VOLTAS

29th August, 2017

BSE Limited
Department of Corporate Services
1st Floor, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

National Stock Exchange of India Limited
Listing Department
Exchange Plaza
Bandra-Kurla Complex
Bandra (East), Mumbai 400 051

Dear Sir,

Sub: Annual Report for the year ended 31st March, 2017

As per the requirements of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Annual Report of the Company for the year ended 31st March, 2017 for your information and record.

2. The financial statements (stand-alone and consolidated) along with the Directors' Report and Auditors Report for the year ended 31st March, 2017 were approved and adopted by the shareholders of the Company at the 63rd Annual General Meeting held on 28th August, 2017.

Thanking you,

Yours faithfully,
VOLTAS LIMITED

(V. P. MALHOTRA)
Vice President - Taxation,
Legal & Company Secretary

Enc.

VOLTAS LIMITED
Corporate Management Office
Registered Office Voltas House 'A' Dr Babasaheb Ambedkar Road Chinchpokli Mumbai 400 033
Tel 91 22 66656251 66656258 Fax 91 22 66656311 e-mail vpmalhotra@voltas.com website www.voltas.com
Corporate Identity Number L29308MH1954PLC009371
A TATA Enterprise

VOLTAS

A TATA Enterprise

DRIVING VALUE THROUGH SMART ENGINEERING

ANNUAL REPORT
2016 - 2017

ABOUT VOLTAS

Set up in 1954, Voltas is India's premier air conditioning and engineering services company, with a focus on delivering smart, best-in-class business solutions. With over 5000 employees spread across India, the Middle East, Singapore and Africa, Voltas is among the top 10 companies within the Tata Group. The Company's Consolidated Gross Sales from Operations for FY 16-17 was Rs. 6,033 crores, with an ROCE of 21%.

Voltas manufactures and markets India's No.1 brand of Air Conditioners, with a substantial lead over numerous multi-national and local competitors. It also has a lead position in commercial refrigeration products and has recently forayed into Fresh Air Coolers, a new proposition in cooling.

For over 40 years, Voltas has been a well recognised engineering, procurement and construction (EPC) contractor in India, the Middle East and South East Asia, undertaking iconic electro-mechanical projects encompassing HVAC (Heating, Ventilation, Air Conditioning), electrical and other building utilities such as plumbing, firefighting and security systems. Over time, our range of project execution has moved beyond malls and office complexes, to ships and power plants, hospitals, airports and metro-rail.

Voltas' India business now includes rural electrification and water treatment projects as well. The Company has repeatedly won prestigious awards such as the Middle East award for 'MEP Contractor of the Year' and 'Overall GCC Project of the Year'.

In the field of engineering products and services, Voltas represents over 35 globally renowned manufacturers. In Mining & Construction Equipment, we undertake sales and service activities for a variety of clients. In Textile Machinery, the Company's services span an entire spectrum from plant design and sourcing to installation, training, parts supply and maintenance.

ABOUT THE THEME

Voltas has weathered many a storm to reach an undisputed market leadership position in the room air conditioning business. Voltas is equally well recognised for its engineering prowess and is a preferred solution provider cum project specialist both in India and the Middle East. It is also a sought after business partner by prominent global equipment manufacturers in the Textile and Mining industry for their Sales and Service requirements.

One of the many factors that have helped the Company remain resilient and strong is its culture. A culture driven by 5 attributes - SWIFT (**S**mart Thinking, **W**inning Attitude, **I**nnovative, **F**lexible, and **T**eamwork) – and 1 goal – that of Driving Value through Smart Engineering!

The theme for the annual report captures this internal mind-set of being 'SWIFT' across all that we seek to do….. and the Divisional pages speak about the various initiatives undertaken to drive value for our stakeholders.

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 Hemant Bhargava Arun Kumar Adhikari
Vice President - Taxation, Legal & Company Secretary	V. P. Malhotra

AUDIT COMMITTEE

Chairman	Nani Javeri R. N. Mukhija D. Sarangi

NOMINATION AND REMUNERATION COMMITTEE

Chairman	Bahram N. Vakil Ishaat Hussain N. N. Tata Nani Javeri Anjali Bansal

SHAREHOLDERS RELATIONSHIP COMMITTEE

Chairman	N. N. Tata Bahram N. Vakil

CORPORATE MANAGEMENT

Managing Director	Sanjay Johri
Presidents	Anil George Pradeep Bakshi
Executive Vice Presidents	M. Gopi Krishna Narendren Nair Abhijit Gajendragadkar Jayant Balan

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
Credit Agricole Corporate and Investment Bank

Overseas

Emirates NBD Bank PJSC (UAE)
Union National Bank (UAE)
HSBC Bank Middle East Limited (UAE, Qatar, Bahrain)
First Gulf Bank (UAE)
Doha Bank (Qatar)
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, 28th August, 2017 at 3.00 p.m. at
Birla Matushri Sabhagar, 19, Sir Vithaldas
Thackersey Marg, Mumbai 400 020.

BOARD OF DIRECTORS (FY 2016-17)

Sitting from left to right :
Noel Tata, Sanjay Johri (Managing Director),
Ishaat Hussain (Chairman), Anjali Bansal and Bahram Vakil

Standing from left to right :
Vinayak Deshpande, Debendranath Sarangi, Nani Javeri and
Ram Nath Mukhija

CORPORATE MANAGEMENT GROUP

Sitting from left to right :
Abhijit Gajendragadkar (Executive Vice President - Finance & CFO (Designate)),
Pradeep Bakshi (President & COO - UPBG & MCED), Sanjay Johri (Managing Director),
Anil George (President - Corporate Affairs & CFO), M. Gopi Krishna (Executive Vice President & COO - DPG)

Standing from left to right :
Jayant Balan (Executive Vice President & COO - IOBG)
Narendren Nair (Executive Vice President and Chief Human Resources Officer)

CORPORATE CULTURE

Culture defines the true character of any organisation. Our culture is in fact defined by the following 5 pillars of SWIFT which underline our attitude and approach towards our work and business relationships. At Voltas, we believe in living the SWIFT culture and walking the talk, secure in the confidence that success must follow....

Smart Thinking

- Fact based analysis
- Using Logic & Customer Insights

Winning Attitude

- Taking responsibility for customers
- Seizing every opportunity

Innovative

- Look at things with a fresh perspective
- Find alternative & better ways

Flexible

- Adapt to every change
- Be prepared to face surprises

Teamwork

- Act, think & work together
- Always in the interest of the Company

SWIFT valiantly supports our vision of '***Driving Value through Smart Engineering***'. An empowered and engaged workforce combined with deep consumer insights and expertise garnered over more than 6 decades of hard work and dedication, provides a base for us to do even better in the years ahead. Today, we stand resilient and confident, ready to face any challenges that come our way.....

WINNING A MILLION HEARTS

This year has been special. Not only did the weather Gods support the industry (as the country faced harsh summers), but the market sentiment also remained positive with the influx of the 7th Pay Commission and the good festive season. Voltas sold 1 Million Air Conditioners this year - a first in the industry! In a market dominated by MNCs, Voltas with its customer centric approach remained the undisputed leader with more than 21% market share – conversely put, this means 1 out of every 5 ACs sold in India bears the Voltas name!

- **Well researched Consumer insights:** Based thereon, we fortified our competitive positioning in the market while strengthening our product mix and offering superior services. Similarly, Commercial Refrigeration business grew as Voltas offered an enhanced portfolio with new products like combo coolers (chest freezer cum cooler) and varying capacities of existing categories, adapting to evolving customer needs. Voltas Fresh Air Coolers, with a range of 22 models and value proposition of '*Taazi Thandi Hawa*' also registered commendable growth – selling 170,000 units!

- **A perfect mix of technologically superior & energy efficient products, delivered at attractive prices:** Voltas launched its range of 'All Star' Inverter ACs which are high on comfort and savings. The two stage DC Inverter helps in reducing the power consumption, thereby making the product operationally effective. Meanwhile, increasing usage of green environment friendly gases renders the Company well equipped to handle the impending change in the energy efficiency table due next year

- **Smarter communication campaign:** Engaging with the audience actively, the year under review saw the re-entry of the jovial Mr. Murthy as the brand ambassador in our TVCs

- **Increase in reach:** 14,500+ retail outlets – highest in the AC industry!

DOMESTIC PROJECTS GROUP

SMART THINKING LEADS THE WAY TO SOCIETAL ENGINEERING

The Domestic Projects business which has always been a well-respected name as an EPC contractor, has now spread its wings and established its credentials firmly in water treatment and rural electrification.

Voltas is present today in the space of providing Water Treatment Solutions – for Industrial re-use and is also working closely with local authorities on sewage and waste water disposal. The latest technology of Zero Liquid Discharge (ZLD) is being used to ensure that the environment is not harmed in any way.

The Company is also working in the hinterlands of states like Madhya Pradesh and Rajasthan as a last mile connector, providing electricity. Rural electrification is a major priority for the Government and the Company is working with respective State Electricity Boards, drawing power from the grid, erecting poles, connecting the wires and lighting bulbs in many a household! The Company has done well in this space, and has now earned the required project qualifications to take on more challenging electrification projects.

Besides the above thrust areas, the focus continues on building a stronger order book in Government led projects owing to the subdued nature of private investment and the general stress on liquidity. Meanwhile, opportunities are increasing in urban infrastructure & transportation, not to mention varied projects across smart cities.

After-sales Services (O&M contracts) continue to be of importance. The business now remotely monitors performance parameters of over 1000 chillers across various projects and locations from its central facility at Thane. The Company has provided tablets to its field based service engineers, enabling the nearest engineer to efficiently schedule visits and take corrective actions, thereby saving both time and cost. Over time, the availability of extensive data and its analytics, will enable more and more customers to take a step forward to preventive maintenance.

INTERNATIONAL OPERATIONS BUSINESS GROUP

FAST FORWARD TO GROWTH

Our international business provides turnkey Electro Mechanical Solutions & Services, and has executed several prestigious and complex projects in 35+ countries over the last four decades. The scope of work includes various applications:

- **Electro-mechanical (MEP) Projects:** Electricals, HVAC (Heating, Ventilation & Air Conditioning), Plumbing, Fire Fighting, ELV & Specialized systems
- **Facilities Maintenance & Hard Services:** Operations & Maintenance (O&M) contracts in various sectors, AMCs, Retro-fits & Energy Management, etc
- **Water Solutions:** Water Treatment solutions for Industrial, Oil & Gas and Domestic Sewage Segments

Although Voltas operates through its 3 overseas branch offices and 7 joint ventures, it presents a seamless face to customers across the Middle East geography. As part of the 'One Company' approach, the Company also adopts a 'virtual team and shared services' approach to optimize synergies and costs.

Despite the tough economic conditions owing to the decline in oil prices, the Company has progressed significantly in closing legacy orders and building the order book with newer and stronger projects. Risk mitigation is a key priority – the practice of an independent Project Review Committee evaluating major projects at the pre-bid stage itself ensures a higher quality order book, holding out the promise of sustained profitability into the future. Apart from a judicious, balanced risk-reward approach to targeting new project bookings, efficient execution is key. There are several green shoots in the form of opportunities such as the upcoming Dubai Expo 2020 and the FIFA World Cup 2022 in Qatar.

TEXTILE MACHINERY DIVISION
MINING & CONSTRUCTION EQUIPMENT DIVISION

FLEXIBLE BUSINESS MODELS HOLD THE KEY

Our engineering product businesses are the perfect examples of dynamic and flexible business models. Both are very much correlated with the country's economic growth. While the textile industry is the 2nd largest employer in the country, the mining industry is more capital intensive.

Despite the slowdown in both these sectors, the Company has done well to identify smart opportunities. The Mining business looked overseas for openings – a case in point being Mozambique – where the business today has more than 100 service engineers working on site with an increasing scope of work. The Textile business has been smartly agile to expand itself across the value chain right from spinning to garmenting. Voltas has been in this business since inception. Our strategic partnership with Lakshmi Machine Works (LMW) has secured a market leadership position of close to 60% in the spinning industry. Given the headwinds both the businesses have faced due to certain externalities, the teams are focused on building value added services – be it in conducting energy audits, consulting on increasing machine productivity, etc. The relative share of sale from consumables, auxiliary products and spare parts have also strategically increased.

Textile Machinery

Mining and Construction Equipment

CONTENTS

HIGHLIGHTS

			2016-17	2015-16	2014-15	2013-14	2012-13
1.	**SALES AND SERVICES**	₹	**6,03,278**	**5,71,982**	**5,16,600**	**5,28,047**	**5,56,664**
2.	**OTHER INCOME (INCLUDING OTHER OPERATING INCOME)**	₹	**26,206**	**16,354**	**14,752**	**12,256**	**10,702**
3.	**COST OF SALES AND SERVICES** (incl. Excise Duty)	₹	**4,29,810**	**4,11,399**	**3,61,916**	**3,89,107**	**4,21,960**
4.	**OPERATING, ADMINISTRATION AND OTHER EXPENSES**	₹	**1,25,832**	**1,24,185**	**1,22,690**	**1,19,356**	**1,18,631**
5.	Staff Expenses (included in 3 & 4)	₹	(61,843)	(63,514)	(58,992)	(59,469)	(63,253)
	Number of Employees (including Contract Staff)	Nos.	8429	8741	8424	9101	10191
6.	**OPERATING PROFIT**	₹	**71,917**	**53,374**	**46,746**	**31,840**	**26,775**
7.	**EXCEPTIONAL INCOME/(EXPENSES)**	₹	**110**	**2,894**	**4,619**	**2,154**	**1,208**
8.	**PROFIT BEFORE TAXATION**	₹	**72,027**	**56,268**	**51,365**	**33,994**	**27,983**
	Percentage to Sales and Services	%	*11.9*	*9.8*	*9.9*	*6.4*	*5.0*
	Percentage to Total Net Assets	%	*20.7*	*18.3*	*23.1*	*16.3*	*14.8*
9.	**TAXATION**	₹	**20,885**	**16,957**	**12,762**	**9,413**	**7,276**
10.	**PROFIT AFTER TAXATION**	₹	**51,142**	**39,311**	**38,603**	**24,581**	**20,707**
	Percentage to Sales and Services	%	*8.5*	*6.9*	*7.5*	*4.7*	*3.7*
	Percentage to Shareholders' Funds	%	*15.5*	*14.0*	*18.4*	*13.5*	*12.7*
11.	**PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY**	₹	**50,900**	**38,709**	**38,434**	**24,536**	**20,778**
12.	**RETAINED PROFIT**	₹	**41,382**	**30,903**	**28,629**	**17,374**	**14,584**
13.	**DIVIDEND ON EQUITY CAPITAL**	₹	**11,580**	**8,603**	**7,445**	**6,121**	**5,294**
	Percentage	%	*350*	*260*	*225*	*185*	*160*
14.	**PROPERTY, PLANT AND EQUIPMENT INCLUDING OTHER INTANGIBLE ASSETS (AT COST)**	₹	**46,035**	**48,389**	**45,936**	**46,099**	**45,051**
15.	**DEPRECIATION**	₹	**27,843**	**28,014**	**26,589**	**25,065**	**23,951**
16.	**INVESTMENTS**	₹	**2,26,786**	**1,94,581**	**1,09,389**	**73,204**	**40,735**
17.	**NET CURRENT AND NON-CURRENT ASSETS**	₹	**1,00,800**	**90,121**	**90,154**	**1,11,594**	**1,24,633**
18.	**DEFERRED TAX ASSET (NET)**	₹	**1,978**	**3,105**	**3,485**	**2,389**	**2,218**
19.	**TOTAL NET ASSETS**	₹	**3,47,756**	**3,08,182**	**2,22,375**	**2,08,221**	**1,88,686**
20.	**SHARE CAPITAL**	₹	**3,308**	**3,308**	**3,307**	**3,307**	**3,307**
21.	**OTHER EQUITY**	₹	**3,27,354**	**2,77,801**	**2,06,900**	**1,78,625**	**1,59,255**
22.	**EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY**	₹	**3,30,662**	**2,81,109**	**2,10,207**	**1,81,932**	**1,62,562**
	Equity per Share (Book Value)	₹ †	***99.93**	*84.96	*55.59	*48.29	*44.81
	Earnings per Share	₹ †	***15.38**	*11.70	*11.62	*7.42	*6.28
	Number of Shareholders	Nos.	**108646**	105465	99973	103543	116804
	Share Prices on Stock Exchange - High	₹ †	***425**	*360	*301	*164	*138
	- Low	₹ †	***267**	*211	*149	*63	*73
23.	**BORROWINGS**	₹	**17,094**	**27,074**	**12,167**	**26,289**	**26,124**
	Debt/Equity Ratio (Percentage to Shareholders' Funds)	%	***5***	*10*	*6*	*14*	*16*

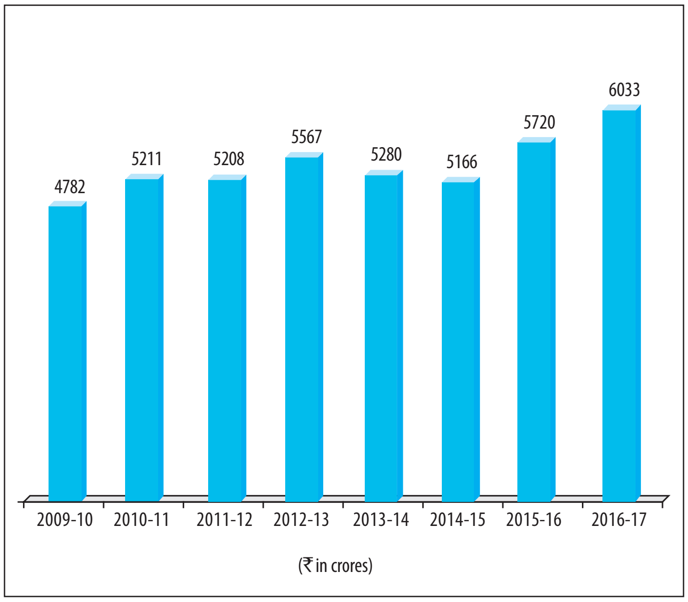
** Face Value of ₹ 1 each*

Notes :
1. *All amounts are Rupees in Lakhs except those marked †*
2. *Figures from 2008-09 onwards are based on Consolidated Financial Statements.*
3. *Previous year's figures have been regrouped / reclassified, wherever necessary.*
4. *Figures for 2016-17 and 2015-16 are as per Ind AS. The figures for preceding years are as per old IGAAP.*
5. *Operating profit for 2016-17 and 2015-16 includes share of profit / (loss) of joint ventures and associates.*

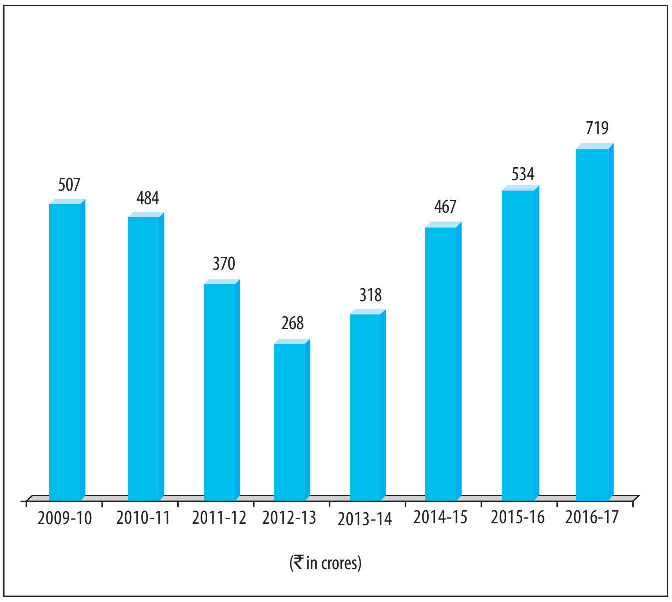
2011-12	2010-11	2009-10	2008-09	2007-08	1994-95	1984-85	1974-75	1964-65	1954-55	
5,20,829	5,21,142	4,78,183	4,37,391	3,08,617	81,089	26,607	15,934	4,223	991	1
10,921	7,303	7,846	9,621	4,632	759	150	40	5	2	2
3,81,323	3,71,536	3,31,198	3,21,654	2,27,671	60,368	21,080	13,856	3,468	815	3
1,13,469	1,08,524	1,04,154	90,799	57,811	19,225	5,556	1,955	522	153	4
(59,952)	(55,626)	(54,502)	(46,557)	(27,685)	(9,997)	(3,170)	(1,031)	(363)	(109)	5
11611	13345	9627	10657	7378	10667	8147	7252	5082	2324	
36,959	48,386	50,677	34,559	27,767	2,255	121	163	238	25	6
(15,046)	4,019	2,502	2,613	2,987	(78)	—	—	—	—	7
21,913	52,405	53,179	37,172	30,754	2,177	121	163	238	25	8
4.2	10.1	11.1	8.5	10.0	2.7	0.5	1.0	5.9	2.5	
12.9	35.0	47.5	38.3	52.5	5.0	1.1	4.6	18.3	6.5	
5,712	17,246	14,723	11,718	9,917	5	—	83	141	11	9
16,201	35,159	38,456	25,454	20,837	2,172	121	80	97	14	10
3.1	6.7	8.0	5.8	6.8	2.7	0.5	0.5	2.3	1.4	
11.0	25.8	35.4	32.2	38.7	13.2	4.1	6.7	17.6	9.1	
16,206	35,724	38,099	25,140	—	—	—	—	—	—	11
10,053	28,033	30,382	18,946	15,610	997	23	5	59	6	12
5,294	6,618	6,618	5,294	4,467	1,158	98	75	38	8	13
160	200	200	160	135	35	10	12	15	5.5	
42,446	41,005	40,831	41,186	28,178	30,651	5,014	1,232	447	53	14
21,946	18,802	18,211	18,385	12,228	10,718	1,580	642	82	3	15
31,161	26,859	23,394	15,625	26,793	8,245	512	132	67	—	16
1,16,043	99,261	63,996	56,453	13,813	14,950	6,583	2,859	867	336	17
2,424	1,521	2,024	2,240	2,043	—	—	—	—	—	18
1,70,128	1,49,844	1,12,034	97,119	58,599	43,128	10,529	3,581	1,299	386	19
3,307	3,307	3,307	3,307	3,307	3,428	978	623	255	150	20
1,44,477	1,32,864	1,05,209	75,668	50,525	13,048	2,002	570	295	4	21
1,47,784	1,36,171	1,08,516	78,975	53,832	16,476	2,980	1,193	550	154	22
*41.21	*38.43	*30.08	*22.03	*16.27	49.5	305	191	216	1,027	
*4.90	*10.80	*11.51	*7.60	*6.30	6.8	12	13	38	93	
120098	93220	98788	119549	81371	84180	45237	14395	7356	150	
*189	*263	*190	*197	*267	176	470	211	276		
*72	*147	*46	*31	*79	92	356	125	183		
22,344	13,672	3,517	18,144	4,767	26,652	7,549	2,388	749	232	23
15	10	3	23	9	162	253	200	136	151	

FINANCIAL INDICATORS (CONSOLIDATED)

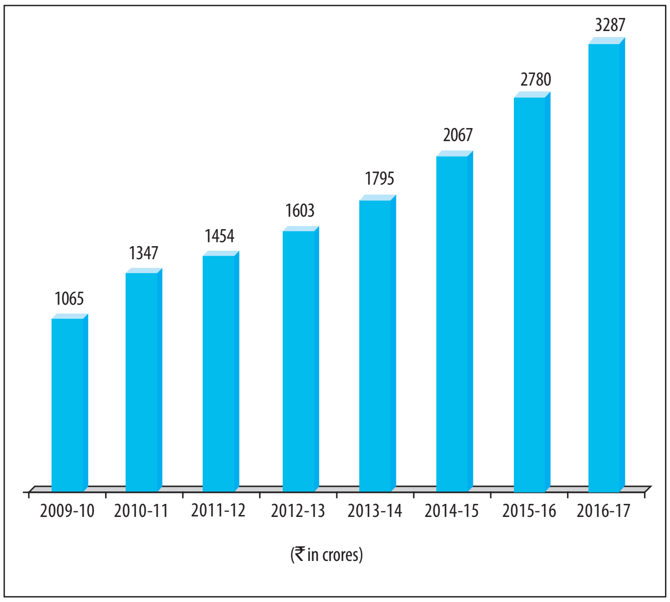
SALES AND SERVICES



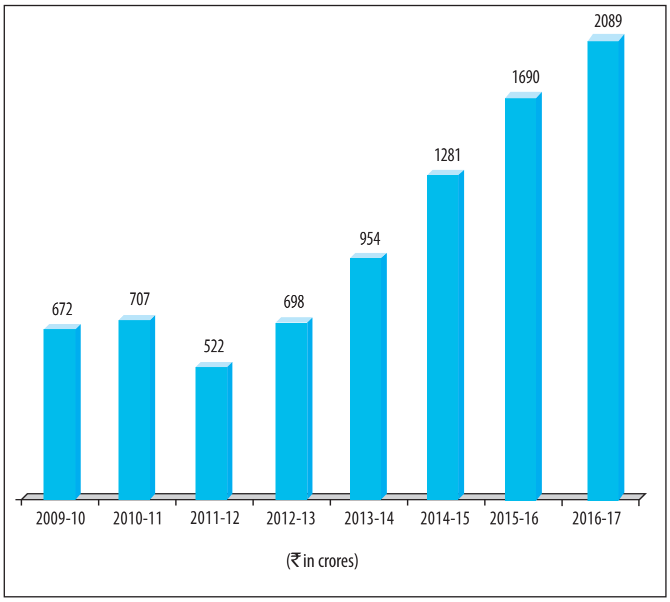
OPERATING PROFIT



NET WORTH

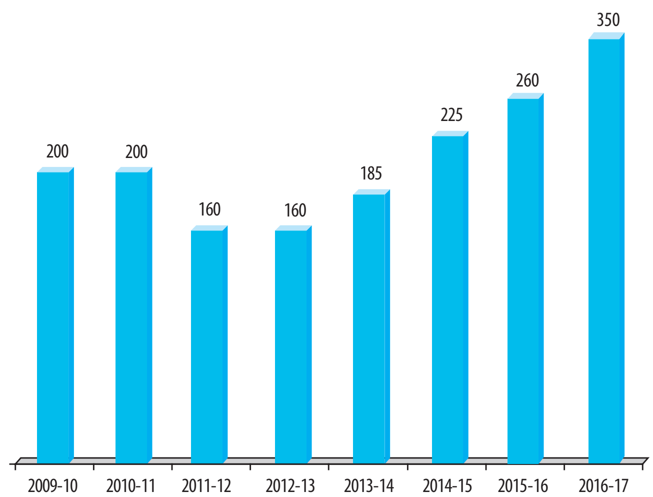


CASH AND BANK WITH LIQUID INVESTMENTS

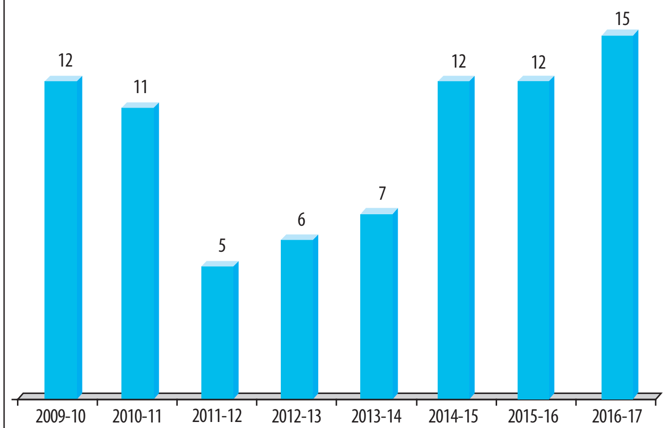


FINANCIAL INDICATORS (CONSOLIDATED)

DIVIDEND % ON EQUITY CAPITAL

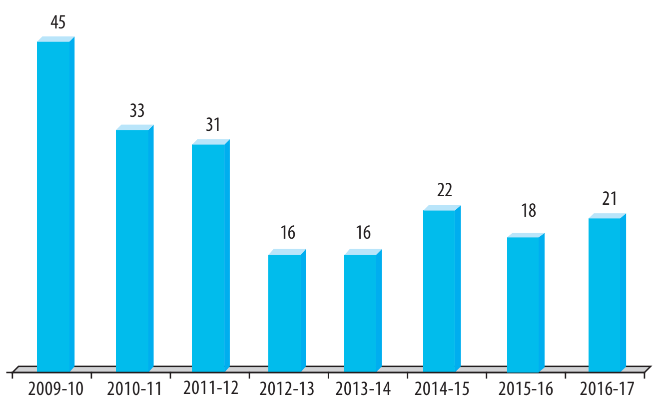


EARNINGS PER SHARE (₹)*

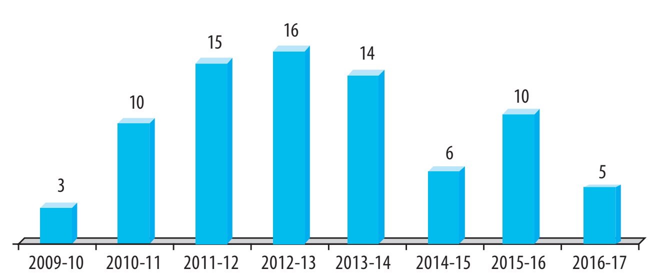


*Face Value of ₹ 1 each

RETURN ON CAPITAL EMPLOYED %



DEBT / EQUITY %



REPORT OF THE BOARD OF DIRECTORS

To The Members

Your Directors present their Sixty-Third Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2017.

1. Financial Results

₹ in crores

	Standalone		Consolidated	
	2016-17	2015-16	**2016-17**	2015-16
Sales and Services	**5,425**	5,151	**6,033**	5,720
Profit for the year after meeting all expenses but before interest, depreciation and exceptional items	**685**	494	**778**	570
Interest	**10**	8	**16**	16
Depreciation and amortization	**18**	19	**24**	26
Profit before exceptional items	**657**	467	**738**	528
Share of Profit/(Loss) of Joint Venture and Associates	**—**	—	**(19)**	6
Exceptional items (Net)	**(6)**	21	**1**	29
Profit before tax	**651**	488	**720**	563
Tax expenses	**165**	139	**209**	170
Profit after tax	**486**	349	**511**	393
Other Comprehensive Income (Net)	**87**	(24)	**82**	(14)
Total Comprehensive Income	**573**	325	**593**	379

2. Reserves

An amount of ₹ 50 crores was transferred to the General Reserve out of Profit available for appropriation.

3. Dividend

The Company's Dividend Policy, which is disclosed on the Company's website 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. Based on Company's better performance, the Directors recommend higher dividend of ₹ 3.50 per equity share of ₹ 1 each (350%) for the year 2016-17 (2015-16: 260%).

4. Operations

We live in an increasingly unpredictable world - the aftermath of the US Presidential elections, Brexit and many socio economic tensions dominate newspaper headlines across the World. The new US administration led pronouncements, the tepid economic recovery or the lack of it, fragile movements in oil prices, commodity swings and the debt overhang in China have further sharpened the ambiguities. Some green shoots were visible in the US, although economies dependent on crude oil continue to remain under pressure. The Middle East Countries, more relevant to Voltas, given its areas of operations, continue to grapple with the new normal of lower crude oil prices amidst political uncertainty, especially in Qatar. Their fiscal position remains tight and the related issues including longer payment periods, certification delays, increase in the number of commercial disputes, etc., continue to affect industry at large.

On the domestic front, supported by a better monsoon in 2016-17, sentiments have improved and select economic indicators like inflation, interest rates, etc., indicate a level of positivity. At the same time, the Government continues to demonstrate serious intent to fast forward the reform agenda as evinced by more recent developments (GST, demonetization, infrastructure spending, rural electrification, etc., to mention a few). Nevertheless, capacity utilization levels remain subdued, Index of Industrial Production (IIP) for capital goods is largely negative, private sector

REPORT OF THE BOARD OF DIRECTORS, continued

spending continues to be muted. The Indian economy is widely anticipated to grow at 6.5%-7%, after considering the temporary negative consumption shock induced by cash shortages and payment disruptions owing to demonetization.

At Voltas, the Consolidated Sales and Services was higher by 5%, at ₹ 6,033 crores as compared to ₹ 5,720 crores in the corresponding period last year largely contributed by Unitary Cooling Products business. Profit before tax was higher by 28%, at ₹ 720 crores as compared to ₹ 563 crores last year. Net Profit for the period was also higher at ₹ 511 crores as compared to ₹ 393 crores last year. Earnings per Share improved to ₹ 15.38 as compared to ₹ 11.70 last year (Face Value per share ₹ 1). Other Comprehensive Income recognized as per Ind-AS mainly includes notional mark-to-market gains on movement in market share price of certain strategic long term equity investments and other gains and losses. Accordingly, Total Comprehensive Income was ₹ 593 crores as compared to ₹ 379 crores last year. The figures for previous period have been regrouped/restated wherever necessary in line with Ind-AS requirements.

The Cooling Products Industry continues to be largely weather dependent with demand especially for AC's being closely linked to temperature movements. While the summer months in 2015-16 were interrupted by intermittent rains, in 2016-17, the onset of sustained hot weather was brisk with exceptionally high temperatures being recorded in certain parts of the country. Accordingly, given the weather led spurt in consumer demand, the AC industry witnessed a significant growth in volumes, also assisted by the benefit of a low base. Overall, the Room AC industry had an exceptional year reporting a secondary volume growth of 31% as compared to 12% last year. Ably supported by better quality cum range of products, wider distribution, appropriately timed advertisements, promotions and sensible pricing, the Company's Unitary Cooling Products business, fought intense competition from Global and Indian brands to sustain its leadership position throughout the year with an increased market share of 21.4% as compared to 21.1% last year. The year also saw the brand reaching the landmark figure of selling 1 million Room Air Conditioners in one year, a milestone for the entire Industry.

In the Domestic Projects business, there has been an increase in enquiry levels and order finalization mainly on account of public sector spending. The Company had strategically pursued domestic projects involving public spending and externally funded investments, as a sensible way of mitigating the credit risks associated with the private sector. Accordingly, the Company had focused on areas such as urban infrastructure, rural electrification and water. The current order backlog of ₹ 2,558 crores (as compared to ₹ 2,025 crores, last year) consequently reflects higher quality and a better assurance of financial recovery. However, the pace of execution on certain carry-forward projects has unfortunately been slower than expected owing to various delays. Nevertheless, on account of several internal initiatives including timely business efficiency improvement programs, there has been an improvement in margins and savings in costs.

With the international oil prices hovering around $ 50 per barrel, the GCC Governments have responded by launching austerity drives targeted at reducing public spending. The consequential impact on liquidity with client led progress deferrals and certification/payment delays continues. With an internal task force focused on optimum closure of legacy projects, the Company has accelerated settlement and commercial closure of completed projects, barring a couple of projects under arbitration. As far as Sidra is concerned, the complicated arbitration between the Main Contractor and Qatar Foundation is likely to be long-drawn. With the inflow of suitably risk mitigated orders in more recent times and the order backlog of ₹ 1,763 crores (compared to ₹ 1,889 crores, last year), the Company is confident of better performance by International Projects business.

The challenges in the Mining and Textile Industries in India are well known. Accordingly, the Engineering Products business has recorded lower Revenue and Profit as compared to last year. EBIT margins for this segment tend to swing depending on the contribution of equipment sales in the overall revenue mix - compared to last year, equipment sales have been lower in the current period.

In Textile Machinery business, the Company has been witness to a huge surge in price of cotton, not followed through in relative price of yarn. This has led to margin pressures across spinning mills, with many deciding to opt for partial shut-downs. At the same time, the withdrawal of TUF for Spinning and difficulties in obtaining bank finance has delayed investments. While visibility of subsidy driven orders, especially in States offering special incentives is not clear, there is some improvement in the Post Spinning side of Textile Machinery business.

