at cost but including excise duty net of CENVAT, octroi duty and receiving / installation charges.

Interest on borrowed money allocated to and utilised for qualifying fixed assets pertaining to the period upto the date of capitalisation is added to the cost of the assets.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work-in-progress :

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(vi) INTANGIBLE ASSETS

Intangible assets are carried at cost less accumulated amortisation and impairment. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and net of any discounts. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred, unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

(vii) IMPAIRMENT OF ASSETS

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment of assets. If any indication of such impairment exists, the recoverable amount of such assets is estimated and impairment is recognised if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

(viii) DEPRECIATION / AMORTISATION

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the Straight Line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Premium paid on Leasehold Land is amortised over the period of the lease, commencing from the date the land is put to use for commercial operations.

Intangible assets are amortised on the Straight Line Basis over their useful life. Manufacturing Rights and Technical Know-how are amortised over 72 months and Software is amortised over 60 months.

(ix) PROVISION FOR TRADE GUARANTEES / WARRANTIES

The estimated liability for product warranties is recorded when products are sold / project is completed. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claims arise being typically upto five years.

As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

(x) PROVISIONS AND CONTINGENCIES

A provision is recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in Notes.

(xi) INVESTMENTS

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value.

Cost of investments includes acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

(xii) INVENTORIES

Inventories including Work-in-Progress (other than Construction Contracts) are valued at cost or net realisable value, whichever is lower, cost being worked out on weighted average basis. Cost includes all charges for bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges.

(xiii) TAXES ON INCOME

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred Tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred Tax Assets in respect of unabsorbed depreciation and carry forward of losses and items relating to capital losses are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise such losses. Other Deferred Tax Assets are recognised if there is reasonable certainty that there will be sufficient future taxable income to realise such assets. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)**(xiv) FOREIGN EXCHANGE TRANSACTIONS / TRANSLATIONS**

- (a) Company: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate on the date of the transaction.
- (b) Integral foreign operations: Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate on the date of the transaction.
- (c) Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at the year-end rate and the difference in translation and realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss. In respect of transactions covered by foreign exchange contracts, the difference between the contract rate and the spot rate on the date of the transaction is charged / (credited) to the Statement of Profit and Loss over the period of the contract.
- (d) Foreign operations are classified as either 'integral' or 'non-integral' operations. Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. Exchange differences arising on a monetary item that, in substance, forms part of an enterprise's net investment in a non-integral foreign operation are accumulated in the Foreign Currency Translation Reserve until the disposal of the net investment, at which time they are recognised as income or as expenses.
- (e) Forward contracts :
Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

(xv) ACCOUNTING FOR VOLUNTARY RETIREMENT SCHEME

- (a) The cost of Voluntary Retirement Scheme / Retrenchment Compensation, including ex-gratia and additional gratuity liability arising there from, is charged to the Statement of Profit and Loss in the month of separation of employees.
- (b) The Present Value of future payments to employees opting for Early Separation Scheme (ESS) and the additional gratuity liability arising there from are charged to the Statement of Profit and Loss in the month of separation of employees.

(xvi) LEASES

- (a) Finance Leases
Fixed assets acquired under finance leases are recognised at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the leased term at a constant periodic rate of interest on the remaining balance of the liability.
- (b) Operating Leases
Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Operating lease expenses / income are recognised in the Statement of Profit and Loss on Straight Line Basis over the term of lease, representative of the time pattern of the user's benefit.

(xvii) EMPLOYEE BENEFITS

- (a) Defined Contribution Plans
Contribution to Superannuation Fund, a defined contribution scheme, is made at pre-determined rates to the Superannuation Fund Trust and is charged to the Statement of Profit and Loss. There are no other obligations other than the contribution payable to the Superannuation Fund Trust.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

The eligible employees of the Company are entitled to receive benefits under provident fund schemes which are in substance, defined contribution plans, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions are paid to the provident funds and pension fund set up as irrevocable trusts by the Company or to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return is recognised as an expense in the year incurred.

(b) Defined Benefit Plans

The Company's liabilities towards gratuity, pension and post retirement medical benefit schemes are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gains and losses based on valuation done by the independent actuary carried out annually are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of the estimated future cash flows using a discounted rate that is determined by reference to market yields of Government bonds at the Balance Sheet date where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(c) Compensated Absences

Compensated absences which accrue to employees and which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employee performs the service that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit, and where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

(xviii) SEGMENT REPORTING

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies used in the preparation of the financial statements of the Company are also applied for Segment Reporting. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

(xix) CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(xx) CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(xxi) OPERATING CYCLE

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of business and the time between 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/ non-current classification of assets and liabilities.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)
2. Share Capital

	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
Authorised:		
- 60,00,00,000 (31-3-2014: 60,00,00,000) Equity Shares of ₹ 1 each	6000.00	6000.00
- 40,00,000 (31-3-2014: 40,00,000) Preference Shares of ₹ 100 each	4000.00	4000.00
	10000.00	10000.00
Issued, Subscribed and Paid up:		
- 33,08,84,740 (31-3-2014: 33,08,84,740) Equity Shares of ₹ 1 each	3308.85	3308.85
Less : Calls-in-Arrears [1,36,590 shares (31-3-2014: 1,36,970 shares)] [Refer note 2(d)]	1.37	1.37
	3307.48	3307.48

2. (a) Equity Shares: The Company has one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. 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 and are subject to preferential rights of the Preference shares (if issued).

2. (b) A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	Equity Shares		Equity Shares	
	Numbers	₹ in Lakhs	Numbers	₹ in Lakhs
Shares outstanding at the beginning of the year	33,08,84,740	3308.85	33,08,84,740	3308.85
Shares outstanding at the end of the year	33,08,84,740	3308.85	33,08,84,740	3308.85

2. (c) Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held in the Company:

Name of Shareholder	Class of Shares	No. of Shares held		As at 31-3-2014	
		No. of Shares held	% of holding	No. of Shares held	% of holding
Tata Sons Limited	Equity	8,81,31,780	26.64	8,81,31,780	26.64
Life Insurance Corporation of India	Equity	2,09,11,176	6.32	2,54,11,176	7.68
Government Pension Fund Global	Equity	97,46,968	2.94	1,67,03,496	5.05

2. (d) As per the records of the Company, no calls remained unpaid by the Directors and Officers of the Company as on 31st March, 2015 (31-3-2014 : Nil).

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

3. Reserves and Surplus

	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
Capital Reserve		
As per last Balance Sheet	<u>155.52</u>	<u>155.52</u>
Capital Redemption Reserve		
As per last Balance Sheet	<u>125.70</u>	<u>125.70</u>
Securities Premium Account		
As per last Balance Sheet	<u>627.28</u>	<u>627.20</u>
Premium on calls-in-arrears received during the year	<u>0.02</u>	<u>0.08</u>
Closing Balance	<u>627.30</u>	<u>627.28</u>
General Reserve		
As per last Balance Sheet	<u>120182.83</u>	<u>118182.83</u>
Transfer from Statement of Profit and Loss	<u>2000.00</u>	<u>2000.00</u>
Closing Balance	<u>122182.83</u>	<u>120182.83</u>
Staff Welfare Reserve		
As per last Balance Sheet	<u>1.00</u>	<u>1.00</u>
(6) Foreign Exchange Translation Reserve		
As per last Balance Sheet	<u>282.63</u>	<u>145.95</u>
Add: Effect of foreign exchange rate variations during the year on net investment in non-integral operations	<u>66.49</u>	<u>136.68</u>
Closing Balance	<u>349.12</u>	<u>282.63</u>
(7) Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	<u>35112.48</u>	<u>25715.17</u>
Add:		
Profit for the current year	<u>32923.48</u>	<u>18148.27</u>
Credit on dividend distribution tax	<u>673.02</u>	<u>410.74</u>
Sub-total Additions	<u>33596.50</u>	<u>18559.01</u>
Deductions:		
Proposed Dividend	<u>7444.91</u>	<u>6121.37</u>
Dividend distribution tax	<u>1515.61</u>	<u>1040.33</u>
Transfer to General Reserve	<u>2000.00</u>	<u>2000.00</u>
Depreciation on transition to Schedule II of the Companies Act, 2013 (Refer note 24) (net of deferred tax ₹ 281.00 lakhs)	<u>545.79</u>	<u>Nil</u>
Sub-total Deductions	<u>11506.31</u>	<u>9161.70</u>
Closing Balance	<u>57202.67</u>	<u>35112.48</u>
	<u>180644.14</u>	<u>156487.44</u>

4. Other long-term Liabilities

A. Trade Payables	1829.71	2867.98
(Due on account of goods purchased and services received)		
B. Other Payables		
- Unexpired Service Contracts	<u>41.74</u>	<u>38.56</u>
	<u>1871.45</u>	<u>2906.54</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)
5. Provisions

		₹ in Lakhs			As at 31-3-2014 ₹ in Lakhs		
		Long-term	Short-term	Total	Long-term	Short-term	Total
(a) Provision for employee benefits							
(i)	Provision for gratuity	2625.93	257.12	2883.05	2532.75	195.11	2727.86
(ii)	Pension obligations	2496.17	151.41	2647.58	1403.00	144.11	1547.11
(iii)	Provision for compensated absences	Nil	3015.36	3015.36	Nil	2910.18	2910.18
(iv)	Post retirement medical benefits	931.78	43.22	975.00	793.54	37.77	831.31
(v)	Provision for employee separation compensation	132.88	23.87	156.75	115.27	30.28	145.55
(b) Others							
(i)	Provision for Trade Guarantees [Refer footnote 5 (a)]	3155.02	5065.18	8220.20	2845.36	4615.36	7460.72
(ii)	Provision for other Contingencies [[Refer footnote 5 (b)]						
	- Contingency for Indirect Tax matters	Nil	2200.23	2200.23	Nil	1125.00	1125.00
(iii)	Provision for taxation (net of advance tax)	Nil	2498.94	2498.94	Nil	1582.54	1582.54
(iv)	Provision for Proposed Equity dividend	Nil	7444.91	7444.91	Nil	6121.37	6121.37
(v)	Provision for Dividend Distribution Tax on proposed dividend	Nil	1515.61	1515.61	Nil	1040.33	1040.33
		9341.78	22215.85	31557.63	7689.92	17802.05	25491.97

Footnotes :

		Opening Balance	Additions	Utilisation	Reversed	₹ in Lakhs Closing Balance
5. (a)	Provision for Trade Guarantees	7460.72 <i>7770.30</i>	7663.32 <i>6677.20</i>	6445.02 <i>6202.98</i>	458.82 <i>783.80</i>	8220.20 <i>7460.72</i>
5. (b)	Provision for Contingencies					
	- Contingency for Indirect Tax matters	1125.00 <i>1125.00</i>	1075.23 <i>Nil</i>	Nil <i>Nil</i>	Nil <i>Nil</i>	2200.23 <i>1125.00</i>

The provision for trade guarantees is expected to be utilised for warranty expenses within the period of 1 to 5 years depending on the contractual obligations.

Figures in italics are for the Previous year.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

6. Short-term Borrowings	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
Secured Borrowings		
Repayable on demand from Banks (Refer footnote)	5305.83	19337.63
	5305.83	19337.63

Footnote :

Secured against assignment of inventory, book debts, contract dues and lien on Term Deposits.

7. Current Liabilities	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
(A) Trade Payables		
Due on account of goods purchased and services received [includes acceptances of ₹ 9397.16 lakhs (31-3-2014 : ₹13583.82 lakhs)] [Refer footnote 7(A) below for dues to micro, small and medium enterprises]	145639.28	146103.02
	145639.28	146103.02
(B) Other Current Liabilities		
(a) Interest accrued but not due on borrowings	13.49	24.84
(b) Unpaid dividends [Refer footnote 7(B)]	398.53	356.16
(c) Advances received from customers / others	34323.68	35909.58
(d) Unexpired service contracts	1804.78	1968.99
(e) Billing in excess of contract revenue	12440.80	12371.40
(f) Statutory obligations	6094.34	5991.86
(g) Other liabilities	1374.48	705.23
	56450.10	57328.06

Footnote 7(A)

Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 :

(i) (a) Principal amount remaining unpaid to any supplier	382.32	1206.32
(b) Interest on (i)(a) above	8.95	28.33
(ii) The amount of interest paid along with the principal payment made to the supplier beyond the appointed date during 2014-15	59.42	80.77
(iii) Amount of interest due and payable on delayed payments	62.64	69.26
(iv) Amount of further interest remaining due and payable for the earlier years	17.90	6.85
(v) Total outstanding dues of Micro, Small and Medium Enterprises		
- Principal	382.32	1206.32
- Interest	89.49	104.44

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Footnote 7(B)

Unpaid dividends includes ₹ 3.15 lakhs (31-3-2014 : ₹ 2.28 lakhs) not transferred to Investor Education and Protection Fund due to pending claims.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

8. Tangible Assets

₹ in Lakhs

	Freehold Land	Leasehold Land	Buildings	Plant and Equipments	Office and EDP Equipments	Furniture and fixtures	Vehicles	Transferred to Investment property	Transferred to 'Assets held for sale'	Total Tangible Assets
Gross Block at Cost										
Cost at the beginning of the year	2077.64	312.73	12349.77	11416.70	6223.61	2434.26	706.29	(3017.78)	(662.79)	31840.43
	<i>2077.64</i>	<i>312.73</i>	<i>12232.16</i>	<i>11594.70</i>	<i>6008.92</i>	<i>2277.07</i>	<i>677.26</i>	<i>(2940.23)</i>	<i>(662.79)</i>	<i>31577.46</i>
Additions	801.02	Nil	71.29	111.23	483.65	37.80	4.37	Nil	Nil	1509.36
	<i>Nil</i>	<i>Nil</i>	<i>310.64</i>	<i>259.57</i>	<i>518.54</i>	<i>221.10</i>	<i>47.12</i>	<i>Nil</i>	<i>Nil</i>	<i>1356.97</i>
Disposals	1.39	Nil	416.72	755.33	486.19	221.82	198.78	Nil	Nil	2080.23
	<i>Nil</i>	<i>Nil</i>	<i>193.03</i>	<i>437.57</i>	<i>303.85</i>	<i>63.91</i>	<i>18.09</i>	<i>Nil</i>	<i>Nil</i>	<i>1016.45</i>
Transfers in / (out)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(441.35)	Nil	(441.35)
	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>(77.55)</i>	<i>Nil</i>	<i>(77.55)</i>
Cost at the end of the year	2877.27	312.73	12004.34	10772.60	6221.07	2250.24	511.88	(3459.13)	(662.79)	30828.21
	<i>2077.64</i>	<i>312.73</i>	<i>12349.77</i>	<i>11416.70</i>	<i>6223.61</i>	<i>2434.26</i>	<i>706.29</i>	<i>(3017.78)</i>	<i>(662.79)</i>	<i>31840.43</i>
Depreciation										
Depreciation at the beginning of the year	Nil	25.99	2876.92	7096.34	4031.98	1742.81	348.13	(585.75)	(280.73)	15255.69
	<i>Nil</i>	<i>22.57</i>	<i>2770.29</i>	<i>6962.46</i>	<i>3850.46</i>	<i>1650.12</i>	<i>288.03</i>	<i>(515.16)</i>	<i>(280.73)</i>	<i>14748.04</i>
Charge for the year	Nil	3.42	302.43	1066.85	574.66	(147.58)	67.36	(97.96)	Nil	1769.18
	<i>Nil</i>	<i>3.42</i>	<i>299.66</i>	<i>546.90</i>	<i>443.24</i>	<i>148.94</i>	<i>77.29</i>	<i>(55.24)</i>	<i>Nil</i>	<i>1464.21</i>
Disposals	Nil	Nil	226.78	664.12	436.06	197.29	137.48	Nil	Nil	1661.73
	<i>Nil</i>	<i>Nil</i>	<i>193.03</i>	<i>413.02</i>	<i>261.72</i>	<i>56.25</i>	<i>17.19</i>	<i>Nil</i>	<i>Nil</i>	<i>941.21</i>
Impact of transition to Schedule II of the Companies Act, 2013 (Refer note 24)	Nil	Nil	74.10	213.26	463.05	75.39	0.99	Nil	Nil	826.79
	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Transfers in / (out)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(105.69)	Nil	(105.69)
	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>(15.35)</i>	<i>Nil</i>	<i>(15.35)</i>
Depreciation at the end of the year	Nil	29.41	3026.67	7712.33	4633.63	1473.33	279.00	(789.40)	(280.73)	16084.24
	<i>Nil</i>	<i>25.99</i>	<i>2876.92</i>	<i>7096.34</i>	<i>4031.98</i>	<i>1742.81</i>	<i>348.13</i>	<i>(585.75)</i>	<i>(280.73)</i>	<i>15255.69</i>
Net book value at the beginning of the year	2077.64	286.74	9472.85	4320.36	2191.63	691.45	358.16	(2432.03)	(382.06)	16584.74
	<i>2077.64</i>	<i>290.16</i>	<i>9461.87</i>	<i>4632.24</i>	<i>2158.46</i>	<i>626.95</i>	<i>389.23</i>	<i>(2425.07)</i>	<i>(382.06)</i>	<i>16829.42</i>
Net book value at the end of the year	2877.27	283.32	8977.67	3060.27	1587.44	776.91	232.88	(2669.73)	(382.06)	14743.97
	<i>2077.64</i>	<i>286.74</i>	<i>9472.85</i>	<i>4320.36</i>	<i>2191.63</i>	<i>691.45</i>	<i>358.16</i>	<i>(2432.03)</i>	<i>(382.06)</i>	<i>16584.74</i>

Figures in italics are for the Previous year.

Footnotes :

- Buildings includes ₹ 0.40 lakh (31-3-2014: ₹ 0.40 lakh) being cost of shares and bonds in Co-operative Housing Societies.
- In terms of agreement dated 30th September, 1998, Company's Refrigerators manufacturing facility at Nandalur was transferred on a running business / going concern basis to Electrolux Voltas Limited (EVL) on the close of the business hours on 31st March, 1999. In respect of land for the Nandalur Plant, Deed of Conveyance is pending completion.
- Investment properties comprise book value of Land ₹ 14.19 lakhs (31-3-2014: ₹ 14.19 lakhs) and Building ₹ 2655.54 lakhs (31-3-2014: ₹ 2417.84 lakhs).
- The Company had accounted the profit on transfer of development rights in respect of following properties for which agreement was executed and consideration received but for which conveyance is pending completion :-

Location	Year	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs	Location	Year	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
1. Lalbaug Property	1999-2000	734.12	734.12	5. Sanad land behind HRD Centre, Thane	2004-05	305.78	305.78
2. Non-Sanad land behind HRD Centre, Thane	2003-04	1735.95	1735.95	6. Upvan Land, Thane	2006-07	2070.00	2070.00
3. Pune Property	2003-04	2145.53	2145.53	7. Henkel Switchgear Limited approach land at Thane	2006-07	223.40	223.40
4. Non-Sanad land on south side of Voltas Switchgear Limited, Thane	2004-05	199.75	199.75	8. Land adjoining Simtools at Thane	2007-08	919.96	919.96
				9. Nala Land at Thane	2009-10	238.18	238.18
				10. Sanad land, HRD Centre, Thane	2014-15	1500.00	Nil

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

9. Intangible Assets

	₹ in Lakhs		
	Manufacturing Rights & Technical Know-how	Software Costs	Total Intangible Assets
Gross Block at Cost			
Cost at the beginning of the year	1030.90 <i>1030.90</i>	3719.03 <i>3238.24</i>	4749.93 <i>4269.14</i>
Additions	Nil <i>Nil</i>	326.76 <i>480.79</i>	326.76 <i>480.79</i>
Disposals	Nil <i>Nil</i>	2.99 <i>Nil</i>	2.99 <i>Nil</i>
Cost at the end of the year	1030.90 <u>1030.90</u>	4042.80 <u>3719.03</u>	5073.70 <u>4749.93</u>
Depreciation and Amortisation			
Depreciation at the beginning of the year	1019.97 <i>1015.54</i>	2846.21 <i>2473.85</i>	3866.18 <i>3489.39</i>
Charge for the year	4.43 <i>4.43</i>	373.88 <i>372.36</i>	378.31 <i>376.79</i>
Disposals	Nil <i>Nil</i>	2.67 <i>Nil</i>	2.67 <i>Nil</i>
Depreciation at the end of the year	1024.40 <u>1019.97</u>	3217.42 <u>2846.21</u>	4241.82 <u>3866.18</u>
Net book value at the beginning of the year	10.93 <i>15.36</i>	872.82 <i>764.39</i>	883.75 <i>779.75</i>
Net book value at the end of the year	6.50 <u>10.93</u>	825.38 <u>872.82</u>	831.88 <u>883.75</u>

Figures in italics are for the Previous year.

10. Investments

	No.	Currency	Face Value	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
(A) Non-current investments at cost unless stated otherwise					
(i) Investment Property (net of accumulated depreciation) [Refer 10 (c)]				2669.73	2432.03
(ii) Investments in Equity Instruments					
1. TRADE INVESTMENTS					
Fully paid Equity Shares of Subsidiaries :					
UNQUOTED:					
Auto Aircon (India) Ltd. (#)	1,13,00,000	₹	10	565.00	565.00
Agro Foods Punjab Ltd. [Refer footnote 10 (a)] (Beneficial rights transferred pending transfer of shares)	2,80,000	₹	100	Nil	Nil
Westerwork Engineers Ltd. (Under Liquidation(#))	9,600	₹	100	109.29	109.29
Weathermaker Ltd., UAE	4,08,441	US\$	1	307.20	307.20
Voltas Netherlands B. V. (Formerly known as VIL Overseas Enterprises B.V.)	13,635	EURO	45.38	265.21	265.21
Universal Comfort Products Ltd.	2,76,42,000	₹	10	1694.91	1694.91

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

10. Investments (contd.)

	No.	Currency	Face Value	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
Rohini Industrial Electricals Ltd. (#)	18,25,782	₹	10	9685.11	9685.11
Saudi Ensas Company for Engineering Services W.L.L., Saudi Arabia (#)	15,860	SR	100	17.90	17.90
Lalbuksh Voltas Engineering Services and Trading, L.L.C., Muscat, Sultanate of Oman	50,000	RO	1	8.14	8.14
				12652.76	12652.76
Joint Ventures :					
UNQUOTED:					
Naba Diganta Water Management Ltd.	47,97,000	₹	10	479.70	479.70
Olayan Voltas Contracting Company Ltd., Saudi Arabia	50,000	SR	100	710.70	710.70
Universal Weathermaker Factory L.L.C., Abu Dhabi	2,695	AED	1000	298.09	298.09
Voltas Water Solutions Private Ltd. (3,86,000 shares subscribed during the year)	3,86,000	₹	10	38.60	Nil
				1527.09	1488.49
Associates:					
Brihat Trading Private Ltd.	3,352	₹	10	0.34	0.34
Terrot GmbH, Germany (10,450 shares purchased during the year)	2,60,900	EURO	1	156.22	147.62
				156.56	147.96
Others :					
UNQUOTED:					
Lakshmi Ring Travellers (Coimbatore) Ltd.	1,20,000	₹	10	3.00	3.00
Agrotech Industries Ltd. (#)	3,67,500	US\$	1	115.42	115.42
Tata International Ltd.	10,000	₹	1000	565.00	565.00
Tata Services Ltd.	448	₹	1000	4.48	4.48
Industrial Estates Private Ltd. (#)	25	₹	1000	0.24	0.24
Tata Industries Ltd.	13,05,720	₹	100	2071.50	2071.50
Tata Projects Ltd.	1,35,000	₹	100	26.25	26.25
Premium Granites Ltd. (#)	4,91,220	₹	10	49.77	49.77
OMC Computers Ltd. (#)	4,04,337	₹	10	44.37	44.37
Rujuvalika Investments Ltd.	1,83,333	₹	10	30.00	30.00
Avco Marine S.a.S, France (#)	1,910	EURO	10	7.97	7.97
				2918.00	2918.00
QUOTED:					
Lakshmi Automatic Loom Works Ltd. (#)	6,15,200	₹	10	110.03	110.03
Tata Chemicals Ltd.	2,00,440	₹	10	93.91	93.91
Lakshmi Machine Works Ltd.	6,00,000	₹	10	600.48	600.48
Reliance Industries Ltd. (#) [Refer footnote 10 (b)]	2,640	₹	10	4.55	4.55
				808.97	808.97
Total Trade Investment Equity				18063.38	18016.18
2. OTHER INVESTMENTS					
UNQUOTED:					
Voltas Employees Consumers Co-operative Society Ltd.	750	₹	10	0.08	0.08
Saraswat Co-operative Bank Ltd.	10	₹	10	**	**
Super Bazar Co-operative Stores Ltd.	500	₹	10	0.05	0.05
Total Other Investments				0.13	0.13
				18063.51	18016.31