On the Mining front, Mozambique operations continue to drive the performance. Addition of more machinery in the scope of maintenance services continues to enhance the performance of Mining & Construction Equipment business. However, on account of the steep depreciation in Mozambique currency (Meticals), some loss in Forex had to be accounted during the year. Meanwhile, the Mining business in India remains sluggish with lower equipment sale as compared to last year. However, over the course of the

REPORT OF THE BOARD OF DIRECTORS, continued

year, the business has witnessed increased traction in the Road Construction Sector with a large order for crushing and screening equipment along with increased sale of parts.

5. Finance

Despite environmental headwinds, diligent financial planning has ensured the continued robustness of the Company's Balance Sheet, with low debt, lower working capital and a comfortable cash position. The overall cash position including cash and bank balances and liquid investments has reached a new high of ₹ 2,089 crores as compared to ₹ 1,690 crores in the previous year. Borrowings, at a consolidated level, specific to overseas projects have reduced to ₹ 171 crores from ₹ 271 crores last year.

Much credit for the comfortable liquidity position goes to the Products business given their high ROCE cash and carry model with limited credit. However, emphasis on collection of outstandings and realization of money remains a top priority across businesses. As mentioned earlier, with settlements and financial closure of completed projects, the Projects businesses have also ensured suitable improvement in cash from operations. Overall, the cash surplus has been deployed in suitably lower risk Debt mutual funds. During the year, the portfolio has been sensibly churned in favour of growth options of short and medium term funds to maximize earning from the investment portfolio. Meanwhile, there is an increased focus on developing a longer-term roadmap for utilizing the surplus cash for scaling up and growing the business.

6. Tata Business Excellence Model (TBEM)

TBEM Assessment process brings nearly 300 Assessors and 25 Mentors from about 60 Tata group companies face to face with thousands of executives who manage the group's stakeholder processes. It seeks to celebrate successes and highlights the opportunities ahead for each company. It is an immense opportunity to take stock of the approaches, practices, tools and results with which we collectively represent brand Tata. Through this TBEM introspection, the Company benefits from the key insights and observations generated from the assessment team's outside-in perspectives. More importantly, it ensures discovery of Best Practices and deployment to other parts of the group thereby multiplying value and benefits.

During 2016-17, the Company participated in the external assessment based on TBEM. As part of the Assessment process, senior executives from other Tata group companies assessed the Company's key processes at Corporate as well at Business Units. During the last couple of years, the Company had focused on the findings of the previous TBEM Assessments and strengthened the operational processes further. The efforts taken by the Company to move forward in business excellence have been acknowledged by adjudging the Company at higher maturity level of "Good Performance" score band, as compared to the last assessment.

Based on the outcome of the recent Assessment, the Company is in the process of developing and implementing comprehensive action plans to take its Business Excellence journey forward. In order to effectively execute these action plans, the Company would continue to benchmark the processes with other companies within and outside the Tata Group. The Company has developed 50 Business Excellence champions to facilitate in seamlessly proceeding with Business Excellence journey. Ten of these champions have contributed to External Assessments of other Tata group companies with achievements of four assessors being recognized at the Annual Tata Group Business Excellence Convention. Further, the Company has initiated various continual improvement projects with an objective of improving operational efficiencies in certain key areas critical to Business Units. These projects were finalized, after discussion with the Senior Management team, and were executed through cross functional teams.

Innovation is one of the key determinants of long term value creation. It is a continual quest at the Tata group and Tata companies are supported in their efforts to achieve world-class standards in all aspects of operations through group-level processes and systems that encourage innovation. During 2016-17, the Company also participated in Tata Innovista, a Tata group level contest to recognise and celebrate the 'successes' and 'struggles' of innovation. As part of Innovista, each innovation is assessed by a panel of Subject Matter Experts from within and outside the Tata group. From over 2,000 applications across multiple companies, one of the teams from Voltas has won the Western Regional round.

7. IT Initiatives

All companies across all Industries are witnessing the advent and penetration of Digital trends and technologies into their partner, customer and competitor landscapes. The current social and business environments demand that every business be aware of and adopt Digital technologies that build the right capabilities to handle new threats and gain business advantage. Given this changed reality, the Company recognised the need for digitization and finalized its Digital Strategy early in the year.

Many initiatives were undertaken in-line with this strategy at Voltas. E-Catalogue Portal for Spares Management, Outstanding E-Portal, MRP for Product Sales, Call Monitoring and Preventive Maintenance features on Mobile with location based services and Claim Management for Bank Guarantee were some of the applications rolled out for the Domestic Projects business. Realizing the growing rise in Online purchases, the Unitary Cooling Products business integrated with Tata Cliq and finance companies for AC sales. Bar-Code system was implemented in Commercial Refrigeration plant in Pantnagar to track WIP and inventory real-time. The Company rolled out SAP across all major overseas JVs and subsidiaries to establish common business processes in Voltas managed entities. The implementation of SAP at Weathermaker, a wholly-owned subsidiary in UAE, included integration with the Engineering Software Camduct and Barcode for tracking WIP and enabling online dispatch. The Company also implemented the Boardvantage solution for participants of Board/Committee Meetings. With this, the Board/Committee Meetings of Voltas are now paperless.

One of the key projects supported by IT was Remote Monitoring of Chillers for Domestic Projects business. The solution leverages upcoming technologies like IoT, Cloud and Analytics to deliver a platform which helps the Company better serve customers through predictive maintenance by continuous monitoring of equipment. Voltas IT also played a key role in GST preparedness and is well positioned to handle all requirements of GST.

To ensure high availability, performance and security of the overall IT System, multiple enhancements were done on the IT Infrastructure front. These included adoption of the solutions for Network Access Control and secure Wi-Fi including change in IP Schema redesign at all locations, further enhancement of Data Backup processes for both the Data Centre and Disaster Recovery Centre with tools like Tivoli and Avamar, etc.

8. Environment and Safety

Safety is a priority and of prime importance at Voltas. The Company continues to address matters related to Safety, Health and Environment (S-H-E) through various initiatives. A Board Committee comprising 3 Directors, including the Managing Director reviews the S-H-E performance. A Steering Committee comprising Corporate Management Group and other key members periodically reviews Safety performance and oversees implementation of various initiatives.

In order to ensure consistency and resilience of its Safety controls, 51 major projects were audited, with a weighted score on the Tata Group Safety Standards compliances. This was in addition to the regular Safety inspections and audit of sites, Customer care premises and offices.

The Company's manufacturing facilities, certified as ISO 14001 and OHSAS 18001 undergo Internal as well as External audits and the systems and processes are continuously fine-tuned every year. Unfortunately, there was one fatal incident at DMRC project in June 2016, caused due to collapse of a metallic structure.

The Company's goal continues to be, to achieve Zero Fatality. Voltas believes that to attain this goal, Safety Awareness is of prime importance. Accordingly, a focused approach in training was developed and the Company has achieved the following in 2016-17:

- Awareness - 1,69,162 personnel were Safety trained as compared to 81,508 in previous year (multiple trainings).
- 3 day IOSH (UK) certification program – 120 personnel have been certified in the current year.
- 100% Induction training is ensured for all personnel at project sites.
- Increase in number of Safety observations reported in 2016-17 by 70% as compared to last year.

The Company has improved the communication channels to capture S–H–E related observations, in keeping with the vision of Driving Value through Smart Engineering. An Online portal "SAFETY@VOLTAS" has been launched for capturing S-H-E observations and ensuring timely implementation of action plans to close such observations, resulting in reduction of unsafe and adverse work conditions. To ensure uniform communication and understanding about Safety practices and knowledge sharing, the communication system has been improvised through creation of a WhatsApp group of Safety practitioners. Sharing of the Loss Time Injury (LTI) incidents and High Potential (HIPO) Near miss cases are done regularly, in addition to sharing Safety messages through SMS and emails. The improved communication mechanisms have helped increase workmen engagement in Safety meetings and trainings at project sites, apart from an increase in the reporting of Safety observations, LTI incidents and Near misses from the project sites.

National Safety week, Road Safety week and Fire Service day were celebrated across the locations and saw healthy participation of employees and subcontractor's staff across various sites. Safety recognition awards have also been instituted at project sites and manufacturing locations. The Company has received numerous appreciation letters and awards in recognition of the contribution towards improving the Safety standards, from: AL Futtaim Carillion, Oman for its Kempinski Project; TCS Indore; Tata Motors Pune; Tata Steel Kalinganagar; to being honored as the Best

Safety Contractor and Safety Officer at Dhirubhai Ambani International Convention & Exhibition Centre project in BKC Mumbai, LULU Grand Hyatt project in Cochin, VIVA Bahriya project in Qatar, and IIM Udaipur. CMRL project, Chennai has also won the World Safety Organisation award, in addition to the British Safety Council's International Safety Award with Merit.

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.

Sustainable Development

With a firm commitment to Sustainable Development, the Company has adopted an approach of Engage, Equip and Empower for all its CSR interventions under three key thrust areas namely Sustainable Livelihood, Community Development and National Importance.

Sustainable Livelihood

Sustainable Livelihood is the flagship program of Voltas. Under this thrust, there is a lot of emphasis on building employability amongst marginalized youth. To take its commitment forward, Voltas has commenced 18 Skill training centers in partnership with Tata Strive and six other reputed organizations like GMR Foundation, ICICI Foundation, Tech Mahindra Foundation, Bosco Boys and Joseph Cardijn Technical School across 15 locations in the country. Out of the 18 Skill Training Centers, 2 are Voltas Centers of Excellence at Thane and Jamshedpur. The training centers offer technical and non-technical courses. Currently, Refrigeration and Air-conditioning (RAC) and Heating, Ventilation and Air-conditioning (HVAC) are the 2 skill trainings being offered under Technical training. For Non-technical training, Tally and Accounts, Hospitality, IT enabled services, Health attendant, Stitching and Tailoring are some of the courses offered.

The Company along with its partners ensures an end-to-end intervention comprising theoretical and practical training, 'On the Job' Training, Certification and Placement support. The key objective of this intervention is to build employability and promote sustainable livelihood. Through these training centers, the Company has created a pool of over 2,500 well trained and certified technicians in 2016-17.

In 2016-17, Voltas also initiated a noteworthy project named **'Recognition of Prior Learning' (RPL).** The RPL program aims at formally training and upgrading knowledge of existing technicians in the space of Refrigeration and Air-conditioning, who were never formally trained. The technicians on completing the training go through Technical knowledge, Soft skills, and Customer care and Safety education. After rigorous assessments, they are formally certified by **Electronic Sector Skill Council.** This initiative not only equips the technicians with apt theoretical knowledge and improved productivity, but certifies them as trained technicians to access better opportunities/emoluments. The Company has started this program for 1,400 existing technicians from across 19 locations in the country. So far, 846 technicians have been trained.

9. Community Development

Under this thrust area, Voltas focuses on addressing priority issues expressed by the surrounding communities around the Company's key locations, Dadra, Thane, Pantnagar and Chinchpokli. The key issues spelt out by the communities are Education, Water, Health and Sanitation and Employability.

Community project in partnership with Action For Food Production (AFPRO) has successfully completed 115 Household toilets at Dadra with an active participation from Villagers and Gram Panchayat. Under water for irrigation project, the Company has formed water user groups. Hydro-geological investigation has been done to find out 10 sites suitable for bore-well installation. Pipeline survey is under progress. 3 Mega health camps were organized in 2016-17 and around 450 families from across 9 hamlets participated in the same.

In the space of Education, the Company is striving to work for children from marginalized section, with focus on 3 key aspects namely, capacity building of teachers to ensure quality Education, access to libraries and instilling quality reading practices, and teaching English to vernacular medium students from rural areas with the help of specially designed English course through Digital boards. In 2016-17, under quality education, 80 teachers from across 7 districts have been trained and about 184 children from BMC School have been supported. The library project has been of great help for over 2,500 students from 8 BMC and Zilla Parishad Schools. The 9 libraries established in the Government Schools have not only helped the children from marginalized sections with an access to informative and thought-provoking books, but has inculcated a penchant for reading. The Company is reaching out to 7,295 students from 153 Zilla Parishad Schools in Thane District through its E-Teach English program. This innovative program is also engaging all the important village level stakeholders in the program including School Teachers, Parent-teachers' Associations, Village youth and Gram Panchayat to make it a sustainable initiative.

The Company also supported a project to control Pediatric Tuberculosis. 3,000 vulnerable children from 9 cities across the country have undergone a TB test for early detection and treatment.

National Importance

Under this thrust, Voltas is focusing on the three sub-themes - Disaster Management, Affirmative Action for inclusion of socio-economically weaker sections in the process of development and Sanitation.

Subsequent to addressing immediate need for safe drinking water through water supply in the perennially drought affected area of Osmanabad and Latur, in 2015-16, the Company had in 2016-17, started its long-term intervention called Participatory Ground Water Management for sustainable water in 5 villages. A Hydro-geological study was undertaken to identify appropriate soil and water conservation measures and area treatment plan. Some of the key outcomes of the intervention are, deeper understanding of the ground water management, increased knowledge of area treatment, de-silting of public percolation tank and deepening of 3 wells. The excavated silt used by 10 farmers, has led to better soil quality and fertility and 15 farmer clubs have been established. Over 3,400 farmers have insured their crops and paid premium of ₹ 62.46 lakhs. Entitlements to different development schemes were received by 31 needy families including Grass cutting machine, farm pond, pipes, Water lifting devices, etc.

Swachh Bharat Abhiyaan - Under Sanitation (Swachh), Voltas in partnership with Sulabh International, refurbished 4 Public Toilet Complexes in Mumbai and Thane. Each Toilet Complex takes care of a footfall of an average 20,000 users per month. The Company also initiated a pilot project on solid waste management in 'E' Ward of Mumbai. 7 sites comprising big residential complex, hospital, Police settlement have been selected to work on the theme of Zero waste. At Masina Hospital, which is one of the sites, waste segregation and management workshop has been done and composting pits have been built.

Affirmative Action

The Company continues to extend nutritional and educational support to Kathkari tribal children from a school near Panvel. In addition, Voltas also introduced two more initiatives.

- Basic and Advanced Stitching and Tailoring skill training program for tribal women.
- Nursing course. 18 tribal women have completed the skill training program.

10. Corporate Social Responsibility

Disclosure as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 in prescribed form is enclosed as Annexure 1 to the Directors' Report.

During 2016-17, the Company has spent ₹ 8.45 crores towards various CSR activities.

11. Subsidiary/Joint Ventures/Associate Companies

The Company has 9 subsidiaries, 4 joint ventures and 3 associate companies.

As per the requirement of Section 129(3) of the Companies Act, 2013 ("Act"), a statement containing salient features of the financial statements of subsidiaries, joint venture and associate companies in prescribed Form AOC-1 is attached to the financial statements of the Company. Further, pursuant to Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the Company – www.voltas.com.

There have been no material changes in the nature of the business of the subsidiaries including associates and joint ventures during the financial year 2016-17.

During 2016-17, the local joint venture partner - Sovereign International Company WLL (Sovereign) transferred their entire 51% shareholding in Voltas Qatar WLL (VQ), a joint venture company to a local Qatari national. As a sequel, the two nominees of Sovereign on the Board of VQ also resigned. The Board of VQ comprises four Directors, all nominated by the Company. As Voltas controls the composition of the Board of Directors, VQ is a subsidiary of the Company. Revised Memorandum of Association of VQ, incorporating the aforesaid changes in shareholding/ Directors has been registered with the local authorities in September 2016.

The Company has on 23rd May, 2017 entered into a Joint Venture arrangement with Arçelik A.S., a company incorporated in Istanbul, Turkey, for establishing a Joint Venture Company (JVC), to tap the fast growing Consumer Durables market in India. The proposed JVC to be incorporated in the name 'VoltBek Home Appliances Private Limited' would be engaged in the business of refrigerators, washing machines, microwaves and other white goods/domestic appliances in India. Arçelik A.S. is part of the Koç group which is Turkey's largest Industrial and Services group, in terms of revenue, exports, taxes, number of employees and market capitalization. The proposed JVC will leverage the strong brand presence and wide sales and distribution network of Voltas which is the market leader for residential room airconditioners in India, with over 20% market share. Arçelik A.S. would bring to the JVC its strong R&D and manufacturing prowess, in addition to a wide product range and global sourcing capabilities. Beko, the global brand of Arçelik A.S. has been the fastest growing home appliances brand in Europe for the past 7 years. The proposed JVC would market its products under the brand 'Voltas-Beko'.

12. Number of Board Meetings

During 2016-17, eight Board Meetings were held on 26th April, 2016; 17th May, 2016; 2nd August, 2016; 27th September, 2016; 16th November, 2016; 9th January, 2017; 14th February, 2017 and 22nd March, 2017.

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

Based on the recommendation of the 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 the criteria for Performance evaluation of individual Directors, the Board as a whole and the Committees. Evaluation of Directors was done by the NRC at its meeting held on 22nd March, 2017.

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

Pursuant to the provisions of the Act and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Board has carried out an evaluation of its own performance, Committees and performance of individual Directors.

The performance of the Board as a whole, 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 structure and composition; Establishment and delineation of responsibilities to various Committees; Effectiveness of Board processes, information and functioning; Board culture and dynamics and Quality of relationship between the Board and the Management. The Directors also made a self-assessment of certain parameters - Attendance, Contribution at Meetings and guidance/support extended to the Management. 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/Board. At the separate Meeting of Independent Directors, performance of Non-independent directors, including Chairman, Board as a whole was discussed. The performance of the individual Directors, including Independent Directors, performance and role of the Board/Committees was also discussed at the Board Meeting.

15. Statutory Auditors

The Members had at the 60th Annual General Meeting (AGM) held on 1st September, 2014, approved the appointment of Deloitte Haskins and 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, from the conclusion of the 60th Annual General Meeting (AGM) till the conclusion of 63rd AGM of the Company to be held in the year 2017, subject to ratification at every AGM. At the last AGM, the Members had ratified their appointment for the financial year 2016-17. DHS has done the Statutory audit of the financial statements of the Company for 2016-17 and their Report does not contain any qualification, reservation or adverse remarks.

Pursuant to the provisions of Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, it is proposed to appoint S R B C & Co. LLP (SRBC) as Statutory Auditors for a term of five years from the conclusion of 63rd AGM till the conclusion of 68th AGM of the Company to be held in the year 2022, to examine and audit the accounts of the Company for financial years between 2017-18 and 2021-22, (subject to ratification of their appointment at every subsequent AGM, if so required under the Act). SRBC have, pursuant to Section 139 of the Act, furnished a certificate regarding their eligibility of appointment.

Resolution seeking approval of Members for appointment of SRBC as Statutory Auditors of the Company forms part of the Notice of AGM of the Company.

16. Cost Auditors

The Board had appointed M/s. Sagar and Associates, Cost Accountants as the Cost Auditors for the financial year 2016-17. M/s. Sagar and Associates, Cost Accountants, have been appointed as Cost Auditors of the Company for the financial year 2017-18 and approval of the Members is being sought for ratification of their remuneration.

17. Secretarial Auditor

M/s. N L Bhatia and Associates, Practicing Company Secretaries were appointed as Secretarial Auditor to undertake Secretarial Audit of the Company for the financial year 2016-17. Their Secretarial Audit Report, in prescribed Form No. MR-3, is annexed to the Directors Report as Annexure V, and does not contain any qualification, reservation or adverse remarks.

18. Audit Committee

The Audit Committee comprises Mr. Nani Javeri (Chairman), Mr. R. N. Mukhija and Mr. Debendranath Sarangi, all Independent Directors, in line with the requirements of Section 177 of the Act. The Board has accepted the recommendations made by the Audit Committee from time to time.

19. Internal Financial Controls

The Internal Financial Controls (IFCs) and its adequacy and operating effectiveness is included in the Management Discussion and Analysis, which forms part of this Report. The Auditors Report also includes their reporting on IFCs over Financial Reporting.

20. Risk Management

Pursuant to Section 134(3)(n) of the Act and Regulation 21 of Listing Regulations, Risk Management Committee is in place comprising Mr. Nani Javeri (Chairman), Mr. R. N. Mukhija and Mr. Debendranath Sarangi. During 2016-17, two Meetings of Risk Management Committee were held on 25th April, 2016 and 10th January, 2017 whereat, the top 10 risks identified for the Company and various mitigation measures in respect thereof were reviewed and discussed.

21. Particular 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	4.61
Mr. Noel N. Tata	3.67
Mr. Nani Javeri	5.68
Mr. R. N. Mukhija	4.14
Mr. Vinayak Deshpande	2.31
Mr. Debendranath Sarangi	3.25
Mr. Bahram N. Vakil	3.86
Ms. Anjali Bansal	2.69
Ms. Usha Sangwan (upto 27.9.2016)*	—

Managing Director	Ratio to median remuneration
Mr. Sanjay Johri	59.98

* 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	1
Mr. Noel N. Tata	10
Mr. Nani Javeri	12
Mr. R. N. Mukhija	7
Mr. Vinayak Deshpande	—
Mr. Debendranath Sarangi	47
Mr. Bahram N. Vakil	*
Ms. Anjali Bansal	*
Ms. Usha Sangwan (upto 27.9.2016)	*
Mr. Sanjay Johri (Managing Director)	17
Mr. Anil George (Chief Financial Officer)	17
Mr. V. P. Malhotra (Company Secretary)	—

* Details are not given as the same are not comparable with previous year.

(c) **Percentage increase in the median remuneration of employees in the financial year:** (-) 18.05%

(d) **Number of permanent employees on the rolls of Company:**

2,555 employees.

(e) **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 3.74% for Employees other than Managerial Personnel and 17% for Managerial Personnel (MD).

(f) **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.

(g) A statement containing names of top ten employees in terms of remuneration drawn and the 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.

22. Employee Stock Option

The Company has not issued any Employee Stock Options.

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

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

24. Directors and Key Managerial Personnel

In accordance with the provisions of the Act and the Company's Articles of Association, Mr. Ishaat Hussain retires by rotation and does not seek re-election in view of his retirement on 2nd September, 2017, as per the retirement age policy for Directors adopted by the Board. Mr. Ishaat Hussain is a Director of the Company since 26th April, 1999 and the Chairman of the Board of Directors since 27th January, 2000.

Ms. Usha Sangwan, a Director on Voltas Board, representing Life Insurance Corporation of India (LIC) had resigned and ceased to be a Director of the Company with effect from 27th September, 2016. The Directors place on record their sincere appreciation of the valuable guidance and support given by Ms. Usha Sangwan during her tenure on the Board.

Mr. Hemant Bhargava was appointed as an Additional Director, representing LIC, with effect from 23rd May, 2017. Mr. Arun Kumar Adhikari was appointed as an Additional Director and Independent Director with effect from 8th June, 2017 for a term of five years, subject to approval of shareholders at the forthcoming AGM. In accordance with the provisions of Section 161(1) of the Act, Mr. Hemant Bhargava and Mr. Arun Kumar Adhikari hold office upto the date of the forthcoming AGM and are eligible for appointment as Directors of the Company. Notices under Section 160 of the Act have been received from members proposing the appointment of Mr. Hemant Bhargava and Mr. Arun Kumar Adhikari, respectively as Directors of the Company. The Resolutions seeking approval of the Members for appointment of Mr. Hemant Bhargava as a Director and Mr. Arun Kumar Adhikari as an Independent Director, including a brief profile of these Directors form part of the Notice of the 63rd AGM of the Company.

None of the Directors is the Managing or Whole-time Director of any subsidiary of the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board has also at its Meeting held on 8th June, 2017, appointed Mr. Anil George and Mr. Pradeep Bakshi as Additional Directors and Executive Directors with effect from 1st September, 2017.

Mr. Anil George, a qualified Chartered Accountant, joined Voltas in July 2010 as Executive Vice President, Corporate Affairs and CFO (designate). He was appointed as the CFO of the Company in May 2011 and promoted as President (Corporate Affairs) & CFO in August 2013. He is entrusted with additional responsibilities of Textile Machinery business, Ethics, Information Technology, Property matters and Corporate Communication.

Mr. Pradeep Bakshi is a Science graduate from Delhi University and holds Post Graduate Diploma in Management. He has worked with various reputed Multinational and Indian companies in the Consumer Appliances domain before joining Voltas in November 2001. Mr. Pradeep Bakshi grew to the position of President & Chief Operating Officer – Unitary Products Business Group (UPBG) in August 2013 and took additional responsibility of Mining & Construction Equipment business with effect from 1st April, 2014.

Mr. Sanjay Johri (Managing Director), Mr. Anil George (Chief Financial Officer) and Mr. V. P. Malhotra (Company Secretary) are the Key Managerial Personnel (KMPs) of the Company, in line with the requirements of Section 203 of the Act.

25. Declaration by Independent Directors

Pursuant to Section 149(7) of the Act, 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 Regulation 16(b) of Listing Regulations.

26. Corporate Governance

Pursuant to Schedule V of the Listing Regulations, 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.

27. 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 Act and Listing Regulations. 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 can be accessed on the Company's website at the link: http://www.voltas.com/WBP.pdf

28. Particulars of loans, guarantees or investments under Section 186 during 2016-17

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 7, 8, 16 and 38 of the standalone financial statements).

29. Particulars of contracts or arrangements with related parties

All related party transactions during 2016-17 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 III to this Report.

30. Directors' Responsibility Statement

Based on the framework and testing of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors, including audit of internal financial controls over financial reporting by the Statutory 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 2016-17. Accordingly, pursuant to Section 134(5) of the Act, 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 Act 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) they have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

31. Extract of the Annual Return

Pursuant to Sections 92(3) and 134(3)(a) of the Act, 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 IV to this Report.

32. 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 had during 2016-17, received 3 written complaints on sexual harassment which were investigated and appropriate actions were initiated.

33. 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, 8th June, 2017

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 its philosophy of Engage, Equip and Empower, which is interwoven in all the three thrust areas, i.e. Sustainable Livelihood, Community Development and Issues of National Importance, the Company endeavours to enhance employability of youth and women, work on the priority development concerns of the community and address issues of National Importance like Natural calamities, Cleaner India (Sanitation) and Affirmative Action.

   The focus areas of CSR activities are:

   (i) Vocational Skill Development Programs

   (ii) Education

   (iii) Health

   (iv) Disaster Relief

   (v) 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)

3. **Average net profit of the Company for last three financial years:** ₹ 418.64 crores.

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** ₹ 8.37 crores.

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

   (a) Total amount to be spent for the financial year – ₹ 8.37 crores

   (b) Amount unspent, if any - Nil

   (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 Program of Project was undertaken	Amount spent on Projects (₹ 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.	Sustainable Livelihood	Technical and Non-technical trainings	Mumbai, Vizag, Hyderabad, Bangalore, Coimbatore, Delhi, Indore, Bhilai, Thane, Aligarh, Jamshedpur, Chhindwara, Pantnagar and Mohali	440.85	Direct Expenditure	440.85	GMR Varalakshmi Foundation; ICICI Foundation; Tata Strive; Joseph Cardijn Technical School; Bosco Boys; ASMACS Skill Development; Tech Mahindra Foundation and various other implementing agencies.

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 Program of Project was undertaken	Amount spent on Projects (₹ 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
2.	National Importance	Disaster Relief-Flood, Drought, Swachh Bharat and Affirmative Action	Osmanabad, Mumbai, Bhivandi and Panvel	56.78	Direct/Indirect Expenditure	497.63	Parisar Asha; Stree Mukti Sanghtana; Samaj Vikas Sanstha; Sulabh International; Bethany Trust; Varshasukta for Rain Water Harvesting.
3.	Community Development	Education, Health and Water	Mumbai, Thane, Pantnagar, Panvel, Dadra and Hyderabad	307.22	Direct/Indirect Expenditure	804.85	Light of Life Trust; Room to Read; Antarang Foundation; Women India Trust; Action for Food Production (AFPRO); The Bombay Community Public Trust (BCPT); Dhriti Foundation and other Charitable organisations.
4.	Administrative Expenses	—	Mumbai	39.98	Direct Expenditure	844.83	Administrative Expenses

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 CSR activities were undertaken after due diligence of the selected partners and funds were released based on the understanding reached and progress of the work.

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

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

Conservation of energy:

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

(a) Improvement in Power factor (from 0.94 to 0.99) by replacement of capacitors and productivity maintenance implementation for power bank resulting in savings in cost and savings in carbon foot print (28 Tons) during the year.

(b) Nitrogen and Oxygen generator installed in Pantnagar factory and distributed through pipeline instead of refilling cylinders saving energy while transporting cylinders from vendors.

(c) Air Compressor operation optimized in shopfloor by use of 5 HP compressor for vacuum pump operation, instead of 25 HP,

(d) Replacement of Street CFL lights with LED Lamps.

(e) Use of Light Pipe harvesting sunlight (without heat) at West Bokaro warehouse.

Technology absorption:

The following initiatives have been taken, which has resulted in product improvement/ product development and reduction in cost to end consumer and also as an import substitution.

(a) Development and production of Star rated DC Inverter air conditioner with ISEER methodology in 3 Star and 5 Star category, in line with latest energy norms of Bureau of Energy Efficiency (BEE).

(b) Development and production of Split air conditioners with alternate Green gas Refrigerant R410a.

(c) Development and production of Smart air conditioners with Wi-Fi feature.

(d) Development and production of new downsized Outdoor Unit of 22 inch and 18 inch (height) as part of Value Engineering for 1.5 ton 5 Star and 1 ton 2 Star ACs respectively.

(e) Development of 5 Star Rated Window and Split AC with eco friendly Refrigerant R410a.

(f) Commercial Refrigeration Products and Water Cooler Products – changed with high energy efficient compressor resulting in energy saving of 3% over earlier compressor model.

(g) Development of 500 litres vertical Freezer for super markets, with R-404a Refrigerant for faster cooling and lower energy consumption of 15%.

(h) Development of Chocolate Cooler 7 litres with lower capacity compressor and Aluminium Roll Bond Panel.

(i) Development of 150/300 litres Water Cooler for large applications; Ultra Violet water purification system in the Water Coolers and new Water Cooler models for 60/80 litres.

(j) Development of new ice cream table top model Chest Freezer for mini stores model Glass Top -35 litres.

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

Research & Development:

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

(a) In the areas of energy efficiency and HCFC Phase out:

  (i) Development of energy efficient Ductable Split air conditioners with Inverter technology.

  (ii) Development of Vapour Absorption Machine for simultaneous heating and cooling application.

  (iii) Development of Air-cooled Chiller packages with energy efficient, low noise and high performance fans.

(b) Products and Processes developed through in-house technology:

  (i) Commercialized Package air conditioners with variable speed condenser fan and blower to respond to change in ambient temperature.

  (ii) Commercialized Vapour Absorption Machines working on low pressure (0.1 kg/cm2G) waste steam.

  (iii) Developed process of drilling titanium clad carbon steel tube sheets on CNC drilling machine.

Expenditure on Research & Development:

The Company has incurred Research & Development expenditure of ₹ 1.84 crores (including capital expenditure of ₹ 0.03 crore) during 2016-17.

Foreign exchange earnings and outgo:

	₹ in crores
Earnings in foreign exchange	89.08
Expenditure in foreign currency	2.15
Value of imports on CIF basis	822.10

On behalf of the Board of Directors

Ishaat Hussain
Chairman

Mumbai, 8th June, 2017

ANNEXURE III

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 arm's 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 2016-17.

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. 40 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. 40 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, 8th June, 2017

ANNEXURE IV

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[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	28192	34%
2.	Contract Revenue	43229	21%
3.	Commercial Refrigeration Products	28191	21%
4.	Sale of Services	NA	12%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. 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.	N.A.	Subsidiary	100%	Sec 2(87)(ii)
5.	Saudi Ensas Company for Engineering Services W.L.L. Kanoo Complex, Building No. 2, Madinah Road, Faisaliyah District, P.O. Box 8292, Jeddah 21482, Kingdom of Saudi Arabia	N.A.	Subsidiary	100% *	Sec 2(87)(ii)
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	N.A.	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	N.A.	Subsidiary	65% *	Sec 2(87)(ii)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable Section
8.	Voltas Netherlands B.V. Herikerbergweg, 238, Luna Arena, 1101CM, Postbus 23393, 1100DW, Amsterdam Zuidoost, The Netherlands	N.A.	Subsidiary	100%	Sec 2(87)(ii)
9.	Voltas Qatar W.L.L. P.O. Box 24706, Al Emadi Building, (Near Indian Supermarket), Office No. 3, Mezzanine Floor, Old Airport Road, Zone: 45, Street No. 310, Doha, State of Qatar	N.A.	Subsidiary	49%	Sec 2(87)(i)
10.	Universal Weathermaker Factory L.L.C. P.O. Box 25513, C.R.No.18649, Plot No. 85/B1, ICAD-1, Musaffah, Abu Dhabi, U.A.E	N.A.	Associate	49%	Sec 2(6)
11.	Universal Voltas L.L.C. P.O. Box 25513, C.R.No.18649, Universal Trading Company Building, 2nd Floor, F. No. 202-204, Istqlal Street, Abu Dhabi, U.A.E	N.A.	Associate	49% *	Sec 2(6)
12.	Olayan Voltas Contracting Company Limited 10, Dareen Centre, Al Ahsa Road, Al Malaz, P.O. Box 8772, Riyadh 11492, Kingdom of Saudi Arabia	N.A.	Associate	50%	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, 2016)				No. of Shares held at the end of the year (31st March, 2017)				% 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	10,02,53,480	0	10,02,53,480	30.30	10,02,53,480	0	10,02,53,480	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)	**10,02,53,480**	**0**	**10,02,53,480**	**30.30**	**10,02,53,480**	**0**	**10,02,53,480**	**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)	**10,02,53,480**	**0**	**10,02,53,480**	**30.30**	**10,02,53,480**	**0**	**10,02,53,480**	**30.30**	**0**
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	4,95,79,842	68,450	4,96,48,292	15.00	5,08,92,813	68,450	5,09,61,263	15.40	0.40
(b) Banks / FI	6,89,879	1,02,770	7,92,649	0.24	3,71,456	1,02,770	4,74,226	0.14	(0.10)
(c) Central Government	8,07,818	0	8,07,818	0.24	8,07,818	0	8,07,818	0.24	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	4,53,52,934	0	4,53,52,934	13.71	3,53,02,046	0	3,53,02,046	10.67	(3.04)
(g) FIIs	4,30,70,275	5,500	4,30,75,775	13.02	1,44,41,354	5,500	1,44,46,854	4.37	(8.65)
(h) FPIs	2,13,01,103	0	2,13,01,103	6.44	5,41,04,106	0	5,41,04,106	16.35	9.91
(i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	**16,08,01,851**	**1,76,720**	**16,09,78,571**	**48.65**	**15,59,19,593**	**1,76,720**	**15,60,96,313**	**47.17**	**(1.48)**

Category of Shareholders		No. of Shares held at the beginning of the year (1st April, 2016)				No. of Shares held at the end of the year (31st March, 2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	**Non-Institutions**									
(a)	Bodies Corporate									
(i)	Indian	1,40,32,125	1,48,480	1,41,80,605	4.29	1,48,07,594	1,28,160	1,49,35,754	4.52	0.23
(ii)	Overseas	0	0	0	0	0	0	0	0	0
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	4,02,67,866	1,04,73,730	5,07,41,596	15.33	4,27,95,611	1,01,31,665	5,29,27,276	16.00	0.67
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,44,280	--	2,44,280	0.07	2,44,280	0	2,44,280	0.07	0
(c)	Others (specify)									
(i)	Trust	20,37,882	580	20,38,462	0.62	39,06,189	580	39,06,769	1.18	0.56
(ii)	Directors & Relatives	0	0	0	0	0	0	0	0	0
(iii)	NRIs	22,11,623	1,44,490	23,56,113	0.71	23,23,325	1,05,870	24,29,195	0.73	0.02
(iv)	Foreign Nationals	1,783	0	1,783	0.00	1,823	0	1,823	0	0
(v)	Foreign Bodies	0	89,850	89,850	0.03	0	89,850	89,850	0.03	0
Sub-total (B)(2)		**5,87,95,559**	**1,08,57,130**	**6,96,52,689**	**21.05**	**6,40,78,822**	**1,04,56,125**	**7,45,34,947**	**22.53**	**1.48**
Total Public Shareholding (B)= (B)(1)+(B)(2)		**21,95,97,410**	**1,10,33,850**	**23,06,31,260**	**69.70**	**21,99,98,415**	**1,06,32,845**	**23,06,31,260**	**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)		**31,98,50,890**	**1,10,33,850**	**33,08,84,740**	**100.00**	**32,02,51,895**	**1,06,32,845**	**33,08,84,740**	**100.00**	**0**

(ii) Shareholding of Promoters (including Promoter Group):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April, 2016)			Shareholding at the end of the year (as on 31st March, 2017)			% 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	8,81,31,780	26.64	0	8,81,31,780	26.64	0	0
2.	Tata Investment Corporation Limited	99,62,330	3.01	0	99,62,330	3.01	0	0
3.	Ewart Investments Limited	19,25,950	0.58	0	19,25,950	0.58	0	0
4.	The Tata Power Company Limited	2,33,420	0.07	0	2,33,420	0.07	0	0
	Total	**10,02,53,480**	**30.30**	**0**	**10,02,53,480**	**30.30**	**0**	**0**

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

Sl. 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 1.4.2016)	10,02,53,480	30.30	10,02,53,480	30.30
2.	Date wise Increase / Decrease in Promoters shareholding 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 31.3.2017)	10,02,53,480	30.30	10,02,53,480	30.30

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

Sl. No.	Name	Shareholding		Cumulative Shareholding during the year (1.4.2016 to 31.3.2017)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Life Insurance Corporation of India (Various Accounts)				
	At the beginning of the year	2,48,72,076	7.52	2,48,72,076	7.52
	Bought during the year	—	—	2,48,72,076	7.52
	Sold during the year	(20,51,343)	(0.62)	2,28,20,733	6.90
	At the end of the year	2,28,20,733	6.90	2,28,20,733	6.90
2.	Franklin Templeton Investment Funds				
	At the beginning of the year	1,46,88,872	4.44	1,46,88,872	4.44
	Bought during the year	46,85,839	1.41	1,93,74,711	5.85
	Sold during the year	(31,20,044)	(0.94)	1,62,54,667	4.91
	At the end of the year	1,62,54,667	4.91	1,62,54,667	4.91
3.	HDFC Mutual Fund (Various Accounts)				
	At the beginning of the year	1,34,53,300	4.07	1,34,53,300	4.07
	Bought during the year	26,59,200	0.80	1,61,12,500	4.87
	Sold during the year	(10,48,000)	(0.32)	1,50,64,500	4.55
	At the end of the year	1,50,64,500	4.55	1,50,64,500	4.55
4.	Franklin Templeton Mutual Fund (Various Accounts)				
	At the beginning of the year	1,00,16,381	3.03	1,00,16,381	3.03
	Bought during the year	30,84,407	0.93	1,31,00,788	3.96
	Sold during the year	(23,54,755)	(0.71)	1,07,46,033	3.25
	At the end of the year	1,07,46,033	3.25	1,07,46,033	3.25
5.	Hasham Investment and Trading Company Private Limited				
	At the beginning of the year	82,24,269	2.49	82,24,269	2.49
	Bought during the year	—	—	82,24,269	2.49
	Sold during the year	(82,24,269)	(2.49)	—	—
	At the end of the year	—	—	—	—

Sl. No.	Name	Shareholding		Cumulative Shareholding during the year (1.4.2016 to 31.3.2017)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
6.	IDFC Mutual Fund (Various Accounts)				
	At the beginning of the year	77,90,893	2.35	77,90,893	2.35
	Bought during the year	6,48,000	0.20	84,38,893	2.55
	Sold during the year	(31,94,170)	(0.96)	52,44,723	1.59
	At the end of the year	52,44,723	1.59	52,44,723	1.59
7.	Bajaj Allianz Life Insurance Company Limited				
	At the beginning of the year	60,20,003	1.82	60,20,003	1.82
	Bought during the year	5,81,000	0.17	66,01,003	1.99
	Sold during the year	(45,76,658)	(1.38)	20,24,345	0.61
	At the end of the year	20,24,345	0.61	20,24,345	0.61
8.	Prazim Trading And Investment Company Private Limited				
	At the beginning of the year	—	—	—	—
	Bought during the year	52,88,820	1.60	52,88,820	1.60
	Sold during the year	—	—	52,88,820	1.60
	At the end of the year	52,88,820	1.60	52,88,820	1.60
9.	Standard Life Pacific Basin Trust				
	At the beginning of the year	—	—	—	—
	Bought during the year	49,61,127	1.50	49,61,127	1.50
	Sold during the year	(2,77,256)	(0.08)	46,83,871	1.42
	At the end of the year	46,83,871	1.42	46,83,871	1.42
10.	SBI Mutual Fund (Various Accounts)				
	At the beginning of the year	45,04,365	1.36	45,04,365	1.36
	Bought during the year	46,70,862	1.41	91,75,227	2.77
	Sold during the year	(30,18,300)	(0.91)	61,56,927	1.86
	At the end of the year	61,56,927	1.86	61,56,927	1.86
11.	Government Pension Fund Global				
	At the beginning of the year	44,65,941	1.35	44,65,941	1.35
	Bought during the year	—	—	44,65,941	1.35
	Sold during the year	(40,60,244)	(1.23)	4,05,697	0.12
	At the end of the year	4,05,697	0.12	4,05,697	0.12
12.	HDFC Standard Life Insurance Company Limited				
	At the beginning of the year	39,26,817	1.19	39,26,817	1.19
	Bought during the year	8,38,974	0.25	47,65,791	1.44
	Sold during the year	(9,40,680)	(0.28)	38,25,111	1.16
	At the end of the year	38,25,111	1.16	38,25,111	1.16

Sl. No.	Name	Shareholding		Cumulative Shareholding during the year (1.4.2016 to 31.3.2017)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
13.	Kuwait Investment Authority (Various Accounts)				
	At the beginning of the year	37,02,981	1.12	37,02,981	1.12
	Bought during the year	23,55,007	0.71	60,57,988	1.83
	Sold during the year	(16,41,690)	(0.50)	44,16,298	1.33
	At the end of the year	44,16,298	1.33	44,16,298	1.33
14.	Birla Sun Life Trustee Company Private Limited				
	At the beginning of the year	34,62,692	1.05	34,62,692	1.05
	Bought during the year	20,75,000	0.62	55,37,692	1.67
	Sold during the year	(9,40,057)	(0.28)	45,97,635	1.39
	At the end of the year	45,97,635	1.39	45,97,635	1.39

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 (as on 1.4.2016)		Cumulative Shareholding during / end of the year (1.4.2016 to 31.3.2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
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. Debendranath Sarangi	0	0	0	0
8.	Mr. Bahram N. Vakil	0	0	0	0
9.	Ms. Anjali Bansal	0	0	0	0
10.	Ms. Usha Sangwan (upto 27.9.2016)	0	0	0	0
11.	Mr. Anil George (CFO) - KMP	1,000	0	1,000	0
12.	Mr. V. P. Malhotra (CS) - KMP	2,520	0	2,520	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			

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 1.4.2016)				
(i) Principal Amount	11,948.50	—	—	11,948.50
(ii) Interest due but not paid	—	—	—	—
(iii) Interest accrued but not due	138.38	—	—	138.38
Total (i+ii+iii)	**12,086.88**	—	—	**12,086.88**
Change in Indebtedness during the financial year		—	—	
(i) Addition	517.94	—	—	517.94
(ii) Reduction	5,558.34	—	—	5,558.34
Net Change	**(5,040.40)**	—	—	**(5,040.40)**
Indebtedness at the end of the financial year (As on 31.3.2017)				
(i) Principal Amount	6,908.10	—	—	6,908.10
(ii) Interest due but not paid	—	—	—	—
(iii) Interest accrued but not due	15.08	--	--	15.08
Total (i+ii+iii)	**6,923.18**	--	--	**6,923.18**

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 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	 185.49 10.78 Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission	200.00
5.	Others, please specify – - PF, Superannuation & Medical (exempt) - Personal Accident Insurance Premia	 11.23 0.40
	Total (A)	407.90
	Ceiling as per the Act (5% of Profit u/s 198 of the Companies Act, 2013)	3,235.30

B. Remuneration to other directors

₹ in Lakhs

Sl. No.	Particulars of Remuneration	Name of Directors									Total Amount
		Ishaat Hussain	N. N. Tata	Nani Javeri	R. N. Mukhija	Vinayak Deshpande	Debendranath Sarangi	Bahram N. Vakil	Anjali Bansal	Usha Sangwan	
1.	**Independent Directors**										
	(i) Fees for attending Board / Committee meetings	—	—	5.55	5.10	—	5.10	4.20	3.30	—	23.25
	(ii) Commission	—	—	33.00	23.00	—	17.00	22.00	15.00	—	110.00
	(iii) Others, please specify	—	—	—	—	—	—	—	—	—	—
	Total (1)	—	—	38.55	28.10	—	22.10	26.20	18.30	—	133.25
2.	**Other Non-Executive Directors**										
	(i) Fees for attending Board/ Committee meetings	3.30	3.90	—	—	2.70	—	—	—	0.60	10.50
	(ii) Commission	28.00	21.00	—	—	13.00	—	—	—	3.00	65.00
	(iii) Others, please specify	—	—	—	—	—	—	—	—	—	—
	Total (2)	31.30	24.90	—	—	15.70	—	—	—	3.60	75.50
	Total (B) = (1+2)	31.30	24.90	38.55	28.10	15.70	22.10	26.20	18.30	3.60	208.75
	Total Managerial Remuneration (Commission)										175.00
	Overall Ceiling as per the Act for payment of commission to Non-Executive Directors (1% of Profit u/s 197 of the Companies Act, 2013)										647.06

Notes:

(1) Commission is for the year 2015-16, paid in 2016-17.

(2) Ms. Usha Sangwan ceased to be a Director with effect from 27.9.2016.

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

₹ in Lakhs

Sl. 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	215.85	65.92	281.77
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	6.71	2.19	8.90
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify	Nil	Nil	Nil
5.	Others, please specify – - PF, Superannuation & Medical (exempt)	7.99	4.53	12.52
	Total	230.55	72.64	303.19

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act, during the year ended 31st March, 2017.

On behalf of the Board of Directors

Ishaat Hussain
Chairman

Mumbai, 8th June, 2017

ANNEXURE V

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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 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 31st March, 2017 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 the Company for the financial year ended 31st March, 2017 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 (Share based employee benefits) Regulations, 2014 (Not applicable to the Company during the audit period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable to the Company during the audit period);

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period) and;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period);

Other Laws applicable to the Company;

1. Payment of Wages Act, 1956
2. Payment of Bonus Act, 1965
3. Minimum Wages Act, 1948
4. Industrial Disputes Act, 1948
5. Industrial Employment (Standing Orders) Act, 1946
6. Payment of Gratuity Act, 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 Act, 1956

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to Board and General Meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Meetings and for meaningful participation at the Meetings.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. **All the decisions at 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: P1996MH055800

N L Bhatia
(Managing partner)
FCS. No. 1176
C.P. No. 422

Place: Mumbai
Date: 24th April, 2017

To,

The Members

VOLTAS LIMITED

Our report of even date is to be read along with this letter.

(1) Maintenance of Secretarial records 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 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 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: P1996MH055800

N L Bhatia
(Managing partner)
FCS. No. 1176
C.P. No. 422

Place: Mumbai
Date: 24th April, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

1. The key macro-economic indicators both on the international as well as the domestic front seem to indicate that a slow recovery is in sight. The International Monetary Fund (IMF) has recently pegged the global growth at 3.5% for 2017. Nonetheless, ambiguities arising from the protectionist policies in the US and the UK, the migrant crises in Europe and the terrorist threats from ISIS continue to cloud the momentum in growth. Chinese growth or the lack of it, commodity price swings and the fragile movements in oil prices have further sharpened the uncertainties. Middle East, a geography which more directly impacts the Company's international business, remains difficult given the volatility in oil prices, combined as they are with fiscal deficits. On the domestic front, while there have been some green shoots in the form of an increase in GDP growth, taming inflation and interest rates, the activities on the ground have only lately started showing a pick-up. The Indian Government continues to demonstrate serious intent to fast forward the reforms agenda with the passage of the constitutional amendment for implementation of the GST (Goods and Services Tax) and earlier hard choices such as Demonetization. However, capacity utilization and spending, particularly by the private sector continues to remain subdued.

2. Despite these externalities, the Company has continued to demonstrate good progress, catalyzed by an enabling culture that has been built over the years. The acronym SWIFT (**S**mart thinking, **W**inning attitude, **I**nitiative, **F**lexibility and **T**eamwork) now defines the broader character of the organization, helping the Company to be resilient to challenges posed by the environment. As examples, the Company has found creative ways to:

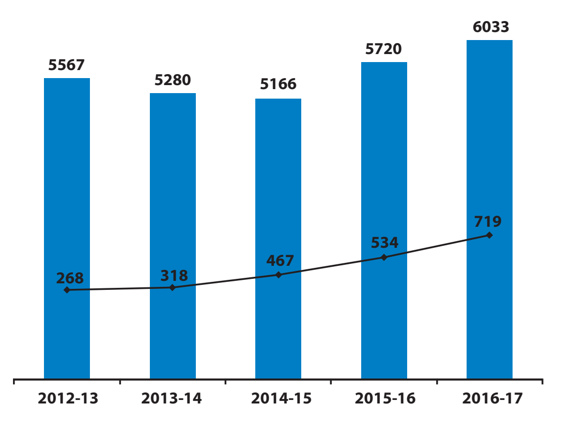
- Use technology to remotely monitor chillers and other project equipment,
- Sustain the strong MEP brand in the Middle East,
- Expand the brand strategically – vide a foray into air coolers, and crossing the 1 million mark in selling Room Air conditioners,
- Increase the services portfolio in the Textile Machinery business, and
- Strengthen customer relationship for Mining business in Mozambique while rebuilding our interests in India.

3. Smart products, smart services and smart communication were the guru mantras across all the three business segments. Voltas continued to remain the undisputed market leader and maintained its No. 1 position in the air conditioners market. The brand communicated with a smarter advertising campaign, bringing back Mr. Murthy and engaging with the audience more actively. In overall terms, the Company had a successful year, selling over 1.5 million cooling products and more importantly, became the first company in India to sell over 1 million air conditioners in a year. On the Services front, the Domestic Projects business crossed the magic number of remotely monitoring more than 1000 chillers across projects and locations. For using this technology and increasing productivity thereby, the Company was also recognized in the Tata Innovista Contest – a platform that honours innovative business solutions. The International Operations Business has been working towards building stronger capabilities, simultaneously building up its order book with better quality risk mitigated projects. Many of the corrective measures taken earlier are now seen to be bearing fruits.

4. At the same time, the Company continues to make steady progress towards the vision of *'Driving Value through Smart Engineering'* supported as it is with sound values, fact plus logic based decision making and deep customer insights. The engaged and empowered work force has been a key strength and the Company takes this opportunity to thank all its stakeholders for their unstinted support.

5. Sales and Services and Operating Profits (Profit before exceptional items) of Voltas (consolidated) for the period between financial year 2012-13 and 2016-17 are given below:

Financial Performance (Consolidated)
(₹ in crores)



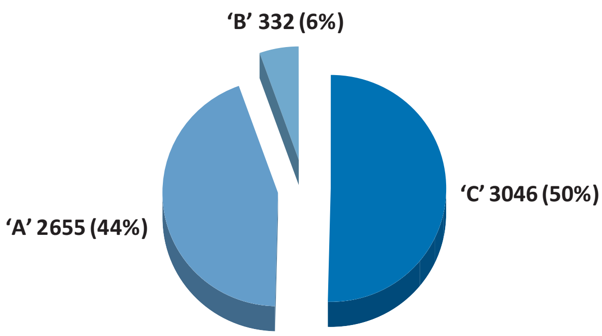
6. The business segments of Voltas (Consolidated) are:

'A' - Electro-mechanical Projects and Services

'B' - Engineering Products and Services

'C' - Unitary Cooling Products for Comfort and Commercial use

Segment Revenue (Consolidated) 2016-17
(₹ in crores)



ELECTRO-MECHANICAL PROJECTS AND SERVICES

Domestic Projects

7. Given subdued private sector spend, the Company had strategically focused on Public / Government sector projects and internationally funded investments as a sensible way of mitigating the credit risks associated with the Private sector. With the Government pushing the growth agenda, opportunities are increasing in urban infrastructure and transportation, electrical distribution, water treatment and smart cities. Apart from infrastructure projects, the Company's core area of HVAC projects has also benefited, with strong bookings seen in Government buildings and hospitals. With more Banks passing on the benefit of a lower interest rate regime to industry, a gradual improvement in Private Sector sentiment is expected.

8. The Domestic Projects business continues to align itself with the Vision 2020 statement while creating a differentiator for itself in the market through providing reliable services and delighting the customer in the after-sales service business. The remote monitoring system for predictive maintenance which was started last year has been scaled up to all locations, and has paid back through cost savings and reduced failure of machines. It has also received recognition for innovation in the form of the Tata Innovista Regionals award. Service personnel in the field now have access to technology in the form of a service app on their smart mobile devices, giving them a single-window solution for all their customer needs. This has enabled uniform service delivery across locations and the migration to completely paperless service reports. In the Products space, Product development has focused on energy efficiency, leading to the development of energy efficient Ductable Split Air Conditioners with Inverter technology, Vapour Absorption Machines for simultaneous heating and cooling, and Air-cooled chiller packages with energy efficient, low noise and high performance fans. Expansion of the distribution channel for products has also led to increased reach for the Products across India, leading to the higher order bookings for products than ever before.

9. The Domestic projects business has a healthy carry-forward order book of ₹ 2,558 crores as of 31st March, 2017, which provides a strong base for its growth plans.

International Projects

10. The International Operations Business Group (IOBG) of Voltas, as a turnkey Electro Mechanical Solutions & Services provider, has executed several prestigious and complex projects in 35+ countries over the last four decades across various applications including -

- **Electro-mechanical (MEP) Projects**: Electricals, HVAC (Heating, Ventilation & Air Conditioning), Plumbing, Fire Fighting, ELV & Specialized systems.
- **Facilities Maintenance & Hard Services**: Operations & Maintenance (O&M) contracts in various sectors, AMCs, Retro-fits & Energy Management, etc.
- **Water Solutions**: Water Treatment solutions for Industrial, Oil & Gas and Domestic Sewage Segments.

11. While the core offering of the Company continues to be MEP (Mechanical, Electrical & Plumbing) solutions for diverse applications and industries, dedicated teams have been set up to expand and accelerate growth of its MEP O&M and Water Treatment offerings across the region. These will bring in the benefit of a bigger share of annuity type revenues as well as diversified offerings to customers and the Company has seen encouraging initial progress.

12. While Voltas operates through its 3 overseas branch offices and 7 joint ventures, it presents a seamless face to customers across the Middle East geography. As part of the 'One Company' approach, the Company also adopts a 'virtual team and shared services' approach to optimize synergies and costs.

13. During the last financial year, the Gulf Cooperation Council (GCC) countries saw mixed levels of activities. While activities were strong in some non-oil based economies (particularly UAE and Qatar), continued low oil prices, compounded by production cuts from OPEC affected government spending and the overall level of economic activities. Geopolitical uncertainty with regional conflicts, global powers' leadership changes and stances on intervention also continue to impact the region.

14. The Construction industry in general faced budget constraints, an increasing trend of risk-transfer down-the-line, delays or cancellation of projects, tighter pricing / contract terms, low valuations and avoidable disputes on variations and claims. Voltas IOBG looked inwards

towards strengthening its capabilities and processes with a new leadership at its helm. The emphasis was on closing of legacy projects while continuing to build on newer ones.

15. The Company continues to focus on 3 key aspects – commercial and financial settlement of completed projects, efficient execution of ongoing projects and a judicious, balanced risk-reward approach to targeting new project bookings. Relationship building with external stakeholders, including strategic clients and execution partnerships, is recognized as key to navigating through the challenging environment. Capability building, optimizing project site productivity, strengthening supply chain and overall process efficiencies are key result areas for Management. Timely, cost effective and 'first-time-right' execution are critical as always, and even more so in the current environment.

16. On the MEP O&M front, the Company is looking to differentiate itself by offering Energy conservation and technology driven efficient services to its customers. The Company has also recently bagged its biggest ever O&M order for 'Musanada' in Abu Dhabi. On the Water Treatment front, the Company is trying to scale up its operations in the Water space by expanding the success story of its profitable operations in Oman to the rest of the GCC. Initial in-roads have been made in UAE, with bagging of a first order for a Domestic Sewage Treatment Plant system. Voltas also progressed its smart engineering initiatives by offering and adopting pre-fabricated modular installation (above ceiling services) on several of its new projects.

17. The total carry-forward order book of International Projects amounts to ₹ 1,763 crores, which includes orders booked by joint ventures.

ENGINEERING PRODUCTS AND SERVICES

Textile Machinery

18. In Textiles, there was a huge surge in price of cotton, not followed through in relative price increase of yarn. This led to margin pressure and muted investment sentiments across spinning mills, with many deciding to opt for partial shut-downs. Meanwhile, owing to China's cotton policy, yarn exports continued to be sluggish thereby leading to excess manufacturing capacities.

19. The high dependency of the domestic Textile industry on cash based transactions is well known. Consequently, the impact of demonetization was severe, evinced by margin pressures and subdued demand for both machinery and parts. Additionally, the lower amount of credit flows from banking channels into the industry has had an impact on the quantum of capital expenditure spending by the textile mills. At the same time, the withdrawal of Textile Upgradation Fund (TUF) for Spinning Machinery purchases and difficulties in obtaining bank finance has also delayed investments.

20. While visibility of steady inflow of subsidy driven orders, especially in States offering special incentives is not clear, there is some improvement in the After Sales and Post Spinning side of the Textile Machinery business.

Mining & Construction Equipment

21. On the Mining front, Mozambique operations continue to drive the performance, together with a few positive changes in the scope of maintenance activities, mainly addition of more machinery. However, mining business in India remains impacted with lower equipment sale as compared to last year. Meanwhile, the Company bagged a large order for crushing & screening equipment in the Road Construction Sector. The Company has strategically prioritized on rebuilding Mining India business by entering new growth areas for P&H spares as also sale of parts and auxiliary items to Coal India Limited and other users.

UNITARY COOLING PRODUCTS FOR COMFORT AND COMMERCIAL USE

22. The year began on a high note with an acute summer across the nation with heat waves in some parts. The favorable weather conditions led to spurt in the cooling appliances industry. Voltas registered 35% growth in the first and most crucial quarter of 2016-17. Market sentiment also remained positive because of 7th pay commission, festive season, etc. in the subsequent quarters helping the Company gain suitable momentum. However, demonetization impacted discretionary spends in Q3 (2016-17) that led to a decline in the consumer durables industry. Voltas recovered quickly given its wider distribution network of distributors, modern trade, dealers and e-commerce. The Company also launched attractive consumer promotions such as consumer financing schemes and cash back offers, along with fresh TV commercials bringing back the audience's favourite, Mr. Murthy. With this, the Unitary Cooling Products business was able to end the financial year on a high note by selling more than 1 million Room Air Conditioners.

23. To provide technologically superior products, Voltas launched its range of 'All Star' Inverter ACs with the value proposition of 'Run 2 ACs at the cost of 1'. Based on the steady cool compressor technology, these ACs provide uniform cooling leading to savings. Thus, Voltas strengthened its portfolio by offering energy efficient and environmental friendly products.

24. In a survey conducted by an external independent agency, Voltas reported addressability of 55% via its 14,500+ retail outlets – highest in the AC industry. Due to a strong foothold in urban markets, Voltas' addressability in the Top 8 metros was 68%. Given the above, the Company's AC market share grew to 21.4%, retaining No. 1 position across all regions.

25. In its second year of operations, Voltas Fresh Air Coolers with a range of 22 models and value proposition of 'Taazi Thandi hawa' registered commendable growth. Over 300 billings points across white goods and brown goods channel, exclusive service network expansion and clear communication of features like – Honeycomb cooling pads contributed to sales growth of over 150%.

26. Commercial Refrigeration business grew overall but was affected due to demonetization during which impulse purchases dropped, leading to a decline in orders from companies in ice-creams, chocolates, soft beverages segments, etc. Voltas offered an enhanced portfolio with new products like combo coolers (chest freezer cum cooler) and varying capacities of existing categories by adapting to evolving customer needs - this contributed to growth in the business.

OPPORTUNITIES AND OUTLOOK

ELECTRO-MECHANICAL PROJECTS AND SERVICES

Domestic

27. While private investment continues to remain muted, the Company has strategically increased its focus on orders from Government projects. The recent impetus from the Government on announcements and increased budgetary allocations covering the following in specific, has led to growing opportunities on the domestic front for the Company–

- Smart Cities
- Namami Gange (including river cleaning and municipal water treatment projects along the cities of the river)
- Electrical Distribution
- Transportation (including Metros, Airports, etc.)
- Built Environment Infrastructure (including educational institutions, hospitals and Government buildings)

28. Voltas, given its long term experience and expertise, is well positioned to be the preferred partner for execution of such projects. Another significant upcoming opportunity is derived from the substantial expansion plans of refineries in India, as well as their upgradation to meet BS VI emission norms.

29. The Government's intent to build social infrastructure through development of hospitals and educational institutions has been demonstrated through the announcement of major projects in these areas and represents significant potential for the Company's HVAC projects business. The rapid emergence of Data Centres due to increased digitisation also represents an opportunity for this business.

30. The Company has successfully executed rural electrification projects in the central Indian State of Madhya Pradesh and is looking at expanding this line of business to other States.

International

31. The GCC countries' medium and long term plans to reduce dependence on oil are being progressed within the constraints of fiscal deficits and with the support of external investments. The two major scheduled events in the region – Expo 2020 in Dubai, UAE and the FIFA World Cup 2022 in Qatar – provide significant opportunities to contractors with multi-billion dollar contracts to be awarded in the near future. Apart from event facilities such as pavilions and stadia, there is a rush to have iconic structures, hotels, malls and theme parks ready in time also underpinning an ambition to become leisure destinations of choice beyond the events.

32. The challenging construction industry environment over the past few years has resulted in a shake out of players with some having continued to over extend themselves compounding into severe financial issues. Voltas stands out among several MEP contractor peers as continuing to have both the financial and operational strength to deliver projects true to its reputation built over decades of presence in the Region. While price expectations continue to be a challenge, the Company is well set to capitalize on opportunities for several prestigious projects.

33. Voltas is also beginning to realize the benefits of strategic partnerships with repeat awards from clients and continuing execution tie-ups beyond initial projects. This allows sharing and mitigation of risks that come along with mega-projects while allowing the benefit of combined operational capability and effectiveness.

34. In addition to a substantial market in Dubai, UAE and Qatar, the Company is also focused on optimizing opportunities in other locations such as Abu Dhabi, UAE, Oman and Singapore through small and medium sized projects, MEP O&M contracts and Water Treatment solutions.

ENGINEERING PRODUCTS AND SERVICES

Textile Machinery

35. Long term growth opportunities for Indian textiles remain, given availability of raw materials, Government's thrust on 'Make in India' coupled with the potential for exporting garments and apparels. Particularly, with Textiles Industry being the biggest employment generator after agriculture, it has historically received policy support from Central and State Governments. Accordingly, subsidies are expected to continue driving fresh investments.

36. Investments in processing and finishing segment of Post Spinning business are also increasing given support of various government policies as well as potential to boost exports. With a comprehensive portfolio of products and solutions, the business provides a one stop shop for addressing most of the needs of the Textile Industry. Supported by an increased work force of Sales & Service engineers, much focus is also being placed on the yet untapped and fast growing 'After Sales' market.

Mining & Construction Equipment

37. The focus in the current year is on building Mining India business for Voltas due to opening up of certain mines across the country. In Orissa, captive and regular mines have started functioning. Iron ore production limits are expected to increase to 80 MMT/annum. Bigger screens (H6203) orders are hence anticipated.

38. The Company has also started looking at building opportunities in newer geographies. As part of growth strategies, the Company has initiated plans to enter Oman and provide maintenance services and supply. Business continues to scout for additional opportunities with new partners to further strengthen its presence in this space.

UNITARY COOLING PRODUCTS FOR COMFORT AND COMMERCIAL USE

39. The Company through its various timely and insightful interactions with its stakeholders has been able to capture the pulse of the market. With growing disposable incomes and lifestyle changes, increasing standard of living and affordable products, the AC industry penetration (currently 3% to 4%) is expected to improve and Voltas is poised very well to take on this increase in demand. It is likely that the recent Government measures, like demonetization and GST implementation would, over time, improve efficiency leading to gains in logistics, warehousing and delivery time to consumer. GST would also favor the organized sector over the unorganized especially in Air Coolers. The Energy Efficiency Services Limited (a government company) offering discounted energy efficient products might cause hiccups in the short term, but will hopefully benefit the industry in the long run.

40. The Bureau of Energy Efficiency (BEE) started mandatory star labeling for ACs from 2010. Since then, every 2 years they have raised the bar for energy efficiency in Split AC category and once for Window AC category. From 2018, there will be a common Star labeling table for Inverter Split AC and fixed speed Split AC based on ISEER (Indian Seasonal Energy Efficiency Ratio) methodology. Voltas had voluntarily adopted these revised BEE energy norms for Inverter AC from 2016 (which will be mandated from January 2018). With market shifting towards Inverter AC, the Company is geared up in Research & Development of Inverter technology and have developed super efficient ACs in this category.

41. The Company has also enhanced the product portfolio in Air Coolers (across Personal, Window, Desert and Towers series) and the Commercial Refrigeration business by smart sourcing.

42. Customer Service is critical to become India's No. 1 cooling company and Service as a differentiator is the ultimate goal. In this regard, Voltas has initiated a separate network of in-house Direct Service Centres and also planned various activities for enhancing the service network & process. These are aimed at getting closer to the customer – physically & digitally – to offer unparalleled levels of last mile service delivery.

43. Voltas offers differentiated models to cater to the online customers across sites via dealers. This led to seamless co-existence of the offline and online network thereby increasing customer touch points and thus sales.

THREATS

ELECTRO-MECHANICAL PROJECTS AND SERVICES

Domestic

44. Weak private investment remains a cause for concern, along with potential completion and commercial, and payment delays on projects. The Company continues to cherry pick and focus on risk mitigated opportunities which are priority projects for the Government, with assured funding and certainty of completion.

45. The impending implementation of GST and the effects of the same are yet to be completely assessed by the market and might lead to some short term variance. Market shifts towards new technology arising out of Climate Change protocols are possible, for which the Company's Engineering Center is working on new designs and applications to meet new market and regulatory requirements while exploring partnerships with the right technology partners.

46. Fluctuations in commodity prices have stabilized of late, and estimations for new projects are with suitable contingencies, based on current levels of commodity prices.

International

47. The volatile, uncertain and ambiguous environment, that the world and the Middle East Region face brings with it, specific challenges for the Company. Voltas IOBG will continue to ensure a careful vetting process and factor risks into bids for new jobs while remaining competitive and securing volumes required for sustaining growth. Post award, efficient and effective execution will be the key. Completing ongoing projects within timelines and without escalation of costs will prove the effectiveness of improvement initiatives put in place.

48. Change in laws, increase in taxes and tariffs by the GCC countries to make up for the deficits caused by low oil prices will impact cost competitiveness. Restrictions on work permits based on demographic profiling, rules and regulations relating to visa categories for employment of sub contract labour and, in some countries, reduction in working hours are also challenges to be managed. At the same time, economic and political developments will need to be carefully monitored and an important mitigation effort will be diversification in terms of solutions, customer base, size and scale of projects and geography.

49. The recent political developments and restrictions imposed on Qatar causes some element of uncertainty in regard to new order booking, smooth execution of ongoing projects of IOBG and could impact the overall performance of IOBG in the current year. The situation is being closely watched.

ENGINEERING PRODUCTS AND SERVICES

Textile Machinery

50. The Company's Textile Machinery business was adversely impacted by various external factors which led to a drop in performance as compared with the previous year. Longer term structural changes owing to demonetization and implementation of GST could act as a disruptor in the short term. Availability of finance has been a deterrent in the past for the textile industry and continued delays in disbursement of loans by banks can slow down conversion of orders into dispatches.

Mining & Construction Equipment

51. Policy gridlocks in reopening of mine sites have adversely impacted the operations of private sector mining firms in India. Iron ore export ban continues in States of Karnataka and Goa affecting sales of Powerscreen machines.

52. The Company is geared to counter the global consolidation of Mining Equipment Principals / Suppliers by positioning itself as a supplier neutral service provider and identifying new mining sector OEMs which seek representation in the Indian market. Voltas understands the potential macro-economic volatilities in the African continent and is looking at opportunities to expand beyond the African shores.

UNITARY COOLING PRODUCTS FOR COMFORT AND COMMERCIAL USE

53. While the AC industry is growing at a rapid pace, there are some challenges in the external environment. On one hand, GST and commodity prices have consequences on pricing and on the other, competitive pricing especially in energy efficient products result in lower margins. Improved focus on Value Engineering, Marketing, Customer Service & Logistics will help Voltas sustain its market dominance in an increasingly competitive market and continue to provide value to all its stakeholders. Voltas continues to remain the market leader and has maintained its lead over the 2nd player by around 600 bps.

FINANCIAL PERFORMANCE - STANDALONE

54. Financial performance as a measure of operational performance.

(a) **Gross Sales / Income from Operations (Segment Revenues):**

₹ in crores

	2016-17	2015-16	Change	Change%
Segment-A (Electro-mechanical Projects and Services)	**1,874**	1,913	(39)	(2%)
Segment-B (Engineering Products and Services)	**332**	371	(39)	(10%)
Segment-C (Unitary Cooling Products for Comfort and Commercial Use)	**3,219**	2,867	352	12%
Total	**5,425**	5,151	274	5%

Revenues in Electro-mechanical Projects and Services (Segment A) were lower by 2% as compared to the previous year. The turnover of international projects business was lower, due to delay in execution of projects and low carry-forward order book position. In Segment B, revenues of both Textile Machinery & Mining and Construction Equipment business were lower than previous year due to various exogenous factors and certain one offs in previous year. Supported by strong performance in the peak summer season, revenue of Unitary Cooling Products (Segment C) was higher by 12% as compared to last year. Despite intense competition, the Company sustained its No. 1 market position during the year with better than market growth and increased its lead over its nearest competitor.

(b) **Other Income:**

₹ in crores

	2016-17	2015-16	Change	Change%
Other Income	**255**	189	66	35%

Other Income comprises rental income, dividend from investments, interest income, profit from sale of investments and foreign exchange gain/loss, if any. Owing to higher average investment balance as well as better yields on Debt MFs, the Income from investments was significantly higher as compared to previous year. Appropriate risk management ensured that, despite significant appreciation in Indian Rupee, the Company contained its net foreign exchange loss to ₹ 12 crores approx. in 2016-17.

(c) **Exceptional Items:**

₹ in crores

	2016-17	2015-16	Change	Change%
Other Income	**(6)**	21	(27)	(129%)

Exceptional income during 2016-17 was on account of profit on sale of property offset by provision for diminution in value of investments in an overseas joint venture company.