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

10. Investments (contd.)

	No.	Currency	Face Value	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
(iii) Investments in Preference Shares					
Fully paid Preference Shares (Trade Investments)					
Subsidiaries:					
UNQUOTED:					
Rohini Industrial Electricals Ltd. (#)	62,00,000	₹	100	6200.00	6200.00
0.01% Cumulative Redeemable Preference Shares					
Others :					
UNQUOTED:					
Lakshmi Automatic Loom Works Ltd.	5,50,000	₹	100	*	*
6% Cumulative Redeemable Preference Shares					
				6200.00	6200.00
(iv) Investments in Government or Trust securities					
UNQUOTED - Government Securities				0.05	0.05
				0.05	0.05
(v) Investments in Debentures or Bonds					
QUOTED:					
11.50% Tata Steel Ltd. Perpetual Bonds (#)	292	₹	1000000	2972.56	2972.56
UNQUOTED:					
Rural Electrification Corporation Ltd. (500 bonds subscribed during the year, pending allotment)	500	₹	10000	50.00	Nil
				3022.56	2972.56
(vi) Investments in Mutual Funds					
UNQUOTED:					
Birla Sun Life Dynamic Bond Fund - Direct Plan - Growth	1,01,31,752	₹	10	2500.00	Nil
Birla Sun Life Saving Fund - Direct Plan - Growth	13,20,367	₹	100	3554.93	Nil
Franklin India Income Builder Account - Plan A - Direct Plan - Growth	50,59,141	₹	10	2500.00	Nil
HDFC Income Fund - Direct Plan - Growth	76,84,623	₹	10	2500.00	Nil
ICICI Prudential Income - Direct Plan - Growth	58,75,586	₹	10	2638.86	Nil
ICICI Prudential Income Opportunities Fund - Direct Plan - Growth	1,27,89,425	₹	10	2500.00	Nil
ICICI Prudential Blended Plan B - Regular Plan - Growth	2,28,95,214	₹	10	4000.00	Nil
IDFC Super Saver Income Fund - Medium Term - Direct Plan - Growth	1,04,36,060	₹	10	2500.00	Nil
IDFC Super Saver Income Fund - Medium Term - Direct Plan - Growth	1,99,60,777	₹	10	4000.00	Nil
Reliance Dynamic Bond Fund - Direct Plan - Growth	13,70,176	₹	10	2521.85	Nil

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

10. Investments (contd.)

	No.	Currency	Face Value	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
Reliance Medium Term Fund - Direct Plan - Growth	85,84,870	₹	10	2500.00	Nil
Tata Dynamic Bond Fund - Direct Plan - Growth	1,12,95,861	₹	10	2500.00	Nil
Tata Short Term Bond Fund - Direct Plan - Growth	1,73,43,390	₹	10	4586.36	Nil
UTI Bond Fund - Direct Plan - Growth	58,43,087	₹	10	2500.00	Nil
UTI Floating Rate Fund - STP - Direct Plan - Growth	87,808	₹	1000	2001.63	Nil
QUOTED:					
Birla Sunlife Interval Income Fund - Annual Plan V - Direct Plan - Growth	1,37,77,014	₹	10	1500.00	Nil
DWS Fixed Maturity Plan Series 57 - Direct Plan - Growth	2,50,00,000	₹	10	2500.00	2500.00
ICICI Prudential FMP Series 73 - 369 Days - Direct Plan - Growth	1,00,00,000	₹	10	1000.00	Nil
Reliance Fixed Horizon Fund XXVI - Series 6 - Direct Plan - Growth	5,00,00,000	₹	10	5000.00	Nil
Sundaram Fixed Term Plan FI 383 Days - Direct Plan - Growth		₹	10	Nil	2500.00
				53303.63	5000.00
Gross Non-current investments				83259.48	34620.95
Less: Provision for diminution in value (#)				7557.69	4751.43
(A) Total Non-current Investments including Investment Properties				75701.79	29869.52
Aggregate amount of quoted investments : Cost				13781.53	8781.53
Aggregate market value of quoted investments				36936.54	27000.53
Aggregate amount of unquoted investments : Cost				66808.22	23407.39

* Cost ₹ 1 (31-3-2014: ₹ 1) ** Cost ₹ 100 (31-3-2014: ₹ 100)

Abbreviations for currencies :

₹ : Indian Rupees AED : United Arab Emirates Dirhams RO : Omani Riyal
 US\$: United States Dollar SR : Saudi Riyal EURO : European Union Currency

Footnotes :

10. (a) Under a loan agreement for ₹ 60 lakhs (fully drawn and outstanding) entered into between Agro Foods Punjab Ltd. (AFPL) and the Punjab State Industrial Development Corporation Ltd. (PSIDC), the Company has given an undertaking to PSIDC that it will not dispose off its shares in AFPL till the monies under the said loan agreement between PSIDC and AFPL remain due and payable by AFPL to PSIDC. During 1998-99, the Company had transferred its beneficial rights in the shares of AFPL.

10. (b) In respect of the Company's investment in 2,640 equity shares of Reliance Industries Ltd., there is an Injunction Order passed by the Court in Kanpur restraining the transfer of these shares. The share certificates are, however, in the possession of the Company. Pending disposal of the case, dividend on these shares has not been recognised.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

10. Investments (contd.)

10 (c) Investment Property

	₹ in Lakhs		
	Freehold Land	Buildings	Total
Gross Block at Cost			
Cost at the beginning of the year	14.19	3003.59	3017.78
	<i>14.19</i>	<i>2926.04</i>	<i>2940.23</i>
Additions	Nil	Nil	Nil
	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Transfers in / (out)	Nil	441.35	441.35
	<i>Nil</i>	<i>77.55</i>	<i>77.55</i>
Cost at the end of the year	14.19	3444.94	3459.13
	<i>14.19</i>	<i>3003.59</i>	<i>3017.78</i>
Depreciation and Amortisation			
Depreciation at the beginning of the year	Nil	585.75	585.75
	<i>Nil</i>	<i>515.16</i>	<i>515.16</i>
Charge for the year	Nil	97.96	97.96
	<i>Nil</i>	<i>55.24</i>	<i>55.24</i>
Transfers in / (out)	Nil	105.69	105.69
	<i>Nil</i>	<i>15.35</i>	<i>15.35</i>
Depreciation at the end of the year	Nil	789.40	789.40
	<i>Nil</i>	<i>585.75</i>	<i>585.75</i>
Net book value at the beginning of the year	14.19	2417.84	2432.03
	<i>14.19</i>	<i>2410.88</i>	<i>2425.07</i>
Net book value at the end of the year	14.19	2655.54	2669.73
	<i>14.19</i>	<i>2417.84</i>	<i>2432.03</i>

Footnote :

All the above assets are under operating lease.
Figures in italics are for the Previous year.

(B) Current Investments (Cost or fair value whichever is less)

Investments in Mutual Funds

UNQUOTED:

	No.	Currency	Face Value	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
Axis Treasury Advantage Fund - Direct Plan - Growth	2,23,983	₹	1000	3500.00	Nil
DWS Ultra Short Term Fund - Direct Plan - Daily Dividend Reinvestment	5,07,05,473	₹	10	5079.62	Nil
Franklin India Ultra Short Bond Fund Super Institutional - Direct Plan - Daily Dividend Reinvestment	4,80,70,974	₹	10	4836.52	Nil
HDFC Banking and PSU Debt Fund - Direct Plan - Dividend	7,42,42,744	₹	10	7531.85	Nil
IDFC Ultra Short Term Fund - Direct Plan - Daily Dividend Reinvestment	3,17,47,067	₹	10	3192.20	Nil
Kotak Treasury Advantage Fund - Direct Plan - Daily Dividend Reinvestment	4,57,80,433	₹	10	4614.58	Nil
L&T Ultra Short Term Fund - Direct Plan - Daily Dividend Reinvestment	3,72,37,236	₹	10	3850.33	Nil
SBI Ultra Short Term Debt Fund - Direct Plan - Daily Dividend Reinvestment	7,06,937	₹	1000	7083.40	Nil
Sundaram Income Plus Fund - Direct Plan - Dividend	1,81,48,163	₹	10	2008.95	Nil
Sundaram Money Fund - Direct Plan - Daily Dividend Reinvestment	2,47,54,431	₹	10	2500.82	Nil

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

10. Investments (contd.)

	No.	Currency	Face Value	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
Axis Liquid Fund - Direct Plan - Daily Dividend Reinvestment	2,52,942	₹	1000	Nil	2529.71
Birla Sun Life Cash Plus - Direct Plan - Daily Dividend Reinvestment	34,96,817	₹	100	Nil	3503.64
Canara Robeco Liquid - Direct Plan - Daily Dividend Reinvestment	1,99,969	₹	1000	Nil	2010.69
DWS Treasury Fund - Investment - Direct Plan - Daily Dividend Reinvestment	2,23,82,793	₹	10	Nil	2287.97
HDFC Floating Rate Income Fund - Short Term - Direct Plan - Daily Dividend Reinvestment	4,66,57,830	₹	10	Nil	4703.53
ICICI Prudential Blended B - Regular Plan - Growth	2,28,95,214	₹	10	Nil	4000.00
IDFC Super Saver Income Fund - Medium Term - Regular Plan - Growth	1,99,60,777	₹	10	Nil	4000.00
JM Money Manager Fund - Super Plus - Direct Plan - Daily Dividend Reinvestment	4,30,13,417	₹	10	Nil	4303.93
JP Morgan India Treasury Fund - Direct Plan - Daily Dividend Reinvestment	4,05,43,405	₹	10	Nil	4063.47
Kotak Floater Long Term - Direct Plan - Daily Dividend Reinvestment	2,27,99,009	₹	10	Nil	2298.09
L&T Liquid Fund - Direct Plan - Daily Dividend Reinvestment	2,96,663	₹	1000	Nil	3002.07
Reliance Money Manager Fund - Direct Plan - Daily Dividend Reinvestment	28,958	₹	1000	Nil	290.19
Franklin India Ultra Short Bond Fund Super Institutional - Direct Plan - Daily Dividend Reinvestment	4,76,65,463	₹	10	Nil	4778.03
QUOTED:					
Sundaram Fixed Term Plan FI 383 Days - Direct Plan - Growth	2,50,00,000	₹	10	2500.00	Nil
Birla Sunlife Interval Income Fund - Annual Plan 5 - Direct Plan - Growth	1,37,77,014	₹	10	Nil	1499.53
ICICI Prudential FMP Series 73 - 369 Days - Direct Plan - Growth	1,00,00,000	₹	10	Nil	1000.00
Kotak FMP Series 152 - Direct Plan - Growth	2,50,00,000	₹	10	Nil	2500.00
Reliance Fixed Horizon Fund - XXVI - Series 6 - Direct Plan - Growth	5,00,00,000	₹	10	Nil	5000.00
Sundaram Fixed Term Plan FJ 365 Days - Direct Plan - Growth	2,50,00,000	₹	10	Nil	2500.00
Tata Fixed Maturity Plan - Series 42 - Scheme F - Plan A - Direct Plan - Growth	5,00,05,445	₹	10	Nil	5000.54
Total current investments				46698.27	59271.39
Aggregate amount of quoted investments : Cost				2500.00	17500.07
Aggregate market value of quoted investments				2500.00	17500.07
Aggregate amount of unquoted investments : Cost				44198.27	41771.32

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

11. Deferred Tax Assets (Net)

	₹ in Lakhs	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
(1) On difference between book balance and tax balance of fixed assets	Nil	3336.44	Nil	3736.77
(2) Voluntary Retirement Scheme	167.33	Nil	249.22	Nil
(3) Unpaid Statutory Liabilities	561.65	Nil	667.91	Nil
(4) Provision for Doubtful Debts and Advances	2532.80	Nil	2582.69	Nil
(5) Provision for Contingencies	761.50	Nil	382.39	Nil
(6) Provision for Employee Benefits	3012.01	Nil	2491.70	Nil
(7) Others	Nil	25.32	Nil	49.73
	7035.29	3361.76	6373.91	3786.50
Net Timing Differences				
Deferred tax assets (Net)	3673.53		2587.41	
Difference	(1086.12)		(141.64)	
Tax effect on Depreciation directly adjusted against opening balance in statement of profit and loss (on transition to Schedule II of the Companies Act, 2013)	281.00		Nil	
Charge / (credit) for the year	(805.12)		(141.64)	

12. Loans and Advances

	₹ in Lakhs			As at 31-3-2014 ₹ in Lakhs		
	Long-term	Short-term	Total	Long-term	Short-term	Total
(a) Capital advances	758.63	Nil	758.63	61.95	Nil	61.95
(b) Security deposits	833.65	1139.11	1972.76	668.73	1190.41	1859.14
(c) Advance with public bodies (Customs, Port Trust, etc.)	23.80	448.18	471.98	65.23	775.08	840.31
(d) Share Application money	2744.05	Nil	2744.05	2677.56	Nil	2677.56
(e) Loans and advances to related parties (Refer footnotes 12(a) and note 39)	2589.78	Nil	2589.78	2589.78	Nil	2589.78
(f) Other loans and advances						
(1) Advance payment of Taxes (Net)	2970.64	Nil	2970.64	5274.39	Nil	5274.39
(2) Loans to Employees	120.47	345.64	466.11	127.05	269.49	396.54
(3) Deposits with Customers / Others	371.07	Nil	371.07	457.12	Nil	457.12
(4) Indirect Taxes recoverable	4265.60	3265.17	7530.77	3879.17	2901.58	6780.75
(5) Advance to Suppliers	164.95	3774.87	3939.82	164.95	5993.96	6158.91
(6) Others (Refer note 39)	340.55	5718.45	6059.00	426.87	6172.94	6599.81
Sub-Total	8233.28	13104.13	21337.41	10329.55	15337.97	25667.52
Gross Loans and advances	15183.19	14691.42	29874.61	16392.80	17303.46	33696.26

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

12. Loan and Advances (contd.)

	₹ in Lakhs			As at 31-3-2014 ₹ in Lakhs		
	Long-term	Short-term	Total	Long-term	Short-term	Total
Less: Provision for bad and doubtful loans and advances						
(a) Share Application money	1201.89	Nil	1201.89	1201.89	Nil	1201.89
(b) Loans and advances to related parties	89.78	Nil	89.78	89.78	Nil	89.78
(c) Other loans and advances / deposits	404.29	Nil	404.29	478.32	Nil	478.32
Total provision for bad and doubtful loans and advances	1695.96	Nil	1695.96	1769.99	Nil	1769.99
Total Loans and advances	13487.23	14691.42	28178.65	14622.81	17303.46	31926.27
Gross Loans and advances						
Secured, considered good	120.47	345.64	466.11	127.05	269.49	396.54
Unsecured, considered good	13366.76	14345.78	27712.54	14495.76	17033.97	31529.73
Doubtful	1695.96	Nil	1695.96	1769.99	Nil	1769.99
	15183.19	14691.42	29874.61	16392.80	17303.46	33696.26

12. (a) Loans and advances in nature of loans given to Subsidiaries and Associates etc., in view of Clause 32 of listing agreements.

Name of the Related Party	Relation	₹ in Lakhs	Maximum balance during the year	
			As at 31-3-2014 ₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
(a) Auto Aircon (India) Ltd. (*)	Subsidiary	84.93	84.93	84.93
(b) Saudi Ensas Company for Engineering Services W.L.L. (*)	Subsidiary	4.85	4.85	5.15
(c) Rohini Industrial Electricals Ltd.	Subsidiary	2500.00	2500.00	5200.00
		2589.78	2589.78	5290.08

* Loans and advances shown in (a) and (b) above to subsidiaries fall under the category of "Loans and Advances" in nature of loans in terms of Clause 32 of the Listing Agreement. There is no repayment schedule and no interest is payable.

13. Other Assets

	₹ in Lakhs			As at 31-3-2014 ₹ in Lakhs		
	Non-current	Current	Total	Non-current	Current	Total
(a) Non-current Trade Receivables (including trade receivables on deferred credit terms)	4826.11	Nil	4826.11	11296.06	Nil	11296.06
Classification of Non-current Trade Receivables						
(1) Unsecured, considered good	4826.11	Nil	4826.11	11192.22	Nil	11192.22
(2) Unsecured, considered doubtful	Nil	Nil	Nil	103.84	Nil	103.84
Gross Non-current Trade Receivables	4826.11	Nil	4826.11	11296.06	Nil	11296.06
Less: Provision for bad and doubtful debts	Nil	Nil	Nil	103.84	Nil	103.84
Net Non-current Trade Receivables	4826.11	Nil	4826.11	11192.22	Nil	11192.22

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

13. Other Assets (contd.)

	₹ in Lakhs			As at 31-3-2014 ₹ in Lakhs		
	Non-current	Current	Total	Non-current	Current	Total
(b) Other Assets						
Unsecured, considered good						
(1) Interest accrued on investments / deposits / loan (Refer footnote 2)	Nil	1478.78	1478.78	Nil	1000.56	1000.56
(2) Contract Revenue in excess of Billing (Refer footnote 1)	Nil	45408.07	45408.07	Nil	54108.89	54108.89
(3) Assets held for sale (valued at the lower of the estimated net realisable value and net book value)	Nil	382.06	382.06	Nil	382.06	382.06
(4) Others (Including restricted fixed deposits with maturity more than 12 months)	2821.41	816.80	3638.21	646.37	4041.86	4688.23
Total Other Assets	2821.41	48085.71	50907.12	646.37	59533.37	60179.74
Less: Provision for bad and doubtful Assets	173.25	Nil	173.25	Nil	Nil	Nil
Net Other Assets	2648.16	48085.71	50733.87	646.37	59533.37	60179.74
Total (a + b)	7474.27	48085.71	55559.98	11838.59	59533.37	71371.96

Footnotes :

- Disclosure under Accounting Standard - 7 on Construction Contracts

Details of contract revenue and costs :

	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
(i) Contract revenue recognised during the year	127451.33	164751.87
(ii) Aggregate amount of costs incurred and net recognised profits (less recognised losses)	334421.02	616503.19
(iii) Advances received for contracts in progress	23011.21	30647.40
(iv) Retention money for contracts in progress	10668.43	16029.55
(v) The gross amount due from customers for contract work	45408.07	54108.89
(vi) The gross amount due to customers for contract work	12440.80	12371.40

2. Interest accrued on loan includes ₹ 1032.70 lakhs (31-3-2014 : ₹ 807.70 lakhs) due from a subsidiary.

14. Inventories

(Valued at lower of Cost and net realisable value)

	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
(a) Raw materials and Components	7293.98	8177.46
(b) Work-in-progress (includes project material at site)	6085.37	13218.83
(c) Finished goods	13961.64	15587.49
(d) Stock-in-trade of goods acquired for trading	41798.70	34520.92
(e) Stores and spares	9.13	27.97
	69148.82	71532.67

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

14. Inventories (contd.)

	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
The above includes goods-in-transit:		
(i) Raw materials and Components	65.01	471.77
(ii) Finished goods	1159.35	1253.55
(iii) Stock-in-trade of goods acquired for trading	5864.73	10539.84
	<u>7089.09</u>	<u>12265.16</u>

15. Trade Receivables

Current Trade Receivables	₹ in Lakhs					
	Others	Outstanding for a period exceeding six months from the date they were due for payment	Total	Others	Outstanding for a period exceeding six months from the date they were due for payment	Total
Classification of Current Trade Receivables						
(1) Secured, considered good	132.05	Nil	132.05	137.48	Nil	137.48
(2) Unsecured, considered good	89128.74	25696.85	114825.59	81542.65	24226.16	105768.81
(3) Unsecured, considered doubtful	Nil	6815.67	6815.67	Nil	6925.46	6925.46
Gross Current Trade Receivables	<u>89260.79</u>	<u>32512.52</u>	<u>121773.31</u>	81680.13	31151.62	112831.75
Less: Provision for bad and doubtful debts	Nil	6815.67	6815.67	Nil	6925.46	6925.46
Net Current Trade Receivables	<u>89260.79</u>	<u>25696.85</u>	<u>114957.64</u>	<u>81680.13</u>	<u>24226.16</u>	<u>105906.29</u>

16. Cash and cash equivalents

	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
(A) Cash and cash equivalents (as per AS 3 Cash Flow Statements)		
(a) Cash in hand	156.18	154.93
(b) Cheques on hand	3603.70	3848.35
(c) Balances with banks		
(1) Current accounts	10667.28	11086.82
(2) Fixed deposits with maturity less than 3 months	0.12	5403.54
Total Cash and cash equivalents (as per AS 3 Cash Flow Statements)	<u>14427.28</u>	<u>20493.64</u>
(B) Other Bank balances		
(a) Balances with banks		
(1) Earmarked Balances	398.54	353.88
(2) To the extent held as margin money	13.39	3.27
Total Other Bank balances	<u>411.93</u>	<u>357.15</u>
Total Cash and cash equivalents (A+B)	<u>14839.21</u>	<u>20850.79</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

17. Revenue from Operations and Other Operating Income

	₹ in Lakhs	Year ended 31-3-2014 ₹ in Lakhs
(a) Sale of products	328348.02	290998.96
(b) Sale of services	59578.66	61335.01
(c) Contract revenue	127451.33	164751.87
(d) Other operating income		
(1) Unclaimed credit balances written back	977.75	573.35
(2) Sale of scrap	399.17	909.91
(3) Others	2310.94	247.57
	<u>519065.87</u>	<u>518816.67</u>

Footnote :

Sale of products comprises of :

(a) Room Airconditioners including condensing units	173412.57	146727.21
(b) Others	154935.45	144271.75
	<u>328348.02</u>	<u>290998.96</u>

18. Other Income

	₹ in Lakhs	Year ended 31-3-2014 ₹ in Lakhs
(a) Dividend Income		
(1) From investment in subsidiaries	4031.33	3035.18
(2) From non-current investments	337.29	258.54
(3) From current investments	3450.53	3020.66
(b) Interest Income [Refer footnote 18(a)]		
(1) On sundry advances, deposits, customers' balances, etc.	262.56	317.54
(2) On bank deposits / bonds	367.03	394.12
(3) On Income-tax refunds	Nil	101.66
(c) Net Gain on sale of investments	984.71	26.41
(d) Net foreign exchange gain	652.77	1771.21
(e) Rent income	3754.75	3531.03
(f) Cash discount from suppliers	492.35	246.10
(g) Other non-operating income (net of expenses directly attributable to such income)	578.12	443.13
	<u>14911.44</u>	<u>13145.58</u>

Footnote :

18(a) Interest income includes interest from Subsidiaries	250.00	304.40
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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)
19. Consumption of Raw Materials, Cost of Jobs and Services

			Year ended 31-3-2014 ₹ in Lakhs
	₹ in Lakhs		₹ in Lakhs
Opening stock	8177.46		8208.43
Add: Purchases and cost of jobs, manufacture and services	161097.33		197139.58
	169274.79		205348.01
Less: Closing stock	7293.98		8177.46
Cost of material consumed	161980.81		197170.55
Material consumed comprises:			
(1) Steel / Ferrous Metals	6540.94		7590.98
(2) Non - Ferrous Metals	4804.69		5331.18
(3) Compressors	10923.54		10953.44
(4) Others (Items individually not exceeding 10% of total)	15977.83		18568.67
Sub-total :	38247.00		42444.27
(5) Cost of jobs and services	123733.81		154726.28
	161980.81		197170.55
	Value	%	Value
	₹ in Lakhs		₹ in Lakhs
Imported	10771.03	28.16	12191.11
Indigenous	27475.97	71.84	30253.16
	38247.00	100.00	42444.27

20. Purchase of Traded Goods

			Year ended 31-3-2014 ₹ in Lakhs
	₹ in Lakhs		₹ in Lakhs
(a) Room Airconditioners including condensing units	144068.76		109645.31
(b) Compressors	33591.07		32864.49
(c) Indoor Units	29017.49		27613.02
(d) Others	19333.97		25138.47
	226011.29		195261.29

21. (Increase) / Decrease in Finished Goods, Work-in-Progress and Stock-in-Trade

			Year ended 31-3-2014 ₹ in Lakhs
	₹ in Lakhs		₹ in Lakhs
Inventories at the end of the year:			
(1) Finished Goods including stock-in-trade	55760.34		50108.41
(2) Work-in-progress	6085.37		13218.83
	61845.71		63327.24
Inventories at the beginning of the year:			
(1) Finished Goods including stock-in-trade	50108.41		49853.34
(2) Work-in-progress	13218.83		25053.48
	63327.24		74906.82
Net (increase) / decrease	1481.53		11579.58

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

22. Employee Benefits Expenses

	₹ in Lakhs	Year ended 31-3-2014 ₹ in Lakhs
(a) Salaries and Wages, including Bonus	41942.97	43877.93
(b) Contribution to Provident and other Funds	1932.98	1122.55
(c) Gratuity expenses (Unfunded)	699.45	733.79
(d) Staff Welfare expenses	2209.97	2642.57
	46785.37	48376.84

23. Finance Costs

	₹ in Lakhs	Year ended 31-3-2014 ₹ in Lakhs
Interest expense on :		
(1) Borrowings	1135.79	1452.75
(2) Delayed / deferred payment of taxes	489.43	145.76
	1625.22	1598.51

24. Depreciation and Amortisation Expenses

	₹ in Lakhs	Year ended 31-3-2014 ₹ in Lakhs
(a) Depreciation on Tangible assets (Refer note 8)	1769.18	1464.21
(b) Amortisation on Intangible assets (Refer note 9)	378.31	376.79
(c) Depreciation on Investment Property [Refer note 10(c)]	97.96	55.24
	2245.45	1896.24

Effective 1st April, 2014, the Company has, realigned the depreciation policy on furniture and fixtures from Written Down Value method to Straight Line Method as well as the useful lives of all fixed assets, as per Schedule II to the Companies Act, 2013. Accordingly, the depreciation charge is higher by ₹ 318.28 lakhs for the year ended 31st March, 2015 (net of ₹ 297.14 lakhs write back of depreciation upto 31st March, 2014 on account of change in method) and an amount of ₹ 545.79 lakhs (net of deferred tax of ₹ 281.00 lakhs) representing the carrying amount of assets with revised useful lives as Nil as at 31st March, 2014 which has been adjusted against the opening balance of reserves as permitted under the Companies Act, 2013.

25. Other Expenses

	₹ in Lakhs	Year ended 31-3-2014 ₹ in Lakhs
(a) Consumption of Stores and Spare parts	361.73	396.48
(b) Power and Fuel	364.18	413.26
(c) Rent	3956.42	4242.78
(d) Repairs to Buildings	76.87	101.63
(e) Repairs to Plant and Machinery	536.06	498.47
(f) Insurance charges	366.85	451.28
(g) Rates and Taxes	143.45	224.31
(h) Travelling and Conveyance	4573.27	4592.50
(i) Payment to Auditors [Refer note 25(a)]	260.43	252.13
(j) Legal and Professional charges	3555.03	2965.02
(k) Bad and Doubtful Debts / Advances	2813.98	1920.30
(l) Loss on Sale of Fixed Assets (Net)	167.60	46.97
(m) Corporate Social Responsibility (CSR)	330.83	Nil
(n) Other expenses		
(1) Forwarding charges (Net)	4377.21	3536.22
(2) Commission other than to Sole Selling Agents, Rebates and Allowances	1433.25	3858.84
(3) Advertising	4482.52	3609.13
(4) Stationery, Postage, Fax and Telephone Expenses	1577.44	1747.06
(5) Donations	Nil	39.75
(6) Provision for Diminution in value of Investments	4.79	5.72
(7) Other General Expenses	20760.63	17473.02
	50142.54	46374.87

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

25(a). Auditors' Remuneration

	₹ in Lakhs	Year ended 31-3-2014 ₹ in Lakhs
(a) To Statutory Auditor for		
(1) Audit Fees	112.00	112.00
(2) Tax Audit Fees	26.00	26.00
(3) Taxation Matters	5.50	11.25
(4) Other Services	104.10	88.98
(5) Reimbursement of Expenses	7.67	9.70
	<u>255.27</u>	<u>247.93</u>
(b) Secretarial Auditor for		
- Audit Fees	1.00	Nil
(c) To Cost Auditor for Cost Audit	4.16	4.20
	<u>260.43</u>	<u>252.13</u>

Service Tax which is being claimed for set off as input credit has not been included in the expenditure above.

26. Exceptional Items

	₹ in Lakhs	Year ended 31-3-2014 ₹ in Lakhs
A. Exceptional Income		
(1) Assignment of Long-term Maintenance Contracts	Nil	1679.36
(2) Profit on Sale of Property	23586.33	Nil
Sub-total : Exceptional Income	<u>23586.33</u>	<u>1679.36</u>
Less :		
B. Exceptional Expenses		
(1) Provision for Diminution in value of Investments of Subsidiary	2801.00	2012.00
(2) Cost of Voluntary Retirement Scheme / Early Separation Scheme	Nil	8.00
(3) Onerous Contract [Refer footnote 26(a)]	18967.00	Nil
Sub-total : Exceptional Expenses	<u>21768.00</u>	<u>2020.00</u>
Exceptional Items (Net)	<u>1818.33</u>	<u>(340.64)</u>

Footnote :

26(a) In the previous years, due to significant upward revision in estimated costs of the Sidra Medical and Research Centre project in Qatar, the Company accounted for cost overruns in accordance with the requirement of Accounting Standard (AS) 7. In July-2014, the Main Contractor was terminated by the end customer (Qatar Foundation) and a new main contractor was appointed. Although Qatar Foundation had earlier asked for the assignment of contracts of select subcontractors of the Main Contractor, no understanding could be reached. In view of the uncertainties attached to the sub-contract, the Company has, as a matter of prudence, charged off ₹ 18967 lakhs to the Statement of Profit and Loss after evaluation of underlying assets and liabilities, and contingencies related thereto. Nevertheless, the Company continues to pursue its entitlements and has sought legal advice for the way forward.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

27. (a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 3157.84 lakhs (31-3-2014: ₹ 2132.26 lakhs), [Tangible assets : ₹ 3125.94 lakhs (31-3-2014: ₹ 1975.16 lakhs) and Intangible assets of ₹ 31.90 lakhs (31-3-2014: ₹ 157.10 lakhs)]. Advance paid against such contracts: ₹ 752.83 lakhs (31-3-2014: ₹ 61.95 lakhs).
- (b) On account of Other Commitments :
- (i) Foreign currency exposures (Refer note 30)
- (ii) Minimum future lease rental payable (Refer note 31)

28. Contingent liabilities not provided for

- (a) Guarantees on behalf of other companies :

Limits ₹ 23782.26 lakhs (31-3-2014 : ₹ 26989.72 lakhs) against which amount outstanding was ₹ 19648.87 lakhs (31-3-2014 : ₹ 16589.98 lakhs).

Security against availing banking facilities (Fund and Non Fund based) :

NAME OF THE COMPANY	₹ in Lakhs	
	Limit sanctioned	Limit utilised
Weathermaker Ltd.	1194.90	92.61
Universal Weathermaker Factory L.L.C.	1087.36	81.49
Rohini Industrial Electricals Ltd.	21500.00	19474.77
	23782.26	19648.87

- (b) Claims against the Company not acknowledged as debts :

In respect of various matters aggregating ₹ 19422.37 lakhs (31-3-2014 : ₹ 21470.41 lakhs), net of tax ₹ 12700.29 lakhs (31-3-2014 : ₹ 14172.62 lakhs) against which a provision has been made for contingencies ₹ 2200.23 lakhs (31-3-2014 : ₹ 1125.00 lakhs). In respect of a contingent liability of ₹ 1963.37 lakhs (31-3-2014 : ₹ 1889.93 lakhs), the Company has a right to recover from third party.

	₹ in Lakhs	2013-14 ₹ in Lakhs
Taxes, Cess and Duties (other than income tax)	16613.91	18110.49
Contractual matters in the course of business	2512.95	2756.95
Ex-employees matters	Nil	248.63
Others	295.51	354.34
	19422.37	21470.41

- (c) Contractual matters under arbitration : Amount indeterminate.

- (d) Income tax demands :

In respect of matters decided in Company's favour by appellate authorities where the department is in further appeal ₹ 2752.43 lakhs (31-3-2014 : ₹ 1568.42 lakhs).

In respect of matters decided against the Company and where Company has appealed ₹ Nil (31-3-2014 : ₹ 1564.04 lakhs).

- (e) In respect of cases / matters decided in favour of Company and where the cases are referred back to the competent authorities for reassessment of liability : Amount indeterminate.
- (f) Staff demands under adjudication : Amount indeterminate.
- (g) Liquidated damages, except to the extent provided, for delay in delivery of goods / execution of projects : Amount indeterminate.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

29. In respect of guarantees aggregating ₹ 127918.40 lakhs (31-3-2014 : ₹ 141156.74 lakhs) issued by Banks at the request of the Company in favour of third parties, the Company has given security by way of hypothecation of a part of tangible movable assets, trade receivables and inventories.

30. Derivative Instruments

The Company has entered into the following derivative instruments :

(a) Forward Exchange Contracts (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

The following are the outstanding Forward Exchange Contracts entered into by the Company :

Currency	₹ in Lakhs	Sell / Buy	Cross Currency
US Dollar	Nil <i>80.00</i>	Nil <i>Buy</i>	Nil <i>Rupees</i>

Figures in italics are for the Previous year.

The difference between the forward contract rate and the exchange rate on the date of transaction to be charged / (credited) to the Statement of Profit and Loss is ₹ Nil (2013-14 : ₹ Nil).

(b) The year end foreign currency exposures (estimated in US \$) that have not been hedged by a derivative instrument or otherwise are given below :

(i) Amounts receivable in foreign currency on account of the following :

	₹ in Lakhs	US \$ in Lakhs
Export of goods and services	4463.05 <i>4526.64</i>	71.25 <i>75.54</i>
Overseas Operations	83595.12 <i>94423.19</i>	1338.03 <i>1587.91</i>

(ii) Amounts payable in foreign currency on account of the following :

	₹ in Lakhs	US \$ in Lakhs
Import of goods and services	14961.08 <i>2390.73</i>	238.84 <i>39.90</i>
Overseas Operations	72115.67 <i>90729.68</i>	1153.34 <i>1522.32</i>

Figures in italics are for the Previous year.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

31. Assets under Operating Leases

(a) The Company has taken on operating lease certain assets. The total lease rent paid on the same amounts to ₹ 3725.44 lakhs (2013-14 : ₹ 4119.33 lakhs).

(b) The minimum future lease rentals payable in respect of non-cancellable leases are as under :

	₹ in Lakhs	2013-14 ₹ in Lakhs
Not later than one year	516.81	442.78
Later than one year but not later than five years	920.76	255.27
Later than five years	105.00	154.65

(c) The Company has given on operating lease certain assets. The total lease rent received on the same amounts to ₹ 3532.66 lakhs (2013-14 : ₹ 3197.19 lakhs) and is included under Other Income.

(d) The minimum future lease rentals receivable in respect of non-cancellable leases are as under :

	₹ in Lakhs	2013-14 ₹ in Lakhs
Not later than one year	3165.90	2598.23
Later than one year but not later than five years	4318.31	4600.94
Later than five years	Nil	Nil

(e) The Original Cost, Depreciation for the year and Written Down Value for the assets in (c) above are ₹ 3459.13 lakhs, ₹ 97.96 lakhs and ₹ 2669.73 lakhs (2013-14 : ₹ 3017.78 lakhs, ₹ 55.24 lakhs and ₹ 2432.03 lakhs), respectively.

32. Earnings per share

Earnings per Share has been computed as under :

	₹ in Lakhs	2013-14
(1) Profit after tax for the year (₹ in Lakhs)	32923.48	18148.27
(2) Weighted average number of Equity Shares Outstanding	33,08,84,740	33,08,84,740
(3) Earnings Per Share (₹) Basic and Diluted (Face value ₹ 1 per share)	9.95	5.48

33. Remittance in foreign currencies for dividends

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by / on behalf of non-resident shareholders. The particulars of dividends paid to non-resident shareholders are as under :

	₹	2013-14
(i) Number of non-resident shareholders	2,039	2,720
(ii) Number of Equity shares held by them	25,40,997	35,03,315
(iii) Gross amount of dividend (₹)	4700844	5604984
(iv) Year ended to which the dividend related	March-2014	March-2013

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)**34. Earnings in foreign exchange received in India**

	₹ in Lakhs	2013-14 ₹ in Lakhs
(a) F.O.B. Value of exports (including amounts invoiced against work-in-progress)	2879.35	2732.24
(b) Service Commission (On Cash basis)	1161.06	1925.93
(c) Other Income	5350.98	2241.54
(d) Foreign Projects Profit (on accrual basis) at Branch Level	Nil	859.41
(e) Dividend	1267.13	3035.18
(f) Assignment of Long-term Maintenance Contracts	Nil	1679.36

35. Expenditure (subject to deduction of tax wherever applicable) in foreign currency from India

	₹ in Lakhs	2013-14 ₹ in Lakhs
(a) Royalty	52.78	63.00
(b) Other matters	546.23	119.30

36. Value of Imports on C.I.F. basis

	₹ in Lakhs	2013-14 ₹ in Lakhs
(a) Raw Materials	1586.49	1317.73
(b) Finished Goods	56794.38	61109.37
(c) Components and Spares	15368.19	13545.28
(d) Capital Goods	1.46	51.86

37. Employee benefits expenses

- (a) The Company makes contribution towards provident funds, defined benefit retirement plans, and towards superannuation fund. These funds are administered by the trustees appointed by the Company. Under the schemes, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefits.
- (b) The Company makes annual contributions to Gratuity Funds, which are funded defined benefit plans for qualifying employees. The schemes provide for lumpsum payment to vested employees at retirement, death while in employment, or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of 5 years of service.

The Company is also providing post retirement medical benefits to qualifying employees.

The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out as at 31st March, 2015. The present value of the defined benefit obligation and the related current service cost and past service cost, are measured using the projected unit credit method.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

The following tables set out the position of and the amounts recognised in the Company's financial statements as at 31st March, 2015 for Defined Benefit / Contribution Plans :

Defined Benefit Plans - As per Actuarial Valuation

	Gratuity Unfunded	Gratuity Funded	Post Employment Medical Benefits	Pension Plan
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
I. Expense recognised in the Statement of Profit and Loss				
1. Current Service Cost	807.06 1062.96	299.33 299.33	38.21 39.70	864.75 —
2. Interest Cost	145.33 168.59	408.41 381.50	76.89 69.07	143.10 125.71
3. Expected return on plan assets	— —	(424.40) (391.40)	— —	— —
4. Actuarial (Gains) / Losses	(252.94) (497.77)	434.48 (347.07)	77.56 (88.00)	240.50 34.56
5. Total expense	699.45 733.78	717.82 (57.64)	192.66 20.77	1248.35 160.27
II. Net Liability recognised in the Balance Sheet				
1. Present value of Defined Benefit Obligation	2883.04 2727.86	5276.88 4415.22	975.00 831.31	2647.58 1547.11
2. Fair value of plan assets	— —	(5282.68) (4588.12)	— —	— —
3. Net (asset) / liability	2883.04 2727.86	(5.80) (172.90)	975.00 831.31	2647.58 1547.11
III. Change in Obligation during the year				
1. Present value of Defined Benefit Obligation at the beginning of the year	2727.86 2975.43	4415.22 4624.24	831.31 837.16	1547.11 1523.79
2. Current Service Cost	807.06 1062.96	299.33 299.33	38.21 39.70	864.75 —
3. Interest Cost	145.33 168.59	408.41 381.50	76.89 69.07	143.10 125.71
4. Actuarial (Gains) / Losses	(252.94) (497.77)	639.02 (415.40)	77.56 (88.00)	240.50 34.56
5. Benefits Payments	(654.71) (1310.64)	(485.09) (474.45)	(48.97) (26.62)	(147.88) (136.95)
6. Difference in exchange	110.44 329.29	— —	— —	— —
7. Present value of Defined Benefit Obligation at the end of the year	2883.04 2727.86	5276.89 4415.22	975.00 831.31	2647.58 1547.11

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

	Gratuity Unfunded	Gratuity Funded	Post Employment Medical Benefits	Pension Plan
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
IV. Change in Assets during the year				
1. Plan assets at the beginning of the year	—	4588.12	—	—
	<i>—</i>	<i>4744.25</i>	<i>—</i>	<i>—</i>
2. Expected return on plan assets	—	424.40	—	—
	<i>—</i>	<i>391.40</i>	<i>—</i>	<i>—</i>
3. Contributions by employers	—	550.72	48.97	147.88
	<i>—</i>	<i>(4.75)</i>	<i>26.62</i>	<i>136.95</i>
4. Actual benefits paid	—	(485.09)	(48.97)	(147.88)
	<i>—</i>	<i>(474.45)</i>	<i>(26.62)</i>	<i>(136.95)</i>
5. Actuarial Gains / (Losses)	—	204.53	—	—
	<i>—</i>	<i>(68.33)</i>	<i>—</i>	<i>—</i>
6. Plan assets at the end of the year	—	5282.68	—	—
	<i>—</i>	<i>4588.12</i>	<i>—</i>	<i>—</i>
7. Actual return on plan assets (2+5)	—	628.93	—	—
	<i>—</i>	<i>323.07</i>	<i>—</i>	<i>—</i>
V. Amount Recognised in the Balance Sheet				
1. Opening Liability	2727.86	(172.90)	831.31	1547.11
	<i>2975.43</i>	<i>(120.01)</i>	<i>837.16</i>	<i>1523.79</i>
2. Expenses as above (I)	699.45	717.82	192.66	1248.35
	<i>733.78</i>	<i>(57.64)</i>	<i>20.77</i>	<i>160.27</i>
3. Employers Contribution	(654.71)	(550.72)	(48.97)	(147.88)
	<i>(1310.64)</i>	<i>4.75</i>	<i>(26.62)</i>	<i>(136.95)</i>
4. Difference in exchange	110.44	—	—	—
	<i>329.29</i>	<i>—</i>	<i>—</i>	<i>—</i>
5. Closing Net Liability	2883.04	(5.80)	975.00	2647.58
	<i>2727.86</i>	<i>(172.90)</i>	<i>831.31</i>	<i>1547.11</i>
VI. Actuarial Assumptions				
1. Mortality Table (Indian Assured Lives Mortality)	2006-08	2006-08	2006-08	2006-08
	<i>2006-08</i>	<i>2006-08</i> (Ultimate)	<i>2006-08</i>	<i>2006-08</i>
2. Discount Rate	5.25%	8.00%	8.00%	8.00%
	<i>5.25%</i>	<i>9.25%</i>	<i>9.25%</i>	<i>9.25%</i>
3. Increase in Salary / Health Care Cost / Pension	5.00%	8.00%	5.00%	8.00%
	<i>5.00%</i>	<i>8.00%</i>	<i>5.00%</i>	<i>8.00%</i>
4. Rate of Return on Plan Assets	—	8.00%	—	—
	<i>—</i>	<i>9.25%</i>	<i>—</i>	<i>—</i>

Figures in italics under I to VI are for the Previous year.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

VII. Categories of plan assets as a percentage of the fair value of total plan assets	31-3-2014	
	Gratuity %	Gratuity %
1. Government of India Securities	20.00	22.00
2. Corporate Bonds	62.00	70.00
3. Special Deposit Scheme	2.00	3.00
4. Others	16.00	5.00
	100.00	100.00

VIII. Effect of Change in Assumed Health Care Cost Trend Rate	2013-14			
	₹ in Lakhs One percentage point increase	₹ in Lakhs One percentage point decrease	₹ in Lakhs One percentage point increase	₹ in Lakhs One percentage point decrease
1. Effect on the aggregate of the service cost and interest cost	128.43	122.88	117.66	112.54
2. Effect on defined benefit obligation	997.47	952.53	850.46	812.15
(a) The Actuarial calculations used to estimate defined benefit commitments and expenses are based on the above assumptions which if changed would affect the defined benefit commitment's size, the funding requirement and expenses.				
(b) The estimates of future salary increases, considered in the Actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.				
(c) The disclosure of Present value of defined obligation, fair value of assets, surplus/deficit of assets and experience adjustments of current year and preceding four years are as under:				

	₹ in Lakhs	2013-14 ₹ in Lakhs	2012-13 ₹ in Lakhs	2011-12 ₹ in Lakhs	2010-11 ₹ in Lakhs
Present value of defined benefit obligation	11782.50	9521.48	9960.62	9473.11	8993.70
Fair value of Plan Assets	5282.68	4588.12	4744.25	4507.86	4586.99
(Surplus) or Deficit of the Plan	6499.82	4933.36	5216.37	4965.25	4406.71
Experience Adjustments					
- On Plan Assets	204.54	(68.33)	8.58	15.46	62.92
- On Plan Liabilities	(96.40)	(563.62)	(305.57)	(217.78)	69.78
	108.14	(631.95)	(296.99)	(202.32)	132.70

- (d) The details of the Company's Defined Benefit Plans for its employees given above are certified by the actuary and relied upon by the auditors.
- (e) Expected contribution to Defined Benefits Schemes for the next year is ₹ 700.00 lakhs (2013-14 : ₹ 600.00 lakhs).
- (f) The Company has recognised the following amounts in the Statement of Profit and Loss under the head Company's Contribution to Provident and Other Funds :

	₹ in Lakhs	2013-14 ₹ in Lakhs
Provident Fund	828.86	805.35
Superannuation Fund	179.93	169.71
	1008.79	975.06

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)
38. Segmental Reporting

Segment information has been presented in the Consolidated Financial Statements as permitted by Accounting Standard (AS-17) on Segment Reporting, specified under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014.

39. Related Party Disclosures
(a) List of Related Parties and Relationships

Party	Relation
A. Auto Aircon (India) Ltd. Voltas Netherlands B.V. Lalbuksh Voltas Engineering Services & Trading L.L.C. Weathermaker Ltd. Saudi Ensas Company for Engineering Services W.L.L. Rohini Industrial Electricals Ltd. Universal Comfort Products Ltd. Voltas Oman L.L.C. Agro Foods Punjab Ltd. (Under liquidation) Westerwork Engineers Ltd. (Under liquidation)	Subsidiaries
B. Brihat Trading Private Ltd. Terrot GmbH (w.e.f. 13-5-2014)	Associates
C. Universal Voltas L.L.C. Naba Diganta Water Management Ltd. Olayan Voltas Contracting Company Ltd. Universal Weathermaker Factory L.L.C. Voltas Qatar W.L.L. Voltas Water Solutions Private Ltd. (w.e.f. 26-7-2014) AVCO Marine S.a.S. (Under liquidation) Agrotech Industries Ltd. (Under closure)	Joint Ventures
D. Tata Sons Ltd.	Promoter holding together with its subsidiary more than 20%
E. Mr. Sanjay Johri - Managing Director	Key Management Personnel

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

39. (b) Related Party Transactions

₹ in Lakhs

Transactions		Subsidiaries	Associates and Joint Ventures	Key Management Personnel	Promoter	Total
Purchase of Goods	[Refer 39 (c) (1)]	100416.86	122.19	—	—	100539.05
		85396.64	684.38	—	—	86081.02
Sale of Products	[Refer 39 (c) (2)]	59106.13	87.63	—	—	59193.76
		55939.92	157.19	—	10.39	56107.50
Service Income	[Refer 39 (c) (3)]	201.40	196.88	—	59.37	457.66
		108.81	1190.87	0.05	57.73	1357.46
Interest Income	[Refer 39 (c) (4)]	250.00	—	—	—	250.00
		304.40	—	—	—	304.40
Rental Income	[Refer 39 (c) (5)]	38.05	—	—	—	38.05
		89.97	—	—	1.57	91.54
Dividend Income	[Refer 39 (c) (6)]	4031.33	—	—	—	4031.33
		3035.18	—	—	—	3035.18
Commission Received	[Refer 39 (c) (7)]	1455.22	83.28	—	—	1538.50
		800.06	—	—	—	800.06
Other Operating Income	[Refer 39 (c) (8)]	—	169.46	—	—	169.46
		—	—	—	—	—
Provision for Debts and Advances	[Refer 39 (c) (9)]	—	—	—	—	—
		0.25	—	—	—	0.25
Remuneration Paid / Payable	[Refer 39 (c) (10)]	—	—	304.86	—	304.86
		—	—	233.42	—	233.42
Dividend Paid	[Refer 39 (c) (11)]	—	—	—	1630.44	1630.44
		—	—	—	1410.11	1410.11
Consulting charges paid	[Refer 39 (c) (12)]	—	—	—	9.16	9.16
		—	—	—	5.29	5.29
Tata Brand Equity	[Refer 39 (c) (13)]	—	—	—	673.00	673.00
		—	—	—	758.26	758.26
Other Expenses - Received/Receivable	[Refer 39 (c) (14)]	1210.21	3587.80	—	—	4798.01
		106.61	2061.61	—	—	2168.22
Other Expenses - Paid/Payable	[Refer 39 (c) (15)]	14.99	734.76	—	35.83	785.58
		14.67	137.98	—	51.66	204.31
Purchase of Fixed Assets	[Refer 39 (c) (16)]	0.83	—	—	—	0.83
		—	—	—	—	—
Investments	[Refer 39 (c) (17)]	—	38.60	—	—	38.60
		3700.00	—	—	—	3700.00
Advances given	[Refer 39 (c) (18)]	1246.94	—	—	—	1246.94
		303.74	—	—	—	303.74

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

39. (b) Related Party Transactions (contd.)