(d) **Employee Benefits Expense:**

₹ in crores

	2016-17	2015-16	Change	Change%
Employee Benefits Expense	**407**	412	(5)	(1%)

Employee Benefits Expense 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 1% decrease in Employee Benefits expense during the year under review as compared to the previous year, mainly on account of demobilization of workmen, post completion of certain international projects.

(e) **Finance Costs:**

₹ in crores

	2016-17	2015-16	Change	Change%
Interest	**10**	8	2	25%

Finance costs largely comprise interest paid on borrowings from banks for execution of overseas projects. Increase in finance cost is on account of higher average balance in project specific borrowings during the current year.

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

₹ in crores

	2016-17	2015-16	Change	Change%
Depreciation and Amortisation Expenses	**18**	19	(1)	(5%)

The charge for depreciation on fixed assets is lower for the year under review.

(g) **Other Expenses:**

₹ in crores

	2016-17	2015-16	Change	Change%
Other Expenses	**512**	467	45	10%

Other Expenses includes service maintenance charges, other selling expenses, external services / contract labour charges, subscriptions, 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

	2016-17	2015-16	Change	Change%
Profit Before Tax	**651**	488	163	33%
Profit After Tax (Net Profit)	**486**	349	137	39%

Led by supportive weather conditions, better consumer sentiment and higher sales volumes, there was significant increase in profitability of Unitary Cooling Products Segment. Additionally, with higher average investment balance, the income from investments was also higher than previous year. Performance of Projects business, especially overseas projects although adversely impacted due to various factors, was better than previous year. Overall, profitability in 2016-17 was significantly better than last year.

55. FINANCIAL POSITION – STANDALONE

(a) **Borrowings:**

₹ in crores

	2016-17	2015-16	Change	Change%
Borrowings	**69**	119	(50)	(42%)

Borrowings were primarily for execution of overseas projects. With completion and financial closure of legacy projects, the overall bank borrowings at the end of the year have decreased as compared to last year.

(b) **Investments:**

₹ in crores

	2016-17	2015-16	Change	Change%
Non-current Investments:				
- Investment in subsidiaries, joint venture and associates	**204**	138	66	48%
- Other Investments	**531**	392	139	35%
- FMPs/Units of Debt Mutual Funds (Growth Scheme)	**1,478**	807	671	83%
Total	**2,213**	1,337	876	66%
Current Investments:				
- Liquid Funds / Liquid Plus (Dividend)	**200**	668	(468)	(70%)
Total	**200**	668	(468)	(70%)

The Company's investment of surplus cash in Mutual Funds (Non-Current and Current) has increased by ₹ 203 crores (net) and was ₹ 1,678 crores as on 31st March, 2017 as compared to ₹ 1,475 crores as on 31st March, 2016. To maximize returns on Debt mutual fund investments, a larger portion of investments was switched from Dividend Scheme mutual funds to short and medium term Growth Schemes of Debt Mutual Funds. Upon transition to Ind AS, income arising from such investments is being recognized via periodic mark to market fair valuation.

(c) **Inventories:**

₹ in crores

	2016-17	2015-16	Change	Change%
Raw materials, components, stores and spares	**89**	73	16	22%
Work-in-progress (net)	**5**	5	—	—
Finished goods	**187**	91	96	105%
Stock-in-trade of goods (for trading)	**495**	386	109	28%

Stock of finished goods was at higher level as compared to 2015-16 mainly due to stocking of Unitary Cooling Products in preparation for the peak summer season.

(d) **Trade Receivables:**

₹ in crores

	2016-17	2015-16	Change	Change%
Current Trade Receivables (Net)	**1,188**	1,058	130	12%

Current Trade Receivables are higher than previous year mainly in the Domestic operations in both projects and products.

(e) **Cash and Cash equivalents:**

₹ in crores

	2016-17	2015-16	Change	Change%
Cash and cash equivalents	**206**	127	79	62%

Cash and Bank balances increased by 62% in 2016-17 mainly due to better collections and working capital management across businesses as well as financial closure of certain International Projects.

(f) **Other Assets:**

₹ in crores

	2016-17	2015-16	Change	Change%
Other Current Financial Assets	**85**	87	(2)	(2%)
Other Non-Current Financial Assets	**17**	31	(14)	(45%)
Other Current Assets	**612**	571	41	7%
Other Non-Current Assets	**58**	53	5	9%

Other Financial Assets (current and non-current) consists of Advance payment of Taxes (net), Capital Advances, Security Deposits, Advance to Customs, Port Trust / other authorities and suppliers. Other Assets (current and non-current) 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.

(g) **Liabilities and Provisions:**

₹ in crores

	2016-17	2015-16	Change	Change%
Current liabilities	**2,533**	2,212	321	15%
Non-Current liabilities	**78**	70	8	11%

Current liabilities comprise short term borrowings, trade payables, short-term provisions and other current liabilities. Non-Current liabilities consist of long-term provisions and trade payables. The increase in current liabilities was mainly due to an increase in short term trade payables in the Products business. This was partially offset by reduction of ₹ 50 crores in Short-term borrowings [as explained in point 55(a) above]. Provisions (long-term and short-term) are towards Employee Benefits – gratuity, pension, medical benefits, compensated absences, etc., and for trade guarantees, contingencies and taxation.

FINANCIAL PERFORMANCE - CONSOLIDATED

56. Financial performance as a measure of operational performance.

(a) **Gross Sales / Income from Operations (Segment Revenues):**

₹ in crores

	2016-17	2015-16	Change	Change%
Segment-A (Electro-mechanical Projects and Services	**2,655**	2,829	(174)	(6%)
Segment-B (Engineering Products and Services)	**332**	371	(39)	(10%)
Segment-C (Unitary Cooling Products for Comfort and Commercial Use)	**3,046**	2,520	526	21%
Total	**6,033**	5,720	313	5%

The Consolidated Segment Revenue for 2016-17 was higher by 5% at ₹ 6,033 crores as compared to ₹ 5,720 crores last year mainly due to higher sales of Unitary Cooling Products.

(b) **Exceptional Items:**

₹ in crores

	2016-17	2015-16	Change	Change%
Exceptional Items	**1**	29	(28)	(97%)

Exceptional income during 2016-17 was on account of profit on sale of property.

(c) **Employee Benefits Expense:**

₹ in crores

	2016-17	2015-16	Change	Change%
Employee Benefits Expense	**618**	635	(17)	(3%)

Employee Benefits Expense 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 Benefits Expense during the year under review as compared to the previous year, mainly on account of demobilization of workmen, post completion of certain international projects.

(d) **Finance Costs:**

₹ in crores

	2016-17	2015-16	Change	Change%
Interest	**16**	16	—	—

Finance costs pertain to interest paid on borrowings from banks for execution of overseas projects.

(e) **Profitability:**

₹ in crores

	2016-17	2015-16	Change	Change%
Profit Before Tax	**720**	563	157	28%
Profit After Tax and Minority Interest/ Share of Profit/loss of Associates	**511**	393	118	30%

Consolidated Profit before tax in 2016-17 was higher at ₹ 720 crores due to better performance across all businesses. On the domestic front, Rohini Industrial Electrical Limited reported loss of ₹ 12 crores and Universal Comfort Products Limited reported profit before tax of ₹ 134 crores in 2016-17.

57. FINANCIAL PERFORMANCE - CONSOLIDATED

(a) **Borrowings:**

₹ in crores

	2016-17	2015-16	Change	Change%
Borrowings	**171**	271	(100)	(37%)

Borrowings were primarily for execution of overseas projects, including by subsidiaries/joint venture companies. With completion of some overseas projects, the overall bank borrowings have decreased as compared to last year.

(b) **Investments:**

₹ in crores

	2016-17	2015-16	Change	Change%
Non-current Investments	**2,068**	1,278	790	62%
Current Investments	**200**	668	(468)	(70%)
Total	**2,268**	1,946	322	17%

Current Investments include Liquid Funds (Dividend Schemes) and Debt Mutual Funds (Growth Schemes). The Non-Current Investments comprises investments in subsidiaries, joint venture and associates, Investment Properties, other Investments and FMPs/Debt Mutual Funds (Growth Schemes).

(c) **Inventories:**

₹ in crores

	2016-17	2015-16	Change	Change%
Raw materials, components, stores and spares	**188**	196	(8)	(4%)
Work-in-progress (net)	**6**	5	1	20%
Finished goods	**218**	137	81	59%
Stock-in-trade of goods (for trading)	**495**	386	109	28%

Higher Inventory levels were mainly on account of better demand for Unitary Cooling Products, resulting in larger sales volumes.

(d) **Trade Receivables:**

₹ in crores

	2016-17	2015-16	Change	Change%
Current Trade Receivables (Net)	**1,454**	1,367	87	6%

The increase in Consolidated Current Trade Receivables is mainly owing to projects business.

(e) **Other Assets:**

₹ in crores

	2016-17	2015-16	Change	Change%
Other Current Financial Assets	**72**	58	14	24%
Other Non-Current Financial Assets	**18**	32	(14)	(44%)
Other Current Assets	**1,022**	1,120	(98)	(9%)
Other Non-Current Assets	**67**	59	8	14%

Other Financial Assets (current and non-current) consists of Advance payment of Taxes (net), Capital Advances, Security Deposits, Advance to Customs, Port Trust / other authorities and suppliers. Other Assets (current and non-current) 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.

(f) **Liabilities and Provisions:**

₹ in crores

	2016-17	2015-16	Change	Change%
Current liabilities	**3,042**	2,950	92	3%
Non-Current liabilities	**102**	92	10	11%

Current liabilities include borrowings, trade payables, short-term provisions and other current liabilities. The increase in current liabilities was mainly due to an increase in short term trade payables in the Products business. Non-Current liabilities consist of long-term provisions, trade payables and deferred tax liabilities. 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.

LIQUIDITY AND CAPITAL RESOURCES

58. The rally in the US dollar has weighed on most emerging market currencies including the Indian rupee, Indonesian rupiah, Thai baht, Philippines peso and Malaysian ringgit. There were wide fluctuations in the dollar owing to the outcome of the US Presidential elections and spike in US bond yields. On the domestic front, there has been a lot of volatility following the unanticipated demonetization announcement in early November 2016. RBI has been trying to ensure the rupee's stability and playing a very active role to allow for adequate liquidity in the economy. Given the over stretched balance sheets of various Corporates and the factors mentioned above, the liquidity situation is under stress. However, with India's improving economic fundamentals including a narrowing current-account deficit and slowing inflation would spur correction in interest rates. Further, with improvement in business sentiment as forecasted by various leading bankers, there is increasing expectation of an uptick in the country's economic growth.

59. The Company has limited borrowing (mainly working capital finance for International Projects) as well as the continued emphasis of the Management on maintaining a robust Balance Sheet with cash and liquid investments of ₹ 2,089 crores as on 31st March, 2017. This position is an outcome of the emphasis placed by the Management on securing cash and commercial entitlements.

RISKS AND CONCERNS

60. The Company has robust systems for risk assessment and mitigation and has a Risk Policy in place with well-established internal control and risk management processes, at both Business Unit and Corporate levels. This also includes review and monitoring of the top risks at an Entity level by the Risk Management Committee of the Board. The mitigation planning for these risks is embedded in the longer term Strategic Business Plan (SBP) of each of the Businesses. Periodically, the Management along with the Risk Management Committee of the Board reviews the major risks and concerns along with mitigation plans. Based on this, a Corporate Risk Matrix is developed and tracked from time to time.

61. As part of the risk management process, the Company also has a well-defined forex policy which ensures timely monitoring and coverage of foreign exchange exposures. Open exposure is appropriately furnished by utilizing forward cover, EEFC account, repatriation from International Projects and Dividend from overseas JVs & Subsidiaries. Accordingly, despite increased volatility of the Rupee, the Company has ensured that the impact of foreign exchange fluctuations was minimized.

62. Emphasis is also placed on health and safety of employees especially at the work place. With appointment of a qualified full time Safety Officer at Corporate, various steps have been taken for improving the Safety culture. Similarly, with the increasing use of information technology in the businesses, it is important to ensure security and safety of the IT environment. This is being done via testing and evaluating the impact of disruptive occurrences and constantly improving the control procedures around IT systems.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

63. The Company has an adequate system of internal controls. Policies and procedures covering all financial and operating functions have been documented. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting records for ensuring reliability of financial reporting, monitoring of operations, protecting assets from unauthorized use or losses and compliance with regulations.

64. The Company's Internal Audit team comprises of qualified professionals and is headed by the Chief Internal Auditor who reports to the Board Audit Committee. A leading firm of Chartered Accountants has been engaged as a co-sourcing partner for internal audit. Internal Audit provides assurance to the Board and the Audit Committee on the design, adequacy and operating effectiveness of the internal control system.

65. A risk-based internal audit plan is approved by the Board Audit Committee at the beginning of the financial year and internal audits are conducted as per this plan. Annual plan and internal audit reports are shared with the Statutory Auditors and their suggestions, if any, are incorporated in the plan. The Annual Audit Plan is aligned with the major risks identified by the businesses. The scope and coverage of audits include review and reporting on key process risks, adherence to operating guidelines and statutory compliances and recommending improvements for monitoring and enhancing efficiency of operations and ensuring reliability of financial and operational information.

66. Significant internal audit findings and suggestions along with status update and action taken on observations/ issues from earlier internal audit reports are regularly reported to the Board Audit Committee. The Board Audit Committee monitors and reviews the significant internal audit observations, compliance with accounting standards, risk management and control systems and profitability.

67. Internal Audit has carried out independent testing of operating effectiveness of internal controls during 2016-17 and has determined that the Company's control over financial reporting as at 31st March, 2017 is effective.

HUMAN RESOURCES

68. The Company has taken several long term initiatives to ensure appropriate availability of skills, talent and resources for the next five years. Accordingly, initiatives like Span & Layer, Productivity studies in Thane Factory, Industrial Hygiene and Occupational Health Surveys in factories and offices and office up-gradation programs were finalized. The focus has been on building highly engaged workforce in order to achieve optimum results at appropriate cost.

69. The Company has augmented its leadership and talent pipeline with a combination of lateral hires in the market together with internal movements and campus hires. To keep the young campus hires engaged and charged till they actually joined Voltas, 'V-Connect' - a form of pre-joining engagement initiative was launched. In order to maintain sustainable growth and have competitive advantage, the Company identified 8% core talent and is currently engaged in developing them via suitable leadership programmes and additional responsibilities.

70. Voltas focused on improving Project Management capabilities by launching specific training for target groups in professional Project Management, Bureau of Energy Efficiency initiatives, Occupational Safety & Health and Green Building Council.

71. Recognizing that an engaged workforce can be a competitive advantage to any company in this era of uncertainty, Voltas has implemented a well-rounded formal engagement calendar covering Employee Family Day, Sporting Events, and Cultural events, Employee Volunteering and Physical, Financial & Emotional Wellbeing. The calendar is for employees across all locations and each region has the flexibility to run any one of the engagement programs mentioned above, every quarter.

72. High 5, a Reward & Recognition initiative is now in its second year of implementation and going strong. Employees and managers are encouraged to recognize and felicitate the contribution of peers and teams.

73. In the spirit of professional engagement and pragmatic business relations, the Company successfully entered into a Bonus and Incentive Settlement with its employees at Pantnagar Plant. Given an approach of innovative and inclusive practices, the Company enjoyed a favorable Industrial Relations climate during 2016-17.

74. Voltas reiterates its commitment to provide a safe and harassment-free working environment for all its employees. The Company launched a protracted campaign to increase the awareness on gender equality and sensitivity at work place.

75. The Company also launched company wide posters campaigns across all locations aiding interactive education. Tools like the Manual on Sexual Harassment of Women at Workplace released by the Government of India, Ministry of Women and Child Development and E-learning portal for employees has helped to generate and sustain a harassment-free work place.

76. The total staff strength of Voltas Limited (stand-alone) as on 31st March, 2017 was 5,256, including 2,700 contract staff, primarily for overseas projects. On a consolidated basis, total manpower as on 31st March, 2017 was 8,429, including 5,584 contract staff. The international projects business including overseas subsidiaries/joint ventures had 4,823 contract staff.

CAUTIONARY STATEMENT

77. 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 and the Balanced Scorecard methodology for tracking progress on long term strategic goals. 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 11 members: 10 Non-Executive Directors (NEDs) and the Managing Director. Of the 10 NEDs, 6 are Independent Directors, including a Women Director. The Company has a Non-Executive Chairman and the number of Independent Directors is more than 50% of the total number of Directors. Except Independent Directors and the Managing Director, all other NEDs 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). None of the Independent Directors of the Company is a Wholetime 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; commitment and contribution at Board/Committee Meetings; integrity and maintenance of confidentiality; independence; judgement and guidance/support to Management outside Board/Committee Meetings. The Directors freely interact with the Management on information that may be required by them. Off-site Meetings between the Directors and senior managers of the Company are also held periodically.

During 2016-17, a separate Meeting of Independent Directors of the Company was held on 22nd March, 2017 to discuss the performance evaluation based on the self assessment of Directors and the Board and also assess the quality, content and timeliness of flow of information between the Management and the Board, including the quality of Board Agenda papers and Minutes.

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 Listing Regulations, 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 61st Annual General Meeting (AGM) held on 3rd August, 2015 passed an Ordinary 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 for a period of five financial years commencing from 1st April, 2015.

(e) Other provisions as to Board and Committees

During 2016-17, eight Board Meetings were held on the following dates and the gap between two consecutive Board Meetings did not exceed 120 days.

26th April, 2016; 17th May, 2016; 2nd August, 2016; 27th September, 2016; 16th November, 2016; 9th January, 2017; 14th February, 2017; and 22nd March, 2017.

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 at least 7 days in advance to enable them to attend and take informed decisions at the Meetings.

The information as required under Regulation 17(7) of the Listing Regulations 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, including business strategies 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, 2017. 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.

(g) Category and attendance

The names and categories of the Directors, 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 2016-17	Attendance at the last AGM held on 29th August, 2016	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) DIN: 00027891	Not Independent Non-Executive	8	Yes	9	3	4
Mr. Sanjay Johri (Managing Director) DIN: 00032015	Not Independent Executive	8	Yes	–	–	–
Mr. Noel N. Tata DIN: 00024713	Not Independent Non-Executive	8	Yes	5	–	2
Mr. Nani Javeri DIN: 02731854	Independent Non-Executive	7	Yes	3	–	4
Mr. R. N. Mukhija DIN: 00001653	Independent Non-Executive	7	Yes	3	–	2
Mr. Vinayak Deshpande DIN: 00036827	Not Independent Non-Executive	7	No	4	1	2
Mr. Debendranath Sarangi DIN: 01408349	Independent Non-Executive	8	Yes	2	–	1
Mr. Bahram N. Vakil DIN: 00283980	Independent Non-Executive	8	Yes	3	–	1
Ms. Anjali Bansal DIN: 00207746	Independent Non-Executive	7	Yes	3	–	1
Ms. Usha Sangwan (upto 27.9.2016) DIN: 02609263	Not Independent Non-Executive	2	No	NA	NA	NA
Mr. Hemant Bhargava (w.e.f. 23.5.2017) DIN: 01922717	Not Independent Non-Executive	NA	NA	4	–	1
Mr. Arun Kumar Adhikari (w.e.f. 8.6.2017) DIN: 00591057	Independent Non-Executive	NA	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) comprises 3 Non-Executive Independent Directors – Mr. Nani Javeri (Chairman), Mr. R. N. Mukhija and Mr. Debendranath Sarangi. 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

Seven Board Audit Committee Meetings were held during the financial year 2016-17 on the following dates:

25th April, 2016; 16th May, 2016; 8th July, 2016; 1st August, 2016; 15th November, 2016, 10th January, 2017, and 9th February, 2017.

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

Name of Members	No. of Meetings attended
Mr. Nani Javeri	6
Mr. R. N. Mukhija	6
Mr. Debendranath Sarangi	7

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 Regulation 18(3) of the Listing Regulations 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 auditor's 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 Regulations and other legal requirements relating to financial statements.
  - (vi) Disclosure of related party transactions.
  - (vii) Qualifications/modified opinion(s) 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 if any, 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.

In terms of Prevention of Insider Trading Code adopted by the Company, the Board Audit Committee considers the following matters:

- Provide guidance to the Compliance Officer for implementation of the Code.
- To note and take on record the status reports detailing the dealings by designated persons in shares of the Company, as submitted by the Compliance Officer.
- To provide directions on any penal action to be initiated, in case of violation of the revised Code and/or Regulations, by any person.

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 nine unlisted subsidiary companies, of which three are Indian subsidiaries. As defined in Regulation 16(1)(c) of Listing Regulations, none of the Indian subsidiaries except Universal Comfort Products Limited, falls under the category of 'material subsidiary'. 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 Listing Regulations. 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 Committee

The Risk Management Committee comprises Mr. Nani Javeri (Chairman), Mr. R. N. Mukhija and Mr. Debendranath Sarangi. During 2016-17, two Meetings were held on 25th April, 2016 and 10th January, 2017. 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 reviewed by the respective Businesses/Corporate and changes if any, along with mitigation measures are reported to the Risk Management Committee. The Strategic Business Plan of the respective Divisions factor the risks associated with the businesses and discussed at Board Meetings.

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 2016-17 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. During the year under review, besides the transactions reported in the Notes to Accounts (Refer Note No. 41), there were no other RPTs 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 2016-17. 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) comprises Mr. Bahram N. Vakil (Chairman), Mr. Nani Javeri and Ms. Anjali Bansal (Independent Directors), Mr. Ishaat Hussain and Mr. Noel N. Tata (Non-Executive Directors). During 2016-17, three meetings were held on 17th May, 2016; 20th July, 2016 and 22nd March, 2017. The attendance of each Member of the Committee is given below:

Name of Members	No. of Meetings attended
Mr. Bahram N. Vakil	3
Mr. Nani Javeri	3
Mr. Ishaat Hussain	3
Mr. Noel N. Tata	3
Ms. Anjali Bansal	3

The Minutes of NRC Meetings are circulated and noted by the Directors at Board Meetings. Mr. Bahram N. Vakil, 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, set-up and composition of the Board and its Committees, including the "formulation of the criteria for determining qualifications, positive attributes and independence of 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.

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, KMPs and other employees.

(b) Remuneration Policy

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

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

(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 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 also 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 61st Annual General Meeting of the Company held on 3rd August, 2015, 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, 2015. Commission for 2016-17 was 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 are paid sitting fees for attending Board/ Committee Meetings, 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
- Annual Independent Directors Meeting ₹ 30,000

Remuneration to Directors

The Directors' remuneration and sitting fees paid in 2016-17 and their shareholding in the Company as on date are given below:

- Non-Executive Directors

Name of Directors	Commission for 2016-17* (₹ in Lakhs)	Sitting Fees paid in (₹ in Lakhs)	No. of Shares held
Mr. Ishaat Hussain	33.50	3.30	–
Mr. Noel N. Tata	26.50	3.90	–
Mr. Nani Javeri	37.00	5.55	–
Mr. R. N. Mukhija	30.00	5.10	–
Mr. Vinayak Deshpande	20.00	2.70	–
Mr. Debendranath Sarangi	29.00	5.10	–
Mr. Bahram N. Vakil	28.50	4.20	–
Ms. Anjali Bansal	24.00	3.30	–
Ms. Usha Sangwan**	3.50	0.60	–

* paid in 2017-18

** Ms. Usha Sangwan ceased to be a Director of the Company effective 27th September, 2016. Sitting fees and Commission is paid to LIC.

The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during 2016-17, 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 2016-17*
Mr. Sanjay Johri	79.20	129.30	260.00

* paid in 2017-18

Notes:

(a) Mr. Sanjay Johri was re-appointed as the Managing Director for a period between 23rd April, 2015 and 9th February, 2018 and his re-appointment and remuneration was approved by the shareholders at the 61st Annual General Meeting of the Company held on 3rd August, 2015. As per the terms of reappointment 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.

(b) The Company has not introduced any stock options for its Directors/ employees.

(c) 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 amount to the Investor Education and Protection Fund pursuant to the provisions of Sections 125 of the Companies Act, 2013. 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 2016-17, two meetings of Shareholders Relationship Committee were held on 6th October, 2016 and 2nd March, 2017 which were attended by the Company Secretary. The Minutes of the Shareholders Relationship Committee Meetings are circulated and noted by the Directors at Board Meetings. Mr. Noel N. Tata attended the last Annual General Meeting of the Company as Chairman of Shareholders Relationship Committee.

During 2016-17, only 9 complaints were received from SEBI/Stock Exchanges which were suitably dealt with and closed. As on 31st March, 2017, no complaints were pending. 8 transfers (4,005 shares) and 27 demat requests (14,659 shares) were pending as on 31st March, 2017, which were subsequently processed.

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. Other Committees

In addition to the above Committees, the Board has constituted certain other Committees, i.e. Corporate Social Responsibility Committee, Board Committee, Investment Committee, Committee of Board, Project Committee and Safety-Health-Environment Committee.

(a) Corporate Social Responsibility (CSR) Committee comprises Mr. Noel N. Tata (Chairman), Mr. Bahram N. Vakil and Mr. Sanjay Johri. A CSR Policy has been formulated by the Committee, which has been approved by Board, to undertake CSR projects/activities. During 2016-17, two Meetings were held on 20th July, 2016 and 2nd March, 2017, which were attended by all Committee Members.

(b) 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. During 2016-17, four Meetings were held on 29th April, 2016; 25th May, 2016; 1st September, 2016 and 7th March, 2017.

(c) 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) and Chief Financial Officer are members of the Investment Committee. During 2016-17, two Meetings were held on 8th August, 2016 and 7th March, 2017. 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.

(d) 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 2016-17, four COB meetings were held on 8th December, 2016, 9th January, 2017, 24th February, 2017 and 10th March, 2017.

(e) 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 2016-17, two Meetings were held on 23rd June, 2016 and 9th January, 2017.

(f) The 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 Company conducts Safety audits by cross-functional teams at project sites. During 2016-17, two Meetings of S-H-E Committee were held on 23rd June, 2016 and 9th January, 2017.

10. 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
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.
61st AGM- 3rd August, 2015	3.00 p.m.	None
62nd AGM- 29th August, 2016	3.00 p.m.	None

During 2016-17, no Special Resolution was passed through postal ballot and no Extraordinary General Meeting was held.

11. Details of Directors seeking appointment/reappointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

As required under Regulation 36(3) of Listing Regulations, 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 28th August, 2017.

12. 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.
- The Company did not raise funds through public/rights/preferential issues during the financial year 2016-17.

- 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 Regulation 17(8) of Listing Regulations certified to the Board on matters pertaining to CEO/CFO certification during the financial year 2016-17.

- The Company has complied with the Mandatory requirements of Listing Regulations and has unqualified financial statements. The 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 discretionary requirements in regard to maintenance of Non-Executive Chairman's office and sending half-yearly financial results to the shareholders at their residence.

13. Means of Communication

- The quarterly, half-yearly and annual results are published in widely circulated newspapers: Business Standard and The Economic Times 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 filed with Stock Exchanges.

14. General Shareholders Information

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

Monday, 28th August, 2017 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, 2017

(c) Second Quarter Results

– By 14th November, 2017

(d) Third Quarter Results

– By 14th February, 2018

(e) Results for the year ending 31st March, 2018

– By 30th May, 2018

- **Date of Book closure**

Tuesday, 8th August, 2017 to Monday, 28th August, 2017 (both days inclusive).

- **Dividend Payment date**

Dividend would be paid on or after 1st September, 2017.

- **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 2017-18.

- **Stock Code**

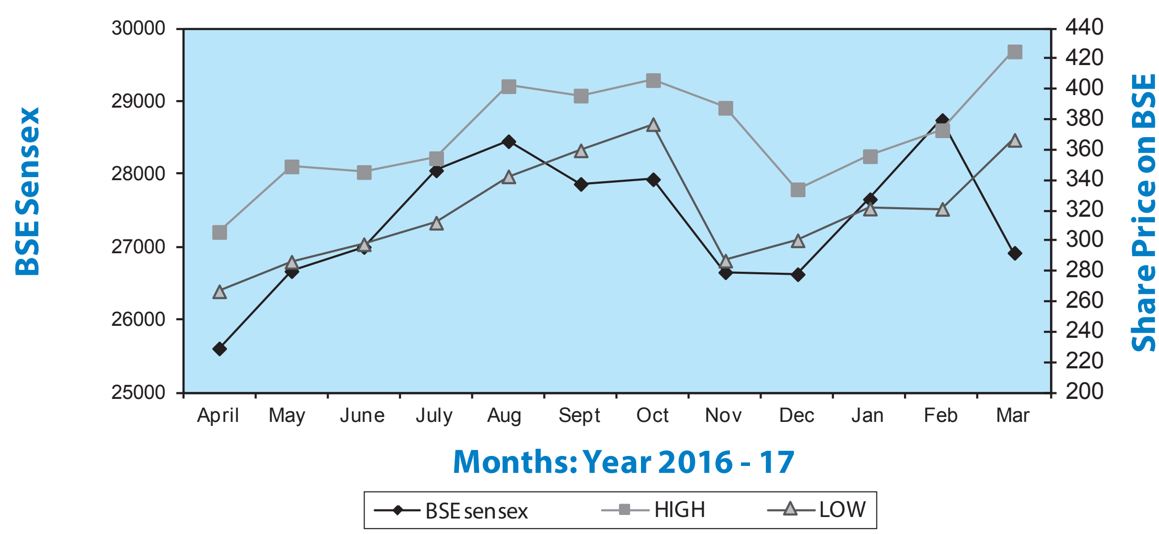
- NSE	:	VOLTAS
- BSE	:	500575
- ISIN Number for NSDL/CDSL	:	INE226A01021

- **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
2016									
April	25607	305.90	266.80	2412523	7009.77	305.70	266.70	27599519	80306.09
May	26668	349.10	286.25	3877488	12538.85	349.00	287.50	56123796	181377.82
June	27000	345.40	297.85	2402614	7834.81	345.90	297.50	22831046	74114.35
July	28052	354.50	312.00	2468229	8146.67	354.90	311.70	24593867	81212.86
August	28452	402.00	342.55	4366094	16033.93	401.80	341.80	48204819	177491.40
September	27866	395.80	359.70	1657013	6357.66	396.00	358.25	23404266	89345.45
October	27930	406.00	377.00	2209041	8689.57	406.40	376.25	20352381	80093.67
November	26653	387.75	287.00	2764698	8773.47	388.00	287.15	41973591	133055.47
December	26626	334.00	300.40	2732905	8693.01	336.40	300.45	24253745	76603.81
2017									
January	27656	355.85	321.30	3352626	11288.18	355.95	321.10	26213946	88166.70
February	28743	372.95	321.10	2385533	8280.19	374.90	320.40	32053744	110906.46
March	29620	424.90	366.60	2884516	11419.27	424.75	366.25	41717097	165133.90

The performance of the Company's scrip (Equity Shares of ₹ 1 each) on the BSE as compared to the BSE sensex:



- **Distribution of shareholding as on 31st March, 2017**

No. of equity shares held	No. of Shareholders	No. of Shares held	% of Issued Share Capital
Upto 5000	106838	40450512	12.22
5001 to 10000	961	6784046	2.05
10001 to 20000	414	5818945	1.76
20001 to 30000	120	2977605	0.90
30001 to 40000	41	1449634	0.44
40001 to 50000	34	1534773	0.46
50001 to 100000	68	4983496	1.51
100001 and above	166	266885729	80.66
Total	**108642**	**330884740**	**100.00**
Physical Mode	**16345**	**10632845**	**3.21**
Electronic Mode	**92297**	**320251895**	**96.79**

- **Shareholding Pattern as on 31st March, 2017**

Category	No. of Shares held	% of Issued Share Capital
Tata Group of companies	100253480	30.30
Insurance companies (Government)	28102552	8.49
Insurance companies (Others)	6957018	2.10
Mutual Funds and UTI	50961263	15.40
Foreign Institutional Investors	14446854	4.37
Foreign Portfolio Investors	54104106	16.35
Bodies Corporate	18842523	5.69
Non Resident Indians	2429195	0.73
Banks	716702	0.22
Foreign companies and Foreign Nationals	91673	0.03
Central Government Corporations	807818	0.24
Public	53171556	16.08
Total	**330884740**	**100.00**

- **Shareholders holding more than 1% Equity Shares of the Company as on 31st March, 2017**

Name of Shareholder	No. of Shares held	% of Issued Share Capital
Tata Sons Limited	88131780	26.64
Life Insurance Corporation of India	22820733	6.90
Franklin Templeton Investment Funds	16254667	4.91
HDFC Mutual Fund	15064500	4.55
Franklin Templeton Mutual Fund	10746033	3.25
Tata Investment Corporation Limited	9962330	3.01
SBI Mutual Fund	6156927	1.86
Prazim Trading and Investment Company Private Limited	5288820	1.60
IDFC Mutual Fund	5244723	1.59
Standard Life Basin Trust	4683871	1.42
Birla Sun Life Trustee Company Private Limited	4597635	1.39
Kuwait Investment Authority	4416298	1.33
HDFC Standard Life Insurance Company Limited	3825111	1.16
Goldman Sachs India Limited	3655473	1.10
Mirae Asset Mutual Fund	3392307	1.03

- **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, which are noted at subsequent Board Meetings.

- **Dematerialisation of shares and liquidity**

96.79% of the share capital has been dematerialized as on 31st March, 2017.

- **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.

- **Address for correspondence**

All correspondence relating to shares should be addressed to TSR Darashaw Limited, the Company's Registrar & 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 125 of the Companies Act, 2013, 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 corresponding dates when unclaimed dividends are due for transfer to IEPF.

Date of declaration of dividend	Dividend for the year	Due for transfer to the IEPF
16th August, 2010	2009-10	15th September, 2017
16th August, 2011	2010-11	15th September, 2018
23rd August, 2012	2011-12	25th September, 2019
19th August, 2013	2012-13	19th September, 2020
1st September, 2014	2013-14	1st October, 2021
3rd August, 2015	2014-15	3rd September, 2022
29th August, 2016	2015-16	29th September, 2023

Pursuant to Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs (MCA) with effect from 7th September, 2016 and as amended on 28th February, 2017, the Equity Shares of the Company in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred by the Company to the demat account of the IEPF Authority. The Company had sent individual notices to the concerned shareholders on 31st March, 2017 at their registered address whose shares are liable to be transferred to IEPF, advising them to claim their respective dividends. The Company had also uploaded the details of such shareholders on the website of the Company. The Company would transfer the shares to IEPF Authority on the date as prescribed by MCA, in respect of shareholders who have not claimed their dividends for seven consecutive years from 2008-09 onwards. The concerned shareholders may note that upon transfer of shares to IEPF Account, including all benefits accruing on such shares, if any, the same can be claimed by them only from IEPF Authority by following the procedure as prescribed by MCA.

- **Remittance of Dividend through NACH / DCF**

Members holding shares in physical form, desirous of receiving dividend by direct electronic deposit through National Automated Clearing House (NACH) / Direct Credit Facility arrangements with the Banker, to their bank accounts may authorize the Company accordingly with their NACH mandate. For details, kindly write to the Company's Registrar & 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, remittance of dividend through ECS/NECS has been replaced by NACH. In order to facilitate the Company to remit the dividend amount through NACH, please furnish your new bank account number allotted to you by your bank to your DPs, 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 & 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 & Transfer Agent in prescribed Form SH-4.

- **Nomination facility**

Shareholders should register their nominations in Form SH-13 in case of physical shares with the Company's Registrar & 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 Balance Sheet/other documents through Electronic mode**

As servicing of documents to shareholders, including Notice of Annual General Meeting, Balance Sheet, Statement of Profit and Loss, 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 & 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 & 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, 2017 affirmed compliance of their respective Codes of Conduct adopted by the Company and confirmation to that effect has been given by each of them.