		₹ in Lakhs				
Transactions		Subsidiaries	Associates and Joint Ventures	Key Management Personnel	Promoter	Total
Intercorporate Deposits Placed	[Refer 39 (c) (19)]	—	—	—	—	—
		<i>2650.00</i>	—	—	—	<i>2650.00</i>
Refund of Intercorporate Deposits Placed	[Refer 39 (c) (20)]	—	—	—	—	—
		<i>3700.00</i>	—	—	—	<i>3700.00</i>
Provision for Debts and Advances Due at year end	[Refer 39 (c) (21)]	1286.83	—	—	—	1286.83
		<i>1286.83</i>	—	—	—	<i>1286.83</i>
Advance Outstanding at year end	[Refer 39 (c) (22)]	112.27	1149.70	—	—	1261.97
		<i>109.43</i>	<i>1400.47</i>	—	—	<i>1509.90</i>
Advance Share Application Money at year end	[Refer 39 (c) (23)]	2744.05	—	—	—	2744.05
		<i>2677.56</i>	—	—	—	<i>2677.56</i>
Debit Balance Outstanding at year end	[Refer 39 (c) (24)]	1620.14	440.85	—	—	2060.99
		<i>841.94</i>	<i>1331.73</i>	—	—	<i>2173.67</i>
Credit Balance Outstanding at year end	[Refer 39 (c) (25)]	18716.76	122.37	—	671.11	19510.25
		<i>7331.15</i>	<i>153.45</i>	—	<i>763.33</i>	<i>8247.93</i>
Intercorporate Deposits at year end	[Refer 39 (c) (26)]	2500.00	—	—	—	2500.00
		<i>2500.00</i>	—	—	—	<i>2500.00</i>

Figures in italics are for the Previous year.

39. (c) Details of material (more than 10% of the total related party transactions of the same type) transactions with Related Party

		₹ in Lakhs	
Name of Party	Transaction Value	Transaction Value	Transaction Value
			2013-14
1. Purchase of Goods			
Universal Comfort Products Ltd.	97820.92		82114.96
2. Sale of Products			
Universal Comfort Products Ltd.	59106.07		55925.30
3. Service Income			
Universal Voltas L.L.C.	—		738.77
Voltas Qatar W.L.L.	104.87		354.08
Voltas Oman L.L.C.	201.40		—
Universal Weathermaker Factory L.L.C.	51.47		—
Tata Sons Ltd.	59.37		—
4. Interest Income			
Rohini Industrial Electricals Ltd.	250.00		304.40

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

39. (c) Details of material (more than 10% of the total related party transactions of the same type) transactions with Related Party (contd.)

		₹ in Lakhs	
	Name of Party	Transaction Value	Transaction Value 2013-14
5.	Rental Income		
	Rohini Industrial Electricals Ltd.	33.95	89.97
	Universal Comfort Products Ltd.	4.10	—
6.	Dividend Income		
	Weathermaker Ltd.	—	618.38
	Voltas Netherlands B.V.	1195.92	2416.80
	Universal Comfort Products Ltd.	2764.20	—
7.	Commission Received		
	Universal Comfort Products Ltd.	1455.22	800.06
8.	Other Operating Income		
	Universal Voltas L.L.C.	169.46	—
9.	Provision for Debts and Advances		
	Auto Aircon (India) Ltd.	—	0.25
10.	Remuneration Paid / Payable		
	Mr. Sanjay Johri	304.86	233.42
11.	Dividend Paid		
	Tata Sons Ltd.	1630.44	1410.11
12.	Consulting Charges paid		
	Tata Sons Ltd.	9.16	5.29
13.	Tata Brand Equity		
	Tata Sons Ltd.	673.00	758.26
14.	Other Expenses -Received / Receivable		
	Rohini Industrial Electricals Ltd.	1018.51	—
	Voltas Qatar W.L.L.	3492.11	1920.75
15.	Other Expenses - Paid / Payable		
	Tata Sons Ltd.	—	50.94
	Voltas Qatar W.L.L.	734.76	122.88
16.	Purchase of Fixed Assets		
	Universal Comfort Products Ltd.	0.83	—
17.	Investments		
	Rohini Industrial Electricals Ltd.	—	3700.00
	Voltas Water Solutions Private Ltd.	38.60	—

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

39. (c) Details of material (more than 10% of the total related party transactions of the same type) transactions with Related Party (contd.)

		₹ in Lakhs	
	Name of Party	Transaction Value	Transaction Value 2013-14
18.	Advances given		
	Rohini Industrial Electricals Ltd.	1246.94	303.49
19.	Intercorporate Deposits Placed		
	Rohini Industrial Electricals Ltd.	—	2650.00
20.	Refund of Intercorporate Deposits Placed		
	Rohini Industrial Electricals Ltd.	—	3700.00
21.	Provision for Debts and Advances Due at year end		
	Saudi Ensas Company for Engineering Services W.L.L.	1201.89	1201.89
22.	Advance Outstanding at year end		
	Voltas Qatar W.L.L.	760.59	1275.99
	Universal Voltas L.L.C.	289.57	—
23.	Advance Share Application Money at year end		
	Saudi Ensas Company for Engineering Services W.L.L.	2744.05	2677.56
24.	Debit Balance Outstanding at year end		
	Naba Diganta Water Management Ltd.	—	264.70
	Rohini Industrial Electricals Ltd.	1508.37	735.05
	Universal Voltas L.L.C.	—	729.81
	Voltas Qatar W.L.L.	251.42	306.82
25.	Credit Balance Outstanding at year end		
	Universal Comfort Products Ltd.	18134.06	7024.18
26.	Intercorporate Deposits at year end		
	Rohini Industrial Electricals Ltd.	2500.00	2500.00

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

40. In compliance with the Accounting Standard 27- 'Financial Reporting of interest in joint Ventures' (AS 27), the Company has interests in the following jointly controlled entities and operations:

₹ in Lakhs

Name of the Joint Venture/ Operations	Country of Incorporation	% of Holding	Assets	Liabilities	Contingent Liabilities	Capital Commitment	Income	Expenses
*Universal Weathermaker Factory L.L.C.	United Arab Emirates	49.00	881.44	352.79	Nil	Nil	840.22	900.12
			<i>1198.35</i>	<i>619.93</i>	<i>59.61</i>	<i>Nil</i>	<i>1415.06</i>	<i>1389.72</i>
*Universal Voltas L.L.C.	United Arab Emirates	49.00	9700.83	4072.06	3834.97	8331.68	13497.10	11617.58
			<i>11277.56</i>	<i>7730.68</i>	<i>4638.77</i>	<i>7835.88</i>	<i>15045.38</i>	<i>12743.18</i>
*Olayan Voltas Contracting Company Limited	Kingdom of Saudi Arabia	50.00	3727.46	1552.47	Nil	Nil	3419.93	3613.09
			<i>3308.82</i>	<i>1003.71</i>	<i>Nil</i>	<i>Nil</i>	<i>8485.27</i>	<i>7738.87</i>
VAFE Joint Venture (Under Voltas Qatar W.L.L.)	Qatar	100.00	5834.07	5834.07	5665.18	Nil	1433.70	1422.41
			<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Voltas Qatar W.L.L.	Qatar	75.00	11228.92	10246.74	7209.66	Nil	4193.30	3964.67
			<i>11709.30</i>	<i>10878.56</i>	<i>8458.92</i>	<i>Nil</i>	<i>12935.70</i>	<i>12051.22</i>
NDIA Package 19 Project	Qatar	77.08	3391.28	573.82	Nil	Nil	1765.01	190.23
			<i>1834.65</i>	<i>591.98</i>	<i>Nil</i>	<i>Nil</i>	<i>741.71</i>	<i>610.82</i>
Sidra Medical & Research Centre Project	Qatar	51.08	2931.12	12229.47	Nil	Nil	6663.39	25168.40
			<i>13473.28</i>	<i>23511.62</i>	<i>Nil</i>	<i>Nil</i>	<i>14008.01</i>	<i>15279.67</i>
ETA-Voltas-Hitachi Plant	United Arab Emirates	37.50	15202.12	12357.46	Nil	Nil	138.26	132.75
			<i>14413.80</i>	<i>11697.74</i>	<i>Nil</i>	<i>Nil</i>	<i>(62.82)</i>	<i>(56.99)</i>
Naba Diganta Water Management Limited	India	26.00	1248.83	551.72	251.15	Nil	207.88	170.60
			<i>1353.49</i>	<i>593.02</i>	<i>Nil</i>	<i>6.85</i>	<i>167.18</i>	<i>164.24</i>
Voltas Water Solutions Private Ltd. (Incorporated on 1st July, 2014)	India	50.00	29.87	14.32	Nil	Nil	Nil	23.04
			<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>

* As the accounting year of these companies end on 31st December, 2014, the figures are as of that date.

Figures in italics are for the Previous year.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)
41. Research and development expenditure

	₹ in Lakhs	2013-14 ₹ in Lakhs	2012-13 ₹ in Lakhs
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centers (eligible for weighted deduction)			
(1) Revenue	245.14	235.36	273.27
UPBG	84.20	60.49	82.98
EM&RBG	160.94	174.87	190.29
(2) Capital Expenditure	1.71	2.93	389.06
UPBG	0.59	2.88	386.18
EM&RBG	1.12	0.05	2.88
Other R&D Expenditure			
(1) Revenue	119.17	113.05	42.63
UPBG	89.27	52.44	19.67
EM&RBG	29.90	60.60	22.96
(2) Capital Expenditure	9.94	17.64	Nil
UPBG	Nil	Nil	Nil
EM&RBG	9.94	17.64	Nil
Total R&D Expenditure			
(1) Revenue	364.30	348.41	315.89
UPBG	173.47	112.94	102.65
EM&RBG	190.83	235.47	213.24
(2) Capital Expenditure	11.65	20.58	389.06
UPBG	0.59	2.88	386.18
EM&RBG	11.06	17.70	2.88

The approval is effective 1st April, 2012. The eligible R&D revenue expenditure is ₹ 245.14 lakhs, ₹ 235.36 lakhs and ₹ 273.27 lakhs for the year ended 31st March, 2015, 31st March, 2014 and 31st March, 2013 respectively. The eligible R&D capital expenditure are ₹ 1.71 lakhs, ₹ 2.93 lakhs and ₹ 389.06 lakhs for the year ended 31st March, 2015, 31st March, 2014 and 31st March, 2013 respectively.

42. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.

For and on behalf of the Board

*Chairman
Managing Director
Directors*

**Ishaat Hussain
Sanjay Johri
N. N. Tata
Nani Javeri
R. N. Mukhija
Vinayak Deshpande
Bahram N. Vakil
Anjali Bansal**

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

President - Corporate Affairs & CFO

Anil George

B. P. Shroff
Partner

*Vice President- Taxation, Legal &
Company Secretary*

V. P. Malhotra

Mumbai, 21st May, 2015

Mumbai, 21st May, 2015

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Voltas Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **VOLTAS LIMITED** (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and jointly controlled entities, which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (the "consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (the "Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Boards of Directors of the companies included in the Group and of its associate and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 Rules made thereunder.

We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the 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 consolidated state of affairs of the Group, its associate and jointly controlled entities as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

- (a) We did not audit the financial statements of six subsidiaries and four jointly controlled entities, whose financial statements reflect total assets of ₹ 47017.86 lakhs as at 31st March, 2015, total revenues of ₹ 41096.76 lakhs and net cash flows amounting to ₹ 2740.78 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and

jointly controlled entities, is based solely on the reports of the other auditors.

- (b) The consolidated financial statements also include the Group's share of net profit of ₹ 163.32 lakhs for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's reports of the Holding company, subsidiary companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that :
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate company and jointly controlled companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.

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

- (i) The consolidated financial statements disclose the impact of pending litigations on consolidated financial position of the Group, its associate and jointly controlled entities – Refer Note 27(b), 27(c), 27(d) and 27(e) to the consolidated financial statements.
- (ii) The Group, its associate and jointly controlled entities have made provision, as required under applicable law or accounting standards for the material foreseeable losses, if any, for long-term contracts including derivative contracts - Refer Note 1(iii)(c) to the consolidated financial statements.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and jointly controlled companies incorporated in India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mumbai,
21st May, 2015

B. P. Shroff
Partner
Membership No. 34382

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Our reporting on the Order includes one subsidiary company incorporated in India, to which the Order is applicable, which has been audited by other auditors. Our report in respect of this entity is based solely on the report of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

- (i) In respect of the fixed assets of the Holding Company, subsidiary companies, and jointly controlled companies incorporated in India :
- (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a regular programme of verification which, in our opinion and the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us and to the other auditor, no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company, subsidiary companies and jointly controlled companies incorporated in India :
- (a) As explained to us and to the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
 - (b) In our opinion and the opinion of the other auditors, and according to the information and explanations given to us and to the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
 - (c) In our opinion and the opinion of the other auditors, and according to the information and explanations given to us and to the other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iii) The Holding Company, subsidiary companies and jointly controlled companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities.
- (iv) In our opinion and the opinion of the other auditors, and according to the information and explanations given to us and to the other auditors, there is an adequate internal control system in the Holding Company, subsidiary companies and jointly controlled companies incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services, and during the course of our and the other auditors audit no continuing failure to correct major weaknesses in such internal control system has been observed.
- (v) According to the information and explanations given to us, the Holding Company, subsidiary companies and jointly controlled companies incorporated in India have not accepted any deposit during the year. There were no unclaimed deposits, during the year or as at 31st March 2015. Consequently, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Holding Company, subsidiary companies and jointly controlled companies incorporated in India
- (vi) According to the information and explanations given to us and to the other auditors, in our opinion and the opinion of the other auditors, the Holding Company, subsidiary companies and jointly controlled companies incorporated in India are not required to maintain the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues of the Holding Company, subsidiary companies and jointly controlled companies incorporated in India :
- (a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.
 - (b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable except dues of Sales tax and profession tax, aggregating ₹ 27.16 lakhs were due by one subsidiary company incorporated in India for a period of 10 to 48 months.

- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on 31st March, 2015 on account of disputes by the aforesaid entities are given below :

Name of Statute	Nature of Dues	Forum where Dispute is pending	Amount involved (₹ in Lakhs)
Income Tax Act, 1961	Income Tax	Deputy Commissioner	251.16
The Central Excise Act, 1944	Excise Duty	Supreme Court	45.74
		Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	47.36
		Commissioner / Adjudicating Authority	805.84
Finance Act, 1994 and Service Tax Laws	Service Tax	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	451.13
		Commissioner of Central Excise (Appeals)	1523.00
		Commissioner / Adjudicating Authority	890.97
Sales Tax	CST, VAT and Entry Tax (including penalties and interest)	Supreme Court	682.14
		High Court	2543.79
		Appellate Tribunals	1018.77
		Commissioner (Appeals)	3513.87
		Deputy Commissioner (Appeals)	9561.35
		Assessing Authority	238.42
		Assistant Commissioner Commercial Taxes	112.93
		Commercial Tax Authority - Trade Tax	2.95

- (d) The holding company has been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time. There are no amounts that are due to be transferred by the subsidiaries and jointly controlled companies incorporated in India to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) The Group and its jointly controlled entities does not have consolidated accumulated losses at the end of the financial year and the Group and its jointly controlled entities have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and the opinion of the other auditors, and according to the information and explanations given to us and to the other auditors, the Holding Company, subsidiary companies and jointly controlled companies incorporated in India have not defaulted in the repayment of dues to financial institutions and banks. The Holding Company, subsidiary companies and jointly controlled companies incorporated in India have not issued any debentures.
- (x) According to the information and explanations given to us, the Holding Company, subsidiary companies and jointly controlled companies incorporated in India have not given guarantees for loans taken by others from banks and financial institutions.
- (xi) In our opinion and the opinion of the other auditors, and according to the information and explanations given to us and to the other auditors, no term loans have been obtained by the Holding Company, subsidiary companies and jointly controlled companies incorporated in India during the year nor any term loan has been utilized during the year other than one jointly controlled company, has obtained term loans and has applied by it during the year for the purposes for which they were obtained other than temporary deployment pending application.
- (xii) To the best of our knowledge and according to the information and explanations given to us and to the other auditors, no fraud by the Holding Company, its subsidiary companies and jointly controlled companies incorporated in India and no material fraud on the Holding Company, its subsidiary companies and jointly controlled companies incorporated in India has been noticed or reported during the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mumbai,
21st May, 2015

B. P. Shroff
Partner
Membership No. 34382

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

	Note	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	2	3307.48	3307.48
(b) Reserves and surplus	3	206899.86	178624.63
		210207.34	181932.11
2. Minority Interest			
		1605.11	1381.78
3. Non-current liabilities			
(a) Long-term borrowings	4	469.55	537.33
(b) Deferred tax liabilities (net)	5	188.16	198.14
(c) Other long-term liabilities	6	2017.20	2987.29
(d) Long-term provisions	7	10788.29	9022.68
		13463.20	12745.44
4. Current liabilities			
(a) Short-term borrowings	4	11697.65	25751.75
(b) Trade payables	8	154144.93	162674.30
(c) Other current liabilities	8	73089.83	71197.31
(d) Short-term provisions	7	24616.63	18874.46
		263549.04	278497.82
TOTAL EQUITY AND LIABILITIES		488824.69	474557.15
II. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	17919.91	19917.82
(ii) Intangible assets	10	985.34	938.54
(iii) Capital work-in-progress		442.17	177.35
		19347.42	21033.71
(b) Goodwill on consolidation		7978.03	7984.78
(c) Non-current investments	11	62690.45	13932.46
(d) Deferred tax assets (net)	5	3673.53	2587.41
(e) Long-term loans and advances	12	10928.68	12326.20
(f) Other non-current assets	13	10527.37	15235.14
		115145.48	73099.70
2. Current assets			
(a) Current investments	11 A	46698.27	59271.39
(b) Inventories	14	86706.41	90098.40
(c) Trade receivables	15	133859.61	133517.29
(d) Cash and cash equivalents	16	25163.38	28179.54
(e) Short-term loans and advances	12	15129.83	18757.57
(f) Other current assets	13	66121.71	71633.26
		373679.21	401457.45
TOTAL ASSETS		488824.69	474557.15
Summary of significant accounting policies	1		
See accompanying notes forming part of the consolidated financial statements.	1-38		

For and on behalf of the Board

Chairman
Managing Director
Directors

Ishaat Hussain
Sanjay Johri
N. N. Tata
Nani Javeri
R. N. Mukhija
Vinayak Deshpande
Bahram N. Vakil
Anjali Bansal

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

President - Corporate Affairs & CFO
Vice President- Taxation, Legal &
Company Secretary
Mumbai, 21st May, 2015

Anil George
V. P. Malhotra

B. P. Shroff
Partner
Mumbai, 21st May, 2015

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Note	₹ in Lakhs	Year ended 31-3-2014 ₹ in Lakhs
I. Revenue from operations (Gross)	17	520479.67	530285.48
Less: Excise duty		2171.01	3680.99
Net Revenue from operations		518308.66	526604.49
II. Other Income	18	10871.90	10017.81
III. Total Revenue (I + II)		529180.56	536622.30
IV. Expenses			
(a) Consumption of raw materials, cost of jobs and services	19	288859.60	316309.56
(b) Purchase of traded goods	20	69218.88	57321.63
(c) (Increase) / Decrease in finished goods, work-in-progress and stock-in-trade	21	1666.16	11794.62
(d) Employee benefits expenses	22	58991.56	59468.72
(e) Finance costs	23	2325.75	2254.57
(f) Depreciation and amortisation expenses	24	2804.12	2484.33
(g) Other expenses	25	58568.68	55148.80
Total Expenses (IV)		482434.75	504782.23
V. Profit before exceptional items and tax (III - IV)		46745.81	31840.07
VI. Exceptional Items	26	4619.33	2154.10
VII. Profit before tax (V + VI)		51365.14	33994.17
VIII. Tax Expense			
(1) Current tax			
(i) Current tax		13620.21	10341.63
(ii) Provision for taxation of earlier years provided / (written back)		(46.53)	(756.73)
(2) Deferred tax	5	(812.05)	(171.56)
Total tax expense		12761.63	9413.34
IX. Profit after tax before share of profit of associates and minority interest (VII - VIII)		38603.51	24580.83
X. Share of profit of associates		163.32	Nil
XI. Share of (profit) attributable to Minority interest		(333.14)	(45.12)
XII. Profit for the year attributable to the shareholders of the Company (IX + X+ XI)		38433.69	24535.71
XIII. Earnings per share:	32		
Basic and Diluted (Face value ₹ 1 per share) - (₹)		11.62	7.42
Summary of significant accounting policies	1		
See accompanying notes forming part of the consolidated financial statements.	1-38		

For and on behalf of the Board

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

B. P. Shroff
Partner
Mumbai, 21st May, 2015

*Chairman
Managing Director
Directors*

**Ishaat Hussain
Sanjay Johri
N. N. Tata
Nani Javeri
R. N. Mukhija
Vinayak Deshpande
Bahram N. Vakil
Anjali Bansal**

*President - Corporate Affairs & CFO
Vice President- Taxation, Legal &
Company Secretary
Mumbai, 21st May, 2015*

**Anil George
V. P. Malhotra**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Lakhs	₹ in Lakhs	2013-14 ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax and share of profit of associates and minority interest in (profit) / loss		51365.14	33994.17
Adjustments for :			
Depreciation and amortisation expense	2804.12		2484.33
Provision for doubtful trade and other receivables, loans and advances	4001.39		2794.64
Net unrealised exchange (gain) / loss	946.39		(747.72)
Provision for Diminution in value of Investments written back	4.79		5.72
(Profit) on sale of assets (net)	(23537.16)		(459.76)
Net (gain) on sale of investments	(984.71)		(26.41)
Finance costs	2325.75		2254.57
Interest income	(474.82)		(636.51)
Dividend income	(3787.82)		(3279.20)
Liabilities/provisions no longer required written back	(1082.81)		(952.38)
Provision for Contingencies	1075.23		Nil
Provision for Trade Guarantees	1415.12		(302.58)
		(17294.53)	1134.70
Operating profit before Working Capital changes		34070.61	35128.87
Changes in Working Capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories	3391.99		7741.94
Trade receivables	3261.38		(4547.06)
Short-term loans and advances	3580.34		(360.67)
Long-term loans and advances	(351.09)		(112.81)
Other current assets	5824.52		31.99
Other non-current assets	(2895.92)		(204.57)
Adjustment of translation differences on working capital	147.04		1568.64
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables	(9236.80)		(7437.77)
Other current liabilities	1934.52		6583.13
Other long-term liabilities	5.86		27.17
Short-term provisions	253.89		57.49
Long-term provisions	1455.95		(72.85)
		7371.68	3274.63
Cash generated from operations		41442.29	38403.50
Net income tax paid		(10387.34)	(8857.85)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		31054.95	29545.65
B. CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets, including capital advances and capital work-in-progress	(3435.05)		(2454.57)
Proceeds from sale of fixed assets	23980.85		1423.43
Bank balances not considered as Cash and cash equivalents (net)	(55.60)		86.64
Current investments not considered as Cash and cash equivalents:			
- Purchased	(181943.91)		(154612.75)
- Proceeds from sale	198002.22		127171.73

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

	₹ in Lakhs	₹ in Lakhs	2013-14 ₹ in Lakhs
Purchase of long-term investments:			
- Associates	(8.60)		Nil
- Others	(50853.63)		(5000.00)
Refund of purchase consideration paid in earlier year	Nil		1000.00
Interest received	161.84		635.02
Dividend received	3787.82		3279.20
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES (B)		(10364.06)	(28471.30)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity shares (Calls-in-Arrears) (* includes amount below ₹ 500)	Nil *		0.02
Securities Premium (Calls-in-Arrears)	0.02		0.08
Net increase / (decrease) in working capital borrowings	(14054.10)		230.16
Net (decrease) in long term borrowings	(146.41)		(69.35)
Finance costs	(2338.39)		(2311.36)
Repayment of deposits and interest thereon	Nil		(0.02)
Dividends paid	(6227.15)		(5254.44)
Dividend distribution tax	(837.08)		(489.00)
NET CASH FLOW USED IN FINANCING ACTIVITIES (C)		(23603.11)	(7893.91)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(2912.22)	(6819.56)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		27252.78	34072.34
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		24340.56	27252.78
Cash and cash equivalents consist of:			
Cash and cash equivalents at the end of the year (Refer note :16 Cash and cash equivalents)		24343.27	27415.03
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		(2.71)	(162.25)
		24340.56	27252.78

For and on behalf of the Board

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

B. P. Shroff
Partner
Mumbai, 21st May, 2015

Chairman
Managing Director
Directors

Ishaat Hussain
Sanjay Johri
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Bahram N. Vakil
Anjali Bansal

President - Corporate Affairs & CFO
Vice President- Taxation, Legal &
Company Secretary
Mumbai, 21st May, 2015

Anil George
V. P. Malhotra

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**I. NATURE OF BUSINESS**

Voltas Limited, a premier Air-Conditioning and Engineering company was established in the year 1954. It is a Tata Group company in the field of air conditioning, refrigeration, in the business of electro-mechanical projects as an EPC contractor both in domestic and international geographies (Middle East and Singapore), and also in the business of engineering product services for mining, water management and treatment, construction equipments and textile industry.

II. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relate to Voltas Limited ("the Company"), its subsidiary companies, jointly controlled entities and the Group's share of profit in its associate. The Consolidated Financial Statements have been prepared on the following basis:

- (i) The Financial Statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- (ii) Foreign subsidiaries and jointly controlled entities of the Company have been classified as "Non-Integral Foreign Operations". Revenue items of such entities are converted at the average rate prevailing during the year and Assets and Liabilities are converted at the rates prevailing at the end of the year. All resulting exchange differences have been accumulated in a Foreign Exchange Translation Reserve.
- (iii) The consolidated financial statements include the share of profit of the associate company which has been accounted for using equity method as per Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit from the associate company has been added to the cost of investments.
- (iv) Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per Accounting Standard 27- Financial Reporting of Interests in Joint Ventures. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity.
- (v) The Financial Statements of the subsidiaries and the jointly controlled entities consolidated are drawn upto the same reporting date of the Company i.e. 31st March, 2015 except Weathermaker Limited, Saudi Ensas Company for Engineering Services W.L.L., Lalbuksh Voltas Engineering Services and Trading L.L.C., Voltas Oman L.L.C. and Universal Weathermaker Factory L.L.C., where the financial statements are drawn upto 31st December, 2014. The share of profit from one associate, Terrot GmbH is included in consolidated financial statements from its financial statements which are drawn upto 31st December, 2014.
- (vi) The excess of the Company's portion of equity of the subsidiaries and jointly controlled entities as at the date of its investment over the cost of its investment is treated as Capital Reserve on Consolidation. The excess of cost to the Company of its investment in subsidiaries and jointly controlled entities over the Company's portion of equity as at the date of investment is treated as Goodwill on Consolidation and is tested for impairment on annual basis.
- (vii) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- (viii) Minority interest in the net assets of consolidated subsidiaries consists of:
 - (a) The amount of equity attributable to the minority shareholders at the date on which investment in subsidiary companies were made; and
 - (b) The minorities' share of movements in equity since the date the parent-subsidiary relationship came into existence.
- (ix) Minority interests' share of net profit / loss for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to the shareholders of the Company.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

III. The list of subsidiary companies, joint ventures and associates and the Company's holdings therein are as under :

Name of the Company	Country of Incorporation	Ownership in % either directly or through Subsidiaries	
			2013-14
Indian Subsidiaries :			
– Universal Comfort Products Ltd.	India	100.00	100.00
– Rohini Industrial Electricals Ltd.	India	100.00	100.00
– Auto Aircon (India) Ltd.	India	100.00	100.00
– Agro Foods Punjab Ltd. (under liquidation) [Refer footnote (c) below]	India	100.00	100.00
– Westerwork Engineers Ltd. (under liquidation) [Refer footnote (c) below]	India	51.00	51.00
Foreign Subsidiaries :			
– Voltas Netherlands B.V.	The Netherlands	100.00	100.00
– Weathermaker Ltd.	Isle of Man	100.00	100.00
– Saudi Ensas Company for Engineering Services W.L.L.	Saudi Arabia	100.00	100.00
– Lalbuksh Voltas Engineering Services and Trading L.L.C., Muscat	Sultanate of Oman	60.00	60.00
– Voltas Oman L.L.C.	Sultanate of Oman	65.00	65.00
Indian Joint Ventures :			
– Naba Diganta Water Management Ltd.	India	26.00	26.00
– Voltas Water Solutions Private Ltd. (w.e.f. 1-7-2014)	India	50.00	—
Foreign Joint Ventures :			
– Universal Voltas L.L.C.	United Arab Emirates	49.00	49.00
– ETA-Voltas-Hitachi Plant (Jointly Controlled Operations)	United Arab Emirates	37.50	37.50
– NDIA Package 19 Project (Jointly Controlled Operations)	Qatar	77.08	77.08
– Sidra Medical & Research Centre Project (Jointly Controlled Operations-terminated)	Qatar	—	51.08
– VAFE Joint Venture (under Volas Qatar W.L.L.) (Jointly Controlled Operations)	Qatar	100.00 *	—
– Voltas Qatar W.L.L. * Voting power 49%	Qatar	75.00 *	75.00 *
– Universal Weathermaker Factory L.L.C.	United Arab Emirates	49.00	49.00
– Olayan Voltas Contracting Company Ltd.	Saudi Arabia	50.00	50.00
– Agrotech Industries Ltd. (under closure) [Refer footnote (b) below]	Isle of Man	49.00	49.00
– AVCO Marine S.a.S. (under liquidation) [Refer footnote (b) below]	France	50.00	50.00
Associates :			
– Brihat Trading Private Ltd. [Refer footnote (a) below]	India	33.33	33.33
– Terrot GmbH (w.e.f. 13-5-2014)	India	20.07	—

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

Footnotes :

- (a) The financial statements for the year ended 31st March, 2015 of an associate company, Brihat Trading Private Limited (BTPL) were not available for consolidation. BTPL is a dormant company and does not have material impact on the revenue, expenses, assets and liabilities of the consolidated financial statements.
- (b) The financial statements of Agrotech Industries Limited and AVCO Marine S.a.S. joint ventures have not been consolidated as they are under closure and liquidation, respectively and the investments in the books of the Company are fully provided.
- (c) The financial statements of Agro Foods Punjab Limited and Westerwork Engineers Limited, subsidiaries, have not been consolidated as they are under liquidation and the investments in the books of the Company are fully provided.

1. SIGNIFICANT ACCOUNTING POLICIES**(i) BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS**

The Consolidated Financial Statements of the Company and its subsidiaries and jointly controlled entities (together the "Group") have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (the "2013 Act") / Companies Act, 1956, (the "1956 Act") as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation.

The audited Financial Statements of certain foreign subsidiaries, joint ventures and associate used for the purpose of the Consolidated Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles of its Country of Incorporation or International Financial Reporting Standards (IFRS). The differences in accounting policies of the Company and its subsidiaries, joint ventures and associates are not material and there are no material transactions from 1st January, 2015 to 31st March, 2015 in respect of subsidiaries, joint ventures and associate having financial year ended 31st December, 2014.

(ii) USE OF ESTIMATES

The preparation of the Consolidated Financial Statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Some of the estimations require higher degrees of judgement to be applied than others. These include the recognition of revenue and earnings from construction contracts under the percentage of completion method, and the valuation of long-term assets. Management continually evaluates all of its estimates and judgements based on available information and its experience and believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(iii) REVENUE RECOGNITION

(a) Sales excludes sales tax, value added tax and works contract tax but include excise duty. Commission earned on consignment sales is accounted for as part of revenue from operations.

(b) Revenue from sale of goods is recognised, net of trade discounts and rebates, when the substantial risks and rewards of ownership are transferred to the buyer under the terms of contract. Service revenue is recognised on rendering of services. Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

(c) Revenue from construction contracts:

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs based on current technical data.

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or

contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue has been reflected under "Other Current Liabilities" in the Balance Sheet.

(d) Long-Term Maintenance Contracts:

The revenue from maintenance contracts is recognised on accrual basis and advance received in respect of future period is accounted for as Unexpired Service Contracts.

In case of mining equipment maintenance contracts, the revenue from such contracts is recognised in proportion to the cost actually incurred during the year in terms of the total estimated cost for such contracts, as repairs and maintenance of such machineries depends on its utilization and wear and tear which varies from year to year. The excess of billings over revenue is deferred and accounted for as "Unexpired Service Contracts" under "Other Current Liabilities".

(e) Other income:

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

(iv) LEGAL RESERVE

In case of some foreign joint ventures and subsidiaries, an amount equal to 10% of the annual net profit is transferred to Legal Reserve in compliance with requirements of local laws. This reserve is not available for distribution.

(v) TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation / impairment.

The cost of tangible fixed asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Own manufactured goods are capitalised at cost but including excise duty net of CENVAT, octroi duty and receiving / installation charges.

Interest on borrowed money allocated to and utilised for qualifying fixed assets pertaining to the period upto the date of capitalisation is added to the cost of the assets.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work-in-progress :

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(vi) INTANGIBLE ASSETS

Intangible assets are carried at cost less accumulated amortisation and impairment. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and net of any discounts. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred, unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

(vii) IMPAIRMENT OF ASSETS

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment of assets. If any indication of such impairment exists, the recoverable amount of such assets is estimated and impairment is recognised if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised.

(viii) DEPRECIATION / AMORTISATION

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Premium paid on Leasehold Land is amortised over the period of the lease, commencing from the date the land is put to use for commercial operations.

Intangible assets are amortised on the Straight Line Basis over their useful life. Manufacturing Rights and Technical Know-how are amortised over 72 months and Software is amortised over 60 months.

Depreciation on the tangible fixed assets of the Company's foreign subsidiaries and jointly controlled entities has been provided on Straight Line method as per the estimated useful life of such assets as follows:

- Buildings - 4 to 10 years
- Plant and Equipments - 3 to 10 years
- Office and EDP Equipments - 3 to 6 years
- Furniture and fixtures - 3 to 10 years
- Vehicles - 3 to 5 years

In some foreign subsidiaries and foreign joint ventures, the cost of assets including intangible assets has been depreciated / amortised using the Straight Line Basis over their estimated useful lives.

In some subsidiaries and jointly controlled entities, depreciation on Porta Cabins is provided at 10% to 25% on the Straight Line Basis.

(ix) PROVISION FOR TRADE GUARANTEES / WARRANTIES

The estimated liability for product warranties is recorded when products are sold / project is completed. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claims arise - being typically upto five years.

As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

(x) PROVISIONS AND CONTINGENCIES

A provision is recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in Notes.

(xi) INVESTMENTS

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties. Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

(xii) INVENTORIES

(a) Inventories including Work-in-Progress (other than Construction Contracts) are valued at cost or net realisable value, whichever is lower, cost being worked out on weighted average basis. Cost includes all charges for bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

- (b) In two subsidiaries, cost of inventories is determined on First-In-First-Out (FIFO) basis and comprises invoice value plus applicable landing charges.

(xiii) TAXES ON INCOME

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is highly probable that future economic benefits associated with it will flow to the entity.

The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

Deferred Tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred Tax Assets in respect of unabsorbed depreciation and carry forward of losses and items relating to capital losses are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise such losses. Other Deferred Tax Assets are recognised if there is reasonable certainty that there will be sufficient future taxable income to realise such assets. Deferred Tax Assets are reviewed at each Balance Sheet date for their realisability.

(xiv) FOREIGN EXCHANGE TRANSACTIONS / TRANSLATIONS

- (a) Company: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate on the date of the transaction.
- (b) Integral foreign operations: Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate on the date of the transaction.
- (c) Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at the year-end rate and the difference in translation and realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss. In respect of transactions covered by foreign exchange contracts, the difference between the contract rate and the spot rate on the date of the transaction is charged / (credited) to the Statement of Profit and Loss over the period of the contract.
- (d) Foreign operations are classified as either 'integral' or 'non-integral' operations. Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. Exchange differences arising on a monetary item that, in substance, forms part of an enterprise's net investment in a non-integral foreign operation are accumulated in the Foreign Currency Translation Reserve until the disposal of the net investment, at which time they are recognised as income or as expenses.
- (e) Forward contracts : Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

(xv) ACCOUNTING FOR VOLUNTARY RETIREMENT SCHEME

- (a) The cost of Voluntary Retirement Scheme / Retrenchment Compensation, including ex-gratia and additional gratuity liability arising there from, is charged to the Statement of Profit and Loss in the month of separation of employees.
- (b) The Present Value of future payments to employees opting for Early Separation Scheme (ESS) and the additional gratuity liability arising there from are charged to the Statement of Profit and Loss in the month of separation of employees.

(xvi) LEASES

- (a) Finance Leases

Fixed assets acquired under finance leases are recognised at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the leased term at a constant periodic rate of interest on the remaining balance of the liability.

(b) Operating Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Operating lease expenses / income are recognised in the Statement of Profit and Loss on Straight Line Basis over the term of lease, representative of the time pattern of the user's benefit.

(xvii) EMPLOYEE BENEFITS

(a) Defined Contribution Plans

Contribution to Superannuation Fund, a defined contribution scheme, is made at pre-determined rates to the Superannuation Fund Trust and is charged to the Statement of Profit and Loss. There are no other obligations other than the contribution payable to the Superannuation Fund Trust.

The eligible employees of the Company are entitled to receive benefits under provident fund schemes which are in substance, defined contribution plans, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions are paid to the provident funds and pension fund set up as irrevocable trusts by the Company or to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return is recognised as an expense in the year incurred.

(b) Defined Benefit Plans

The Group's liabilities towards gratuity, pension and post retirement medical benefit schemes are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gains and losses based on valuation done by the independent actuary carried out annually are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of the estimated future cash flows using a discounted rate that is determined by reference to market yields of Government bonds at the Balance Sheet date where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(c) Compensated Absences

Compensated absences which accrue to employees and which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employee performs the service that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit, and where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

(xviii) GOVERNMENT GRANTS

(a) Government Subsidy

Grants-in-aid received from the Government as capital subsidy in the 'Build Operate Transfer' (BOT) project is deducted from the Fixed Assets.

(b) Contribution from consumers

Connection charges received from consumers, towards installation of assets pertaining to distribution of water and treatment of sewerage, are credited to Contribution for Capital Expenditure. An amount in proportion to the depreciation charge on such assets is transferred to the Statement of Profit and Loss Account.

(xix) SEGMENT REPORTING

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. The accounting policies used in the preparation of the financial statements of the Group are also applied for Segment Reporting. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "Unallocated revenue / expenses / assets / liabilities".

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

(xx) CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(xxi) CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

(xxii) OPERATING CYCLE

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of business and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities.

2. Share Capital

	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
Authorised:		
– 60,00,00,000 (31-3-2014: 60,00,00,000) Equity Shares of ₹ 1 each	6000.00	6000.00
– 40,00,00,000 (31-3-2014: 40,00,00,000) Preference Shares of ₹ 100 each	4000.00	4000.00
	<u>10000.00</u>	<u>10000.00</u>
Issued, Subscribed and Paid up:		
– 33,08,84,740 (31-3-2014: 33,08,84,740) Equity Shares of ₹ 1 each	3308.85	3308.85
Less : Calls-in-Arrears [1,36,590 Shares (31-3-2014: 1,36,970 Shares)] [Refer note 2(d)]	1.37	1.37
	<u>3307.48</u>	<u>3307.48</u>

2. (a) Equity Shares: The Company has one class of Equity Shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. 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 and are subject to preferential rights of the Preference shares (if issued).

2. (b) A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	Equity Shares		Equity Shares	
	Numbers	₹ in Lakhs	Numbers	₹ in Lakhs
	As at 31-3-2014			
Shares outstanding at the beginning of the year	33,08,84,740	3308.85	33,08,84,740	3308.85
Shares outstanding at the end of the year	33,08,84,740	3308.85	33,08,84,740	3308.85

2. (c) Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held in the Company:

Name of Shareholder	Class of Shares	No. of Shares held		% of holding	
		No. of Shares held	% of holding	No. of Shares held	% of holding
Tata Sons Limited	Equity	8,81,31,780	26.64	8,81,31,780	26.64
Life Insurance Corporation of India	Equity	2,09,11,176	6.32	2,54,11,176	7.68
Government Pension Fund Global	Equity	97,46,968	2.94	1,67,03,496	5.05

2. (d) As per records of the Company, no calls remained unpaid by the Directors and Officers of the Company as on 31st March, 2015 (31-3-2014: Nil).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

3. Reserves and Surplus

	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
(1) Capital Reserve		
As per last Balance Sheet	<u>155.52</u>	<u>155.52</u>
(2) Capital Redemption Reserve		
As per last Balance Sheet	<u>125.70</u>	<u>125.70</u>
(3) Securities Premium Account		
As per last Balance Sheet	<u>627.28</u>	<u>627.20</u>
Premium on calls-in-arrears received during the year	<u>0.02</u>	<u>0.08</u>
Closing Balance	<u>627.30</u>	<u>627.28</u>
(4) Capital Reserve on Consolidation		
As per last Balance Sheet	<u>1560.85</u>	<u>1524.72</u>
Addition on foreign exchange fluctuations	<u>74.83</u>	<u>36.13</u>
Closing Balance	<u>1635.68</u>	<u>1560.85</u>
(5) General Reserve		
As per last Balance Sheet	<u>123096.25</u>	<u>119966.12</u>
Addition on foreign exchange fluctuations	<u>70.61</u>	<u>134.67</u>
Transfer from Statement of Profit and Loss	<u>2725.00</u>	<u>2995.46</u>
Closing Balance	<u>125891.86</u>	<u>123096.25</u>
(6) Staff Welfare Reserve		
As per last Balance Sheet	<u>1.00</u>	<u>1.00</u>
(7) Foreign Exchange Translation Reserve		
As per last Balance Sheet	<u>2137.36</u>	<u>824.80</u>
Add / (Less) : Net translation difference on non-integral operations	<u>(60.85)</u>	<u>1312.56</u>
Closing Balance	<u>2076.51</u>	<u>2137.36</u>
(8) Legal Reserve		
As per last Balance Sheet	<u>452.05</u>	<u>272.85</u>
Add / (Less) : Foreign exchange fluctuations	<u>17.29</u>	<u>30.18</u>
Transfer from Statement of Profit and Loss	<u>19.40</u>	<u>149.02</u>
Closing Balance	<u>488.74</u>	<u>452.05</u>
(9) Contribution for Capital Expenditure		
As per last Balance Sheet	<u>518.16</u>	<u>446.64</u>
Additions during the year	<u>14.14</u>	<u>90.31</u>
Deduction towards depreciation for the year	<u>16.30</u>	<u>18.79</u>
Receivable from customer considered doubtful	<u>98.49</u>	<u>Nil</u>
Closing Balance	<u>417.51</u>	<u>518.16</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
(10) Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	49950.46	35310.19
Additions:		
Profit for the current year	38433.69	24535.71
Credit on Dividend Distribution Tax	203.25	410.74
Deductions:		
Proposed Dividend	7444.91	6121.37
Dividend Distribution Tax	2359.79	1040.33
Transfer to Legal Reserve	19.40	149.02
Transfer to General Reserve	2725.00	2995.46
Depreciation on transition to Schedule II of the Companies Act, 2013 (Refer note 24) (net of deferred tax ₹ 284.05 lakhs)	558.26	Nil
Closing Balance	75480.04	49950.46
	206899.86	178624.63

4. Borrowings

					As at 31-3-2014			
	Long-term	Current maturities of Long-term	Short-term	Total	Long-term	Current maturities of Long-term	Short-term	Total
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
A. Secured Borrowings								
(a) Term Loans								
From Banks (Refer footnotes 1 and 2)	37.75	39.00	Nil	76.75	115.75	117.63	Nil	233.38
(b) Repayable on Demand								
From Banks (Refer footnote 1)	Nil	Nil	11570.08	11570.08	Nil	Nil	25624.18	25624.18
	37.75	39.00	11570.08	11646.83	115.75	117.63	25624.18	25857.56
B. Unsecured Borrowings								
(a) Term Loans								
From Others (Refer footnote 3)	431.80	Nil	Nil	431.80	421.58	Nil	Nil	421.58
(b) Other Loans	Nil	Nil	127.57	127.57	Nil	Nil	127.57	127.57
	431.80	Nil	127.57	559.37	421.58	Nil	127.57	549.15
Total (A + B)	469.55	39.00	11697.65	12206.20	537.33	117.63	25751.75	26406.71

Footnotes :

- Secured against assignment of Fixed assets, Inventory, Book debts, contract dues and lien on Term Deposits.
- The repayment schedule of Long-term borrowings are as follows:

	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs	Repayment Schedule
- Long-term borrowings (including current maturity of long-term borrowings)	76.75	193.75	Quarterly installments for two years
- Long-term borrowings (including current maturity of long-term borrowings)	Nil	39.63	Half yearly installments for one year

- No repayment schedule is determined for unsecured long-term borrowings.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

5. Deferred Tax Asset / Liability

(a) Major components of Deferred Tax Liability (Net) :

	Deferred Tax Assets ₹ in Lakhs	Deferred Tax Liabilities ₹ in Lakhs	Deferred Tax Assets ₹ in Lakhs	Deferred Tax Liabilities ₹ in Lakhs
			As at 31-3-2014	
(1) On difference between book balance and tax balance of fixed assets	Nil	234.95	Nil	242.18
(2) Unpaid Statutory Liabilities	16.32	Nil	40.82	Nil
(3) Provision for Employee Benefits	30.47	Nil	3.22	Nil
	<u>46.79</u>	<u>234.95</u>	<u>44.04</u>	<u>242.18</u>
Net Timing Differences				
Deferred Tax Liability (a)	(188.16)		(198.14)	
Charge / (credit) for the year (A)	(9.98)		(29.92)	

(b) Major components of Deferred Tax Asset (Net) :

	Deferred Tax Assets ₹ in Lakhs	Deferred Tax Liabilities ₹ in Lakhs	Deferred Tax Assets ₹ in Lakhs	Deferred Tax Liabilities ₹ in Lakhs
			As at 31-3-2014	
(1) On difference between book balance and tax balance of fixed assets	Nil	3336.44	Nil	3736.77
(2) Voluntary Retirement Scheme	167.33	Nil	249.22	Nil
(3) Unpaid Statutory Liabilities	561.65	Nil	667.91	Nil
(4) Provision for Doubtful Debts and Advances	2532.80	Nil	2582.69	Nil
(5) Provision for Contingencies	761.50	Nil	382.39	Nil
(6) Provision for Employee Benefits	3012.01	Nil	2491.68	Nil
(7) Others	Nil	25.32	Nil	49.71
	<u>7035.29</u>	<u>3361.76</u>	<u>6373.89</u>	<u>3786.48</u>
Net Timing Differences				
Deferred Tax Asset (b)	3673.53		2587.41	
Charge / (credit) for the year (B)	(1086.12)		(141.64)	
Total (A + B)	(1096.10)		(171.56)	
Tax effect on Depreciation directly adjusted against opening balance in the Statement of Profit and Loss (on transition to Schedule II of the Companies Act, 2013)	284.05		Nil	
Net Charge / (credit) for the year	(812.05)		(171.56)	

6. Other Long-term liabilities

	₹ in Lakhs	₹ in Lakhs
		As at 31-3-2014
A. Trade Payables (Due on account of goods purchased and services received)	1936.06	2912.01
B. Others		
Other Payables		
(1) Unexpired Service Contracts	41.74	38.56
(2) Others	39.40	36.72
	<u>2017.20</u>	<u>2987.29</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

7. Provisions

						As at
	Long-term	Short-term	Total	Long-term	Short-term	Total
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(a) Provision for employee benefits						
(i) Provision for gratuity	4072.44	257.33	4329.77	3865.51	195.24	4060.75
(ii) Pension obligations	2496.17	151.41	2647.58	1403.00	144.11	1547.11
(iii) Provision for compensated absences	Nil	3739.60	3739.60	Nil	3554.14	3554.14
(iv) Post retirement medical benefits	931.78	43.22	975.00	793.54	37.77	831.31
(v) Provision for employee separation compensation	132.88	23.87	156.75	115.27	30.28	145.55
(b) Others						
(i) Provision for Trade Guarantees [Refer footnote 7 (a)]	3155.02	5720.82	8875.84	2845.36	4615.36	7460.72
(ii) Provision for other Contingencies [Refer footnote 7 (b)]						
- Contingency for Indirect Tax matters	Nil	2200.23	2200.23	Nil	1125.00	1125.00
(iii) Provision for taxation (net of advance tax)	Nil	2675.45	2675.45	Nil	2010.86	2010.86
(iv) Provision for Proposed Equity dividend	Nil	7444.91	7444.91	Nil	6121.37	6121.37
(v) Provision for Dividend Distribution Tax on proposed dividend	Nil	2359.79	2359.79	Nil	1040.33	1040.33
	10788.29	24616.63	35404.92	9022.68	18874.46	27897.14

Footnotes :

	Opening Balance	Additions	Utilisation	Reversed	₹ in Lakhs Closing Balance
7.(a) Provisions for Trade Guarantees	7460.72 <i>7763.30</i>	7874.62 <i>6677.20</i>	6000.68 <i>6195.98</i>	458.82 <i>783.80</i>	8875.84 <i>7460.72</i>
7.(b) Provision for Contingencies					
- Contingency for Indirect Tax matters	1125.00 <i>1125.00</i>	1075.23 <i>Nil</i>	Nil <i>Nil</i>	Nil <i>Nil</i>	2200.23 <i>1125.00</i>

The provision for trade guarantees is expected to be utilised for warranty expenses within the period of 1 to 5 years depending on the contractual obligations.