(Sanjay Johri)
Managing Director

Mumbai,
8th June, 2017

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF VOLTAS LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter reference no. MJ/2016-17/66 dated 1st September, 2016.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Voltas Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

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

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2017.

9. 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)
B. P. Shroff
Partner
(Membership No. 34382)

Mumbai,
8th June, 2017

Business Responsibility Report

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

INTRODUCTION

1. Voltas has adopted Business Responsibility (BR) Policy based on the Principles laid down in the National Voluntary Guidelines on Social, Environmental and Economic responsibility of business issued by the Ministry of Corporate Affairs. The guidelines contain 9 Principles and core elements for each of these Principles.
2. In accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has prepared the Business Responsibility Report. This Report contains three primary pillars – Community, Environment and Business and outlines the Company's interventions against each of the 9 Principles mentioned in the National Voluntary Guidelines. This Report provides an overview of the activities carried out by Voltas Limited (Voltas) under each of the 9 principles.

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company

L29308MH1954PLC009371

2. Name of the Company

Voltas Limited

3. Registered address

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

4. Website

www.voltas.com

5. E-mail id

pradnyashinde@voltas.com

6. Financial Year reported

2016-17

7. Sector(s) that the Company is engaged in (industrial activity code-wise)

Sl. No.	SECTOR	NIC Code
1.	Room Air-conditioners	28912
2.	Contract Revenue	43229
3.	Commercial Refrigeration Products	28191

8. List three key products/services that the Company manufactures/provides (as in balance sheet)

The Company manufactures/provides the following products and services:

- Electro-Mechanical Projects and Services
- Engineering Products and Services (Textile Machinery, Mining & Construction Equipment)
- Unitary Cooling Products for Comfort and Commercial Use

9. Total number of locations where business activity is undertaken by the Company

(i) Number of International Locations (Provide details of major 5)

Five International Locations: Oman, Kingdom of Saudi Arabia, Abu Dhabi, Qatar and Dubai

(ii) Number of National Locations

The Company has manufacturing units at Thane, Dadra and Uttarakhand. The business activities are carried out through branch/territory/area offices across India.

10. Markets served by the Company – Local/State/National/International

Local / State / National / International

Section B: Financial Details of the Company (As on 31st March, 2017)

1. Paid up Capital (INR)

₹ 33.08 crores

2. Total Turnover (INR)

₹ 5,425 crores

3. Total profit after taxes (INR)

₹ 486 crores (excluding 'other comprehensive income')

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)

In line with the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014, Voltas has earmarked 2% of its average net profit for Corporate Social Responsibility activities.

5. List of activities in which expenditure in 4 above has been incurred.

Through its philosophy of Engage, Equip and Empower which is interwoven in all three focus areas: **Sustainable Livelihood, Community Development and Issues of National Importance,** Voltas endeavors to enhance employability of youth and women, work on the priority development concerns of the community and address issues of National Importance like Natural calamities, Cleaner India (Sanitation) and Affirmative Action. Thus, CSR activities are carried under the following social impact areas:

- Vocational Skill Development Program
- Education
- Health
- Disaster Relief

Section C: Other Details

1. Does the Company have any Subsidiary company/ companies?

Yes, Voltas has 9 subsidiaries, of which 3 are Indian and 6 are overseas:

Subsidiaries (India):

1. Rohini Industrial Electricals Limited (RIEL)
2. Universal Comfort Products Limited (UCPL)
3. Auto Aircon (India) Limited

Subsidiaries (Overseas):

1. Weathermaker Limited (Dubai, United Arab Emirates)
2. Saudi Ensas Company for Engineering Services W.L.L. (Jeddah, Kingdom of Saudi Arabia)
3. Voltas Netherlands B.V. (Amsterdam, Netherlands)
4. Voltas Oman L.L.C. (Muscat, Sultanate of Oman)
5. Lalbuksh Voltas Engineering Services & Trading L.L.C. (Muscat, Sultanate of Oman)
6. Voltas Qatar W.L.L. (Doha, Qatar)

2. Do the Subsidiary company/companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

The overseas subsidiary companies operate in different geographies/ business domains.

3. Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No, BR initiatives are new for the Company.

Section D: BR Information

1. Details of Director/Directors responsible for BR

(a) The Company's CSR Committee is responsible for implementation of the BR policy. The members of CSR Committee are as follows:

DIN	Name	Designation
00024713	Mr. Noel N. Tata	Chairman - CSR Committee
00283980	Mr. Bahram N. Vakil	Independent Director
00032015	Mr. Sanjay Johri	Managing Director

(b) Details of the BR head

Sl. No.	Particulars	Details
1.	DIN (if applicable)	NA
2.	Name	Ms. Pradnya Shinde
3.	Designation	Head Corporate Sustainability
4.	Telephone number	022-66656996
5.	E-mail id	pradnyashinde@voltas.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The 9 principles outlined in the National Voluntary Guidelines are as follows:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sl. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for ...?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Tata Code of Conduct (TCOC) and Climate Change Policies developed by the Tata Group, have been adopted by the Company. These Policies were formulated after detailed consultation and research on the best practices adopted across the Globe. The Company has formulated its own CSR, Safety, and Respect for Gender Policies. Most of the principles of the BR Policy are covered by the aforesaid Policies.								
3.	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The essence and intent of the TCOC, encompasses all applicable National Laws.								

Sl. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	The BR Policy has been approved by the CSR Committee/Board of Directors of Voltas. The Policy has been signed by the Managing Director.								
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The CSR Committee oversees the implementation of the BR Policy.								
6.	Indicate the link for the policy to be viewed online?	Refer table below								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to all internal stakeholders. TCOC and other policies are communicated to suppliers, vendors, dealers and channel partners based on their relevance to these external stakeholders.								
8.	Does the Company have in-house structure to implement the policy/policies	The Company has established in-house structures to implement these policies.								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	The Whistle Blower mechanism provides employees a mechanism to report any concerns or grievances pertaining to any potential or actual violation of TCOC, which covers all aspects of BR. An investor grievance mechanism is in place to respond to investor grievances. The customer complaints mechanism records the grievances of customers on product and service quality and other issues of interest to them.								
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	All policies applicable to Voltas are evaluated internally.								

Web-links of the Policy

NVG Principle	Web-link
Principle 1: Ethics, transparency & accountability	http://www.voltas.com/about-voltas/images/tcoc2015-16.pdf
Principle 2: Sustainability in life-cycle of product	http://www.voltas.com/about-voltas/images/tcoc2015-16.pdf
Principle 3: Employee wellbeing	Intranet: Employee Self Service Portal ==> Policies Section http://www.voltas.com/about-voltas/ethics/Policy_on_Respect_for_Gender.pdf
Principle 4: Stakeholder engagement	http://www.voltas.com/about-voltas/pdf/Affirmative_Action_Policy_10-5-2016.pdf
Principle 5: Promotion of human rights	http://www.voltas.com/about-voltas/images/tcoc2015-16.pdf
Principle 6: Environmental protection	https://vapps.voltasworld.com/SafetyAtVoltas/ http://www.voltas.com/about-voltas/pdf/Climate_Change_policy_24-5-2016.pdf
Principle 7: Responsible public policy advocacy	http://www.voltas.com/about-voltas/images/tcoc2015-16.pdf
Principle 8: Inclusive growth	http://www.voltas.com/about-voltas/images/CSR_Policy_Voltas_2016.pdf
Principle 9: Customer value	http://www.voltas.com/about-voltas/images/tcoc2015-16.pdf

2. **Governance related to BR**

   1. **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

      The BR performance of the Company would be reviewed by the CSR Committee on half-yearly basis and by the Board, annually.

   2. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

      Yes; Voltas will publish a BR report annually in the Annual Report from 2016-17 onwards.

Section E: Principle-wise performance

Principle 1

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   Voltas conducts its relationships and dealings - in business and otherwise - in accordance with the **Tata Code of Conduct (for employees and associates)** that focuses on the five values that underpin the way Voltas conducts business activities: Integrity, Responsibility, Pioneering, Excellence and Unity. This policy is followed at all branches, manufacturing units and other locations, overseen by Locational Ethics Counsellors. TCOC has also been adopted by wholly owned subsidiaries in India (RIEL and UCPL).

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

   Under TCOC, 34 stakeholder complaints have been received. All complaints are resolved, 97% in FY 2016-17 and balance in FY 2017-18. No complaints were received under the Whistle Blower Policy.

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   Staying true to its vision of 'Driving Value through Smart Engineering', Voltas seeks to continuously innovate to create energy efficient products by minimising wasteful energy consumption in their branded products. Voltas encourages the use of technology that purifies the air, lower energy costs, and purify polluted water and industrial/urban effluents.

   Some of the products and services with efficiency incorporated into their design are listed below:

   1. Engineered Ozone Systems.
   2. Vapour Absorption Machines– Environment Friendly and High COP (Coefficient of Performance), use waste to produce cooling with negligible electric energy input, Reduction in Carbon foot print.
   3. Variable Refrigerant Flow Systems (HVAC&R).
   4. Energy Conservation Building Code (ECBC) water cooled chiller packages.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):**

   (i) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

   Efficiency of ECBC Chillers is improved to 0.12 IKW per TR.

   (ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   IKW / TR of ECBC Chillers is between 0.60 to 0.68 against standard chillers' power consumption of 0.80 IKW / TR.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

   (i) **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

   Voltas follows stringent practices of eco-friendliness, sustainability and safety in its manufacturing operations and complies with applicable laws and regulations. All procurement of inputs is done with the intention to prevent the wasteful use of natural resources and practices are put in place such as to offset the effect of climate change in all business activities.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

   If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   There are several Original Equipment Manufacturers (OEMs) in various parts of the country to aid domestic manufacturing of Window ACs. These OEMs are strategically located to enable them to be closer to the customer, which, in turn, reduce the time-to-market. Also, Voltas is working closely with key OEMs to indigenize the production of new designs of Indoor Units of Split ACs.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).**

   Yes, 100% of products and waste are recycled through E-Recycler.

Principle 3

1. **Please indicate the Total number of employees**

	Number of Employees (As on 31st March, 2017)
Permanent & Contract (India & Overseas) including employees on Third Party Rolls	5,256
Apprentices	100

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis**

	Number of Employees
Contractual - India & Overseas	2,700

3. **Please indicate the Number of permanent women employees**

   There are 169 permanent women employees in India and Overseas.

4. **Please indicate the Number of permanent employees with disabilities**

   Voltas strongly believes in the principle of no discrimination. Based on information made available to the Company, there are 2 permanent Employees with disabilities.

5. **Do you have an employee association that is recognized by Management?**

   Yes, there are Internal Federation / Unions in India, recognized by the Management.

6. **What percentage of your permanent employees are members of this recognized employee association?**

   As on 31st March, 2017, around 16% of permanent employees in India are members of aforesaid recognized employee association.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year**

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as at the end of the financial year
1.	Child labour/ forced labour/ involuntary labour	—	—
2.	*Sexual harassment	3	3
3.	Discriminatory employment	—	—

* All 3 complaints were investigated and appropriate actions were initiated in consonance with applicable Law.

8. What percentage of your above-mentioned employees were given safety & skill up-gradation training in the last year?

A total of 1,08,286 employees, which comprises 31,497 permanent and 76,789 contract employees attended Safety trainings in FY 2016-17 [Repeated counting of the same employees due to multiple sessions attended by them].

Principle 4

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, Voltas has mapped its internal and external stakeholders.

Its internal stakeholders are largely its employees (permanent and contractual). In no order of preference, its external stakeholders are as follows:

- Shareholders and Lenders
- Government and Regulatory Authorities
- Industry Associations
- Customers
- Suppliers
- Community
- Dealers and Distributors
- Contractors
- Media and Academic Institutions

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, Voltas has identified the socially and economically disadvantaged sections of the Society, specially the Scheduled Caste and Scheduled Tribe communities, as its vulnerable and marginalized stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Voltas directly conducts / supports initiatives to help provide an equal footing to the vulnerable and marginalised sections of the country at large. With the ultimate aim to enhance their entrepreneurship and employability skills, Voltas has initiated Vocational Skill Development programs as well as access to quality education for members of the SC/ST communities. These interventions assist and result in income generation and social inclusion for the youth and also help improve and develop their language and technical skills.

Principle 5

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

The TCOC adopted by the Company also extends to Suppliers/Contractors.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Complaints, if any received from stakeholders under the TCOC are attended to and resolved by the Management and reported to the Board Audit Committee.

Principle 6

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others?

The Safety-Health-Environment Policy extends to all, including the Suppliers, Contractors and NGOs working with the Company.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage, etc.

Yes, the Company adheres to the 'Climate Change Policy for Tata companies', the link for which is provided below:

http://www.voltas.com/about-voltas/pdf/Climate_Change_policy_24-5-2016.pdf

3. **Does the Company identify and assess potential environmental risks? Y/N**

   Yes, Voltas has in place a detailed Safety-Health-Environment Policy through which it assesses and identifies the potential environmental risks that are material to it.

4. **Does the Company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?**

   Voltas actively participates in today's Green mission and shares its global concerns: energy depletion, global warming, waste accumulation and environmental degradation. To address these environmental needs, Voltas harnesses world-class technologies such as in the case of 'Green Buildings'. Voltas has developed numerous Green buildings including the establishment of ASIA's first LEED-certified international airport in Hyderabad. These buildings cause 25%-40% energy savings and 30%-40% water savings while also improving health and productivity of occupants by enhancing indoor air quality.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page, etc.**

   Voltas is actively engaged in the Green movement, with efforts and initiatives to implement smart and energy-efficient practices in its business activities. The Company has undertaken various initiatives on clean technology, energy efficiency and renewable energy, some of which can be seen in the webpage provided below:

   http://www.voltas.com/about-voltas/green_mission.asp

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   The emissions/waste generated at the Company's Thane plant are within the permissible limits.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

   There are no pending CPCB/SPCB show cause / legal notices at the close of FY 2016 -17.

Principle 7

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with**

   Voltas is a member of following associations:

   - Refrigeration and Airconditioning Manufacturers' Association (RAMA)
   - BIS (Bureau of Indian Standards)
   - ODS Committee formed by MoEF (Ministry of Environment and Forest)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   Voltas has participated in various forums like "INDIA-US task force for ODP and GWP substances" organized by MoEF for HCFC phase out and understanding next generation environment friendly refrigerants.

   It has also participated in various initiatives of BIS for updating and formulating standards related to Refrigeration and Air Conditioning.

   Additionally, Voltas is working with RAMA for providing inputs to BEE in developing Energy Conservation Building Code (ECBC 2017).

Principle 8

1. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

   As a concept that goes far beyond mere philanthropy, 'Giving back to the community' is a significant pillar of Voltas' engagement with Society. Voltas through the years has stood for Corporate Sustainability, specially to address key development issues in the communities it operates. Through its philosophy of Engage, Equip and Empower which is interwoven in three focus areas: **Sustainable Livelihood, Community Development and Issues of National**

Importance, the CSR programmes have been designed to build capacities of youth and women to increase their employability, create a significant and sustained impact on the communities, serve the local and national goals as well as provide opportunities to Voltas employees to contribute their skills and time through volunteering.

Based on the above philosophy and focus areas, the CSR programmes undertaken by Voltas fall under the following heads:

- Vocational Skill Development Programs
- Education
- Health
- Disaster Relief

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   Voltas's CSR programmes are monitored by an internal team, which largely collaborates with various NGOs and other professional agencies for execution of projects on ground and also obtain community participation.

3. **Have you done any impact assessment of your initiative?**

   Yes; Voltas does perform impact assessment of its initiatives internally as well as through external agencies to understand whether the projects are delivering the intended benefits.

4. **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

   For FY 2016-17, the Company's contribution to community development projects was ₹ 3.55 crores towards Education, Water and Health related projects across Mumbai, Thane, Dadra and Pantnagar.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Seeking Community participation is integral to project execution and sustainability. Several efforts are taken such as formation of village committees and groups to assist in knowledge transfer, peer to peer learning and capacity building. In several projects, more specifically skill development and water conservation, community participates actively and takes ownership and accountability of the projects. Also, proper data-based Monitoring and Evaluation throughout the timeline of the project, plays a significant role in ensuring sustainability post-exit of the project. Technology platform, p3, is deployed for real-time on-ground monitoring and evaluation of the project activities. All the administrative, operational and financial level details of the program are regularly monitored and evaluated, which later assist in definitive decision making and implementing changes in the project intervention strategy.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

Financial Year	2016- 2017	2015- 2016	2014- 2015
% of Complaints Pending	1.2%	1.5%	1.2%

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

   All Voltas product labels and packaging provide information required as per applicable laws and specifications on the product.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

   No, there are no such cases filed by any stakeholder against the Company.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   Yes; Voltas carries out annual 'Customer Engagement Survey' through a third-party agency.

INDEPENDENT AUDITOR'S REPORT

To the Members of Voltas Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **VOLTAS LIMITED** (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, comprising the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting 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 consolidated Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS 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 associates and joint ventures as at 31st March, 2017, and their consolidated profit, consolidated total comprehensive income, consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements of 7 subsidiaries, whose financial statements reflect total assets of ₹5,108.41 lakhs as at 31st March, 2017, total revenues of ₹61,706.94 lakhs and net cash outflows amounting to ₹(92.84) lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹1,963.76 lakhs and total comprehensive loss of ₹2,219.31 lakhs for the year ended 31st March, 2017, as considered in the consolidated Ind AS financial statements, in respect of an associate and 3 joint ventures, whose financial statements have not been audited by us. 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associate and joint ventures is based on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, an associate and joint venture company incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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 (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate company and joint venture company incorporated in India, none of the directors of the Group companies, its associate company and joint venture company incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A",** which is based on the auditor's reports of the Parent company, subsidiary companies, associate company and joint venture company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's, subsidiary companies, associate company and joint venture company incorporated in India internal financial controls over financial reporting.

(g) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.

(ii) Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

(iii) There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate company and joint venture company incorporated in India.

(iv) The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us by the Management of the respective Group entities.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

B. P. Shroff
Partner
(Membership No.34382)

Mumbai,
23rd May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of VOLTAS LIMITED (hereinafter referred to as the "Parent") and its subsidiary companies, its associate company and joint venture company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate company and joint venture company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate company and its joint venture company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate company and its joint venture company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us the Parent, its subsidiary companies, its associate company and joint venture company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

B. P. Shroff
Partner
(Membership No. 34382)

Mumbai,
23rd May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

	Note	₹ In Lakhs	As at 31-3-2016 ₹ In Lakhs	As at 1-4-2015 ₹ In Lakhs
I. ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	**17,274.63**	19,520.11	16,493.73
(b) Capital work-in-progress		**55.35**	129.17	442.17
(c) Investment property	5	**4,566.44**	2,897.32	2,669.73
(d) Goodwill	6	**7,231.05**	7,231.05	7,978.03
(e) Other intangible assets	6	**917.46**	855.51	985.35
(f) Financial assets				
(i) Investments in joint ventures and associates	7	**5,859.91**	7,930.28	8,581.86
(ii) Other investments	7	**2,00,972.64**	1,19,884.92	98,115.67
(iii) Loans	8	**71.73**	106.40	120.47
(iv) Other financial assets	9	**1,759.78**	3,178.19	3,161.18
(g) Income tax assets (net)		**558.35**	3,610.15	3,144.55
(h) Deferred tax assets (net)	10	**3,050.13**	4,069.78	3,119.75
(i) Other non-current assets	11	**6,683.06**	5,938.80	5,814.43
		2,49,000.53	1,75,351.68	1,50,626.92
Current assets				
(a) Inventories	12	**90,703.08**	72,468.18	77,039.18
(b) Financial assets				
(i) Other investments	7	**19,953.84**	66,765.48	46,996.29
(ii) Trade receivables	13	**1,45,410.95**	1,36,722.28	1,31,644.60
(iii) Cash and cash equivalents	14	**31,304.97**	16,980.47	21,740.48
(iv) Other balances with banks	15	**1,837.51**	1,567.58	1,324.39
(v) Loans	16	**273.92**	285.46	215.11
(vi) Other financial assets	17	**7,241.85**	5,784.88	6,563.13
(c) Other current assets	18	**1,02,229.37**	1,11,984.30	82,081.67
		3,98,955.49	4,12,558.63	3,67,604.85
TOTAL ASSETS		**6,47,956.02**	5,87,910.31	5,18,231.77
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	19	**3,307.53**	3,307.52	3,307.48
(b) Other equity	20	**3,27,353.89**	2,77,800.89	2,48,162.50
Equity attributable to owners of the Company		**3,30,661.42**	2,81,108.41	2,51,469.98
Non-controlling interests		**2,852.42**	2,668.05	1,977.22
		3,33,513.84	2,83,776.46	2,53,447.20
Liabilities				
Non-current liabilities				
Financial liabilities				
(a) Borrowings	21	**Nil**	Nil	431.80
(b) Provisions	22	**9,143.28**	8,125.51	7,052.55
(c) Deferred tax liabilities (net)	10	**1,071.94**	965.24	1,058.05
(d) Other non-current liabilities	23	**19.56**	80.30	41.74
		10,234.78	9,171.05	8,584.14
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	24	**17,094.19**	27,074.00	12,422.56
(ii) Trade payables	25	**1,99,456.81**	1,74,878.31	1,52,845.67
(iii) Other financial liabilities	26	**5,296.63**	5,150.01	5,191.84
(b) Provisions	27	**17,701.82**	15,617.06	15,194.34
(c) Income tax liabilities (net)		**4,750.44**	5,161.76	2,643.56
(d) Other current liabilities	28	**59,907.51**	67,081.66	67,902.46
		3,04,207.40	2,94,962.80	2,56,200.43
TOTAL LIABILITIES		**3,14,442.18**	3,04,133.85	2,64,784.57
TOTAL EQUITY AND LIABILITIES		**6,47,956.02**	5,87,910.31	5,18,231.77
See accompanying notes forming part of the consolidated financial statements.	1- 50			

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, 23rd May, 2017

Chairman **Ishaat Hussain**
Managing Director **Sanjay Johri**
President - Corporate Affairs & CFO **Anil George**
Vice President - Taxation, Legal & Company Secretary **V. P. Malhotra**

Directors **N. N. Tata**
R. N. Mukhija
Vinayak Deshpande
D. Sarangi
Bahram N. Vakil
Anjali Bansal

Mumbai, 23rd May, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

		Note	₹ In Lakhs	Year ended 31-3-2016 ₹ In Lakhs
I.	**Revenue from operations**	29	**6,09,502.02**	5,74,665.29
II.	**Other Income**	30	**19,981.56**	13,671.00
III.	**Total Income (I + II)**		**6,29,483.58**	5,88,336.29
IV.	**Expenses**			
	(a) Consumption of materials, cost of jobs and services		**3,41,622.71**	3,35,552.03
	(b) Purchases of stock-in-trade		**1,00,991.04**	67,232.50
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	31	**(19,025.27)**	5,929.87
	(d) Excise duty on sale of goods		**6,221.62**	2,684.78
	(e) Employee benefits expenses	32	**61,843.19**	63,513.62
	(f) Finance costs	33	**1,603.54**	1,579.92
	(g) Depreciation and amortisation expenses	34	**2,444.61**	2,634.69
	(h) Other expenses	35	**59,940.42**	56,456.33
	Total Expenses (IV)		**5,55,641.86**	5,35,583.74
V.	**Profit from operations before exceptional items and tax (III - IV)**		**73,841.72**	52,752.55
VI.	**Share of profit / (loss) of joint ventures and associates**		**(1,924.34)**	621.92
VII.	**Profit before exceptional items and tax (V + VI)**		**71,917.38**	53,374.47
VIII.	**Exceptional Items**	36	**110.09**	2,893.80
IX.	**Profit before tax (VII + VIII)**		**72,027.47**	56,268.27
	Tax Expense			
	(a) Current tax			
	(i) Current tax		**22,233.06**	18,441.36
	(ii) Provision for taxation of earlier years written back		**(1,401.96)**	(17.52)
	(b) Deferred tax	10	**53.53**	(1,466.42)
X.	**Total tax expense**	37	**20,884.63**	16,957.42
XI.	**Net Profit for the year (IX - X)**		**51,142.84**	39,310.85
	Other Comprehensive Income			
	(a) **Items that will not be reclassified to profit or loss**			
	(i) Changes in fair value of equity instruments through other comprehensive income		**9,569.07**	(2,015.38)
	(ii) Remeasurement of post-employment benefit obligations		**(239.31)**	(252.85)
	(iii) Income tax relating to these items		**(680.46)**	(164.00)
	(b) **Items that will be reclassified to profit or loss**			
	Exchange difference on translation of foreign operations		**(494.99)**	1,003.00
XII.	**Other Comprehensive Income [net of tax]**		**8,154.31**	(1,429.23)
XIII.	**Total Comprehensive Income [net of tax] (XI + XII)**		**59,297.15**	37,881.62
	Profit /(loss) for the year attributable to :			
	– Owners of the Company		**50,899.92**	38,709.32
	– Non-controlling interests		**242.92**	601.53
			51,142.84	39,310.85
	Other Comprehensive Income for the year attributable to :			
	– Owners of the Company		**8,212.86**	(1,518.53)
	– Non-controlling interests		**(58.55)**	89.30
			8,154.31	(1,429.23)
	Total Comprehensive Income for the year attributable to :			
	– Owners of the Company		**59,112.78**	37,190.79
	– Non-controlling interests		**184.37**	690.83
			59,297.15	37,881.62
XIV.	**Earnings per share:**			
	Earnings Per Share (₹) - Basic and Diluted (Face value ₹ 1/- per share)	38	**15.38**	11.70
	See accompanying notes forming part of the consolidated financial statements.	1- 50		

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, 23rd May, 2017

Chairman **Ishaat Hussain**
Managing Director **Sanjay Johri**
President - Corporate Affairs & CFO **Anil George**
Vice President - Taxation, Legal & Company Secretary **V. P. Malhotra**

Directors **N. N. Tata**, **R. N. Mukhija**, **Vinayak Deshpande**, **D. Sarangi**, **Bahram N. Vakil**, **Anjali Bansal**

Mumbai, 23rd May, 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

A. Equity share capital

	₹ in Lakhs
Balance as on 1st April, 2015	3,307.48
Changes in equity share capital	0.04
Balance as on 31st March, 2016	3,307.52
Changes in equity share capital	0.01
Balance as on 31st March, 2017	**3,307.53**

B. Other equity:

₹ in Lakhs

	Reserves and Surplus								Items of Other Comprehensive Income		Total attributable to owners of the Company	Non-controlling interest	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Capital Reserve on Consolidation	General Reserve	Staff Welfare Reserve	Legal Reserve	Retained Earnings	Equity instruments fair value through other comprehensive income	Exchange difference on translation of foreign operations			
Balance as on 1st April, 2015	155.52	125.70	627.30	1,269.15	1,23,829.32	1.00	234.41	85,928.25	35,991.85	Nil	2,48,162.50	1,977.22	2,50,139.72
Profit for the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	38,709.32	Nil	Nil	38,709.32	601.53	39,310.85
Other comprehensive income for the year, net of income tax	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(171.63)	(2,260.60)	913.70	(1,518.53)	89.30	(1,429.23)
Total comprehensive income for the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	38,537.69	(2,260.60)	913.70	37,190.79	690.83	37,881.62
Payment of dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(7,444.91)	Nil	Nil	(7,444.91)	Nil	(7,444.91)
Dividend Distribution Tax	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(528.70)	Nil	Nil	(528.70)	Nil	(528.70)
Transfer to Legal Reserve	Nil	Nil	Nil	Nil	Nil	Nil	57.48	(57.48)	Nil	Nil	Nil	Nil	Nil
Transfer to General Reserve	Nil	Nil	Nil	Nil	2,725.00	Nil	Nil	(2,725.00)	Nil	Nil	Nil	Nil	Nil
Realised gain on sale of investments transferred from Other Comprehensive Income to Retained Earnings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	903.93	(903.93)	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	421.04	Nil	Nil	421.04	Nil	421.04
Securities Premium received during the year	Nil	Nil	0.17	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.17	Nil	0.17
Balance as on 31st March, 2016	155.52	125.70	627.47	1,269.15	1,26,554.32	1.00	291.89	1,15,034.82	32,827.32	913.70	2,77,800.89	2,668.05	2,80,468.94
Profit for the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	50,899.92	Nil	Nil	50,899.92	242.92	51,142.84
Other Comprehensive Income for the year, net of income tax	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(157.03)	8,806.33	(436.44)	8,212.86	(58.55)	8,154.31
Total Comprehensive Income for the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	50,742.89	8,806.33	(436.44)	59,112.78	184.37	59,297.15
Payment of dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(8,603.00)	Nil	Nil	(8,603.00)	Nil	(8,603.00)
Dividend Distribution Tax	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(756.51)	Nil	Nil	(756.51)	Nil	(756.51)
Transfer to General Reserve	Nil	Nil	Nil	Nil	2,725.00	Nil	Nil	(2,725.00)	Nil	Nil	Nil	Nil	Nil
Realised gain on sale of investments transferred from Other Comprehensive Income to Retained Earnings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	901.83	(901.83)	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(200.32)	Nil	Nil	(200.32)	Nil	(200.32)
Securities Premium received during the year	Nil	Nil	0.05	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.05	Nil	0.05
Balance as on 31st March, 2017	**155.52**	**125.70**	**627.52**	**1,269.15**	**1,29,279.32**	**1.00**	**291.89**	**154,394.71**	**40,731.82**	**477.26**	**3,27,353.89**	**2,852.42**	**3,30,206.31**

See accompanying notes forming part of the consolidated financial statements. 1-50

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

B. P. Shroff
Partner
Mumbai, 23rd May, 2017

For and on behalf of the Board

Chairman	**Ishaat Hussain**	*Directors*	**N. N. Tata**
Managing Director	**Sanjay Johri**		**R. N. Mukhija**
			Vinayak Deshpande
President - Corporate Affairs & CFO	**Anil George**		**D. Sarangi**
Vice President - Taxation, Legal & Company Secretary	**V. P. Malhotra**		**Bahram N. Vakil**
			Anjali Bansal

Mumbai, 23rd May, 2017

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

		₹ in Lakhs	₹ in Lakhs	2015-16 ₹ in Lakhs
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit before tax		**72,027.47**	56,268.27
	Adjustments for :			
	Share of (profit) / loss of joint ventures and associates	**1,924.34**		(621.92)
	Depreciation and amortisation expenses	**2,448.02**		2,638.11
	Allowance for doubtful debts and advances	**14.42**		2,715.30
	Net unrealised foreign exchange gain	**(433.17)**		(370.92)
	Interest income	**(1,357.86)**		(560.75)
	Dividend income	**(3,034.62)**		(3,524.54)
	Impairment of goodwill on consolidation	**Nil**		751.22
	Net gain arising on financial assets measured at Fair Value Through Profit or Loss (FVTPL)	**(11,710.93)**		(4,519.97)
	Finance costs	**1,603.54**		1,579.92
	Liabilities/provisions/allowances no longer required written back	**(3,545.70)**		(1,587.17)
	(Gain)/loss on disposal of property, plant and equipment	**19.40**		(3,255.83)
	Provision for contingencies	**239.85**		(83.53)
	Provision for trade guarantees	**1,680.58**		167.38
	Rental income	**(3,871.51)**		(3,385.57)
			(16,023.64)	(10,058.27)
	Operating profit before Working Capital changes		**56,003.83**	46,210.00
	Changes in Working Capital:			
	Adjustments for (increase) / decrease in operating assets:			
	Inventories	**(18,234.90)**		4,571.00
	Trade receivables	**(7,188.88)**		(7,217.42)
	Other financial assets	**(1,578.27)**		296.79
	Other non-financial assets	**9,414.03**		(30,546.25)
	Adjustments for increase / (decrease) in operating liabilities:			
	Trade payables	**28,281.99**		24,520.42
	Other financial liabilities	**355.25**		(184.61)
	Other non-financial liabilities	**(7,234.87)**		(782.29)
	Provisions	**1,182.10**		1,411.83
			4,996.45	(7,930.53)
	Cash generated from operations		**61,000.28**	38,279.47
	Net income tax paid		**(18,190.62)**	(16,371.24)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**42,809.66**	21,908.23

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 (contd.)

				2015-16
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Payments for property, plant and equipment and intangible assets (including capital advances and capital work-in-progress)	**(2,573.43)**		(5,010.62)
	Decrease in bank balances not considered as cash and cash equivalents (net)	**(269.93)**		(243.19)
	Financial assets			
	- payments for purchase of investments	**(1,89,116.89)**		(1,83,873.70)
	- proceeds from sale of investments	**1,76,262.06**		1,46,635.71
	Interest received	**1,228.52**		635.96
	Proceeds from disposal of property, plant and equipment	**286.37**		3,407.95
	Dividend received	**3,034.62**		3,524.54
	Rental income	**3,870.92**		3,489.51
	Rental deposits repaid	**(104.92)**		(54.05)
	NET CASH FLOW (USED IN) INVESTING ACTIVITIES (B)		**(7,382.68)**	(31,487.89)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from issue of equity instruments of the Company (Calls-in-Arrears)	**0.01**		0.04
	Securities Premium (Calls-in-Arrears)	**0.04**		0.17
	Repayment of long term borrowings	**Nil**		(431.80)
	Net increase / (decrease) in working capital borrowings	**(9,979.81)**		14,651.44
	Interest paid	**(1,726.84)**		(1,455.03)
	Dividends paid including taxes there on	**(9,391.79)**		(7,930.71)
	NET CASH FLOW FROM / (USED) IN FINANCING ACTIVITIES (C)		**(21,098.39)**	4,834.11
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**14,328.59**	(4,745.55)
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**16,992.22**	21,737.77
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**31,320.81**	16,992.22
	Cash and cash equivalents at the end of the year consist of:			
	Cash and cash equivalents at the end of the year (Refer Note :14 Cash and cash equivalents)		**31,304.97**	16,980.47
	Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		**15.84**	11.75
			31,320.81	16,992.22

For and on behalf of the Board

Chairman	**Ishaat Hussain**
Managing Director	**Sanjay Johri**
Directors	**N. N. Tata**
	R. N. Mukhija
	Vinayak Deshpande
	D. Sarangi
	Bahram N. Vakil
	Anjali Bansal
President - Corporate Affairs & CFO	**Anil George**
Vice President - Taxation, Legal & Company Secretary	**V. P. Malhotra**

Mumbai, 23rd May, 2017

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

B. P. Shroff
Partner
Mumbai, 23rd May, 2017

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. BACKGROUND AND OPERATIONS

Voltas Limited (the "Company") is a public limited company and is incorporated in India. The address of its registered office is Voltas House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai 400033.

The Company, a Tata Group company, is a premier Air Conditioning and Engineering company and was established in the year 1954. The Company and its subsidiaries (herein after referred to as "the Group") are involved in the business of air conditioning, refrigeration, electro- mechanical projects as an EPC contractor both in domestic and international geographies (mainly Middle East), and also in the business of engineering product services for mining, water management and treatment, construction equipments and textile industry.

The Consolidated Financial Statements for the year ended 31st March, 2017 were approved by the Board of Directors and authorised for issue on 23rd May, 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) STATEMENT OF COMPLIANCE:

The consolidated financial statements of the Group have been prepared in accordance with and in compliance, in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1st April, 2016. Previous periods have been restated to Ind AS.

Upto the year ended 31st March, 2016, the Group prepared its consolidated financial statements in accordance with Indian GAAP, which includes accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These consolidated financial statements for the year ended 31st March, 2017 are the first consolidated financial statements under Ind AS as prepared by the Group. The date of transition to Ind AS is 1st April, 2015. Refer Note 3 for the details of first- time adoption exemptions availed by the Group.

(b) BASIS OF PREPARATION AND PRESENTATION:

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The consolidated financial statements have been prepared in accordance with the accounting policies, set out below and were consistently applied to all years presented unless otherwise stated.