Figures in italics are for the Previous year.

8. Current Liabilities

		As at
	₹ in Lakhs	31-3-2014
		₹ in Lakhs
(A) Trade Payables		
Due on account of goods purchased and services received	154144.93	162674.30
[includes acceptances of ₹ 9397.16 lakhs (31-3-2014 : ₹ 13583.82 lakhs)]		
	154144.93	162674.30

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)
8. Current Liabilities (Contd.)

	As at 31-3-2014 ₹ in Lakhs	₹ in Lakhs
(B) Other Current Liabilities		
(a) Current maturities of long-term debt (refer note 4)	39.00	117.63
(b) Interest accrued but not due on borrowings	14.33	26.97
(c) Payable for capital goods	101.61	179.06
(d) Unpaid dividends [Refer footnote 8(a)]	398.53	356.16
(e) Advances received from customers / others	49482.05	46153.30
(f) Unexpired service contracts	1804.78	1968.99
(g) Billing in excess of contract revenue	13130.58	15366.50
(h) Statutory obligations	6663.93	6266.74
(i) Other liabilities	1455.02	761.96
	73089.83	71197.31

Footnote 8(a)

Unpaid dividends includes ₹ 3.15 lakhs (31-3-2014 : ₹ 2.28 lakhs) not transferred to Investor Education and Protection Fund due to pending claims.

9. Tangible assets

	Freehold Land	Leasehold Land	Buildings	Plant and Equipments	Office and EDP Equipments	Furniture and fixtures	Vehicles	Transferred to Investment property	Transferred to 'Assets held for sale'	₹ in Lakhs Total Tangible Assets
Gross Block at Cost										
Cost at the beginning of the year	2077.64 <i>2242.05</i>	568.98 <i>568.98</i>	14237.59 <i>15197.18</i>	16258.95 <i>16605.03</i>	6783.77 <i>6497.55</i>	2712.20 <i>2525.76</i>	2084.32 <i>1927.41</i>	(3017.78) <i>(2940.23)</i>	(662.79) <i>(1997.73)</i>	41042.88 <i>40626.00</i>
Additions	801.02 <i>Nil</i>	Nil <i>Nil</i>	137.72 <i>322.25</i>	260.89 <i>346.00</i>	561.46 <i>571.28</i>	63.29 <i>235.57</i>	89.62 <i>183.69</i>	Nil <i>Nil</i>	Nil <i>Nil</i>	1914.00 <i>1658.79</i>
Disposals	1.39 <i>164.41</i>	Nil <i>Nil</i>	452.43 <i>1363.58</i>	987.02 <i>1023.54</i>	491.42 <i>325.40</i>	241.37 <i>67.18</i>	319.29 <i>155.13</i>	Nil <i>Nil</i>	Nil <i>(1334.94)</i>	2492.92 <i>1764.30</i>
Transfers in / (out)	Nil <i>Nil</i>	Nil <i>Nil</i>	Nil <i>Nil</i>	Nil <i>Nil</i>	Nil <i>Nil</i>	Nil <i>Nil</i>	Nil <i>Nil</i>	(441.35) <i>(77.55)</i>	Nil <i>Nil</i>	(441.35) <i>(77.55)</i>
Exchange differences on consolidation [Refer footnote (a)]	Nil <i>Nil</i>	Nil <i>Nil</i>	17.21 <i>81.74</i>	68.04 <i>331.46</i>	10.92 <i>40.34</i>	3.97 <i>18.05</i>	32.06 <i>128.35</i>	Nil <i>Nil</i>	Nil <i>Nil</i>	132.20 <i>599.94</i>
Cost at the end of the year	2877.27 <i>2077.64</i>	568.98 <i>568.98</i>	13940.09 <i>14237.59</i>	15600.86 <i>16258.95</i>	6864.73 <i>6783.77</i>	2538.09 <i>2712.20</i>	1886.71 <i>2084.32</i>	(3459.13) <i>(3017.78)</i>	(662.79) <i>(662.79)</i>	40154.81 <i>41042.88</i>
Depreciation										
Depreciation at the beginning of the year	Nil <i>Nil</i>	45.76 <i>39.53</i>	3552.14 <i>3752.52</i>	10417.17 <i>10314.39</i>	4470.31 <i>4222.14</i>	1960.05 <i>1828.33</i>	1546.11 <i>1389.13</i>	(585.75) <i>(515.16)</i>	(280.73) <i>(652.00)</i>	21125.06 <i>20378.88</i>
Charge for the year	Nil <i>Nil</i>	6.23 <i>6.23</i>	406.89 <i>433.08</i>	1295.10 <i>797.84</i>	639.75 <i>495.57</i>	(121.55) <i>174.84</i>	178.74 <i>188.47</i>	(97.96) <i>(55.24)</i>	Nil <i>Nil</i>	2307.20 <i>2040.79</i>
Disposals	Nil <i>Nil</i>	Nil <i>Nil</i>	242.40 <i>681.46</i>	895.04 <i>991.91</i>	439.36 <i>281.05</i>	216.82 <i>59.14</i>	255.93 <i>150.64</i>	Nil <i>Nil</i>	Nil <i>(371.27)</i>	2049.55 <i>1792.93</i>
Impact of transition to Schedule II of the Companies Act, 2013 (Refer note 24)	Nil <i>Nil</i>	Nil <i>Nil</i>	79.46 <i>Nil</i>	215.54 <i>Nil</i>	470.60 <i>Nil</i>	75.39 <i>Nil</i>	1.32 <i>Nil</i>	Nil <i>Nil</i>	Nil <i>Nil</i>	842.31 <i>Nil</i>
Transfers in / (out)	Nil <i>Nil</i>	Nil <i>Nil</i>	Nil <i>Nil</i>	Nil <i>Nil</i>	Nil <i>Nil</i>	Nil <i>Nil</i>	Nil <i>Nil</i>	(105.69) <i>(15.35)</i>	Nil <i>Nil</i>	(105.69) <i>(15.35)</i>
Exchange differences on consolidation [Refer footnote (a)]	Nil <i>Nil</i>	Nil <i>Nil</i>	11.55 <i>48.00</i>	62.24 <i>296.85</i>	9.32 <i>33.65</i>	3.52 <i>16.02</i>	28.94 <i>119.15</i>	Nil <i>Nil</i>	Nil <i>Nil</i>	115.57 <i>513.67</i>
Depreciation at the end of the year	Nil <i>Nil</i>	51.99 <i>45.76</i>	3807.64 <i>3552.14</i>	11095.01 <i>10417.17</i>	5150.62 <i>4470.31</i>	1700.59 <i>1960.05</i>	1499.18 <i>1546.11</i>	(789.40) <i>(585.75)</i>	(280.73) <i>(280.73)</i>	22234.90 <i>21125.06</i>
Net book value at the beginning of the year	2077.64 <i>2242.05</i>	523.22 <i>529.45</i>	10685.45 <i>11444.66</i>	5841.78 <i>6290.64</i>	2313.46 <i>2275.41</i>	752.15 <i>697.43</i>	538.21 <i>538.28</i>	(2432.03) <i>(2425.07)</i>	(382.06) <i>(1345.73)</i>	19917.82 <i>20247.12</i>
Net book value at the end of the year	2877.27 <i>2077.64</i>	516.99 <i>523.22</i>	10132.45 <i>10685.45</i>	4505.85 <i>5841.78</i>	1714.11 <i>2313.46</i>	837.50 <i>752.15</i>	387.53 <i>538.21</i>	(2669.73) <i>(2432.03)</i>	(382.06) <i>(382.06)</i>	17919.91 <i>19917.82</i>

Figures in italics are for the Previous year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

Footnotes :

- (a) Buildings includes ₹ 0.40 lakh (31-3-2014: ₹ 0.40 lakh) being cost of shares and bonds in Co-operative Housing Societies.
- (b) In terms of agreement dated 30th September, 1998, Company's Refrigerators manufacturing facility at Nandalur was transferred on a running business / going concern basis to Electrolux Voltas Limited (EVL) on the close of the business hours on 31st March, 1999. In respect of land for the Nandalur Plant, Deed of Conveyance is pending completion.
- (c) Investment properties comprise book value of Land ₹ 14.19 lakhs (31-3-2014: ₹ 14.19 lakhs) and Building ₹ 2655.54 lakhs (31-3-2014: ₹ 2417.84 lakhs).
- (d) The Company had accounted the profit on transfer of development rights in respect of following properties for which agreement was executed and consideration received but for which conveyance is pending completion :-

Location	Year	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
1. Lalbaug Property	1999-2000	734.12	734.12
2. Non-Sanad land behind HRD Centre, Thane	2003-04	1735.95	1735.95
3. Pune Property	2003-04	2145.53	2145.53
4. Non-Sanad land on south side of Voltas Switchgear Limited, Thane	2004-05	199.75	199.75
5. Sanad land behind HRD Centre, Thane	2004-05	305.78	305.78
6. Upvan Land, Thane	2006-07	2070.00	2070.00
7. Henkel Switchgear Limited approach land at Thane	2006-07	223.40	223.40
8. Land adjoining Simtools at Thane	2007-08	919.96	919.96
9. Nala Land at Thane	2009-10	238.18	238.18
10. Sanad land, HRD Centre, Thane	2014-15	1500.00	Nil

(e) Exchange differences on consolidation above relate to the opening balances.

(f) Includes factory building of ₹ 158.25 lakhs (31-3-2014 ₹ 154.49 lakhs) (original cost) and ₹ 1.81 lakhs (31-3-2014 ₹ 2.03 lakhs) (net book value) constructed on leasehold land, the lease period being fifteen years with a renewal option.

10. Intangible Assets

	Manufacturing Rights & Technical Know-how	Software Costs	₹ in Lakhs Total Intangible Assets
Gross Block at Cost			
Cost at the beginning of the year	1030.90 <i>1030.90</i>	3848.10 <i>3393.80</i>	4879.00 <i>4424.70</i>
Additions	Nil <i>Nil</i>	462.28 <i>492.85</i>	462.28 <i>492.85</i>
Disposals	Nil <i>Nil</i>	2.99 <i>39.60</i>	2.99 <i>39.60</i>
Exchange differences on consolidation	Nil <i>Nil</i>	0.55 <i>1.05</i>	0.55 <i>1.05</i>
Cost at the end of the year	1030.90 <u><i>1030.90</i></u>	4307.94 <u><i>3848.10</i></u>	5338.84 <u><i>4879.00</i></u>
Amortisation			
Depreciation at the beginning of the year	1019.97 <i>1015.54</i>	2920.49 <i>2556.62</i>	3940.46 <i>3572.16</i>
Charge for the year	4.43 <i>4.43</i>	410.83 <i>402.66</i>	415.26 <i>407.09</i>
Disposals	Nil <i>Nil</i>	2.67 <i>39.60</i>	2.67 <i>39.60</i>
Exchange differences on consolidation	Nil <i>Nil</i>	0.45 <i>0.81</i>	0.45 <i>0.81</i>
Depreciation at the end of the year	1024.40 <u><i>1019.97</i></u>	3329.10 <u><i>2920.49</i></u>	4353.50 <u><i>3940.46</i></u>
Net book value at the beginning of the year	10.93 <i>15.36</i>	927.61 <i>837.18</i>	938.54 <i>852.54</i>
Net book value at the end of the year	6.50 <u><i>10.93</i></u>	978.84 <u><i>927.61</i></u>	985.34 <u><i>938.54</i></u>

Figures in italics are for the Previous year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

11. Investments

	No.	Currency	Face Value	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
Non-current investments (at cost unless stated otherwise)					
(i) Investment Property (net of accumulated depreciation) [Refer footnote 11 (d)]				2669.73	2432.03
(ii) Investments in Equity Instruments					
1. TRADE INVESTMENTS					
Fully paid Equity Shares of					
Subsidiaries :					
UNQUOTED:					
Westerwork Engineers Ltd. (Under Liquidation)(#)	9,600	₹	100	109.29	109.29
Agro Foods Punjab Ltd. [Refer footnote 11 (a)] (Beneficial rights transferred pending transfer of shares)	2,80,000	₹	100	Nil	Nil
				109.29	109.29
Associates :					
Brihat Trading Private Ltd.	3,352	₹	10	0.34	0.34
Terrot GmbH, Germany (by equity method) (net of Capital Reserve of ₹ 292.69 lakhs (31-3-2014 : Nil) [Refer footnote 11 (c)] (10,450 shares purchased during the year)	2,60,900	EURO	1	319.54	147.62
				319.88	147.96
Others :					
UNQUOTED:					
Lakshmi Ring Travellers (Coimbatore) Ltd.	1,20,000	₹	10	3.00	3.00
Agrotech Industries Ltd. (#)	3,67,500	US\$	1	115.42	115.42
Tata International Ltd.	10,000	₹	1000	565.00	565.00
Tata Services Ltd.	448	₹	1000	4.48	4.48
Industrial Estates Private Ltd. (#)	25	₹	1000	0.24	0.24
Tata Industries Ltd.	13,05,720	₹	100	2071.50	2071.50
Tata Projects Ltd.	1,35,000	₹	100	26.25	26.25
Premium Granites Ltd. (#)	4,91,220	₹	10	49.77	49.77
OMC Computers Ltd. (#)	4,04,337	₹	10	44.37	44.37
Rujuvalika Investments Ltd.	1,83,333	₹	10	30.00	30.00
Avco Marine S.a.S, France (#)	1,910	EURO	10	7.97	7.97
				2918.00	2918.00
QUOTED:					
Lakshmi Automatic Loom Works Ltd. (#)	6,15,200	₹	10	110.03	110.03
Tata Chemicals Ltd.	2,00,440	₹	10	93.91	93.91
Lakshmi Machine Works Ltd.	6,00,000	₹	10	600.48	600.48
Reliance Industries Ltd. (#) [Refer footnote 11 (b)]	2,640	₹	10	4.55	4.55
				808.97	808.97
Total Trade Investments in Equity				4156.14	3984.22

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

11. Investments (Contd.)

	No.	Currency	Face Value	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
2. OTHER INVESTMENTS					
UNQUOTED:					
Voltas Employees Consumers Co-operative Society Ltd.	750	₹	10	0.08	0.08
Saraswat Co-operative Bank Ltd.	10	₹	10	**	**
Super Bazar Co-operative Stores Ltd.	500	₹	10	0.05	0.05
Total Other Investments				0.13	0.13
				4156.27	3984.35
(iii) Investments in Preference Shares					
Fully paid Preference Shares (Trade Investments)					
Others :					
UNQUOTED:					
Lakshmi Automatic Loom Works Ltd. 6% Cumulative Redeemable Preference Shares	5,50,000	₹	100	*	*
				Nil	Nil
(iv) Investments in Government or Trust securities					
UNQUOTED:					
Government Securities				0.05	0.05
				0.05	0.05
(v) Investments in Debentures or Bonds					
QUOTED:					
11.50% Tata Steel Ltd. Perpetual Bonds (#)	292	₹	1000000	2972.56	2972.56
UNQUOTED:					
Rural Electrification Corporation Ltd. (500 bonds subscribed during the year, pending allotment)	500	₹	10000	50.00	Nil
				3022.56	2972.56
(vi) Investments in Mutual Funds					
UNQUOTED:					
Birla Sun Life Dynamic Bond Fund - Direct Plan - Growth	1,01,31,752	₹	10	2500.00	Nil
Birla Sun Life Saving Fund - Direct Plan - Growth	13,20,367	₹	100	3554.93	Nil
Franklin India Income Builder Account - Plan A - Direct Plan - Growth	50,59,141	₹	10	2500.00	Nil
HDFC Income Fund - Direct Plan - Growth	76,84,623	₹	10	2500.00	Nil
ICICI Prudential Income - Direct Plan - Growth	58,75,586	₹	10	2638.86	Nil
ICICI Prudential Income Opportunities Fund - Direct Plan - Growth	1,27,89,425	₹	10	2500.00	Nil
ICICI Prudential Blended Plan B - Regular Plan - Growth	2,28,95,214	₹	10	4000.00	Nil

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

11. Investments (Contd.)

	No.	Currency	Face Value	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
IDFC Super Saver Income Fund - Medium Term - Direct Plan - Growth	1,04,36,060	₹	10	2500.00	Nil
IDFC Super Saver Income Fund - Medium Term - Direct Plan - Growth	1,99,60,777	₹	10	4000.00	Nil
Reliance Dynamic Bond Fund - Direct Plan - Growth	13,70,176	₹	10	2521.85	Nil
Reliance Medium Term Fund - Direct Plan - Growth	85,84,870	₹	10	2500.00	Nil
Tata Dynamic Bond Fund - Direct Plan - Growth	1,12,95,861	₹	10	2500.00	Nil
Tata Short Term Bond Fund - Direct Plan - Growth	1,73,43,390	₹	10	4586.36	Nil
UTI Bond Fund - Direct Plan - Growth	58,43,087	₹	10	2500.00	Nil
UTI Floating Rate Fund - STP - Direct Plan - Growth	87,808	₹	1000	2001.63	Nil
QUOTED:					
Birla Sunlife Interval Income Fund - Annual Plan V - Direct Plan - Growth	1,37,77,014	₹	10	1500.00	Nil
DWS Fixed Maturity Plan Series 57 - Direct Plan - Growth	2,50,00,000	₹	10	2500.00	2500.00
ICICI Prudential FMP Series 73 - 369 Days - Direct Plan - Growth	1,00,00,000	₹	10	1000.00	Nil
Reliance Fixed Horizon Fund XXVI - Series 6 - Direct Plan - Growth	5,00,00,000	₹	10	5000.00	Nil
Sundaram Fixed Term Plan FI 383 Days - Direct Plan - Growth		₹	10	Nil	2500.00
				53303.63	5000.00
Gross Non-current investments				63152.24	14388.99
Less: Provision for diminution in value (#)				461.79	456.53
Total Non-current including Investment Properties				62690.45	13932.46
Aggregate amount of quoted investments : Cost				13781.53	8781.53
Aggregate market value of quoted investments				36936.54	27000.53
Aggregate amount of unquoted investments : Cost				46700.98	3175.43

* Cost ₹ 1 (31-3-2014: ₹ 1)

** Cost ₹ 100 (31-3-2014: ₹ 100)

Abbreviations for Currencies :

₹ : Indian Rupees AED : United Arab Emirates Dirhams RO : Omani Riyal

US\$: United States Dollar SR : Saudi Riyal EURO : European Union Currency

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

Footnotes :

11 (a) Under a loan agreement for ₹ 60 lakhs (fully drawn and outstanding) entered into between Agro Foods Punjab Ltd. (AFPL) and the Punjab State Industrial Development Corporation Ltd. (PSIDC), the Company has given an undertaking to PSIDC that it will not dispose off its shares in AFPL till the monies under the said loan agreement between PSIDC and AFPL remain due and payable by AFPL to PSIDC. During 1998-99, the Company had transferred its beneficial rights in the shares of AFPL.

11 (b) In respect of the Company's investment in 2,640 equity shares of Reliance Industries Ltd., there is an Injunction Order passed by the Court in Kanpur restraining the transfer of these shares. The share certificates are, however, in the possession of the Company. Pending disposal of the case, dividend on these shares has not been recognised.

11 (c) Investment in Associate (Equity Method)

	As at 31-3-2014
	₹ in Lakhs ₹ in Lakhs
Terrot GmbH, Germany	
Cost of Investments (net of Capital Reserve of ₹ 292.69 lakhs (31-3-2014 : Nil))	156.22 147.62
Add : Share of Profit during the year	163.32 Nil
Closing Balance	319.54 147.62

	₹ in Lakhs		
	Freehold Land	Freehold Buildings	Total Investment Property
Gross Block at Cost			
Cost at the beginning of the year	14.19	3003.59	3017.78
	<i>14.19</i>	<i>2926.04</i>	<i>2940.23</i>
Additions	Nil	Nil	Nil
	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Transfers in / (out)	Nil	441.35	441.35
	<i>Nil</i>	<i>77.55</i>	<i>77.55</i>
Cost at the end of the year	14.19	3444.94	3459.13
	<i>14.19</i>	<i>3003.59</i>	<i>3017.78</i>
Depreciation			
Depreciation at the beginning of the year	Nil	585.75	585.75
	<i>Nil</i>	<i>515.16</i>	<i>515.16</i>
Charge for the year	Nil	97.96	97.96
	<i>Nil</i>	<i>55.24</i>	<i>55.24</i>
Transfers in / (out)	Nil	105.69	105.69
	<i>Nil</i>	<i>15.35</i>	<i>15.35</i>
Depreciation at the end of the year	Nil	789.40	789.40
	<i>Nil</i>	<i>585.75</i>	<i>585.75</i>
Net book value at the beginning of the year	14.19	2417.84	2432.03
	<i>14.19</i>	<i>2410.88</i>	<i>2425.07</i>
Net book value at the end of the year	14.19	2655.54	2669.73
	<i>14.19</i>	<i>2417.84</i>	<i>2432.03</i>

Figures in italics are for the Previous year.

11. (A) Current investments (Cost or fair value whichever is less)

				As at 31-3-2014
	No.	Currency	Face Value	₹ in Lakhs
				₹ in Lakhs
(a) Investments in Mutual Funds				
UNQUOTED:				
Axis Treasury Advantage Fund - Direct Plan - Growth	2,23,983	₹	1000	3500.00 Nil
DWS Ultra Short Term Fund - Direct Plan - Daily Dividend Reinvestment	5,07,05,473	₹	10	5079.62 Nil

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

11. (A) Current investments (Cost or fair value whichever is less) (contd.)

	No.	Currency	Face Value	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
Franklin India Ultra Short Bond Fund Super Institutional - Direct Plan - Daily Dividend Reinvestment	4,80,70,974	₹	10	4836.52	Nil
HDFC Banking and PSU Debt Fund - Direct Plan - Dividend	7,42,42,744	₹	10	7531.85	Nil
IDFC Ultra Short Term Fund - Direct Plan - Daily Dividend Reinvestment	3,17,47,067	₹	10	3192.20	Nil
Kotak Treasury Advantage Fund - Direct Plan - Daily Dividend Reinvestment	4,57,80,433	₹	10	4614.58	Nil
L&T Ultra Short Term Fund - Direct Plan - Daily Dividend Reinvestment	3,72,37,236	₹	10	3850.33	Nil
SBI Ultra Short Term Debt Fund - Direct Plan - Daily Dividend Reinvestment	7,06,937	₹	1000	7083.40	Nil
Sundaram Income Plus Fund - Direct Plan - Dividend	1,81,48,163	₹	10	2008.95	Nil
Sundaram Money Fund - Direct Plan - Daily Dividend Reinvestment	2,47,54,431	₹	10	2500.82	Nil
Axis Liquid Fund - Direct Plan - Daily Dividend Reinvestment	2,52,942	₹	1000	Nil	2529.71
Birla Sun Life Cash Plus - Direct Plan - Daily Dividend Reinvestment	34,96,817	₹	100	Nil	3503.64
Canara Robeco Liquid - Direct Plan - Daily Dividend Reinvestment	1,99,969	₹	1000	Nil	2010.69
DWS Treasury Fund - Investment - Direct Plan - Daily Dividend Reinvestment	2,23,82,793	₹	10	Nil	2287.97
HDFC Floating Rate Income Fund - Short Term - Direct Plan - Daily Dividend Reinvestment	4,66,57,830	₹	10	Nil	4703.53
ICICI Prudential Blended B - Regular Plan - Growth	2,28,95,214	₹	10	Nil	4000.00
IDFC Super Saver Income Fund - Medium Term - Regular Plan - Growth	1,99,60,777	₹	10	Nil	4000.00
JM Money Manager Fund - Super Plus - Direct Plan - Daily Dividend Reinvestment	4,30,13,417	₹	10	Nil	4303.93
JP Morgan India Treasury Fund - Direct Plan - Daily Dividend Reinvestment	4,05,43,405	₹	10	Nil	4063.47
Kotak Floater Long Term - Direct Plan - Daily Dividend Reinvestment	2,27,99,009	₹	10	Nil	2298.09
L&T Liquid Fund - Direct Plan - Daily Dividend Reinvestment	2,96,663	₹	1000	Nil	3002.07
Reliance Money Manager Fund - Direct Plan - Daily Dividend Reinvestment	28,958	₹	1000	Nil	290.19
Franklin India Ultra Short Bond Fund Super Institutional - Direct Plan - Daily Dividend Reinvestment	4,76,65,463	₹	10	Nil	4778.03

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

11. (A) Current investments (Cost or fair value whichever is less) (contd.)