The Group has adopted all issued Ind AS standards and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from Indian GAAP which is previous GAAP, as defined in Ind AS 101.

An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and Cash flow of the Group is provided in Note 3A.

(c) BASIS OF MEASUREMENT:

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for measurement and/ or disclosure purposes in these consolidated financial statements is determined on such basis and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

(d) BASIS OF CONSOLIDATION :

(i) Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non- controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non- controlling interests even if this results in the non- controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expense and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(ii) Investments in associates and joint ventures

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangements have rights to the net assets and obligations for the liabilities, relating to the arrangement. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the Consolidated Balance Sheet.

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(iii) Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

(1) its assets, including its share of any assets held jointly;

(2) its liabilities, including its share of any liabilities incurred jointly;

(3) its revenue from the sale of its share of the output arising from the joint operation;

(4) its share of the revenue from the sale of the output by the joint operation; and

(5) its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues and expenses.

(iv) Goodwill

Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

Goodwill arising from the acquisition of associates and joint ventures is included in the carrying value of the investment in associates and joint ventures.

Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the statement of profit and loss.

Goodwill on acquisition of the foreign subsidiaries is restated at the rate prevailing at the end of the year.

(e) USE OF ESTIMATES AND JUDGEMENTS :

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these consolidated financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are disclosed in Note 3B.

(f) REVENUE RECOGNITION :

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for trade discounts, rebates and other similar allowances. Revenue includes excise duty however excludes sales tax, value added tax, works contract tax and any other indirect taxes or amounts collected on behalf of third parties.

Revenue is recognized when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the Group.

(i) Revenue from sale of goods:

Revenue from sale of goods is recognised when the Group transfers all significant risks and rewards of ownership to the buyer while the Group retains neither continuing managerial involvement nor effective control over the goods sold.

(ii) Revenue from services:

Service revenue is recognised on rendering of services. Revenue from maintenance contracts are recognised pro- rata over the period of the contract.

In case of mining equipment's long term maintenance contracts, the revenue from such contracts is recognised in proportion to the costs actually incurred during the year in terms of the total estimated costs for such contracts, as repairs and maintenance of such machineries depends on its utilisation and wear and tear which varies from year to year.

(iii) Revenue from construction contracts:

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

The outcome of a construction contract is considered as estimated reliably when the stage of completion of the project reaches a reasonable level of completion i.e. the expenditure incurred on construction costs is atleast 20 % of the construction costs and it is reasonably expected that the counterparty will comply with the payment terms in the agreements.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses 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 immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the balance sheet, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the balance sheet under trade receivables.

(iv) Dividend and Interest income :

Dividend income is recognised when the right to receive payment is established. Interest income is recognised using the effective interest method.

(v) Rental Income :

Rental income from operating leases is generally recognised on straight-line basis over the term of relevant lease. Where the rentals are solely to increase in line with expected general inflation to compensate for the expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

(g) EMPLOYEE BENEFITS (OTHER THAN PERSONS ENGAGED THROUGH CONTRACTORS) :

(a) Retirement benefits costs and termination benefits :

(i) Defined Contribution Plans :

Payments to defined benefit contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions. The Group operates following defined contribution plans:

(i) Superannuation Fund: 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.

(ii) Provident and Pension Fund: The eligible employees of the Group are entitled to receive benefits under provident fund schemes which are in substance, defined contribution plans, in which both employees and the Group 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 Group or to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme. The Group 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.

(ii) Defined Benefit Plans :

The Group's liabilities towards gratuity, pension and post-retirement medical benefit schemes are determined using the projected unit credit method, with actuarial valuation being carried out at the end of each annual reporting period.

Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

The Group presents the first two components of defined benefit costs in profit or loss in the line item "Employee Benefits Expenses". Curtailment gains and losses are accounted for as past service costs.

The defined benefit obligation recognized in the Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

(b) Short term and other long term employee benefits :

Benefits accruing to employees in respect of wages, salaries and compensated absences 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 expected to be paid in exchange of related service. 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 at the present value of the estimated future cash flow expected to be made by the Group in respect of services provided by employees up to the reporting date.

(h) PROPERTY, PLANT AND EQUIPMENT :

Property, plant and equipment are stated at historical cost less depreciation and impairment losses, if any. Freehold land is not depreciated.

Historical cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the acquisition of assets and making them operational for their intended use.

Projects under which the property plant and equipment is not yet ready for their intended use are carried as capital work-in-progress at cost determined as aforesaid.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value Depreciation is recognised so as to write off the depreciable amount of assets (other than free hold land and assets under construction) over the useful lives using the Straight Line Method.

Depreciation on property, plant and equipment has been provided on the Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Depreciation on the tangible fixed assets of the Company's foreign subsidiaries has been provided on Straight Line Method as per the estimated useful life of such assets as follows:

- Buildings - 6 to 10 years
- Plant and Equipment - 3 to 10 years
- Office and EDP Equipment - 3 to 6 years
- Furniture and fixtures - 3 to 7 years
- Vehicles - 3 to 5 years
- Porta Cabins - 1 to 10 years

(i) INVESTMENT PROPERTY :

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(j) INTANGIBLE ASSETS :

Intangible assets purchased are measured at cost as of the date of acquisition less accumulated amortisation and accumulated impairment, if any.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated useful life of intangible assets are as follows:

- Manufacturing Rights and Technical Know-how	:	6 years
- Software	:	5 years

(k) FOREIGN CURRENCY TRANSLATION :

Items included in the consolidated financial statements of the group's subsidiaries, associates and joint ventures are measured using the currency of the primary economic environment in which each entity operates i.e. functional currency of each such entity. The consolidated financial statements are presented in the functional currency of the Holding Company i.e. Indian Rupee (₹).

In preparing the financial statements of each individual group entity, income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss. Non-monetary items denominated in a foreign currency are measured at historical cost and translated at exchange rate prevalent at the date of transaction.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non- controlling interests as appropriate).

On disposal of a foreign operation, the associated exchange differences are reclassified to Statement of Profit and Loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

(l) LEASES :

Leases are classified as Finance lease whenever the terms of lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as Operating leases.

Operating lease payments are recognised as expenditure in the Statement of Profit and Loss on a straight- line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

(m) 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. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(n) TAXES ON INCOME :

Current Income Tax:

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961.

Deferred Tax :

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date. Current income tax/deferred tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Minimum Alternate Tax :

According to section 115JAA of the Income Tax Act, 1961, Minimum Alternative Tax (MAT) paid over and above the normal income tax in a subject year is eligible for carry forward for fifteen succeeding assessment years for set- off against normal income tax liability. The MAT credit asset is assessed against the Group's normal income tax during the specified period.

(o) PROVISIONS AND CONTINGENCIES :

Provisions :

Provisions are recognised when there is a present obligation (legal or constructive) as a result of past event, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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.

Contingencies :

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

(p) FINANCIAL INSTRUMENTS :

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(a) Non- derivative financial instruments :

(i) Cash and cash equivalents :

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial assets carried at amortised cost :

Financial assets are measured at amortised cost if these are held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through other comprehensive income :

Financial assets are measured at fair value through other comprehensive income (OCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and by selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

The Group has made an irrevocable election to present in other comprehensive income the subsequent changes in fair value of equity investments not held for trading. The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments.

(iv) Financial assets at fair value through profit or loss :

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at the fair value through other comprehensive income. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(v) Financial liabilities :

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(vi) Equity instrument :

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net off direct issue cost.

(b) Derecognition of financial instruments :

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(c) Fair value of financial instruments :

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value and such value may never actually be realised.

(q) IMPAIRMENT :

(a) Financial assets :

The Group assessed the expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on the Group's past history of recovery, credit worthiness of the counter party and existing market conditions.

For all financial assets other than trade receivables, expected credit losses are measured at an amount equal to the 12 month expected credit loss (ECL) unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. For trade receivables, the Group has applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109 which requires the expected lifetime losses from initial recognition of the receivables.

(b) Non-financial assets :

Property, plant and equipment and intangible assets :

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

(r) SEGMENT REPORTING :

Segments are identified based on the manner in which the chief operating decision-maker (CODM) decides about the resource allocation and reviews performance. The Managing Director has been identified as the CODM.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. 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".

(s) OPERATING CYCLE :

A portion of the Group's activities (primarily long-term project activities) has an operating cycle that exceeds one year. Accordingly, assets and liabilities related to these long-term contracts, which will not be realised/paid within one year, have been classified as current. For all other activities, the operating cycle is twelve months.

3. FIRST- TIME ADOPTION EXEMPTIONS AVAILED BY THE GROUP AS PER IND AS 101

OVERALL PRINCIPLE

The Group has prepared consolidated financial statements which comply with Ind AS for periods ending on or after 31st March, 2016, together with the comparative period data for the year ended 31st March, 2016. In preparing these financial statements, the Group's opening balance sheet was prepared as at 1st April, 2015, the Group's date of transition to Ind AS. This note explains the exemptions availed on first time adoption and principal adjustments made by the Group in restating its Indian GAAP consolidated balance sheet as at 1st April, 2015 and its previously published Indian GAAP consolidated financial statements as at and for the year ended 31st March, 2016.

(a) Cumulative translation differences foreign operations

Ind AS 101 permits cumulative translation gain and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation difference in accordance with Ind AS 21 'The Effects of Changes in Foreign Exchange Rates' from the date a subsidiary or equity method accounted investee was formed or acquired.

The Group elected to reset all its cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

(b) Business Combinations

The Group has elected to apply Ind AS 103 – "Business Combinations" prospectively from the date of transition to business combinations occurred before the transition date. Hence, business combinations occurring prior to the transition date have not been restated.

3A. FIRST-TIME IND AS ADOPTION RECONCILIATIONS

(a) Effect of Ind AS adoption on the Consolidated Statement of Profit and Loss for the year ended 31st March , 2016 :

	Footnotes	₹ in Lakhs Amount
Net profit from ordinary activities after tax (under previous GAAP) for the year ended 31st March, 2016		39,440.85
Effect of measuring Mutual Fund investments at fair value through profit and loss	a	1,992.14
Reversal of gain on sale of equity instruments classified as fair value through OCI	a	(1,173.93)
Others	b, c	542.79
Tax on above items and tax on undistributed profit:	d	(1,491.00)
Net profit for the year		39,310.85
Other comprehensive income (net of tax)	a,c	(1,429.23)
Total comprehensive income as per Ind AS for the year ended 31st March, 2016		37,881.62

(b) Reconciliation of total equity as at 31st March, 2016 and 1st April, 2015 :

	Footnotes	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Total equity (shareholder's funds) under previous GAAP		2,42,104.36	2,11,812.45
Fair valuation of Financial Assets (Mutual Fund)	a	4,717.85	2,721.38
Fair valuation of Equity instruments	a	32,803.00	35,991.85
Impairment of financial assets (including expected credit losses)	b	(3,022.37)	(4,026.00)
Reversal of proposed dividend and tax thereon	e	10,354.37	8,960.52
Others		(1,257.75)	(408.00)
Tax impact on above adjustments	d	(1,923.00)	(1,605.00)
Total equity under Ind AS		2,83,776.46	2,53,447.20

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

(c) Reconciliation of cash flow as at 31st March, 2016

	Footnote	Previous GAAP	Effect of transition	As per Ind AS
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Net cash flow from / (used in) operating activities	f	27,538.97	(5,630.74)	21,908.23
Net cash flow / (used in) investing activities	f	(36,734.67)	5,246.78	(31,487.89)
Net cash flow / (used in) financing activities	f	3,642.74	1,191.37	4,834.11
Net Increase / (decrease) in cash and cash equivalents	f	(5,552.96)	807.41	(4,745.55)
Cash and cash equivalents at the beginning of the year	f	24,340.56	(2,602.79)	21,737.77
Cash and cash equivalents at the end of the year	f	18,787.60	(1,795.38)	16,992.22

Footnotes :

(a) Fair value of equity investments through Other Comprehensive Income (OCI)

Under previous GAAP, current investments were measured at lower of cost or fair value and long-term investments (quoted and unquoted) were measured at cost less diminution in the value which is other than temporary. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of investments in Mutual Funds were recognised in Consolidated Statement of Profit and Loss and that of investments in Equity (which is strategic in nature as not held for trading) were recognised in Equity. Consequently, the gain on sale of such long-term investments previously recognised in Consolidated Statement of Profit and Loss is now recognised in OCI and such realised gain is transferred to retained earnings.

(b) Allowance for bad and doubtful debts based on Expected Credit Loss (ECL)

Under previous GAAP, the allowance for bad and doubtful debts were accounted based on incurred loss model. Whereas, under Ind AS, this provision is created based on ECL. Consequently, ₹ 4,026.00 lakhs as at 1st April, 2015 has been recognized as additional allowance with a charge to transition reserves. Consequently, reversal of allowance is recognised in consolidated statement of profit and loss based on ECL as at 31st March, 2016.

(c) Remeasurement of defined benefit plans

Under Ind AS, remeasurements of defined benefit plans i.e. actuarial gains and losses and the return on plan assets excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of the consolidated statement of profit and loss. Under the previous GAAP, these remeasurements were accounted in the consolidated statement of profit and loss for the year. As a result of this change, the profit before tax for the year ended 31st March, 2016 increased by ₹ 252.85 lakhs. There is no impact on the total equity as at 31st March, 2016.

(d) Tax adjustments

Tax adjustments include deferred tax impact on account of differences between previous GAAP and Ind AS which also includes tax adjustments arising on account of tax on unrealised profit and undistributed profit. These adjustments have resulted in decrease in net profit by ₹ 1,491.23 lakhs for the year ended 31st March, 2016.

(e) Reversal of Proposed Dividend and transfer to General Reserve

Under the previous GAAP, transfer to general reserves and dividends proposed by the Board of Directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the General Meeting. This has resulted in an increase in equity by ₹ 10,354.37 lakhs as at 31st March, 2016 (₹ 8,960.52 lakhs as at 1st April, 2015).

(f) Reclassification of cash flow

- Cash flow from rental income of investment properties have been reclassified from operating activities to investing activities in line with requirements of Ind AS.
- The Joint Ventures (JVs) were consolidated under line by line consolidation method under previous GAAP. These have been now accounted as per Equity method of accounting under Ind AS resulting in change in Cash and Cash equivalents balance reported under previous GAAP.
- Cash in hand balance as at 31st March, 2016 under the previous GAAP included closing balance of imprest advance with the employees, which have been treated as other current assets under Ind AS.

3B. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

Construction contracts

Cost to complete

The Group's management estimates the costs to complete for each project for the purpose of revenue recognition and recognition of anticipated losses on projects, if any. In the process of calculating the cost to complete, management conducts regular and systematic reviews of actual results and future projections with comparison against budget. This process requires monitoring controls including financial and operational controls and identifying major risks facing the Group and developing and implementing initiatives to manage those risks. The Group's management is confident that the costs to complete the project are fairly estimated.

Percentage of completion

Management's estimate of the percentage of completion on each project for the purpose of revenue recognition is through conducting some weight analysis to assess the actual quantity of the work for each activity performed during the reporting period and estimate any future costs for comparison against the initial project budget. This process requires monitoring of financial and operational controls. Management is of the opinion that the percentage of completion of the projects is fairly estimated.

As required by Ind AS 11 in applying the percentage of completion on its long- term projects, the Group is required to recognize any anticipated losses on it contracts. In light of the above, management is of the opinion that based on the current facts, future losses on contract has been adequately provided for.

Contract variations and claims

Contract variations and claims are recognized as revenue to the extent that it is probable that they will result in revenue which can be reliably measured and it is probable that the economic benefits associated with it flow to the Group. This requires exercise of judgement by management based on prior experience, application of contract terms, manner and terms of settlement and relationship with the customers, etc.

Impairment of financial assets

The Group's management reviews periodically items classified as receivables to assess whether a provision for impairment should be recorded in the Consolidated Statement of Profit or Loss. Management estimates the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgement and uncertainty.

The Group reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Some of the Group's assets are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about valuation techniques and inputs used in determining the fair value of various assets is disclosed in Note 45.

Valuation of deferred tax assets

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The Policy for the same has been explained in Note 2(n).

Litigations

From time to time, the Group is subject to legal proceedings where the ultimate outcome is always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each balance sheet date and revisions made for the changes in facts and circumstances.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. All assumptions are reviewed at each Balance Sheet date.

Useful lives of property, plant and equipment and intangible assets

The Group has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Group reviews the useful life of property, plant and equipment and intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expenses in future periods.

Warranty provisions (trade gurantees)

The Group gives warranties for its products, undertaking to repair or replace that fail to perform satisfactory during the warranty period. Provision made at the year-end represents the amount of expected cost of meeting such obligations of rectification / replacement which is based on the historical warranty claim information as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in current year are consistent with those in prior year. Factors that could impact the estimated claim information include the success of the Group's productivity and quality initiatives.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Consolidation of Oman entitles

As per the Joint Venture Agreements executed for Voltas Oman L.L.C. and Lalbuksh Voltas Engineering Services & Trading L.L.C., Group Companies incorporated in Sultanate of Oman, Voltas Limited has the rights to manage and control business activities impacting the financial performance of these entities, including the returns on investment. Accordingly, financial statements of these entities are included in the Consolidated Financial Statements of Voltas Limited as Subsidiary Companies.

3C. RECENT ACCOUNTING PRONOUNCEMENTS

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable from 1st April, 2017.

Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the consolidated financial statements is being evaluated.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The requirements of the amendment have no impact on the consolidated financial statements as the standard is not applicable to the Group.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

4. Property, Plant and Equipment (Owned, Unless Otherwise Stated)

₹ In Lakhs

	Freehold Land	Buildings	Plant and Equipments	Office and EDP Equipments	Furniture and fixtures	Vehicles	Transferred to Investment property	Total Property, Plant and Equipment
Gross carrying amount								
As at 1st April , 2015	2,877.27	13,076.10	14,466.40	6,873.99	2,528.33	1,680.15	(3,459.13)	38,043.11
Additions	Nil	3,425.09	878.93	734.63	267.31	307.64	Nil	5,613.60
Disposals	0.50	121.25	152.15	320.80	41.20	142.82	Nil	778.72
Transfers in / (out)	Nil	Nil	Nil	Nil	Nil	Nil	(328.30)	(328.30)
Exchange differences on consolidation	Nil	13.91	125.08	20.05	7.63	49.01	Nil	215.68
As at 31st March, 2016	2,876.77	16,393.85	15,318.26	7,307.87	2,762.07	1,893.98	(3,787.43)	42,765.37
Depreciation								
As at 1st April, 2015	Nil	3,452.35	10,721.51	5,144.01	1,689.08	1,331.83	(789.40)	21,549.38
Charge for the period	Nil	467.63	789.65	574.60	193.92	195.43	(97.07)	2,124.16
Disposals	Nil	89.68	105.81	292.51	35.82	102.82	Nil	626.64
Transfers in / (out)	Nil	Nil	Nil	Nil	Nil	Nil	(3.64)	(3.64)
Exchange differences on consolidation	Nil	12.65	117.00	17.84	7.01	47.50	Nil	202.00
As at 31st March, 2016	Nil	3,842.95	11,522.35	5,443.94	1,854.19	1,471.94	(890.11)	23,245.26
Net carrying amount as at 1st April, 2015	2,877.27	9,623.75	3,744.89	1,729.98	839.25	348.32	(2,669.73)	16,493.73
Net carrying amount as at 31st March, 2016	2,876.77	12,550.90	3,795.91	1,863.93	907.88	422.04	(2,897.32)	19,520.11
Gross carrying amount								
As at 1st April, 2016	2,876.77	16,393.85	15,318.26	7,307.87	2,762.07	1,893.98	(3,787.43)	42,765.37
Additions	Nil	401.40	484.09	641.14	269.84	54.40	Nil	1,850.87
Disposals	Nil	277.05	420.43	1,506.76	131.13	106.26	Nil	2,441.63
Transfers in / (out)	Nil	Nil	Nil	Nil	Nil	Nil	(1,827.01)	(1,827.01)
Exchange differences on consolidation	Nil	(14.37)	(58.84)	(12.92)	(4.04)	(30.79)	Nil	(120.96)
As at 31st March, 2017	**2,876.77**	**16,503.83**	**15,323.08**	**6,429.33**	**2,896.74**	**1,811.33**	**(5,614.44)**	**40,226.64**
Depreciation								
As at 1st April, 2016	Nil	3,842.95	11,522.35	5,443.94	1,854.18	1,471.94	(890.11)	23,245.25
Charge for the period	Nil	473.06	692.46	561.35	202.49	174.59	(117.39)	1,986.56
Disposals	Nil	149.76	378.31	1,413.91	101.21	92.72	Nil	2,135.91
Transfers in / (out)	Nil	Nil	Nil	Nil	Nil	Nil	(40.50)	(40.50)
Exchange differences on consolidation	Nil	(8.10)	(55.10)	(10.11)	(3.66)	(26.42)	Nil	(103.39)
As at 31st March, 2017	**Nil**	**4,158.15**	**11,781.40**	**4,581.27**	**1,951.80**	**1,527.39**	**(1,048.00)**	**22,952.01**
Net carrying amount as at 31st March, 2016	2,876.77	12,550.90	3,795.91	1,863.93	907.88	422.04	(2,897.32)	19,520.11
Net carrying amount as at 31st March, 2017	**2,876.77**	**12,345.68**	**3,541.68**	**1,848.06**	**944.94**	**283.94**	**(4,566.44)**	**17,274.63**

Footnotes :

(a) Buildings includes ₹ 0.40 lakh (31-3-2016: ₹ 0.40 lakh; 1-4-2015: ₹ 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) The Group 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 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
1.	Lalbaug Property	1999-2000	**734.12**	734.12	734.12
2.	Non-Sanad land behind HRD Centre, Thane	2003-04	**1,735.95**	1,735.95	1,735.95
3.	Pune Property	2003-04	**2,145.53**	2,145.53	2,145.53
4.	Non-Sanad land on south side of Voltas Switchgear Limited, Thane	2004-05	**199.75**	199.75	199.75
5.	Sanad land behind HRD Centre, Thane	2004-05	**305.78**	305.78	305.78
6.	Upvan land, Thane	2006-07	**2,070.00**	2,070.00	2,070.00
7.	Henkel Switchgear Limited approach land at Thane	2006-07	**223.40**	223.40	223.40
8.	Land adjoining Simtools at Thane	2007- 08	**919.96**	919.96	919.96
9.	Nala land at Thane	2009- 10	**238.18**	238.18	238.18
10.	Sanad land, HRD Centre, Thane	2014- 15	**1,500.00**	1,500.00	1,500

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

5. Investment Property

₹ in Lakhs	Freehold Land	Buildings	Total Investment Property
Gross carrying amount			
As at 1st April, 2015	14.19	3,444.94	3,459.13
Transfers in / (out)	Nil	328.30	328.30
As at 31st March, 2016	14.19	3,773.24	3,787.43
Depreciation and Amortisation			
As at 1st April, 2015	Nil	789.40	789.40
Charge for the period	Nil	97.07	97.07
Transfers in / (out)	Nil	3.64	3.64
As at 31st March, 2016	Nil	890.11	890.11
Net carrying amount as at 1st April, 2015	14.19	2,655.54	2,669.73
Net carrying amount as at 31st March, 2016	14.19	2,883.13	2,897.32
Gross carrying amount			
As at 1st April, 2016	14.19	3,773.24	3,787.43
Transfers in / (out)	Nil	1,827.01	1,827.01
As at 31st March, 2017	14.19	5,600.25	5,614.44
Depreciation and Amortisation			
As at 1st April, 2016	Nil	890.11	890.11
Charge for the period	Nil	117.39	117.39
Transfers in / (out)	Nil	40.50	40.50
As at 31st March, 2017	**Nil**	**1,048.00**	**1,048.00**
Net carrying amount as at 31st March, 2016	14.19	2,883.13	2,897.32
Net carrying amount as at 31st March, 2017	**14.19**	**4,552.25**	**4,566.44**

Footnotes :

(1) All the above assets are under cancellable operating lease.

(2) The amount included in transfers in / (out) represents the assets transferred from Property, Plant and Equipment (PPE) to Investment Property when it is held for the purpose of earning rental income / capital appreciation.

(3) Amount recognised in Consolidated Statement of Profit and Loss in relation to investment properties are as follows:

	₹ in Lakhs	2015-16 ₹ in Lakhs
Rental income	**3,909.17**	3,424.17
Direct operating expenses arising from investment property that generated rental income during the year (net of recoveries)	**97.70**	87.76
Profit from investment properties before depreciation	**3,811.47**	3,336.41
Depreciation	**117.39**	97.07
Profit from investment properties	**3,694.08**	3,239.34

(4) Fair Value of the Company's investment properties are as follows :

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Land	**11,409.60**	10,518.23	9,626.85
Building	**67,207.40**	54,039.64	48,243.97
	78,617.00	64,557.87	57,870.82

The fair value of the investment properties have been derived using the market comparable approach (market value method / sale comparison technique) based on recent market prices without any significant adjustments being made to the market observable data. The valuation was carried out by an independent valuer registered with the authority which governs the valuers in India.

Accordingly, fair value estimates for investment properties are classified as level 3

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

6. Intangible Assets

₹ in Lakhs

	Manufacturing Rights & Technical Know- how	Software Costs	Total Intangible Assets
Gross carrying amount			
As at 1st April, 2015	1,030.90	4,306.90	5,337.80
Additions	Nil	278.62	278.62
Disposals	Nil	0.94	0.94
Exchange differences on consolidation	Nil	8.56	8.56
As at 31st March, 2016	1,030.90	4,593.14	5,624.04
Amortisation			
As at 1st April, 2015	1,024.40	3,328.05	4,352.45
Charge for the period	6.50	406.97	413.47
Disposals	Nil	0.90	0.90
Exchange differences on consolidation	Nil	3.51	3.51
As at 31st March, 2016	1,030.90	3,737.63	4,768.53
Net carrying amount as at 1st April, 2015	6.50	978.85	985.35
Net carrying amount as at 31st March, 2016	Nil	855.51	855.51
Gross carrying amount			
As at 1st April, 2016	1,030.90	4,593.14	5,624.04
Additions	Nil	403.46	403.46
Disposals	Nil	215.40	215.40
Exchange differences on consolidation	Nil	(4.07)	(4.07)
As at 31st March, 2017	**1,030.90**	**4,777.13**	**5,808.03**
Amortisation			
As at 1st April, 2016	1,030.90	3,737.63	4,768.53
Charge for the period	Nil	340.66	340.66
Disposals	Nil	215.35	215.35
Exchange differences on consolidation	Nil	(3.27)	(3.27)
As at 31st March, 2017	**1,030.90**	**3,859.67**	**4,890.57**
Net carrying amount as at 31st March, 2016	Nil	855.51	855.51
Net carrying amount as at 31st March, 2017	**Nil**	**917.46**	**917.46**

Footnotes :

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
(a) Goodwill generated on consolidation	**7,231.05**	7,231.05	7,978.03
(b) Movement in goodwill			
Balance at the begining of the year	**7,231.05**	7,978.03	
Less: Goodwill derecognised for Saudi Ensas	**NIL**	(751.22)	
Add: Effect of foreign currency exchange differences	**NIL**	4.24	
Balance at the end of the year	**7,231.05**	7,231.05	

(c) Allocation of Goodwill to Cash-Generating Units

Goodwill has been allocated for impairment testing purposes to Segment-A (Electro-mechanical Projects and Services). As on 31st March, 2017, the goodwill on consolidation arose mainly due to acquisition of Rohini Industrial Electricals Limited (RIEL) (wholly owned subsidiary) of ₹ 7,136.46 lakhs (31-3-2016: ₹ 7,136.46 lakhs). The Management believes that the business condition has improved given the government polices, order book and the business environment.

Based on the order book position, the Management has drawn five years projections which were duly approved by the Directors of RIEL. These projections were used to arrive at valuations of RIEL using discounted cash flow (DCF) method. Discount rate in the range of 12%-14% per annum was applied to arrive at present value of the cash flows. Cash flows beyond five years have been extrapolated using a steady growth rate in the range of 5%-6% per annum. This growth rate does not exceed the long-term average growth rate for this industry in India. Appropriate industrial beta has been applied (based on the comparative companies data) to arrive at the weighted average cost of capital.

During the previous year ended 31st March, 2016, the group has recognised impairment loss against the Goodwill related to Saudi Ensas amounting to ₹ 751.22 lakhs on account of erosion in the net worth along with no significant improvement in the business condition.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

7. Investments

7 (i) Non- current Investments

	Currency	Face Value	No.	₹ In Lakhs	No.	As at 31-3-2016 ₹ In Lakhs	No.	As at 1-4-2015 ₹ In Lakhs
A Investments in Associates & Joint Ventures								
(Fully paid - Unquoted Investments; accounted as per Equity Method)								
1. Investments in Associate Companies								
Brihat Trading Private Ltd.	₹	10	**3,352**	**0.34**	3,352	0.34	3,352	0.34
Terrot GmbH, Germany	EURO	1	**2,60,900**	**576.65**	2,60,900	547.24	2,60,900	319.55
Naba Diganta Water Management Ltd.	₹	10	**47,97,000**	**426.62**	47,97,000	337.57	47,97,000	279.59
				1,003.61		885.15		599.48
2. Investments in Joint Ventures								
Universal Weathermaker Factory L.L.C. Abu Dhabi	AED	1000	**2,695**	**329.85**	2,695	351.99	2,695	528.65
Voltas Water Solutions Private Ltd.	₹	10	**22,31,500**	**4.80**	9,81,500	(2.50)	3,86,000	15.56
Universal Voltas L.L.C., UAE	AED	1000	**3,430**	**4,358.94**	3,430	4,949.05	3,430	5,263.18
Olayan Voltas Contracting Company Ltd., Saudi Arabia (#)	SR	100	**50,000**	**162.71**	50,000	1,746.59	50,000	2,174.99
				4,856.30		7,045.13		7,982.38
Investments accounted as per Equity Method				**5,859.91**		7,930.28		8,581.86
B Other Investments								
1. Investments in Subsidiary Companies (at cost)								
Agro Foods Punjab Ltd. (Refer footnote 7 (a)) (Beneficial rights transferred pending transfer of shares)	₹	100	**2,80,000**	**Nil**	2,80,000	Nil	2,80,000	Nil
Westerwork Engineers Ltd. (Under Liquidation) (#)	₹	100	**9,600**	**109.29**	9,600	109.29	9,600	109.29
Gross Investments in Subsidiary Companies				**109.29**		109.29		109.29
Less : Impairment in value of Investments (#)				**109.29**		109.29		109.29
				Nil		Nil		Nil
2. Investments in Other Companies (Investments at Fair Value through Other Comprehensive Income) (Investments not held for trading)								
(a) Fully Paid Equity Instruments								
UNQUOTED:								
Lakshmi Ring Travellers (Coimbatore) Ltd.	₹	10	**1,20,000**	**4,289.38**	1,20,000	3,198.69	1,20,000	3,001.70
Agrotech Industries Ltd.	US$	1	**3,67,500**	**Nil**	3,67,500	Nil	3,67,500	Nil
Tata International Ltd. (Refer footnote 7 (b))	₹	1000	**10,000**	**565.00**	10,000	565.00	10,000	565.00
Tata Services Ltd. (Refer footnote 7 (b))	₹	1000	**448**	**4.48**	448	4.48	448	4.48
Tata Industries Ltd. (Refer footnote 7 (b))	₹	100	**13,05,720**	**2,071.51**	13,05,720	2,071.51	13,05,720	2,071.51
Tata Projects Ltd.	₹	100	**1,35,000**	**12,245.23**	1,35,000	9,568.10	1,35,000	8,694.47
Premium Granites Ltd.	₹	10	**4,91,220**	**Nil**	4,91,220	Nil	4,91,220	Nil
OMC Computers Ltd.	₹	10	**4,04,337**	**Nil**	4,04,337	Nil	4,04,337	Nil
Rujuvalika Investments Ltd. [Refer footnote 7 (d)]	₹	10	**Nil**	**Nil**	Nil	Nil	1,83,333	1,087.16
Avco Marine S.a.S, France	EURO	10	**1,910**	**Nil**	1,910	Nil	1,910	Nil
Voltas Employees Consumers Co- operative Society Ltd.	₹	10	**750**	**0.08**	750	0.08	750	0.08
Saraswat Co- operative Bank Ltd.	₹	10	**10**	**Nil**	10	Nil	10	Nil
Industrial Estates Private Ltd. [Refer footnote 7 (d)]	₹	1000	**Nil**	**Nil**	Nil	Nil	25	116.78
Super Bazar Co- operative Stores Ltd.	₹	10	**500**	**0.05**	500	0.05	500	0.05
				19,175.73		15,407.91		15,541.23
(b) Fully Paid Equity Instruments :								
QUOTED:								
Lakshmi Automatic Loom Works Ltd.	₹	10	**6,15,200**	**Nil**	6,15,200	Nil	6,15,200	Nil
Tata Chemicals Ltd.	₹	10	**2,00,440**	**1,200.33**	2,00,440	748.00	2,00,440	885.94
Lakshmi Machine Works Ltd. [Refer footnote 7 (e)]	₹	10	**5,79,672**	**24,457.52**	6,00,000	20,011.38	6,00,000	22,959.43
Reliance Industries Ltd. [Refer footnote 7 (c)]	₹	10	**2,640**	**Nil**	2,640	Nil	2,640	Nil
				25,657.85		**20,759.38**		**23,845.37**
				44,833.58		**36,167.29**		**39,386.60**
3. Investment in Preference Shares at Fair Value through Profit & Loss								
UNQUOTED:								
Lakshmi Automatic Loom Works Limited at fair value	₹	100	**3,00,000**	**300.00**	5,50,000	Nil	5,50,000	Nil
				300.00		Nil		Nil

7. Investments (contd.)

	Currency	Face Value	No.	₹ In Lakhs	No.	As at 31-3-2016 ₹ In Lakhs	No.	As at 1-4-2015 ₹ In Lakhs
4. Investment in Mutual funds (at Fair Value through profit & loss)								
DIRECT PLAN - GROWTH								
UNQUOTED:								
Axis Short Term Fund	₹	10	**6,05,33,938**	**11,139.03**	6,05,33,938	10,158.87	Nil	Nil
Birla Sun Life Dynamic Bond Fund	₹	10	**1,01,34,752**	**3,011.80**	1,01,34,752	2,714.56	1,01,31,752	2,500.00
Birla Sun Life Saving Fund	₹	100	**13,20,367**	**4,226.64**	13,20,367	3,879.47	13,20,367	3,559.99
Birla Sun Life- Treasury Optimizer Plan	₹	100	**21,54,181**	**4,531.17**	Nil	Nil	Nil	Nil
HDFC Income Fund	₹	10	**76,84,623**	**2,973.27**	76,84,623	2,672.12	76,84,623	2,506.43
HDFC Medium Term Opportunity Fund	₹	10	**11,42,34,535**	**20,764.98**	1,51,17,706	2,500.00	Nil	Nil
ICICI Prudential Banking & PSU Debt Fund	₹	10	**9,19,70,278**	**17,409.42**	3,82,75,823	6,509.76	Nil	Nil
ICICI Prudential Income Plan	₹	10	**58,75,586**	**3,203.21**	58,75,586	2,818.13	58,75,586	2,638.86
ICICI Prudential Income Opportunities Fund	₹	10	**1,27,89,425**	**2,983.29**	1,27,89,425	2,694.03	1,27,89,425	2,500.00
IDFC Corporate Bond Fund	₹	10	**13,91,04,625**	**15,601.84**	6,39,17,917	6,510.04	Nil	Nil
IDFC Super Saver Income Fund - Medium Term Plan	₹	10	**2,20,08,592**	**6,284.75**	1,04,36,060	2,706.27	1,04,36,060	3,202.26
Kotak Bond Short Term Plan	₹	10	**4,50,88,129**	**14,266.24**	Nil	Nil	Nil	Nil
Reliance Dynamic Bond Fund	₹	10	**1,30,70,176**	**3,005.93**	1,30,70,176	2,679.74	1,30,70,176	2,521.85
Reliance Banking & PSU Debt Fund	₹	10	**85,07,308**	**1,006.58**	Nil	Nil	Nil	Nil
Tata Dynamic Bond Fund	₹	10	**1,12,95,861**	**2,992.33**	1,12,95,861	2,683.16	1,12,95,861	2,500.00
Tata Short Term Bond Fund	₹	10	**3,64,91,160**	**11,488.99**	3,64,91,160	10,497.59	1,73,43,390	4,586.36
UTI Bond Fund	₹	10	**58,43,087**	**3,037.76**	58,43,087	2,656.00	58,43,087	2,506.32
UTI Short Term Income Fund	₹	10	**9,80,16,454**	**19,919.88**	Nil	Nil	Nil	Nil
Franklin India Income Builder Account - Plan A	₹	10	**Nil**	**Nil**	50,59,141	2,666.29	50,59,141	2,500.00
Reliance Medium Term Fund	₹	10	**Nil**	**Nil**	85,84,870	2,724.37	85,84,870	2,500.00
UTI Floating Rate Fund	₹	1000	**Nil**	**Nil**	87,808	2,187.77	87,808	2,004.21
ICICI Prudential Blended Plan B - Regular Plan	₹	10	**Nil**	**Nil**	Nil	Nil	2,28,95,214	4,754.79
IDFC Super Saver Income Fund- Medium Term Plan	₹	10	**Nil**	**Nil**	Nil	Nil	1,99,60,777	4,000.00
QUOTED:								
Birla Sunlife Interval Income Fund- Annual Plan V	₹	10	**Nil**	**Nil**	1,06,73,978	1,376.42	1,37,77,014	1,639.70
DHFL Pramerica Fixed Maturity Plan Series 57	₹	10	**Nil**	**Nil**	2,50,00,000	2,975.28	2,50,00,000	2,744.15
ICICI Prudential FMP Series 73 - 369 Days Plan	₹	10	**Nil**	**Nil**	1,00,00,000	1,187.70	1,00,00,000	1,092.74
Reliance Fixed Horizon Fund XXVI-Series 6	₹	10	**Nil**	**Nil**	5,00,00,000	5,922.85	5,00,00,000	5,468.95
				1,47,847.11		80,720.42		55,726.61
5. Investment in Debenture/Bonds (at amortised cost)								
QUOTED:								
11.50% Tata Steel Ltd. Perpetual Bonds (at amortised cost)	₹	1000000	**292**	**2,941.90**	292	2,947.16	292	2,952.41
Tata International Ltd. Non Convertible Debentures	₹	1000000	**500**	**5,000.00**	Nil	Nil	Nil	Nil
UNQUOTED:								
Rural Electrification Corporation Ltd.	₹	10000	**500**	**50.00**	500	50.00	500	50.00
				7,991.90		2,997.16		3,002.41
6. Investment in Others								
UNQUOTED:								
Government Securities	₹			**0.05**		0.05		0.05
				0.05		0.05		0.05
Other Investments				**2,00,972.64**		1,19,884.92		98,115.67
Total : Non-current Investments-Net				**2,06,832.55**		1,27,815.20		1,06,697.53

Footnotes :

(i) Aggregate amount of quoted investments and market value thereof	**33,599.75**	35,168.79	37,743.32
(ii) Aggregate amount of unquoted investments	**1,73,342.09**	92,755.70	69,063.50
(iii) Aggregate amount of impairment in value of investments	**109.29**	109.29	109.29

Abbreviations for Currencies :

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

7. Investments (contd.)

Footnotes :

7 (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 Group 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.

7 (b) For these unquoted investments categorised under Level 3, their respective cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

7 (c) In respect of the Group'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 the Group. Pending disposal of the case, dividend on these shares has not been recognised.

7 (d) During 2015-16, the Group has sold its shareholding in Rujuvalika Investments Limited and Industrial Estates Private Limited for consideration aggregating ₹ 1,204.16 lakhs.

7 (e) During 2016-17, the Group has participated in buy-back offer from Lakshmi Machine Works Ltd and sold 20328 shares for a total consideration of ₹ 902.33 lakhs. The Group has received dividend of ₹ 8.13 lakhs (2015-16 : ₹ 8.13 lakhs) on the shares sold during the year.

	Currency	Face Value	No.	₹ In Lakhs	No.	As at 31-3-2016 ₹ In Lakhs	No.	As at 1- 4-2015 ₹ In Lakhs
7 (ii) Current Investments								
A Investments in Mutual Funds (at Fair Value through Profit & Loss)								
DIRECT PLAN - DIVIDEND REINVESTMENT								
UNQUOTED:								
Birla Sun Life Savings Fund	₹	100	**37,59,691**	**3,770.86**	50,48,804	5,063.81	Nil	Nil
HDFC Arbitrage Fund	₹	10	**50,92,647**	**547.20**	48,24,066	511.93	Nil	Nil
IDFC Arbitrage Fund	₹	10	**42,02,576**	**546.89**	39,54,642	511.89	Nil	Nil
Kotak Equity Arbitrage Fund	₹	10	**27,14,653**	**547.41**	25,42,121	507.77	Nil	Nil
Kotak Flexi Debt Fund	₹	10	**1,05,86,306**	**1,059.39**	Nil	Nil	Nil	Nil
Reliance Arbitrage Advantage Fund	₹	10	**50,72,599**	**547.50**	48,18,343	511.39	Nil	Nil
SBI Arbitrage Opportunities Fund	₹	10	**38,48,312**	**542.30**	36,76,784	508.90	Nil	Nil
Axis Short Term Fund	₹	10	**Nil**	**Nil**	2,43,24,982	2,500.00	Nil	Nil
Canara Robeco Savings Plus Fund	₹	10	**Nil**	**Nil**	4,88,11,768	5,008.09	Nil	Nil
DHFL Pramerica Short Maturity Fund	₹	10	**Nil**	**Nil**	4,95,30,358	5,199.20	Nil	Nil
HDFC Floating Rate Income Fund - Short Term Plan	₹	10	**Nil**	**Nil**	7,41,01,099	7,470.06	Nil	Nil
IDFC Ultra Short Term Fund	₹	10	**Nil**	**Nil**	3,88,28,753	3,904.27	3,17,47,067	3,192.20
Kotak Bond - Short Term Plan	₹	10	**Nil**	**Nil**	10,36,68,168	10,671.41	Nil	Nil
L&T Liquid Fund	₹	1000	**Nil**	**Nil**	2,96,546	3,003.56	Nil	Nil
SBI Ultra Short Term Debt Fund	₹	1000	**Nil**	**Nil**	10,53,654	10,600.73	Nil	Nil
Sundaram Ultra Short Term Fund	₹	10	**Nil**	**Nil**	4,99,24,450	5,014.36	Nil	Nil
UTI Floating Rate Fund	₹	1000	**Nil**	**Nil**	5,36,561	5,778.11	Nil	Nil
Axis Treasury Advantage Fund	₹	1000	**Nil**	**Nil**	Nil	Nil	2,23,983	3,507.56
DWS Ultra Short Term Fund	₹	10	**Nil**	**Nil**	Nil	Nil	5,07,05,473	5,079.62
Franklin India Ultra Short Bond Fund	₹	10	**Nil**	**Nil**	Nil	Nil	4,80,70,974	4,837.29
HDFC Banking & PSU Debt Fund	₹	10	**Nil**	**Nil**	Nil	Nil	7,42,42,744	7,549.09
Kotak Treasury Advantage Fund	₹	10	**Nil**	**Nil**	Nil	Nil	4,57,80,433	4,614.58
L&T Ultra Short Term Fund	₹	10	**Nil**	**Nil**	Nil	Nil	3,72,37,236	3,851.22
SBI Ultra Short Term Debt Fund	₹	1000	**Nil**	**Nil**	Nil	Nil	706,937	7,104.70
Sundaram Income Plus Fund	₹	10	**Nil**	**Nil**	Nil	Nil	1,81,48,163	2,019.73
Sundaram Money Fund	₹	10	**Nil**	**Nil**	Nil	Nil	2,47,54,431	2,500.82
DIRECT PLAN - GROWTH								
QUOTED:								
Birla Sunlife Interval Income Fund- Annual Plan V	₹	10	**1,06,73,978**	**1,478.29**	Nil	Nil	Nil	Nil
DHFL Pramerica Fixed Maturity Plan Series 57	₹	10	**2,50,00,000**	**3,220.08**	Nil	Nil	Nil	Nil
ICICI Prudential FMP Series 73 - 369 Days Plan	₹	10	**1,00,00,000**	**1,278.27**	Nil	Nil	Nil	Nil
Reliance Fixed Horizon Fund XXVI- Series 6	₹	10	**5,00,00,000**	**6,415.65**	Nil	Nil	Nil	Nil
Sundaram Fixed Term Plan FI 383 Days	₹	10	**Nil**	**Nil**	Nil	Nil	2,50,00,000	2,739.48
Current investments				**19,953.84**		66,765.48		46,996.29

Footnotes :

(i)	Aggregate amount of quoted investments and market value thereof	**12,392.29**	Nil	2,739.48
(ii)	Aggregate amount of unquoted investments	**7,561.55**	66,765.48	44,256.81
(iii)	Aggregate amount of impairment in value of investments	**Nil**	Nil	Nil

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

8. Loans (Non-current)

		As at 31-3-2016	As at 1-4-2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Loans to Employees	**71.73**	106.40	120.47
	71.73	106.40	120.47

9. Other Financial Assets (Non-current)

		As at 31-3-2016	As at 1-4-2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(a) Security deposits	**431.75**	893.08	765.09
(b) Deposits with customers / others	**405.83**	414.73	371.07
(c) Others - considered good	**922.20**	1,870.38	2,025.02
(d) Others - doubtful	**3,482.21**	1,766.95	1,433.99
Less: Allowance for doubtful advance	**3,482.21**	1,766.95	1,433.99
	1,759.78	3,178.19	3,161.18

10. Deferred Tax Balances

(a) The following is the analysis of deferred tax assets / (liabilities) presented in the consolidated balance sheet :

		As at 31-3-2016	As at 1-4-2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Deferred tax assets	**12,191.73**	11,573.88	9,992.30
Deferred tax liabilities	**(9,141.60)**	(7,504.10)	(6,872.55)
Net Deferred Tax Assets	**3,050.13**	4,069.78	3,119.75
Deferred tax liabilities - tax on undistributed profits	**(1,071.94)**	(965.24)	(1,058.05)
Net	**1,978.19**	3,104.54	2,061.70

(b) The balance comprises temporary differences attributable to:

	As at 31-3-2016	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	Adjusted against tax liability	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Provision for employee benefits	3,437.76	151.30	82.28	Nil	**3,671.34**
Allowance for receivables, loans and advances	5,024.28	4.60	Nil	Nil	**5,028.88**
Provision for contingencies and claims	732.59	1,056.34	Nil	Nil	**1,788.93**
Unpaid statutory liabilities	516.25	5.84	Nil	Nil	**522.09**
Deferred tax assets on unrealised profit	597.13	68.65	Nil	Nil	**665.78**
MAT credit entitlement	765.43	Nil	Nil	(392.36)	**373.07**
Others	500.44	(358.80)	Nil	Nil	**141.64**
Deferred Tax Assets	11,573.88	927.93	82.28	(392.36)	**12,191.73**
Property, plant and equipment and intangible assets	(3,926.56)	25.67	Nil	Nil	**(3,900.89)**
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(3,207.41)	Nil	(762.74)	Nil	**(3,970.15)**
Unrealised gains on fair valuation of Mutual funds	(370.13)	(770.99)	Nil	Nil	**(1,141.12)**
Others	Nil	(129.44)	Nil	Nil	**(129.44)**
Deferred Tax Liabilities	(7,504.10)	(874.76)	(762.74)	Nil	**(9,141.60)**
Net Deferred Tax Assets	4,069.78	53.17	(680.46)	(392.36)	**3,050.13**
Deferred tax liability on undistributed profits	(965.24)	(106.70)	Nil	Nil	(1,071.94)
Net	3,104.54	(53.53)	(680.46)	(392.36)	**1,978.19**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

(b) The balance comprises temporary differences attributable to : (contd.)

	As at 1-4-2015 ₹ in Lakhs	(Charged) / credited to statement of profit and loss ₹ in Lakhs	(Charged) / credited to other comprehensive income ₹ in Lakhs	Adjusted against tax liability ₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs
Provision for employee benefits	3,184.30	172.24	81.22	Nil	3,437.76
Allowance for receivables, loans and advances	3,806.10	1,218.18	Nil	Nil	5,024.28
Provision for contingencies and claims	761.50	(28.91)	Nil	Nil	732.59
Unpaid statutory liabilities	603.48	(87.23)	Nil	Nil	516.25
Deferred tax assets on unrealised profit	511.89	85.24	Nil	Nil	597.13
MAT credit entitlement	1,025.01	Nil	Nil	(259.58)	765.43
Others	100.02	400.42	Nil	Nil	500.44
Deferred Tax Assets	9,992.30	1,759.94	81.22	(259.58)	11,573.88
Property, plant and equipment and intangible assets	(3,571.39)	(355.17)	Nil	Nil	(3,926.56)
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(2,962.19)	Nil	(245.22)	Nil	(3,207.41)
Unrealised gains on fair valuation of Mutual funds	(213.60)	(156.53)	Nil	Nil	(370.13)
Others	(125.37)	125.37	Nil	Nil	Nil
Deferred Tax Liabilities	(6,872.55)	(386.33)	(245.22)	Nil	(7,504.10)
Net Deferred Tax Assets	3,119.75	1,373.61	(164.00)	(259.58)	4,069.78
Deferred tax liability on undistributed profits	(1,058.05)	92.81	Nil	Nil	(965.24)
Net	2,061.70	1,466.42	(164.00)	(259.58)	3,104.54

(c) Unrecognised deductible temporary differences, unused tax losses and unused tax credits:

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:			
- Unabsorbed depreciation and carried forward losses	**7,507.68**	6,905.64	6,373.08
- Deductible temporary differences	**2,958.81**	2,997.90	3,166.08
Total Temporary difference	**10,466.49**	9,903.54	9,539.16
Deferred Tax Asset (Refer footnote)	**3,622.24**	3,427.42	3,301.31

Footnote:
The unrecognised tax credits will expire as below:
In F.Y. 2018-19 - ₹ 413.59 lakhs
In F.Y. 2019-20 - ₹ 691.51 lakhs
In F.Y. 2020 onwards - ₹ 1,402.02 lakhs

11. Other Non-Current Assets

		₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
(a)	Capital advances	**602.72**	203.44	761.72
(b)	Advance with public bodies (Customs, Port Trust, etc.)	**23.80**	23.80	23.80
(c)	Indirect taxes recoverable	**5,540.11**	5,256.23	4,576.44
(d)	Advance to suppliers	**134.57**	134.57	164.95
(e)	Lease prepayments	**504.56**	510.78	517.01
(f)	Others	**173.03**	115.21	115.21
	Less: Allowance for doubtful advance	**295.73**	305.23	344.70
		6,683.06	5,938.80	5,814.43

Footnote :
Allowance for doubtful advance pertains to :

(a)	Indirect taxes recoverable	**129.02**	129.02	129.02
(b)	Advance to suppliers	**134.56**	134.56	164.94
(c)	Others	**32.15**	41.65	50.74
		295.73	305.23	344.70

12. Inventories

		₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
(a)	Raw materials and Components	**18,791.90**	19,620.88	18,275.15
(b)	Work-in-progress	**558.31**	514.22	573.79
(c)	Finished goods	**21,789.42**	13,673.77	13,557.79
(d)	Stock-in-trade of goods acquired for trading	**49,485.69**	38,620.16	44,606.44
(e)	Stores and spares	**77.76**	39.15	26.01
		90,703.08	72,468.18	77,039.18
The above includes goods-in-transit:				
(a)	Raw materials and Components	**1,000.45**	82.73	96.12
(b)	Finished goods	**1,357.27**	1,380.12	1,159.35
(c)	Stock-in-trade of goods acquired for trading	**6,747.90**	9,301.60	5,864.73
		9,105.62	10,764.45	7,120.20

Footnote :

The cost of inventories recognised as an expense during the year excludes construction cost incurred in relation to construction contract revenue.	**3,07,067.73**	2,81,276.43	

13. Trade Receivables (Current)

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Trade receivables	**1,27,767.54**	1,15,616.35	1,17,626.65
Retention money receivable	**31,402.99**	36,558.85	27,046.08
Gross current trade receivables	**1,59,107.53**	1,52,175.20	1,44,672.73
Less: Allowance for doubtful debts	**13,759.58**	15,452.92	13,028.13
Net current trade receivables	**1,45,410.95**	1,36,722.28	1,31,644.60
Security details :			
Secured, considered good	**547.43**	156.17	132.05
Unsecured, considered good	**1,44,863.52**	1,36,566.11	1,31,512.55
Doubtful	**13,759.58**	15,452.92	13,028.13
Gross current trade receivables	**1,59,170.53**	1,52,175.20	1,44,672.73

Footnotes :

(i)	Retention money receivable after one year	**18,563.14**	14,658.82	11,675.76

(ii) In determining the allowances for doubtful trade receivables, the Group has used a simplified method of computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

(iii) Movement in expected credit loss allowance on trade receivables.

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs
Balance at the begining of the year	**15,452.92**	13,028.13
Adjustments / Allowances during the year (including write back)	**(1,249.47)**	2,589.49
Written of against past provision	**(443.87)**	(164.70)
Balance at the end of the year	**13,759.58**	15,452.92

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

14. Cash and Cash equivalents

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Cash in hand	**139.57**	136.80	143.30
Cheques on hand	**2,917.62**	3,656.91	3,603.70
Balances with banks			
(1) Current accounts	**19,670.79**	11,434.97	16,720.44
(2) Fixed deposits with maturity less than 3 months	**8,576.99**	1,751.79	1,273.04
	31,304.97	16,980.47	21,740.48

Footnote :

Details of Specified bank notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016.

	SBNs	Other denomination notes	Total
Closing cash balance as on 8th November, 2016	0.76	0.09	0.85
Add: Permitted receipts	Nil	8.38	8.38
Less: Permitted payments	Nil	8.47	8.47
Less: Amount deposited in banks	0.76	Nil	0.76
Closing cash balance as on 30th December, 2016	Nil	Nil	Nil

15. Other Balances with Banks

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Fixed deposits with maturity greater than 3 months	**Nil**	1.44	171.44
Balances with banks			
(1) Earmarked balances	**490.71**	439.61	398.54
(2) Margin money	**1,346.80**	1,126.53	754.41
	1,837.51	1,567.58	1,324.39

16. Loans (Current)

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Loans to employees	**273.92**	285.46	215.11
	273.92	285.46	215.11

17. Other Financial Assets (Current)

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
(a) Security deposits	**2,046.77**	1,434.98	1,139.58
(b) Interest accrued	**569.03**	439.69	514.90
(c) Others	**4,626.05**	3,910.21	4,908.65
	7,241.85	5,784.88	6,563.13

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

18. Other Current Assets

		₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
(a)	Advance with public bodies (Customs, Port Trust, etc.)	**313.64**	498.25	448.34
(b)	Indirect taxes recoverable	**3,614.14**	3,693.99	3,273.62
(c)	Advance to suppliers	**14,299.68**	5,426.19	3,593.78
(d)	Amount due from customers under construction contracts (*)	**82,177.26**	1,00,114.37	72,747.07
(e)	Dividend receivable	**Nil**	618.89	Nil
(f)	Others	**1,834.13**	1,640.09	2,029.32
	Less: Allowance for doubtful advance	**9.48**	7.48	10.46
		1,02,229.37	1,11,984.30	82,081.67

* Includes project specific material procured for future activities

Footnote :

Amounts due from customers under construction contracts.

Contracts in progress at the end of the reporting period

		₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
(i)	Construction costs incurred plus recognised profits less recognised losses to date	**5,94,699.90**	5,67,686.06	
(ii)	Less: progress billings	**5,22,079.96**	4,78,221.81	
(iii)	Recognised and included in the financial statements as amounts due:			
	- from customers under construction contracts	**82,177.26**	1,00,114.37	72,747.07
	- to customers under construction contracts	**9,557.32**	10,650.12	12,936.82
(iv)	Advances received for contracts in progress	**26,466.68**	42,261.20	41,086.89
(v)	Retention money for contracts in progress	**25,148.22**	19,961.58	15,042.14

19. Share Capital

		₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Authorised:				
—	60,00,00,000 (31-3-2016: 60,00,00,000; 1-4-2015: 60,00,00,000) Equity Shares of ₹ 1/- each	**6,000.00**	6,000.00	6,000.00
—	40,00,000 (31-3-2016: 40,00,000; 1-4-2015: 40,00,000) Preference Shares of ₹ 100/- each	**4,000.00**	4,000.00	4,000.00
		10,000.00	10,000.00	10,000.00
Issued, Subscribed and Paid up:				
—	33,08,84,740 (31-3-2016: 33,08,84,740; 1-4-2015: 33,08,84,740) Equity Shares of ₹ 1/- each	**3,308.85**	3,308.85	3,308.85
Less : Calls-in-Arrears [1,32,140 shares (31-3-2016: 1,33,110 shares; 1-4-2015: 1,36,590 shares) [Refer footnote 19 (d)]		**1.32**	1.33	1.37
		3,307.53	3,307.52	3,307.48

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

Footnotes :

(a) Equity Shares: The Company has one class of equity shares having a par value of Re.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).

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

			As at 31-3-2016	
	Equity Shares		Equity Shares	
	Numbers	**₹ In Lakhs**	Numbers	₹ In Lakhs
Shares outstanding at the beginning of the year	**33,08,84,740**	**3,308.85**	33,08,84,740	3,308.85
Shares outstanding at the end of the year	**33,08,84,740**	**3,308.85**	33,08,84,740	3,308.85

(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			As at 31-3-2016		As at 1-4-2015	
		No. of Shares held	**% of Holding**	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Tata Sons Ltd.	Equity	**8,81,31,780**	**26.64**	8,81,31,780	26.64	8,81,31,780	26.64
Life Insurance Corporation of India	Equity	**2,28,20,733**	**6.90**	2,48,72,076	7.52	2,48,72,076	7.52

(d) As per records of the Company, no calls remained unpaid by the Directors and Officers of the Company as on 31st March, 2017 (31-3-2016 : Nil; 1-4-2015 : Nil).

20. Other Equity

			As at 31-3-2016	As at 1-4-2015
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Summary				
(1)	Capital Reserve	**155.52**	155.52	155.52
(2)	Capital Redemption Reserve	**125.70**	125.70	125.70
(3)	Securities Premium Account	**627.52**	627.47	627.30
(4)	Capital Reserve on Consolidation	**1,269.15**	1,269.15	1,269.15
(5)	General Reserve	**1,29,279.32**	1,26,554.32	1,23,829.32
(6)	Staff Welfare Reserve	**1.00**	1.00	1.00
(7)	Exchange difference on translation of foreign operations through other comprehensive income	**477.26**	913.70	Nil
(8)	Legal Reserve	**291.89**	291.89	234.41
(9)	Equity instruments fair value through other comprehensive income	**40,731.82**	32,827.32	35,991.85
(10)	Retained Earnings	**1,54,394.71**	1,15,034.82	85,928.25
		3,27,353.89	2,77,800.89	2,48,162.50

Movements in Other Equity

(1)	**Capital Reserve**		
	- As per last Balance Sheet	**155.52**	155.52
(2)	**Capital Redemption Reserve**		
	- As per last Balance Sheet	**125.70**	125.70
(3)	**Securities Premium Account**		
	- As per last Balance Sheet	**627.47**	627.30
	- Received during the year	**0.05**	0.17
	- Closing Balance	**627.52**	627.47
(4)	**Capital Reserve on Consolidation**		
	- As per last Balance Sheet	**1,269.15**	1,269.15
(5)	**General Reserve**		
	- As per last Balance Sheet	**1,26,554.32**	1,23,829.32
	- Transfer from retained earnings	**2,725.00**	2,725.00
	- Closing Balance	**1,29,279.32**	1,26,554.32

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

		₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs
(6)	**Staff Welfare Reserve**		
	- As per last Balance Sheet	**1.00**	1.00
(7)	**Exchange difference on translation of foreign operations through other comprehensive income**		
	- As per last Balance Sheet	**913.70**	Nil
	- Add / (less) : Net translation difference during the year	**(436.44)**	913.70
	- Closing Balance	**477.26**	913.70
(8)	**Legal Reserve**		
	- As per last Balance Sheet	**291.89**	234.41
	- Transfer from retained earnings	**Nil**	57.48
	- Closing Balance	**291.89**	291.89
(9)	**Equity instruments fair value through other comprehensive income**		
	- As per last Balance Sheet	**32,827.32**	35,991.85
	- Equity instruments through other comprehensive income	**8,806.33**	(2,260.60)
	- Realised gain on sale of investments transferred from Other Comprehensive Income to retained earnings	**(901.83)**	(903.93)
	- Closing Balance	**40,731.82**	32,827.32
(10)	**Retained Earnings**		
	(a) As per last Balance Sheet	**1,15,034.82**	85,928.25
	(b) Additions :		
	- Net Profit / (Loss) for the current year	**50,899.92**	38,709.32
	- Others	**(200.32)**	421.04
	- Transfer from other comprehensive income (net of tax)	**(157.03)**	(171.63)
	- Realised gain on sale of investments transferred from Other Comprehensive Income to retained earnings	**901.32**	903.93
		51,444.40	39,862.66
	(c) Deductions :		
	- Dividend	**8,603.00**	7,444.91
	- Dividend Distribution Tax	**756.51**	528.70
	- Transfer to Legal Reserve	**Nil**	57.48
	- Transfer to General Reserve	**2,725.00**	2,725.00
		12,084.51	10,756.09
	(d) Closing Balance	**1,54,394.71**	1,15,034.82
		3,27,353.89	2,77,800.89

Footnotes : Nature and purpose of reserves

Capital Reserve :

Capital Reserve was created from capital surplus on sale of assets and on amalgamation of subsidiary.

Capital Redemption Reserve :

Capital Redemption Reserve is created out of profit available for distribution towards redemption of Preference shares. This reserve can be used for the purpose of issue of Bonus shares.

Securities Premium :

Securities Premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares.

Capital Reserve on Consolidation :

Capital Reserve on Consolidation represents the additional net assets received by the Parent Company on purchase of stake in Subsidiary.

General Reserve :

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to Statement of Profit or Loss.

Legal Reserve :

In case of some foreign subsidiaries, an amount equal to 10% of the annual net profit is transferred to Legal Reserve in compliance with requirement of local laws. This reserve is not available for distribution.

Retained Earnings :

The balance in the Retained Earnings primarily represents the surplus after payment of dividend (including tax on dividend) and transfer to reserves.

Exchange difference on translation of foreign operations through other comprehensive income :

For the purpose of consolidation of subsidiaries with the financial statement of the holding company, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. Use of such different rates for translation gives rise to exchange differences which is accumulated in Foreign Currency Translation Reserve. The movement in this reserve is due to fluctuation in exchange rates of currencies during the financial year 2016-17.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

21. Borrowings (Non-Current)

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Unsecured Borrowings :			
- Term Loans from others	**Nil**	Nil	431.80
	Nil	Nil	431.80

Footnote: No repayment schedule is determined for Unsecured borrowings.

22. Provisions (Non-Current)

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Provision for employee benefits :			
(a) Provision for gratuity	**4,425.11**	4,309.27	3,491.72
(b) Pension obligations	**3,301.20**	2,695.23	2,496.17
(c) Post retirement medical benefits	**1,337.56**	1,013.80	931.78
(d) Provision for employee separation compensation	**79.41**	107.21	132.88
	9,143.28	8,125.51	7,052.55

23. Other Non-Current Liabilities

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Unexpired service contracts	**19.56**	80.30	41.74
	19.56	80.30	41.74

24. Borrowings (Current)

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Secured borrowings :			
(a) Term loans from Banks	**3,822.65**	3,357.58	623.77
(b) Working Capital loans from Banks	**13,271.54**	23,716.42	11,671.22
	17,094.19	27,074.00	12,294.99
Unsecured borrowings			
- Other loans	**Nil**	Nil	127.57
	17,094.19	27,074.00	12,422.56

Footnote :

Secured against assignment of Property, Plant & Equipment, Inventory, Book debts, Contract dues and lien on Term deposits.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

25. Trade Payables (Current)

		As at 31-3-2016	As at 1-4-2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Trade payables :			
(i) Total outstanding dues of micro and small enterprises	**1,237.61**	807.32	562.44
(ii) Total outstanding dues of creditors other than micro and small enterprises	**1,98,219.20**	1,74,070.99	1,52,283.23
	1,99,456.81	1,74,878.31	1,52,845.67

Footnote :

Trade Payables include retention money payable after one year	**2,942.55**	3,333.57	1,960.49

26. Other Financial Liabilities (Current)

		As at 31-3-2016	As at 1-4-2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(a) Deposits received from customers / others	**3,951.70**	3,972.56	4,058.15
(b) Interest accrued but not due on borrowings	**15.08**	138.38	13.49
(c) Unpaid dividends	**492.54**	440.54	398.53
(d) Other financial liabilities	**837.31**	598.53	721.67
	5,296.63	5,150.01	5,191.84

27. Provisions (Current)

		As at 31-3-2016	As at 1-4-2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(a) Provision for Employee Benefits :			
(i) Provision for gratuity	**615.82**	738.66	905.38
(ii) Pension obligations	**164.61**	157.71	151.41
(iii) Provision for compensated absences	**4,106.89**	4,039.83	3,564.07
(iv) Post retirement medical benefits	**63.96**	66.74	43.21
(v) Provision for employee separation compensation	**27.26**	23.87	23.87
(b) Provision for Trade Guarantees	**10,366.73**	8,473.55	8,306.17
(c) Provision for Contingencies for Indirect Tax matters	**2,356.55**	2,116.70	2,200.23
	17,701.82	15,617.06	15,194.34

Footnotes :

(a) Provisions for Trade Guarantees :		
(i) Opening balance	**8,473.55**	8,306.17
(ii) Additional provisions recognised	**9,962.92**	7,680.49
(iii) Less : Utilisation	**8,006.27**	7,060.27
(iv) Less : Reversal	**63.47**	452.84
	10,366.73	8,473.55
(b) Provision for Contingencies for Indirect Tax matters :		
(i) Opening balance	**2,116.70**	2,200.23
(ii) Additional provisions recognised	**1,058.23**	500.46
(iii) Less : Utilisation	**500.05**	511.97
(iv) Less : Reversal	**31.33**	72.02
	2,356.55	2,116.70

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

28. Other Current Liabilities

		₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
(a)	Advances received from customers / others	**43,310.25**	48,529.50	46,913.27
(b)	Unexpired service contracts	**509.97**	626.41	1,804.78
(c)	Amount due to customers under construction contracts	**9,557.32**	10,650.12	12,936.82
(d)	Statutory obligations	**6,502.59**	7,244.46	6,182.77
(e)	Others	**27.38**	31.17	64.82
		59,907.51	67,081.66	67,902.46

29. Revenue from Operations

		₹ in Lakhs	2015-16 ₹ in Lakhs
(a)	Sale of products	**3,45,585.28**	2,92,235.81
(b)	Construction contract revenue	**1,96,083.02**	2,17,337.66
(c)	Sale of services	**61,609.80**	62,408.31
(d)	Other operating income :		
	- Unclaimed credit balances written back	**3,545.70**	1,587.17
	- Sale of scrap	**1,031.23**	676.67
	- Others	**1,646.99**	419.67
		6,09,502.02	5,74,665.29

30. Other Income

		₹ in Lakhs	2015-16 ₹ in Lakhs
(a)	Dividend Income :		
	- From equity investments measured at fair value through other comprehensive income	**342.54**	372.56
	- From mutual funds investments measured at fair value through profit or loss	**2,692.08**	3,151.98
(b)	Interest Income :		
	- On sundry advances, deposits, customers' balances, etc.	**31.91**	14.65
	- On deposits with banks	**457.69**	416.58
	- On Income-tax refunds	**868.22**	129.52
(c)	Net Gain / (Loss) :		
	- On preference shares investments measured at fair value through profit or loss	**550.00**	Nil
	- On sale of debt mutual funds investments measured at fair value through profit or loss	**1,590.08**	2,527.83
	- On fair valuation of financial assets measured at fair value through profit or loss	**9,570.85**	1,992.14
(d)	Net foreign exchange gain / (loss)	**(1,220.09)**	288.26
(e)	Rental income	**3,871.51**	3,385.57
(f)	Cash discount from suppliers	**294.91**	327.73
(g)	Other non-operating income (net of expenses directly attributable to such income)	**931.86**	1,064.18
		19,981.56	13,671.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

31. Changes In Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress

	₹ in Lakhs	2015-16 ₹ in Lakhs
Inventories at the end of the year :		
- Finished Goods including stock-in-trade	**71,275.11**	52,293.93
- Work-in-progress	**558.31**	514.22
	71,833.42	52,808.15
Inventories at the beginning of the year :		
- Finished Goods including stock-in-trade	**52,293.93**	58,164.23
- Work-in-progress	**514.22**	573.79
	52,808.15	58,738.02
Net (increase) / decrease	**(19,025.27)**	5,929.87

32. Employee Benefits Expenses

		₹ in Lakhs	2015-16 ₹ in Lakhs
(a)	Salaries and Wages, including Bonus	**56,762.66**	58,076.54
(b)	Contribution to Provident and other Funds	**2,530.87**	2,655.40
(c)	Staff Welfare expenses	**2,549.66**	2,781.68
		61,843.19	63,513.62

33. Finance Costs

		₹ in Lakhs	2015-16 ₹ in Lakhs
Interest expense :			
(a)	on borrowings from banks and others	**1,312.36**	1,351.85
(b)	on delayed / deferred payment of income tax	**291.18**	228.07
		1,603.54	1,579.92

34. Depreciation and Amortisation Expenses

		₹ in Lakhs	2015-16 ₹ in Lakhs
(a)	Depreciation on property, plant and equipment	**1,986.56**	2,124.15
(b)	Amortisation on intangible assets	**340.66**	413.47
(c)	Depreciation on investment property	**117.39**	97.07
		2,444.61	2,634.69

35. Other Expenses

		₹ in Lakhs	2015-16 ₹ in Lakhs
(a)	Consumption of Stores and Spare parts	**675.41**	547.60
(b)	Power and Fuel	**652.85**	745.51
(c)	Rent	**4,791.42**	5,420.56
(d)	Repairs to Buildings	**118.27**	164.45
(e)	Repairs to Plant and Machinery	**762.32**	858.78
(f)	Insurance charges	**763.94**	634.90
(g)	Rates and Taxes	**188.55**	132.93
(h)	Travelling and Conveyance	**4,899.49**	5,178.31

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

Other Expenses (contd.)