	No.	Currency	Face Value	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
QUOTED:					
Sundaram Fixed Term Plan FI 383 Days - Direct Plan - Growth	2,50,00,000	₹	10	2500.00	Nil
Birla Sunlife Interval Income Fund - Annual Plan 5 - Direct Plan - Growth	1,37,77,014	₹	10	Nil	1499.53
ICICI Prudential FMP Series 73 - 369 Days - Direct Plan - Growth	1,00,00,000	₹	10	Nil	1000.00
Kotak FMP Series 152 - Direct Plan - Growth	2,50,00,000	₹	10	Nil	2500.00
Reliance Fixed Horizon Fund - XXVI - Series 6 - Direct Plan - Growth	5,00,00,000	₹	10	Nil	5000.00
Sundaram Fixed Term Plan FJ 365 Days - Direct Plan - Growth	2,50,00,000	₹	10	Nil	2500.00
Tata Fixed Maturity Plan - Series 42 - Scheme F - Plan A - Direct Plan - Growth	5,00,05,445	₹	10	Nil	5000.54
Total Current investments				46698.27	59271.39
Aggregate amount of quoted investments : Cost				2500.00	17500.07
Aggregate market value of quoted investments				2500.00	17500.07
Aggregate amount of unquoted investments : Cost				44198.27	41771.32

12. Loans and Advances

	Long-term ₹ in Lakhs	Short-term ₹ in Lakhs	Total ₹ in Lakhs	Long-term ₹ in Lakhs	Short-term ₹ in Lakhs	As at 31-3-2014 Total ₹ in Lakhs
(a) Capital advances	761.72	Nil	761.72	61.95	Nil	61.95
(b) Security deposits	860.31	1173.23	2033.54	688.44	1255.07	1943.51
(c) Advance with public bodies (Customs, Port Trust, etc.)	23.80	450.26	474.06	65.23	776.11	841.34
(d) Other loans and advances						
(1) Advance payment of Taxes (Net)	3146.79	Nil	3146.79	5421.74	Nil	5421.74
(2) MAT Credit Entitlement	1025.01	Nil	1025.01	1271.81	Nil	1271.81
(3) Loans to Employees	120.47	501.97	622.44	127.05	402.24	529.29
(4) Deposits with Customers / Others	371.07	112.66	483.73	457.12	104.81	561.93
(5) Indirect Taxes recoverable	4570.96	3740.62	8311.58	4170.91	3562.88	7733.79
(6) Advance to Suppliers	164.95	4966.64	5131.59	164.95	6820.10	6985.05
(7) Others (refer note 34)	340.55	4345.10	4685.65	427.32	5949.62	6376.94
Sub-Total	<u>9739.80</u>	<u>13666.99</u>	<u>23406.79</u>	<u>12040.90</u>	<u>16839.65</u>	<u>28880.55</u>
Gross Loans and advances	11385.63	15290.48	26676.11	12856.52	18870.83	31727.35
Less : Provision for bad and doubtful loans and advances	456.95	160.65	617.60	530.32	113.26	643.58
Total Loans and advances	<u>10928.68</u>	<u>15129.83</u>	<u>26058.51</u>	<u>12326.20</u>	<u>18757.57</u>	<u>31083.77</u>
Gross Loans and advances						
Secured, considered good	120.47	345.64	466.11	127.05	269.49	396.54
Unsecured, considered good	10808.21	14784.19	25592.40	12199.15	18488.08	30687.23
Doubtful	456.95	160.65	617.60	530.32	113.26	643.58
	<u>11385.63</u>	<u>15290.48</u>	<u>26676.11</u>	<u>12856.52</u>	<u>18870.83</u>	<u>31727.35</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

13. Other Assets

						As at
	Non-current	Current	Total	Non-current	Current	Total
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(a) Non-current Trade Receivables						
(including trade receivables on deferred credit terms)	6436.36	Nil	6436.36	13970.64	Nil	13970.64
Classification of Non-current Trade Receivables						
(1) Unsecured, considered good	6436.36	Nil	6436.36	13866.80	Nil	13866.80
(2) Unsecured, considered doubtful	Nil	Nil	Nil	103.84	Nil	103.84
Gross Non-current Trade Receivables	6436.36	Nil	6436.36	13970.64	Nil	13970.64
Less: Provision for bad and doubtful debts	Nil	Nil	Nil	103.84	Nil	103.84
Net Non-current Trade Receivables	6436.36	Nil	6436.36	13866.80	Nil	13866.80
(b) Other Assets						
Unsecured, considered good						
(1) Interest accrued on investments / deposits	Nil	516.82	516.82	Nil	203.84	203.84
(2) Contract Revenue in excess of Billing [Refer footnote 13(a)]	Nil	63681.34	63681.34	Nil	66962.31	66962.31
(3) Assets held for sale (valued at the lower of the estimated net realisable value and net book value)	Nil	382.06	382.06	Nil	382.06	382.06
(4) Others (Including restricted fixed deposits with maturity more than 12 months)	4264.26	1541.49	5805.75	1368.34	4085.05	5453.39
Total Other Assets	4264.26	66121.71	70385.97	1368.34	71633.26	73001.60
Less: Provision for bad and doubtful Assets	173.25	Nil	173.25	Nil	Nil	Nil
Net Other Assets	4091.01	66121.71	70212.72	1368.34	71633.26	73001.60
Total (a + b)	10527.37	66121.71	76649.08	15235.14	71633.26	86868.40

Footnote : 13(a)

Disclosure under Accounting Standard - 7 on Construction Contracts

Details of contract revenue and costs :

	₹ in Lakhs	₹ in Lakhs
(i) Contract revenue recognised during the year	164618.62	216217.04
(ii) Aggregate amount of costs incurred and net recognised profits (less recognised losses)	453239.22	713500.13
(iii) Advances received for contracts in progress	42429.55	39955.96
(iv) Retention money for contracts in progress	15586.20	20253.55
(v) Gross amount due from customers for contract work	63681.34	66962.31
(vi) Gross amount due to customers for contract work	13130.58	15366.50

14. Inventories

(Valued at lower of Cost and net realisable value)

	₹ in Lakhs	₹ in Lakhs
(a) Raw materials and Components	18392.91	20083.86
(b) Work-in-progress (includes project material at site)	9920.58	16072.04
(c) Finished goods	16441.88	19189.19
(d) Stock-in-trade of goods acquired for trading	41925.03	34692.42
(e) Stores and spares	26.01	60.89
	86706.41	90098.40
The above includes goods-in-transit:		
(i) Raw materials and Components	96.12	471.77
(ii) Finished goods	1159.35	1253.55
(iii) Stock-in-trade of goods acquired for trading	5864.73	10539.84
	7120.20	12265.16

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

15. Trade Receivables

	As at 31-3-2014			As at 31-3-2014		
	Others	Outstanding for a period exceeding six months from the date they were due for payment	Total	Others	Outstanding for a period exceeding six months from the date they were due for payment	Total
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Classification of Current Trade Receivables						
(1) Secured, considered good	144.69	127.59	272.28	149.85	127.57	277.42
(2) Unsecured, considered good	101487.35	32099.98	133587.33	109127.47	24112.40	133239.87
(3) Unsecured, considered doubtful	Nil	10667.64	10667.64	Nil	9609.54	9609.54
Gross Current Trade Receivables	101632.04	42895.21	144527.25	109277.32	33849.51	143126.83
Less: Provision for bad and doubtful debts	Nil	10667.64	10667.64	Nil	9609.54	9609.54
Net Current Trade Receivables	101632.04	32227.57	133859.61	109277.32	24239.97	133517.29

16. Cash and cash equivalents

	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
(A) Cash and cash equivalents (as per AS 3 Cash Flow Statements)		
(a) Cash in hand	193.57	194.59
(b) Cheques on hand	3603.70	3848.35
(c) Balances with banks		
(1) Current accounts	18115.61	14668.87
(2) Fixed deposits with maturity less than 3 months	2430.39	8703.22
Total Cash and cash equivalents (as per AS 3 Cash Flow Statements)	24343.27	27415.03
(B) Other Bank balances		
(a) Fixed deposits with maturity more than 3 months but less than 12 months	167.08	160.62
(b) Fixed deposits with maturity greater than 12 months	4.36	52.45
(c) Balances with banks		
(1) Earmarked Balances	398.54	353.88
(2) To the extent held as margin money	250.13	197.56
Total Other Bank balances	820.11	764.51
Total Cash and cash equivalents (A+B)	25163.38	28179.54

17. Revenue from Operations and Other Operating Income

	₹ in Lakhs	Year ended 31-3-2014 ₹ in Lakhs
(a) Sale of products	287222.93	245462.43
(b) Sale of services	64757.98	66367.87
(c) Contract revenue	164618.62	216217.04
(d) Other operating income		
(1) Unclaimed credit balances written back	1082.81	952.38
(2) Sale of scrap	561.20	1036.53
(3) Others	2236.13	249.23
	520479.67	530285.48

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

18. Other Income

	₹ in Lakhs	Year Ended 31-3-2014 ₹ in Lakhs
(a) Dividend Income		
(1) From non-current investments	337.29	258.54
(2) From current investments	3450.53	3020.66
(b) Interest Income		
(1) On sundry advances, deposits, customers' balances, etc	12.56	13.13
(2) On bank deposits / bonds	460.29	462.90
(3) On Income-tax refunds	0.91	125.18
(4) Others	1.06	35.30
(c) Net gain on sale of investments	984.71	26.41
(d) Net foreign exchange gain	703.42	1721.76
(e) Rent income	3717.17	3441.51
(f) Cash discount from suppliers	503.85	301.77
(g) Other non-operating income (net of expenses directly attributable to such income)	700.11	610.65
	10871.90	10017.81

19. Consumption of Raw Materials, Cost of Jobs and Services

	₹ in Lakhs	Year Ended 31-3-2014 ₹ in Lakhs
Opening stock	20083.86	15840.00
Add : Purchases and cost of jobs, manufacture and services	287168.65	320553.42
	307252.51	336393.42
Less: Closing stock	18392.91	20083.86
	288859.60	316309.56

20. Purchase of Traded Goods

₹ in Lakhs	Year Ended 31-3-2014 ₹ in Lakhs
69218.88	57321.63

21. (Increase) / Decrease in Finished Goods, Work-in-Progress and Stock-in-Trade

	₹ in Lakhs	Year Ended 31-3-2014 ₹ in Lakhs
Inventories at the end of the year:		
(1) Finished Goods including stock-in-trade	58366.91	53881.61
(2) Work-in-progress	9920.58	16072.04
	68287.49	69953.65
Inventories at the beginning of the year:		
(1) Finished Goods including stock-in-trade	53881.61	56113.03
(2) Work-in-progress	16072.04	25635.24
	69953.65	81748.27
Net (increase) / decrease	1666.16	11794.62

22. Employee Benefits Expenses

	₹ in Lakhs	Year Ended 31-3-2014 ₹ in Lakhs
(a) Salaries and Wages, including Bonus	53319.93	54153.72
(b) Contribution to Provident and other Funds	1956.10	1142.10
(c) Gratuity expenses (Unfunded)	961.85	1047.52
(d) Staff Welfare expenses	2753.68	3125.38
	58991.56	59468.72

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

23. Finance Costs

	₹ in Lakhs	Year Ended 31-3-2014 ₹ in Lakhs
Interest expense on :		
(1) Borrowings	1830.29	2107.51
(2) Delayed / deferred payment of taxes	495.46	147.06
	2325.75	2254.57

24. Depreciation and Amortisation Expenses

	₹ in Lakhs	Year Ended 31-3-2014 ₹ in Lakhs
(a) Depreciation on Tangible assets	2307.20	2040.79
(b) Amortisation on Intangible assets	415.26	407.09
(c) Depreciation on Investment Property	97.96	55.24
	2820.42	2503.12
(d) Less: Transfer through Contribution for Capital Expenditure Reserves	16.30	18.79
	2804.12	2484.33

Effective 1st April, 2014, the Company has, realigned the depreciation policy on furniture and fixtures from Written Down Value method to Straight Line Method as well as the useful lives of all fixed assets, as per Schedule II to the Companies Act, 2013. Accordingly, the depreciation charge is higher by ₹ 340.65 lakhs for the year ended 31st March, 2015 (net of ₹ 297.14 lakhs write back of depreciation upto 31st March, 2014 on account of change in method) and an amount of ₹ 558.26 lakhs (net of deferred tax of ₹ 284.05 lakhs) representing the carrying amount of assets with revised useful lives as Nil as at 31st March, 2014 which has been adjusted against the opening balance of reserves as permitted under the Companies Act, 2013.

25. Other Expenses

	₹ in Lakhs	Year Ended 31-3-2014 ₹ in Lakhs
(a) Consumption of Stores and Spare parts	480.53	473.19
(b) Power and Fuel	578.08	665.55
(c) Rent	5161.14	5784.30
(d) Repairs to Buildings	100.02	127.51
(e) Repairs to Plant and Machinery	808.78	687.86
(f) Insurance charges	547.55	646.47
(g) Rates and Taxes	152.42	234.91
(h) Travelling and Conveyance	5548.91	5641.43
(i) Payment to Auditors [Refer footnote 25(a)]	469.11	457.41
(j) Legal and Professional charges	3876.03	3100.74
(k) Bad and Doubtful Debts / Advances	4001.39	2794.64
(l) Loss on Sale of Fixed Assets (Net)	49.17	22.98
(m) Corporate Social Responsibility (CSR)	380.83	Nil
(n) Other expenses		
(1) Forwarding charges (Net)	4636.67	3804.46
(2) Commission other than to Sole Selling Agents, Rebates and Allowances	1472.90	3899.58
(3) Advertising	4495.09	3636.11
(4) Stationery, Postage, Fax and Telephone expenses	1846.27	2027.42
(5) Donations	0.33	39.75
(6) Provision for Diminution in value of Investments	4.79	5.72
(7) Other General expenses	23958.67	21098.77
	58568.68	55148.80

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

Footnote :

25(a) Auditors' Remuneration

	₹ in Lakhs	Year Ended 31-3-2014 ₹ in Lakhs
(a) To Statutory Auditor for		
(1) Audit Fees (including Tax Audit fees)	287.97	270.02
(2) Taxation Matters	12.28	11.59
(3) Other Services	146.15	142.45
(4) Reimbursement of Expenses	17.55	27.28
	<u>463.95</u>	<u>451.34</u>
(b) Secretarial Auditor for		
- Audit Fees	1.00	Nil
(c) To Cost Auditor for Cost Audit	4.16	6.07
	<u>469.11</u>	<u>457.41</u>

Service Tax which is being claimed for set off as input credit has not been included in the expenditure above.

26. Exceptional Items

	₹ in Lakhs	Year Ended 31-3-2014 ₹ in Lakhs
A. Exceptional Income		
(1) Assignment of Long-term Maintenance Contracts	Nil	1679.36
(2) Profit on Sale of Property	23586.33	482.74
Sub-total : Exceptional Income	23586.33	2162.10
Less :		
B. Exceptional Expenses		
(1) Cost of Voluntary Retirement Scheme / Early Separation Scheme	Nil	8.00
(2) Onerous Contract [Refer footnote 26(a)]	18967.00	Nil
Sub-total : Exceptional Expenses	18967.00	8.00
Exceptional Items (Net)	<u>4619.33</u>	<u>2154.10</u>

Footnote:

- 26(a) In the previous years, due to significant upward revision in estimated costs of the Sidra Medical and Research Centre project in Qatar, the Company accounted for cost overruns in accordance with the requirement of Accounting Standard (AS) 7. In July 2014, the Main Contractor was terminated by the end customer (Qatar Foundation) and a new main contractor was appointed. Although Qatar Foundation had earlier asked for the assignment of contracts of select subcontractors of the Main Contractor, no understanding could be reached. In view of the uncertainties attached to the sub-contract, the Company has, as a matter of prudence, charged off ₹ 18967 lakhs to the Statement of Profit and Loss after evaluation of underlying assets and liabilities, and contingencies related thereto. Nevertheless, the Company continues to pursue its entitlements and has sought legal advice for the way forward.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

27. Contingent Liabilities not provided for

- (a) Claims against the Group not acknowledged as debts :

In respect of various matters aggregating ₹ 22857.81 lakhs (31-3-2014 : ₹ 27736.19 lakhs), against which a provision has been made for contingencies ₹ 2200.23 lakhs (31-3-2014 : ₹ 1125.00 lakhs). In respect of a contingent liability of ₹ 1963.37 lakhs (31-3-2014 : ₹ 1889.93 lakhs), the Company has a right to recover from third party.

	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
Taxes, Cess and Duties (other than Income Tax)	19968.93	19549.82
Contractual matters in the course of business	2512.95	2756.95
Ex-employees matters	Nil	248.63
Others	375.93	396.33
	<u>22857.81</u>	<u>22951.73</u>

- (b) Contractual matters under arbitration : Amount indeterminate.

- (c) (i) Income tax demands decided in Group's favour by Appellate Authorities where the Department is in further appeal - ₹ 2752.43 lakhs (31-3-2014 : ₹ 1568.42 lakhs).

- (ii) Income tax demands decided against the Group and where Group has appealed amounted to ₹ 251.16 lakhs (31-3-2014: ₹ 1564.04 lakhs).

- (d) In respect of cases / matters decided in favour of Company and where the cases are referred back to the competent authorities for reassessment of liability : Amount indeterminate.

- (e) Staff demands under adjudication : Amount indeterminate.

- (f) Liquidated damages, except to the extent provided, for delay in delivery of goods / execution of projects : Amount indeterminate.

28. (a) Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹ 3480.16 lakhs (31-3-2014 : ₹ 9974.99 lakhs). [Tangible assets : ₹ 3448.26 lakhs (31-3-2014 : ₹ 9817.89 lakhs) and Intangible assets of : ₹ 31.90 lakhs (31-3-2014: ₹ 157.10 lakhs)]

Advance paid against such contracts: ₹ 755.92 lakhs (31-3-2014: ₹ 61.95 lakhs).

- (b) On account of Other Commitments :

- (i) Foreign currency exposures (Refer note 30)

- (ii) Minimum future lease rental payable [Refer note 31 (a)]

- (iii) Letter of Credit issued ₹ 2958.32 lakhs (31-3-2014: ₹ 4784.46 lakhs)

29. In respect of guarantees aggregating ₹ 159873.71 lakhs (31-3-2014 : ₹ 160235.87 lakhs) issued by Banks at the request of the Group in favour of third parties, the Company has given security by way of hypothecation of a part of tangible movable assets, book debts and stocks.

30. Derivative Instruments

The Company has entered into the following derivative instruments :

Forward Exchange Contracts (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

The following are the outstanding Forward Exchange Contracts entered into by the Company :

Currency	₹ in Lakhs	Sell / Buy	Cross Currency
US Dollar	Nil	Nil	Nil
	<i>80.00</i>	<i>Buy</i>	<i>Rupees</i>

The difference between the forward contract rate and the exchange rate on the date of transaction to be charged / (credited) to the Statement of Profit and Loss is ₹ Nil (2013-14 : ₹ Nil).

Note : Figures in italics are for the Previous year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

31. Leases

	₹ in Lakhs	2013-14 ₹ in Lakhs
Assets under Operating Leases :		
(a) The Group has taken on operating lease certain assets. The total lease rent paid on the same amounts to ₹ 4144.79 lakhs (2013-14 : ₹ 4866.14 lakhs).		
(i) The minimum future lease rentals payable in respect of non-cancellable leases are as under :		
Not later than one year	530.01	661.80
Later than one year but not later than five years	976.23	306.94
Later than five years	180.80	237.56
(b) The Group has given on operating lease certain assets. The total lease rent received on the same amounts to ₹ 3532.66 lakhs (2013-14 : ₹ 3197.19 lakhs) and is included under Other Income.		
(i) The minimum future lease rentals receivable in respect of non-cancellable leases are as under :		
Not later than one year	3165.90	2598.23
Later than one year but not later than five years	4318.31	4600.94
Later than five years	Nil	Nil
(ii) The Original Cost, Depreciation for the year and Written Down Value for the assets in (b) above are ₹ 3459.13 lakhs, ₹ 97.96 lakhs and ₹ 2669.73 lakhs (2013-14: ₹ 3017.78 lakhs, ₹ 55.24 lakhs and ₹ 2432.03 lakhs), respectively.		

32. Earnings per share

		2013-14
Earnings per Share has been computed as under :		
(1) Net Profit after tax and minority interest for the year (₹ In lakhs)	38433.69	24535.71
(2) Weighted average number of Equity Shares Outstanding	33,08,84,740	33,08,84,740
(3) Earnings Per Share (₹) - Basic and Diluted (Face value ₹ 1 per share)	11.62	7.42

33. Employee benefits expenses

- (a) The Company makes contribution towards provident funds, defined benefit retirement plans and towards superannuation fund. These funds are administered by the trustees appointed by the Company. Under the schemes, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefits.
- (b) The Company makes annual contributions to Gratuity Funds, which are funded defined benefit plans for qualifying employees. The schemes provide for lumpsum payment to vested employees at retirement, death while in employment, or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of 5 years of service.

The Company is also providing post retirement medical benefits to qualifying employees.

The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out as at 31st March, 2015. The present value of the defined benefit obligation and the related current service cost and past service cost, are measured using the projected unit credit method.

The following tables set out the the position of and the amounts recognised in the Company's financial statements as at 31st March, 2015 for Defined Benefit / Contribution Plans :

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

Defined Benefit Plans - As per Actuarial Valuation

	Gratuity Unfunded (Refer note below)	Gratuity Funded	Post Employment Medical Benefits	Pension Plan
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
I. Expense recognised in the Statement of Profit and Loss				
1. Current Service Cost	809.11	302.06	38.21	864.75
	1064.46	303.21	39.70	—
2. Interest Cost	146.48	409.97	76.89	143.10
	169.05	383.17	69.07	125.71
3. Expected return on plan assets	—	(425.42)	—	—
	—	(391.91)	—	—
4. Actuarial (Gains) / Losses	(249.90)	435.99	77.56	240.50
	(498.96)	(349.95)	(88.00)	34.56
5. Total expense	705.69	722.60	192.66	1248.35
	734.55	(55.48)	20.77	160.27
II. Net Liability recognised in the Balance Sheet				
1. Present value of Defined Benefit Obligation	2894.59	5295.99	975.00	2647.58
	2734.24	4430.38	831.31	1547.11
2. Fair value of plan assets	—	(5290.94)	—	—
	—	(4597.23)	—	—
3. Net (asset) / liability	2894.59	5.05	975.00	2647.58
	2734.24	(166.85)	831.31	1547.11
III. Change in Obligation during the year				
1. Present value of Defined Benefit Obligation at the beginning of the year	2740.53	4430.38	831.31	1547.11
	2981.04	4641.55	837.16	1523.79
2. Current Service Cost	809.11	302.06	38.21	864.75
	1064.46	303.21	39.70	—
3. Interest Cost	146.48	409.97	76.89	143.10
	169.05	383.17	69.07	125.71
4. Actuarial (Gains) / Losses	(249.90)	640.45	77.56	240.50
	(498.96)	(419.05)	(88.00)	34.56
5. Benefits Payments	(654.71)	(486.87)	(48.97)	(147.88)
	(1310.64)	(478.50)	(26.62)	(136.95)
6. Difference in exchange	110.44	—	—	—
	329.29	—	—	—
7. Present value of Defined Benefit Obligation at the end of the year	2901.95	5295.99	975.00	2647.58
	2734.24	4430.38	831.31	1547.11
IV. Change in Assets during the year				
1. Plan assets at the beginning of the year	—	4597.23	—	—
	—	4747.60	—	—
2. Expected return on plan assets	—	425.42	—	—
	—	391.91	—	—
3. Contributions by employers	—	550.70	48.97	147.88
	—	5.32	26.62	136.95

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

	Gratuity Unfunded (Refer note below)	Gratuity Funded	Post Employment Medical Benefits	Pension Plan
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
4. Actual benefits paid	—	(486.87)	(48.97)	(147.88)
	—	<i>(478.50)</i>	<i>(26.62)</i>	<i>(136.95)</i>
5. Actuarial Gains / (Losses)	—	204.46	—	—
	<i>(1.19)</i>	<i>(69.10)</i>	—	—
6. Plan assets at the end of the year	—	5290.94	—	—
	<i>(1.19)</i>	<i>4597.23</i>	—	—
7. Actual return on plan assets (2+5)	—	629.88	—	—
	<i>(1.19)</i>	<i>322.81</i>	—	—
V. Amount Recognised in the Balance Sheet				
1. Opening Liability	2734.24	(166.85)	831.31	1547.11
	<i>2981.04</i>	<i>(106.05)</i>	<i>837.16</i>	<i>1523.79</i>
2. Expenses as above (I)	705.69	722.60	192.66	1248.35
	<i>734.55</i>	<i>(55.48)</i>	<i>20.77</i>	<i>160.27</i>
3. Employers Contribution	(654.71)	(550.70)	(48.97)	(147.88)
	<i>(1310.64)</i>	<i>(5.32)</i>	<i>(26.62)</i>	<i>(136.95)</i>
4. Cost of Plan Amendment	—	—	—	—
	—	—	—	—
5. Difference in exchange	110.44	—	—	—
	<i>329.29</i>	—	—	—
6. Closing Net Liability	2895.66	5.05	975.00	2647.58
	<i>2734.24</i>	<i>(166.85)</i>	<i>831.31</i>	<i>1547.11</i>
VI. Actuarial Assumptions				
1. Mortality Table (Indian Assured Lives Mortality)	2006-08	2006-08	2006-08	2006-08
	<i>2006-08</i>	<i>2006-08</i> <i>(Ultimate)</i>	<i>2006-08</i>	<i>2006-08</i>
2. Discount Rate	5.25%	8.00%	8.00%	8.00%
	<i>5.25%</i>	<i>9.25%</i>	<i>9.25%</i>	<i>9.25%</i>
3. Increase in Salary/Health Care Cost/Pension	5.00%	8.00%	5.00%	8.00%
	<i>5.00%</i>	<i>8.00%</i>	<i>5.00%</i>	<i>8.00%</i>
4. Rate of Return on Plan Assets	—	8.00%	—	—
	—	<i>9.25%</i>	—	—

Figures in italics under I to VI are for the Previous year.

VII. Categories of plan assets as a percentage of the fair value of total plan assets

	Gratuity	Gratuity
	%	31-3-2014
	%	%
1. Government of India Securities	20.00	22.00
2. Corporate Bonds	62.00	70.00
3. Special Deposit Scheme	2.00	3.00
4. Others	16.00	5.00
	100.00	100.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

VIII. Effect of Change in Assumed Health Care Cost Trend Rate

	2013-14		2013-14	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
	One percentage point increase	One percentage point decrease	One percentage point increase	One percentage point decrease
1. Effect on the aggregate of the service cost and interest cost	128.43	122.88	117.66	112.54
2. Effect on defined benefit obligation	997.47	952.53	850.46	812.15

- (a) The Actuarial calculations used to estimate defined benefit commitments and expenses are based on the above assumptions which if changed would affect the defined benefit commitment's size, the funding requirement and expenses.
- (b) The estimates of future salary increases, considered in the Actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (c) The disclosure of Present value of defined obligation, fair value of assets, surplus/(deficit) of assets and experience adjustments of current year and preceding four years are as under:

	2013-14	2012-13	2011-12	2010-11	
₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	
1. Present value of defined benefit obligation	11820.52	9543.03	9983.54	9508.97	9152.26
2. Fair value of Plan Assets	5290.94	4597.23	4747.60	4536.01	4648.11
3. (Surplus) or Deficit of the Plan	6529.58	4945.80	5235.94	4972.96	4504.15
4. Experience Adjustments					
- On Plan Assets	204.46	(69.10)	4.61	15.54	65.08
- On Plan Liabilities	(95.58)	(566.18)	(304.07)	(296.46)	(16.99)
	108.88	(635.28)	(299.46)	(280.92)	48.09

- (d) The details of the Company's Defined Benefit Plans for its employees given above are certified by the actuary and relied upon by the auditors.
- (e) Expected contribution to Defined Benefits Schemes for the next year is ₹ 710.00 lakhs (2013-14 : ₹ 610.00 lakhs) .
- (f) The Company has recognised the following amounts in the Statement of Profit and Loss under the head Company's Contribution to Provident and Other Funds :

	2013-14	
	₹ in Lakhs	₹ in Lakhs
- Provident Fund	847.19	821.58
- Superannuation Fund	179.93	169.71
	1027.12	991.29

- (g) The Company has not disclosed information related to defined benefits as required under AS-15 on Employee benefits notified under the Companies Act, 2013 for foreign subsidiaries and joint ventures. However, these companies are not material in relation to the Group.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

34. Related Party Disclosures

(a) List of Related Parties and Relationships

Party	Relation
A. Brihat Trading Private Ltd. Terrot GmbH (w.e.f. 13-5-2014)	Associates
B. Universal Voltas L.L.C. Naba Diganta Water Management Ltd. Olayan Voltas Contracting Company Ltd. Universal Weathermaker Factory L.L.C. Voltas Qatar W.L.L. Voltas Water Solutions Private Ltd. (w.e.f. 26-7-2014) AVCO Marine S.a.S. (Under liquidation) Agrotech Industries Ltd. (Under closure)	Joint Ventures
C. Tata Sons Ltd.	Promoter holding together with its subsidiary more than 20%
D. Mr. Sanjay Johri - Managing Director	Key Management Personnel

34. (b) Related Party Transactions

Transactions	₹ In Lakhs			
	Associates and Joint Ventures	Key Management Personnel	Promoter	Total
Purchase of Goods [Refer 34 (c) (1)]	63.40 349.06	—	—	63.40 349.06
Sale of Products [Refer 34 (c) (2)]	21.91 51.77	—	— 10.39	21.91 62.16
Service Income [Refer 34 (c) (3)]	74.86 890.70	— 0.05	59.37 57.73	134.23 948.48
Rental Income [Refer 34 (c) (4)]	—	—	—	—
Consulting Charges paid [Refer 34 (c) (5)]	—	—	1.57	1.57
Commission Received [Refer 34 (c) (6)]	—	—	9.16	9.16
Other Operating Income [Refer 34 (c) (7)]	—	—	5.29	5.29
Remuneration Paid / Payable [Refer 34 (c) (8)]	83.28 —	—	—	83.28 —
Dividend Paid [Refer 34 (c) (9)]	86.42 —	—	—	86.42 —
Tata Brand Equity [Refer 34 (c) (10)]	—	304.86 233.42	—	304.86 233.42
Other Expenses - Received /Receivable [Refer 34 (c) (11)]	—	—	1630.44 1410.11	1630.44 1410.11
Other Expenses -Paid/Payable [Refer 34 (c) (12)]	—	—	673.00 758.26	673.00 758.26
	967.47 2061.61	—	—	967.47 2061.61
	734.76 137.98	—	35.83 51.66	770.59 189.64

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)
34. (b) Related Party Transactions (contd.)

₹ in Lakhs

Transactions	Associates and Joint Ventures	Key Management Personnel	Promoter	Total
Advance Outstanding at year end [Refer 34 (c) (13)]	388.11	—	—	388.11
	<i>382.32</i>	—	—	<i>382.32</i>
Debit Balance Outstanding at year end [Refer 34 (c) (14)]	203.83	—	—	203.83
	<i>1027.87</i>	—	—	<i>1027.87</i>
Credit Balance Outstanding at year end [Refer 34 (c) (15)]	71.49	—	671.11	742.60
	—	—	<i>763.33</i>	<i>763.33</i>

Figures in Italics are for the Previous year.

34. (c) Details of material (more than 10% of the total related party transactions of the same type) transactions with Related Party

₹ in Lakhs

Name of Party	Transaction Value	Transaction Value 2013-14
1. Purchase of Goods		
Universal Weathermaker Factory L.L.C.	63.40	348.32
2. Sale of Products		
Olayan Voltas Contracting Company Ltd.	—	12.33
Voltas Qatar W.L.L.	21.91	38.52
Tata Sons Ltd.	—	9.53
3. Service Income		
Universal Voltas L.L.C.	—	737.73
Voltas Qatar W.L.L.	26.21	100.10
Tata Sons Ltd.	59.37	—
Universal Weathermaker Factory L.L.C.	26.54	—
Olayan Voltas Contracting Company Ltd.	18.42	—
4. Rental Income		
Tata Sons Ltd.	—	1.57
5. Consulting Charges paid		
Tata Sons Ltd.	9.16	5.29
6. Commission Received		
Terrot GmbH	83.27	—
7. Other Operating Income		
Universal Voltas L.L.C.	86.42	—
8. Remuneration Paid / Payable		
Mr. Sanjay Johri	304.86	233.42
9. Dividend Paid		
Tata Sons Ltd.	1630.44	1410.11
10. Tata Brand Equity		
Tata Sons Ltd.	673.00	758.26
11. Other Expenses -Received/Receivable		
Voltas Qatar W.L.L.	873.03	1920.75

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

34. (c) Details of material (more than 10% of the total related party transactions of the same type) transactions with Related Party (contd.)

Name of Party	Transaction Value	₹ in Lakhs
		Transaction Value 2013-14
12. Other Expenses -Paid/Payable		
Tata Sons Ltd.	—	51.66
Voltas Qatar W.L.L.	734.76	122.88
13. Advance Outstanding at year end		
Voltas Qatar W.L.L.	190.14	319.00
Universal Voltas L.L.C.	147.68	55.37
Olayan Voltas Contracting Company Ltd.	45.02	—
14. Debit Balance Outstanding at year end		
Universal Voltas L.L.C.	62.85	730.31
Naba Diganta Water Management Ltd.	137.91	195.88
15. Credit Balance Outstanding at year end		
Tata Sons Ltd.	671.11	763.32

35. (A) Information about Consolidated Segments

	2013-14	2013-14
	₹ in Lakhs	₹ in Lakhs
1. SEGMENT REVENUE		
(a) Segment - A (Electro - mechanical Projects and Services)	220852.96	269242.07
(b) Segment - B (Engineering Products and Services)	36006.35	44821.79
(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	251049.40	205242.38
(d) Others	6612.02	5204.43
Less : Inter segment revenue	92.21	144.32
Net Sales / Income from Operations	514428.52	524366.35
Add : Other operating income	3880.14	2238.14
Net Revenue from Operations (as per Statement of Profit and Loss)	518308.66	526604.49
2. SEGMENT RESULTS		
(a) Segment - A (Electro - mechanical Projects and Services)	(16686.61)	(3955.56)
(b) Segment - B (Engineering Products and Services)	10810.73	14144.02
(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	34913.06	25672.82
(d) Others	703.29	56.52
Segment Total	29740.47	35917.80
Less : (i) Interest Paid	2325.75	2254.57
(ii) Other unallocable expenditure net of unallocable income	(23950.42)	(330.94)
Profit before Tax	51365.14	33994.17

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

3. SEGMENT ASSETS AND LIABILITIES

	Segment Assets		Segment Liabilities	
	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs	₹ in Lakhs	As at 31-3-2014 ₹ in Lakhs
(a) Segment - A (Electro - mechanical Projects and Services)	205228.83	222715.70	152585.43	160341.50
(b) Segment - B (Engineering Products and Services)	13399.66	18952.88	6719.72	8227.00
(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	105822.71	100891.17	76820.09	73420.78
(d) Others	5696.48	5522.85	2691.20	3028.57
Segment Total	330147.68	348082.60	238816.44	245017.85
Unallocated	158677.01	126474.55	38195.80	46225.41
	488824.69	474557.15	277012.24	291243.26

4. OTHER INFORMATION FOR SEGMENTS

	Capital Expenditure		Depreciation and Amortisation		Non-Cash Expenses Other than Depreciation and Amortisation	
	₹ in Lakhs	2013-14 ₹ in Lakhs	₹ in Lakhs	2013-14 ₹ in Lakhs	₹ in Lakhs	2013-14 ₹ in Lakhs
(a) Segment - A (Electro - mechanical Projects and Services)	1593.53	666.53	1008.95	1065.52	3088.81	3112.31
(b) Segment - B (Engineering Products and Services)	28.30	21.30	183.77	159.77	193.91	68.45
(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	163.91	589.60	622.67	383.84	1036.31	377.27
(d) Others	112.71	167.78	177.03	179.49	13.44	124.89
Segment Total	1898.45	1445.21	1992.42	1788.62	4332.47	3682.92
Unallocated	477.83	706.43	811.70	695.71	Nil	Nil
	2376.28	2151.64	2804.12	2484.33	4332.47	3682.92

35. (B) Information about Consolidated Secondary Business Segments
Revenue by Geographical Market

	₹ in Lakhs	2013-14 ₹ in Lakhs
India	386445.99	365642.83
Middle East	115808.70	146816.60
Others	12173.83	11906.92
Total	514428.52	524366.35

Capital Expenditure

India	1306.55	995.91
Middle East	590.50	449.30
Others	1.40	Nil
Total	1898.45	1445.21

Carrying Amount of Segment Assets

India	219638.44	232071.60
Middle East	106908.61	112855.78
Others	3600.63	3155.22
Total	330147.68	348082.60

36. The Group has consolidated the accounts of the following Joint Ventures as on 31st March, 2015 and its percentage holding is given below:

Name of the Joint Venture	Country of Incorporation	% Holding
Universal Voltas L.L.C.	United Arab Emirates	49.00
Naba Diganta Water Management Ltd.	India	26.00
Voltas Water Solutions Private Ltd.	India	50.00
Universal Weathermaker Factory L.L.C.	United Arab Emirates	49.00
ETA-Voltas-Hitachi Plant *	United Arab Emirates	37.50
NDIA Package 19 Project*	Qatar	77.08
Sidra Medical & Research Centre Project*	Qatar	51.08
VAFE Joint Venture (Under Voltas Qatar W.L.L.)*	Qatar	100.00
Voltas Qatar W.L.L.	Qatar	75.00
Olayan Voltas Contracting Company Ltd.	Saudi Arabia	50.00

* Jointly controlled operations

36. The Group has consolidated the accounts of the following Joint Ventures as on 31st March, 2015 and its percentage holding is given below (contd.)

The proportionate share of assets, liabilities, income and expenditure of the above joint venture companies / operations included in these consolidated financial statements are given below:

	2013-14 ₹ in Lakhs	2012-13 ₹ in Lakhs
ASSETS		
Net Block (including Capital WIP)	1556.17	1614.80
Current Assets	49905.13	58248.28
Non-Current Assets	1448.45	2913.29
LIABILITIES		
Reserves and Surplus	(5895.50)	7258.08
Current Liabilities	45343.70	57509.09
Non-Current Liabilities	1212.22	1936.76
INCOME		
Revenue from Operations	31019.69	55260.42
Other Income	578.34	(858.88)
EXPENSES		
Cost of Sales, Services and Expenses	45913.68	50249.78
Depreciation	184.52	212.84
Interest	541.45	381.62
TAXES		
	42.55	163.56
CONTINGENT LIABILITIES		
	16960.97	13157.31
CAPITAL COMMITMENTS		
	8331.68	7842.73

37. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the Company	Net consolidated assets, i.e., total assets minus total liabilities		Share of consolidated profit or loss	
	%	As at 31-3-2015 ₹ in Lakhs	%	Year ended 31-3-2015 ₹ in Lakhs
Parent	100	211812.45	100	38433.69
I Subsidiaries				
(a) Indian				
(1) Auto Aircon (India) Ltd.	(0.04)	(80.56)	—	(0.15)
(2) Rohini Industrial Electricals Ltd.	(0.42)	(894.62)	(7.47)	(2872.11)
(3) Universal Comfort Products Ltd.	7.92	16767.04	18.45	7089.21
(b) Foreign				
(1) Lalbuksh Voltas Engineering Services and Trading L.L.C., Muscat	1.70	3599.44	1.73	665.46
(2) Saudi Ensas Company for Engineering Services W.L.L.	(1.84)	(3894.34)	0.06	21.90
(3) Voltas Netherlands B.V.	0.36	766.05	(0.06)	(22.95)
(4) Voltas Oman L.L.C.	0.22	472.57	0.54	206.97
(5) Weathermaker Ltd.	0.91	1924.65	(0.99)	(378.58)
(c) Minority Interests in all subsidiaries	0.76	1605.11	(0.87)	(333.14)

37. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 (contd.)

Name of the Company	Net consolidated assets, i.e., total assets minus total liabilities		Share of consolidated profit or loss	
	%	As at 31-3-2015 ₹ in Lakhs	%	Year ended 31-3-2015 ₹ in Lakhs
II Associates				
(a) Foreign				
(1) Terrot GmbH	0.15	319.54	0.42	163.32
III Joint Ventures				
(a) Indian				
(1) Naba Diganta Water Management Ltd.	0.33	697.11	0.10	37.28
(2) Voltas Water Solutions Private Ltd.	0.01	15.56	(0.06)	(23.04)
(b) Foreign				
(1) Olayan Voltas Contracting Company Ltd.	1.03	2174.99	(0.59)	(228.57)
(2) Universal Voltas L.L.C.	2.66	5628.77	4.89	1879.52
(3) Universal Weathermaker Factory L.L.C.	0.25	528.65	(0.16)	(59.97)
(4) VAFE Joint Venture (under Voltas Qatar W.L.L.)	Nil	Nil	0.03	11.29
(5) Voltas Qatar W.L.L. - Other projects (NGM, Villagio)	0.46	982.18	0.58	224.06
IV Standalone	85.55	181200.31	83.40	32053.19

Refer note 1 (III) of significant accounting policies for the list of subsidiaries, associates and joint ventures, which have not been consolidated in the consolidated financial statements.

38. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.

For and on behalf of the Board

Chairman
Managing Director
Directors

Ishaat Hussain
Sanjay Johri
N. N. Tata
Nani Javeri
R. N. Mukhija
Vinayak Deshpande
Bahram N. Vakil
Anjali Bansal

President - Corporate Affairs & CFO

Anil George

Vice President- Taxation, Legal &
Company Secretary

V. P. Malhotra

Mumbai, 21st May, 2015

FORM No.-AOC-1

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

PART "A": SUBSIDIARIES

	Name of Subsidiary							Volta's Netherlands B.V. (VNBV) 31-3-2015
	Universal Comfort Products Limited (UCPL) 31-3-2015	Rohini Industrial Electricals Limited (RIEL) 31-3-2015	Auto Aircon (India) Limited (AAIL) 31-3-2015	Weathermaker Limited (WML) 31-12-2014	Saudi Ensas Company for Engineering Services W.L.L. (Saudi Ensas) 31-12-2014	Lalbuksh Voltas Engineering Services & Trading L.L.C. (LALVOL) 31-12-2014	Volta's Oman L.L.C. (VOLLC) 31-12-2014	
1	Reporting period							
2	(i) Reporting currency	INR	INR	INR	AED	SR	RO	EURO
	(ii) Exchange rate as on the last date of the relevant Financial year	—	—	—	₹ 17.26	₹ 16.90	₹ 164.61	₹ 67.66
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
3	Share Capital	2764.20	6382.58	1130.00	258.90	439.40	411.53	823.05
4	Reserves & Surplus	14002.84	(7277.21)	(1210.56)	1665.75	(353.64)	3187.91	(350.48)
5	Total Assets	36524.49	12924.91	35.64	2486.70	1539.64	6796.76	5645.15
6	Total Liabilities	19757.45	13819.54	116.20	562.05	1453.88	3197.32	5172.58
7	Investments	—	—	—	—	—	—	—
8	Turnover (gross)/ Income	115858.36	5332.79	—	1730.13	2096.46	6692.92	7857.69
9	Profit before Taxation	9414.00	(2872.12)	(0.15)	(389.84)	33.12	722.76	198.09
10	Provision for Taxation	2226.94	—	—	—	10.96	53.04	—
11	Profit after Taxation	7187.06	(2872.12)	(0.15)	(389.84)	22.16	669.72	198.09
12	Proposed Dividend	4146.30	—	—	—	—	370.37	—
13	% of shareholding	100%	100%	100%	100%	100%*	60%**	65%***

* 39% shares held by VNBV; ** 40% shares held by VNBV; *** 65% shares held by VNBV.

Notes:

- Foreign currency figures of WML, Saudi Ensas, LALVOL, VOLLC and VNBV have been converted into Indian Rupees on the basis of appropriate exchange rates as on Reporting period.
- Abbreviations for foreign currencies - AED: United Arab Emirates Dirhams; SR: Saudi Riyal; RO: Omani Riyal and Euro: European Union currency.



PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/ Joint Ventures	Universal Weathermaker Factory L.L.C. 31-12-2014	Universal Voltas L.L.C. 31-3-2015	Olayan Voltas Contracting Company Limited 31-3-2015	Voltas Qatar W.L.L. 31-3-2015	Naba Diganta Water Management Limited 31-3-2015	Voltas Water Solutions Private Limited (VWSPL) 31-3-2015	Terrot GmbH 31-12-2014	Brihat Trading Private Limited 31-03-2015
1 Latest Audited Balance Sheet Date								
2 Shares of Associate/ Joint Ventures held by the Company on the year end								
(i) Number	2695	—	50000	—	4797000	386000	260900	3352
(ii) Amount of Investment in Associates/ Joint Ventures (₹ in Lakhs)	298.09	—	710.70	—	479.70	38.60	156.22	0.34
(iii) Extent of Holding %	49%	49%*	50%	49%*	26%	50%	20.07%	33.33%
3 Description of how there is significant influence	Equity Investment more than 20%							
4 Reason why the associate/ joint venture is not consolidated	Not Applicable							
5 Network attributable to Shareholding as per latest Audited Balance Sheet (₹ in Lakhs)	528.65	5628.77	2174.99	982.18	697.11	15.56	319.54	Not Material
6 Profit / (Loss) for the year	(59.97)	1879.52	(228.87)	235.35	37.28	(23.04)	163.32	Not Material
(i) Consolidated in Consolidation (₹ in Lakhs)	—	—	—	—	—	—	—	Not Material
(ii) Not Considered in Consolidation (₹ in Lakhs)	—	—	—	—	—	—	—	Not Material

* Share Capital is held by Voltas Netherlands B.V., a wholly owned subsidiary.

Notes:

- (1) For consolidation, 75% share in profit of Voltas Qatar W.L.L. has been considered.
- (2) VWSPL incorporated during 2014-15 is yet to commence business.

For and on behalf of the Board
 Chairman
 Managing Director
 Directors

Ishaat Hussain
Sanjay Johri
N. N. Tata
Nani Javeri
R. N. Mukhija
Vinayak Deshpande
Bahram N. Vakil
Anjali Bansal

President - Corporate Affairs & CFO
 Vice President- Taxation,
 Legal & Company Secretary

Anil George
V. P. Mailhotra

Mumbai, 21st May, 2015



To
TSR Darashaw Limited
Unit: Voltas Limited
6-10 Haji Moosa Patrawala Industrial Estate,
20 Dr. E. Moses Road, Mahalaxmi,
Mumbai 400 011.

Updation of Shareholder Information

I/We request you to record the following information against our Folio No.:

General Information:

Folio No.:	
Name of the first named Shareholder:	
PAN:*	
CIN/Registration No.:* (applicable to Corporate Shareholders)	
Tel. No. with STD Code:	
Mobile No.:	
Email Id:	

* Self attested copy of the document(s) enclosed

Bank Details:

IFSC: (11 digit)	MICR: (9 digit)
Bank A/c Type:	Bank A/c No.:*
Name of the Bank:	
Bank Branch Address:	

*A blank cancelled cheque is enclosed to enable verification of bank details

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company/ RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained by you till I/We hold the securities under the above mentioned Folio No.

Place:

Date:

Signature of Sole/ First holder

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Team Voltas

VOLTAS LIMITED

Registered Office: Voltas House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai 400 033

Tel: +91-22-6665 6666 Fax: +91-22-6665 6231

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Smart Sense

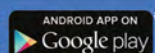




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