		₹ in Lakhs	2015-16 ₹ in Lakhs
(i)	Payment to Auditors [Refer Note 35(A)]	**570.43**	553.24
(j)	Legal and Professional charges	**2,359.02**	3,314.55
(k)	Bad and Doubtful Debts / Advances	**712.12**	3,291.47
(l)	Loss on Sale of Fixed Assets (net)	**129.56**	7.92
(m)	Corporate Social Responsibility (CSR)	**1,014.83**	1,155.48
(n)	Provision / loss on settlements	**2,058.38**	Nil
(o)	Outside service charges	**6,407.09**	5,043.38
(p)	Clearing charges	**4,293.98**	4,017.17
(q)	Forwarding charges (net)	**7,655.15**	5,669.62
(r)	Commission other than to Sole Selling Agents, Rebates and Allowances	**959.18**	512.53
(s)	Advertising	**6,499.51**	4,777.47
(t)	Stationery, Postage, Fax and Telephone Expenses	**1,742.28**	1,740.01
(u)	Other general expenses	**12,686.64**	12,690.45
		59,940.42	56,456.33

35(A) Auditor's Remuneration

			₹ in Lakhs	2015-16 ₹ in Lakhs
(a)	To Statutory Auditor for			
	(i)	Audit Fees	**260.59**	254.67
	(ii)	Tax Audit Fees	**37.37**	42.31
	(iii)	Taxation Matters	**21.03**	21.00
	(iv)	Other Services	**218.45**	200.74
	(v)	Reimbursement of Expenses	**24.24**	26.29
(b)	To Secretarial Auditor for			
	(i)	Secretarial Audit Fees	**2.53**	2.34
	(ii)	Reimbursement of Expenses	**0.14**	Nil
(c)	To Cost Auditor for Cost Audit		**6.08**	5.89
			570.43	553.24

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

36. Exceptional Items

		₹ in Lakhs	2015-16 ₹ in Lakhs
(A)	**Exceptional Income**		
	- Profit on Sale of Property	**110.09**	3,295.02
	Less :		
(B)	**Exceptional Expenses**		
	- Provision for Contingencies	**Nil**	(350.00)
	- Impairment of Goodwill on Consolidation	**Nil**	751.22
Exceptional Items (net)		**110.09**	2,893.80

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

37. Reconciliation of estimated income tax expense at statutory Income-tax rate to income tax expense reported in consolidated statement of profit and loss is as follows:

	₹ in Lakhs	2015-16 ₹ in Lakhs
Profit from continuing operations before income-tax expense	**72,027.44**	56,268.27
Indian statutory tax rate	**34.61%**	34.61%
Income tax expected expense calculated at corporate tax rate	**24,928.70**	19,474.45
Tax effect of adjustments to reconcile the expected tax expense to reported income- tax expense:		
Effect of income that is exempt from tax	**(1,050.28)**	(1,464.14)
Effect of unused tax losses	**415.95**	251.42
Deferred tax liability on undistributed profits	**882.06**	666.16
Deferred tax assets on unrealised profits	**Nil**	Nil
Adjustments in respect of current income tax of previous year	**(1,401.96)**	(17.52)
Effect on non-deductible expenses	**695.00**	672.87
Effect of income which is taxed at special rates	**(3,014.38)**	(656.56)
Effect of different tax rates in the components	**(666.50)**	(2,902.63)
Others (net)	**96.04**	933.37
	20,884.63	16,957.42

38. Earnings per share has been computed as under :

			2015-16
(a)	Net profit after tax for the year - (₹ in lakhs)	**50,899.92**	38,709.32
(b)	Weighted average number of Equity Shares Outstanding	**33,08,84,740**	33,08,84,740
(c)	Earnings Per Share (₹) - Basic and Diluted (Face value ₹ 1/- per share)	**15.38**	11.70

39 A Capital Commitments

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1- 4-2015 ₹ in Lakhs
Property, plant and equipment	**1,244.43**	614.28	4,201.10
Intangible assets	**218.26**	105.64	31.90
Less: Advance paid against such contracts	**602.72**	203.44	755.92
Capital commitments net of advance	**859.97**	516.48	3,477.08
(b) In respect of guarantees issued by Banks at the request of the Group in favour of third parties, the Group has given security by way of hypothecation of a part of property, plant and equipment, trade receivables and inventories.	**1,58,405.02**	1,25,363.78	1,12,581.51

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

B Contingent liabilities

			As at 31-3-2016	As at 1-4-2015
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(a)	Guarantees on behalf of other companies :			
	Limits	**6,491.25**	7,789.20	1,087.36
	Against which outstanding balance	**1,961.66**	2,984.88	81.49
	Security against availing banking facilities (Fund and Non Fund based) :			
(b)	Claims against the Company not acknowledged as debts			
	Taxes, Cess and Duties (other than Income Tax)	**19,976.34**	19,237.05	19,900.64
	Contractual matters in the course of business	**2,809.01**	2,693.75	2,592.06
	Others including guarantees for terminated contract	**30,114.41**	30,781.22	295.51
	(i) Total	**52,899.76**	52,712.02	22,788.21
	(ii) Net of taxes balance	**32,511.91**	32,738.67	12,700.29
	(iii) Against which provision has been made for contingencies	**2,397.98**	2,158.13	2,241.66
	(iv) Claims against which the Group has right to recover from third parties	**224.32**	224.32	1963.37
(c)	Income tax demands :			
	- In respect of matters decided in Group's favour by appellate authorities where the department is in further appeal	**1,420.62**	2,622.91	2,752.43
(d)	Group's share of associate's contingent liabilities	**487.23**	411.12	1,093.82
(e)	Group's share of joint venture's contingent liabilities	**3,132.53**	3,512.79	3,644.88

(f) Except for matters included in the estimate above, the Group is unable to reasonably estimate a range of possible loss for certain proceedings or disputes, including where:

(i) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;

(ii) the proceedings are in early stages;

(iii) there is uncertainty as to the outcome of pending appeals, matters under arbitration or negotiations;

(iv) there are significant factual issues to be resolved; and / or there are legal issues presented.

Based on currently available information, the outcomes of the above matters will not have a materially adverse effect on the Group's financial statements, though the outcomes could be material to the Group's operating results for any particular period, depending, in part, upon the operating results for such period. Accordingly, an estimate of the timings of cash flows, if any, in respect of the above is not available.

40. Employee Benefit Plans

(a) In accordance with Indian Law or based on Gratuity Scheme, the Group provides for the lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. Certain overseas branch / subsidiaries of the Group also provide for retirement benefit plan in accordance with the local laws.

(b) The most recent actuarial valuation of plan assets and the present values of the defined benefit obligations were carried out as at 31st March, 2017. The present value of the defined benefit obligation and the related current service costs and past service cost, are measured using the projected unit credit method.

(c) These plans typically expose the Group to acturial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. Indian Assured Lives Mortality (2006-08) Ultimate has been used to derive the liability. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of the plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31st March, 2017 by Mr. D. K. Pandit, Fellow of the Institute of Actuaries of India and Partner of M/s K. A. Pandit, Consultants and Actuaries.

Net cost of retirement benefits included in employee costs (contd.)

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
		2015-16		2015-16		2015-16		2015-16
	₹ in Lakhs	₹ in Lakhs	**₹ in Lakhs**	₹ in Lakhs	**₹ in Lakhs**	₹ in Lakhs	**₹ in Lakhs**	₹ in Lakhs
Current service cost	**335.56**	313.05	**743.50**	766.27	**183.15**	172.95	**53.96**	47.65
Net interest expense	**30.08**	Nil	**137.94**	154.68	**229.95**	211.81	**86.88**	78.00
Components of defined benefit costs recognised in profit or loss	**365.64**	313.05	**881.44**	920.95	**413.10**	384.76	**140.84**	125.65
Remeasurement on the net defined benefit liability:								
Return on plan assets	**(255.49)**	7.05	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil
Actuarial (gains) / losses arising from changes in financial assumptions	**314.69**	(59.11)	**(3.35)**	47.10	**198.67**	(25.57)	**268.40**	(6.12)
Actuarial (gains) / losses arising from experience adjustments	**(154.88)**	268.35	**(264.47)**	(29.11)	**170.17**	2.48	**(37.09)**	30.11
Components of defined benefit costs recognised in other comprehensive income	**(95.68)**	216.29	**(267.82)**	17.99	**368.84**	(23.09)	**231.31**	23.99
	269.96	529.34	**613.62**	938.94	**781.94**	361.67	**372.15**	149.64
Change in benefit obligation								
Opening defined benefit obligation	**5,661.26**	5,295.99	**3,488.11**	2,883.55	**2,852.93**	2,647.58	**1,077.86**	975.00
Current service cost	**335.56**	313.05	**743.50**	766.27	**183.15**	172.95	**53.96**	47.65
Interest cost	**456.11**	423.60	**137.94**	154.68	**229.95**	211.81	**86.88**	78.00
Remeasurement (gains)/losses:								
Actuarial gains and losses arising from changes in financial assumptions	**314.69**	(59.11)	**(3.35)**	47.10	**198.67**	(25.57)	**268.40**	(6.12)
Actuarial gains and losses arising from experience adjustments	**(154.88)**	268.35	**(264.47)**	(29.11)	**170.17**	2.48	**(37.09)**	30.11
Liabilities assumed on account of transfer in	**27.30**	Nil	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil
Exchange differences on foreign plans	**Nil**	Nil	**(80.05)**	270.00	**Nil**	Nil	**Nil**	Nil
Benefits paid	**(603.34)**	(580.62)	**(549.04)**	(604.38)	**(169.05)**	(156.32)	**(55.78)**	(46.78)
Closing defined benefit obligation	**6,036.70**	5,661.26	**3,472.64**	3,488.11	**3,465.82**	2,852.93	**1,394.23**	1,077.86
Change in plan assets								
Opening fair value of plan assets	**5,282.86**	4,625.84						
Interest income	**426.03**	423.60						
Remeasurement gain (losses):								
Return on plan assets	**255.49**	(7.05)						
Contributions from the employer	**428.33**	821.09						
Benefits paid	**(603.34)**	(580.62)						
Closing fair value of plan assets	**5,789.37**	5,282.86						

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

The amount included in the Consolidated Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	Gratuity funded			Gratuity unfunded			Pension			Post retirement medical benefits		
		As at 31-3-2016	As at 1-4-2015		As at 31-3-2016	As at 1-4-2015		As at 31-3-2016	As at 1-4-2015		As at 31-3-2016	As at 1-4-2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	**₹ in Lakhs**	₹ in Lakhs	₹ in Lakhs	**₹ in Lakhs**	₹ in Lakhs	₹ in Lakhs	**₹ in Lakhs**	₹ in Lakhs	₹ in Lakhs
Present value of funded defined benefit obligation	**(6,036.70)**	(5,661.26)	(5,295.99)	**(3,472.64)**	(3,488.11)	(2,883.55)	**(3,465.81)**	(2,852.93)	(2,647.58)	**(1,394.21)**	(1,077.86)	(975.00)
Fair value of plan assets	**5,789.37**	5,282.86	4,625.83	**Nil**	Nil	Nil	**Nil**	Nil	Nil	**Nil**	Nil	Nil
Net (liability) / asset arising from defined benefit obligation	**(247.33)**	(378.40)	(670.16)	**(3,472.64)**	(3,488.11)	(2,883.55)	**(3,465.81)**	(2,852.93)	(2,647.58)	**(1,394.21)**	(1,077.86)	(975.00)

The fair value of the plan assets at the end of the reporting period for each category, are as follows.

Category of investments:	Gratuity funded		
		As at 31-3-2016	As at 1-4-2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Government of India securities	**2,639.82**	2,281.88	1,065.03
Corporate bonds	**2,715.48**	2,655.81	3,252.77
Special deposit scheme	**115.78**	115.78	115.78
Mutual funds	**88.51**	46.18	Nil
Others (Interest accrued, Balances with banks and plan assets managed by Life Insurance Corporation of India)	**229.78**	183.21	192.25
	5,789.37	5,282.86	4,625.83

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	Gratuity funded			Gratuity unfunded			Pension			Post retirement medical benefits		
Discount rate / Rate of return on plan assets	7.34%- 6.95%	8.06% - 7.85%	8.00% - 7.95%	4.00% - 7.52%	5.00% - 8.01%	5.25% - 7.96%	7.34%	8.06%	8.00%	7.34%	8.06%	8.00%
Expected rate of salary increase	8.00% - 8.00%	8.00% - 8.00%	8.00% - 8.00%	4.00% - 8.00%	5.00% - 8.00%	5.00% - 8.00%	8.00%	8.00%	8.00%	5.00%	5.00%	5.00%

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
		2015-16		2015-16		2015-16		2015-16
	₹ in Lakhs	₹ in Lakhs	**₹ in Lakhs**	₹ in Lakhs	**₹ in Lakhs**	₹ in Lakhs	**₹ in Lakhs**	₹ in Lakhs
Projected benefit obligations on current assumptions	**6,036.72**	5,661.27	**3,472.65**	3,488.11	**3,465.81**	2,852.93	**1,394.21**	1,077.86
Delta effect of +1% change in rate of discounting	**(420.76)**	(394.51)	**(363.51)**	(373.83)	**(280.27)**	(230.71)	**(30.03)**	(23.22)
Delta effect of - 1% change in rate of discounting	**480.41**	450.44	**435.18**	449.54	**325.48**	267.92	**40.44**	31.27
Delta effect of +1% change in rate of salary increase	**475.96**	446.28	**430.63**	444.85	**322.45**	265.43	**32.13**	(24.84)
Delta effect of - 1% change in rate of salary increase	**(424.64)**	(398.17)	**(366.73)**	(377.14)	**(282.85)**	(232.83)	**(32.13)**	24.84
Delta effect of +1% change in rate of employee turnover	**(2.07)**	(1.85)	**(0.15)**	(0.04)	**N.A.**	N.A.	**(8.35)**	(6.46)
Delta effect of - 1% change in rate of employee turnover	**1.97**	1.74	**0.17**	0.04	**N.A.**	N.A.	**7.46**	5.76

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior year. Expected contribution by the Group to the Gratuity Funded plan during the next financial year is ₹ 900 lakhs

The defined benefit obligations shall mature after year ended March 31, 2017 as follows:

	Gratuity funded	Gratuity unfunded	Pension	Post retirement medical benefits
	₹ in Lakhs	**₹ in Lakhs**	**₹ in Lakhs**	**₹ in Lakhs**
2018	663.39	287.07	164.61	56.65
2019	241.17	99.66	251.40	69.36
2020	492.40	151.15	250.41	62.30
2021	341.28	124.39	249.35	56.47
2022	550.06	102.67	248.18	68.90
Thereafter	3,428.90	954.64	1,219.66	407.43

The Group has not disclosed information related to defined benefits as required under Ind-AS 19 on Employee benefits notified under the Companies Act, 2013 for foreign subsidiaries. However, these companies are not material in relation to the Group.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

41 (a) Information about Consolidated Segments

		2015-16
	₹ in Lakhs	₹ in Lakhs
1. SEGMENT REVENUE		
(a) Segment - A (Electro - mechanical Projects and Services)	**2,65,502.35**	2,82,884.26
(b) Segment - B (Engineering Products and Services)	**33,181.00**	37,061.67
(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	**3,04,686.42**	2,52,094.89
Less : Inter segment revenue	**91.67**	59.04
Segment revenue	**6,03,278.10**	5,71,981.78
Add : Other operating income	**6,223.92**	2,683.51
Revenue from operations	**6,09,502.02**	5,74,665.29

Footnotes :

(i) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Group's total revenue.

(ii) The Group's reportable segments are organized based on the nature of products and services offered by these segments. Accordingly, additional disclosures for revenue information about products and services are not applicable.

		2015-16
	₹ in Lakhs	₹ in Lakhs
2. SEGMENT RESULTS		
(a) Segment - A (Electro - mechanical Projects and Services)	**8,491.72**	5,500.50
(b) Segment - B (Engineering Products and Services)	**9,555.99**	11,273.68
(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	**44,029.03**	33,807.60
Segment Total	**62,076.74**	50,581.78
Less : (i) Interest Paid	**1,603.54**	1,579.92
(ii) Other unallocable expenditure net of unallocable income	**(11,554.27)**	(7,266.41)
Profit before Tax	**72,027.47**	56,268.27

3. SEGMENT ASSETS AND LIABILITIES

	Segment Assets			**Segment Liabilities**		
		As at 31-3-2016	As at 1-4-2015		As at 31-3-2016	As at 1-4-2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	**₹ in Lakhs**	₹ in Lakhs	₹ in Lakhs
(a) Segment - A (Electro - mechanical Projects and Services)	**2,38,883.08**	2,43,742.55	2,03,076.52	**1,76,507.53**	1,76,101.34	1,51,577.61
(b) Segment - B (Engineering Products and Services)	**12,664.42**	14,283.49	13,303.38	**7,226.98**	6,304.82	6,616.33
(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	**1,16,448.66**	92,364.56	1,05,580.70	**93,231.91**	75,156.53	75,752.16
Segment Total	**3,67,996.16**	3,50,390.60	3,21,960.60	**2,76,966.42**	2,57,562.69	2,33,946.10
Unallocated	**2,79,959.86**	2,37,519.71	1,96,271.17	**37,475.76**	46,571.16	30,838.47
	6,47,956.02	5,87,910.31	5,18,231.77	**3,14,442.18**	3,04,133.85	2,64,784.57

4. OTHER INFORMATION FOR SEGMENTS

	Capital Expenditure		**Depreciation and amortisation**		**Non-Cash Expenses Other than Depreciation and amortisation**	
		2015-16		2015-16		2015-16
	₹ in Lakhs	₹ in Lakhs	**₹ in Lakhs**	₹ in Lakhs	**₹ in Lakhs**	₹ in Lakhs
(a) Segment - A (Electro - mechanical Projects and Services)	**780.51**	1,411.19	**1,048.13**	1,223.72	**2,727.05**	3,986.72
(b) Segment - B (Engineering Products and Services)	**40.01**	17.60	**59.82**	87.64	**63.25**	716.85
(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	**312.29**	510.34	**526.00**	545.63	**1,535.80**	425.56
Segment Total	**1,132.81**	1,939.13	**1,633.95**	1,856.99	**4,326.10**	5,129.13
Unallocated	**1,101.12**	3,953.07	**810.66**	777.70	**Nil**	Nil
	2,233.93	5,892.20	**2,444.61**	2,634.69	**4,326.10**	5,129.13

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

41 (b) Information about Consolidated Secondary Business Segments

		2015-16
	₹ in Lakhs	₹ in Lakhs
Revenue by Geographical Market		
India	**4,56,906.93**	4,00,985.00
Middle East	**1,37,717.55**	1,62,450.89
Others	**8,653.62**	8,545.89
	6,03,278.10	5,71,981.78

Capital Expenditure		2015-16
	₹ in Lakhs	₹ in Lakhs
India	**740.15**	864.33
Middle East	**383.83**	1,037.86
Others	**8.83**	36.94
	1,132.81	1,939.13

Carrying Amount of Segment Assets		2015-16	2014-15
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
India	**2,46,444.06**	2,06,988.99	2,14,914.04
Middle East	**1,19,540.78**	1,40,505.08	1,03,445.93
Others	**2,011.32**	2,896.53	3,600.63
	3,67,996.16	3,50,390.60	3,21,960.60

41 (c) Investments in Joint Ventures and Associates considered under Segment Reporting

Segment	Company	**₹ in Lakhs**	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
A	Universal Voltas L.L.C.	**4,358.94**	4,949.05	5,263.18
A	Universal Weathermaker Factory L.L.C.	**329.85**	351.99	528.65
A	Voltas Water Solutions Private Limited	**4.80**	(2.50)	15.56
A	Olayan Voltas Contracting Company Limited	**162.71**	1,746.59	2,174.99
A	Naba Diganta Water Management Limited	**426.62**	337.57	279.59
Unallocated	Terrot GmbH	**576.65**	547.24	319.55
Unallocated	Brihat Trading Private Limited	**0.34**	0.34	0.34
		5,859.91	7,930.28	8,581.86

42. 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 Entity	Country of Incorporation	Ownership in %	Net assets (total assets minus total liabilities) As % of consolidated net assets	Net assets Amount ₹ in Lakhs	Share of profit or (loss) As % of consolidated profit or loss	Share of profit or (loss) Amount ₹ in Lakhs	Share in other comprehensive income As % of consolidated other comprehensive income	Share in other comprehensive income Amount ₹ in Lakhs	Share in total comprehensive income As % of consolidated total comprehensive income	Share in total comprehensive income Amount ₹ in Lakhs
I		**Voltas Limited (Parent Company)**			90.27	2,98,481.66	95.06	48,618.59	106.10	8,651.95	96.58	57,270.54
II		**Subsidiaries**										
	(a)	**Indian**										
	(1)	Auto Aircon (India) Ltd.	India	100.00	(0.03)	(84.24)	Nil	(0.08)	Nil	Nil	Nil	(0.08)
	(2)	Rohini Industrial Electricals Ltd.	India	100.00	(1.18)	(3,895.34)	(2.35)	(1,201.74)	(0.02)	(1.32)	(2.03)	(1,203.06)
	(3)	Universal Comfort Products Ltd.	India	100.00	8.52	28,168.10	19.66	10,053.65	(0.02)	(2.03)	16.95	10,051.62
	(b)	**Foreign**										
	(1)	Lalbuksh Voltas Engineering Services and Trading L.L.C.	Sultanate of Oman	60.00	1.91	6,315.96	2.41	1,231.17	(1.55)	(126.65)	1.86	1,104.52
	(2)	Saudi Ensas Company for Engineering Services W.L.L.	Saudi Arabia	100.00	(0.12)	(408.38)	(0.01)	(6.08)	0.35	28.47	0.04	22.39
	(3)	Voltas Netherlands B.V.	The Netherlands	100.00	1.54	5,097.68	0.09	44.83	(5.83)	(475.60)	(0.73)	(430.77)
	(4)	Voltas Oman L.L.C.	Sultanate of Oman	65.00	0.11	363.36	(1.39)	(712.99)	0.33	26.92	(1.16)	(686.07)
	(5)	Weathermaker Ltd.	Isle of Man	100.00	0.87	2,882.34	1.11	567.24	(0.62)	(50.36)	0.87	516.88
	(6)	Voltas Qatar W.L.L.	Qatar	97.00	0.76	2,515.32	(0.17)	(88.19)	(0.61)	(49.63)	(0.23)	(137.82)
	(c)	**Minority Interests in all subsidiaries**			(0.86)	(2,852.42)	0.47	242.92	(0.37)	(30.00)	(0.36)	212.92
III		**Joint Ventures**										
	(a)	**Indian**										
		Voltas Water Solutions Private Ltd.	India	50.00	Nil	4.80	(0.23)	(117.71)	Nil	Nil	(0.20)	(117.71)
	(b)	**Foreign**										
	(1)	Olayan Voltas Contracting Company Ltd.	Saudi Arabia	50.00	0.05	162.71	(3.06)	(1,563.20)	(0.25)	(20.68)	(2.67)	(1,583.88)
	(2)	Universal Voltas L.L.C.	United Arab Emirates	49.00	1.32	4,358.94	(0.90)	(460.62)	(1.40)	(114.01)	(0.97)	(574.63)
	(3)	Universal Weathermaker Factory L.L.C.	United Arab Emirates	49.00	0.10	329.85	(0.04)	(22.14)			(0.04)	(22.14)
IV		**Adjustments arising out of consolidation**			(3.56)	(11,782.15)	(11.04)	(5,638.67)	5.37	438.11	(8.04)	(5,200.56)
V		**Associates**										
	(a)	**Indian**										
		Naba Diganta Water Management Ltd.	India	26.00	0.13	426.62	0.14	70.12	Nil	Nil	0.12	70.12
	(b)	**Foreign**										
		Terrot Gmbh	Germany	20.07	0.17	576.65	0.25	125.75	(1.48)	(120.86)	0.01	4.89
					100.00	**3,30,661.46**	**100.00**	**51,142.85**	**100.00**	**8,154.31**	**100.00**	**59,297.16**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

43. Related Party Disclosures

(a) List of Related Parties and Relationships :

Party		Relation
A.	Brihat Trading Private Ltd.	Associate
	Naba Diganta Water Management Ltd.	
	Terrot GmbH	
B.	Universal Voltas L.L.C.	Joint Venture
	Olayan Voltas Contracting Company Ltd.	
	Universal Weathermaker Factory L.L.C.	
	Voltas Water Solutions Private Ltd.	
	AVCO Marine S.a.S. (Under liquidation)	
	Agrotech Industries Ltd. (Under closure)	
C.	Tata Sons Ltd. and Subsidiaries of Tata Sons Ltd.	Promoter together with its subsidiary holding more than 20%
D.	Mr. Sanjay Johri - Managing Director	Key Management Personnel
E.	Voltas Limited Provident Fund	Employee Benefit Funds
	Voltas Managerial Staff Provident Fund	
	Voltas Limited Employees' Gratuity Fund	
	Voltas Limited Managerial Staff Gratuity Fund	
	Voltas Limited Employees' Superannuation Scheme	

43 (b) Related Party Transactions

₹ in Lakhs

Sr. No.	Year	Transactions		Associates	Joint Ventures	Promoter	Subsidiaries & Step Down Subsidiaries of Promoters	Key Management Personnel	Employee Benefit Funds	Total
1	**2016-17**	**Purchases of stock- in- trade**	**[Refer 43(c)(1)]**	**Nil**	**Nil**	**Nil**	**85.08**	**Nil**	**Nil**	**85.08**
	2015-16			Nil	101.61	Nil	86.04	Nil	Nil	187.65
2	**2016-17**	**Sale of Products**	**[Refer 43(c)(2)]**	**Nil**	**0.12**	**18.50**	**4,964.48**	**Nil**	**Nil**	**4,983.10**
	2015-16			0.45	1.00	1.22	4,604.28	Nil	Nil	4,606.95
3	**2016-17**	**Service Income - Other than Management fees**	**[Refer 43(c)(3)]**	**18.26**	**266.22**	**4.24**	**7,079.76**	**Nil**	**Nil**	**7,368.47**
	2015-16			3.09	122.97	8.44	7,257.65	Nil	Nil	7,392.14
4	**2016-17**	**Service Income - Management fees**	**[Refer 43(c)(4)]**	**Nil**	**Nil**	**Nil**	**93.77**	**Nil**	**Nil**	**93.77**
	2015-16			Nil	Nil	Nil	39.69	Nil	Nil	39.69
5	**2016-17**	**Construction contract revenue (against which billed ₹ 4,243.25 lakhs; Previous year : ₹ 4,837.28 lakhs)**	**[Refer 43(c)(5)]**	**Nil**	**Nil**	**1.83**	**2,494.38**	**Nil**	**Nil**	**2,496.21**
	2015-16			Nil	Nil	11.80	6,174.97	Nil	Nil	6,186.77
6	**2016-17**	**Interest Income**	**[Refer 43(c)(6)]**	**Nil**	**Nil**	**Nil**	**47.14**	**Nil**	**Nil**	**47.14**
	2015-16			Nil	Nil	Nil	Nil	Nil	Nil	Nil
7	**2016-17**	**Rental Income**	**[Refer 43(c)(7)]**	**Nil**	**5.51**	**Nil**	**352.15**	**Nil**	**Nil**	**357.66**
	2015-16			Nil	3.11	Nil	1,106.55	Nil	Nil	1,109.66
8	**2016-17**	**Dividend Income**	**[Refer 43(c)(8)]**	**Nil**	**Nil**	**Nil**	**15.00**	**Nil**	**Nil**	**15.00**
	2015-16			Nil	Nil	Nil	10.00	Nil	Nil	10.00
9	**2016-17**	**Commission Received / Receivable**	**[Refer 43(c)(9)]**	**59.83**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**59.83**
	2015-16			91.00	Nil	Nil	Nil	Nil	Nil	91.00
10	**2016-17**	**Remuneration Paid / Payable**	**[Refer 43(c)(10)]**	**Nil**	**Nil**	**Nil**	**Nil**	**468.50**	**Nil**	**468.50**
	2015-16			Nil	Nil	Nil	Nil	389.67	Nil	389.67
11	**2016-17**	**Dividend Paid**	**[Refer 43(c)(11)]**	**Nil**	**Nil**	**2,291.43**	**Nil**	**Nil**	**Nil**	**2,291.43**
	2015-16			Nil	Nil	1,982.97	Nil	Nil	Nil	1,982.97
12	**2016-17**	**Consulting Charges paid**	**[Refer 43(c)(12)]**	**Nil**	**Nil**	**2.86**	**Nil**	**Nil**	**Nil**	**2.86**
	2015-16			Nil	Nil	13.68	Nil	Nil	Nil	13.68
13	**2016-17**	**Tata Brand Equity**	**[Refer 43(c)(13)]**	**Nil**	**Nil**	**855.55**	**Nil**	**Nil**	**Nil**	**855.55**
	2015-16			Nil	Nil	717.43	Nil	Nil	Nil	717.43
14	**2016-17**	**Training Expenses Paid / Payable**	**[Refer 43(c)(14)]**	**Nil**	**Nil**	**0.49**	**Nil**	**Nil**	**Nil**	**0.49**
	2015-16			Nil	Nil	21.89	Nil	Nil	Nil	21.89
15	**2016-17**	**Commission Paid**	**[Refer 43(c)(15)]**	**Nil**	**Nil**	**Nil**	**9.57**	**Nil**	**Nil**	**9.57**
	2015-16			Nil	Nil	Nil	Nil	Nil	Nil	Nil
16	**2016-17**	**Purchase of goods for execution of contracts**	**[Refer 43(c)(16)]**	**Nil**	**935.88**	**Nil**	**Nil**	**Nil**	**Nil**	**935.88**
	2015-16			Nil	Nil	Nil	Nil	Nil	Nil	Nil
17	**2016-17**	**Impairment in value of Investment**	**[Refer 43(c)(17)]**	**Nil**	**710.70**	**Nil**	**Nil**	**Nil**	**Nil**	**710.70**
	2015-16			Nil	Nil	Nil	Nil	Nil	Nil	Nil

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

43 (b) Related Party Transactions (contd.)

₹ in Lakhs

Sr. No.	Year	Transactions		Associates	Joint Ventures	Promoter	Subsidiaries & Step Down Subsidiaries of Promoters	Key Management Personnel	Employee Benefit Funds	Total
18	2016-17	Write back of Debts and Advances	[Refer 43(c)(18)]	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015-16			Nil	Nil	Nil	0.80	Nil	Nil	0.80
19	2016-17	Other Expenses- Received/Receivable	[Refer 43(c)(19)]	Nil	381.55	22.33	37.59	Nil	Nil	441.47
	2015-16			Nil	301.68	Nil	121.29	Nil	Nil	422.97
20	2016-17	Other Expenses- Paid/Payable	[Refer 43(c)(20)]	Nil	45.26	200.41	2,272.69	Nil	Nil	2,518.36
	2015-16			Nil	0.36	8.17	6,862.18	Nil	Nil	6,870.71
21	2016-17	Purchase of property, plant and equipment	[Refer 43(c)(21)]	Nil	Nil	Nil	172.77	Nil	Nil	172.77
	2015-16			Nil	Nil	Nil	181.00	Nil	Nil	181.00
22	2016-17	Investments	[Refer 43(c)(22)]	Nil	125.00	Nil	Nil	Nil	Nil	125.00
	2015-16			Nil	59.55	Nil	Nil	Nil	Nil	59.55
23	2016-17	Deposit Received	[Refer 43(c)(23)]	Nil	1.38	Nil	1,137.42	Nil	Nil	1,138.80
	2015-16			Nil	1.38	Nil	1,137.42	Nil	Nil	1,138.80
24	2016-17	Provision for Debts and Advances at year end	[Refer 43(c)(24)]	Nil	Nil	Nil	34.69	Nil	Nil	34.69
	2015-16			Nil	Nil	Nil	34.69	Nil	Nil	34.69
	2014-15			Nil	Nil	Nil	34.69	Nil	Nil	34.69
25	2016-17	Advance Outstanding at year end	[Refer 43(c)(25)]	Nil	9.78	4.71	5.61	Nil	Nil	20.10
	2015-16			Nil	5.10	Nil	68.59	Nil	Nil	73.69
	2014-15			Nil	9.50	Nil	11.37	Nil	Nil	20.87
26	2016-17	Debit Balance Outstanding at year end	[Refer 43(c)(26)]	3.07	1,235.94	Nil	4,381.77	Nil	Nil	5,620.78
	2015-16			82.79	514.35	3.41	5,063.89	Nil	Nil	5,664.44
	2014-15			189.43	526.53	16.92	5,445.21	Nil	Nil	6,178.09
27	2016-17	Credit Balance Outstanding at year end	[Refer 43(c)(27)]	Nil	Nil	890.16	22.69	Nil	Nil	912.85
	2015-16			Nil	255.71	744.76	116.95	Nil	Nil	1,117.42
	2014-15			Nil	269.29	688.89	1,718.46	Nil	Nil	2,676.64
28	2016-17	Guarantees Outstanding at year end	[Refer 43(c)(28)]	Nil	1,961.66	Nil	Nil	Nil	Nil	1,961.66
	2015-16			Nil	2,984.88	Nil	Nil	Nil	Nil	2,984.88
	2014-15			Nil	81.49	Nil	Nil	Nil	Nil	81.49
29	2016-17	Impairment in value of Investment at year end	[Refer 43(c)(29)]	Nil	710.70	Nil	Nil	Nil	Nil	710.70
	2015-16			Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014-15			Nil	Nil	Nil	Nil	Nil	Nil	Nil
30	2016-17	Unsecured Advances Received	[Refer 43(c)(30)]	Nil	Nil	Nil	12.28	Nil	Nil	12.28
	2015-16			Nil	Nil	Nil	1.84	Nil	Nil	1.84
	2014-15			Nil	Nil	Nil	Nil	Nil	Nil	Nil
31	2016-17	Contribution to Employee benefit fund		Nil	Nil	Nil	Nil	Nil	1,211.13	1,211.13
	2015-16			Nil	Nil	Nil	Nil	Nil	1,595.32	1,595.32
	2014-15			Nil	Nil	Nil	Nil	Nil	1,355.23	1,355.23

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

43 (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 2015-16	Transaction Value 2014-15
1.	**Purchases of stock-in-trade**			
	Universal Weathermaker Factory L.L.C.	**Nil**	101.61	
	Infiniti Retail Ltd.	**25.63**	86.04	
	Tata Consultancy Services Ltd.	**59.45**	Nil	
2.	**Sale of Products**			
	Infiniti Retail Ltd.	**3,964.33**	3,920.79	
3.	**Service Income-Other than Management fees**			
	Tata Africa Holdings (SA) (Proprietary) Ltd.	**960.78**	Nil	
	Tata Consultancy Services Ltd.	**2,244.55**	1,904.01	
	Tata De Mozambique Limitada	**3,626.13**	5,098.32	
4.	**Service Income-Management fees**			
	Tata Capital Financial Services Ltd.	**93.77**	39.69	
5.	**Construction contract revenue**			
	Tata Consultancy Services Ltd.	**2,405.81**	5,882.12	
6.	**Interest Income**			
	Tata International Ltd.	**47.14**	Nil	
7.	**Rental Income**			
	Tata Consultancy Services Ltd.	**159.04**	155.15	
	Tata Teleservices Ltd.	**155.41**	915.49	
8.	**Dividend Income**			
	Tata International Ltd.	**15.00**	10.00	
9.	**Commission Received / Receivable**			
	Terrot Gmbh	**59.83**	91.00	
10.	**Remuneration Paid / Payable**			
	Mr. Sanjay Johri	**468.50**	389.67	
11.	**Dividend Paid**			
	Tata Sons Ltd.	**2,291.43**	1,982.97	
12.	**Consulting Charges paid**			
	Tata Sons Ltd.	**2.86**	13.68	
13.	**Tata Brand Equity**			
	Tata Sons Ltd.	**855.55**	717.43	
14.	**Training Expenses Paid / Payable**			
	Tata Sons Ltd.	**0.49**	21.89	
15.	**Commission Paid**			
	Tata Unistore Ltd. (formerly Tata Industrial Services Ltd.)	**9.57**	Nil	
16.	**Purchase of goods for execution of contracts**			
	Universal Voltas L.L.C.	**935.88**	Nil	
17.	**Impairment in value of investments**			
	Olayan Voltas Contracting Company Ltd.	**710.70**	Nil	

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

43 (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 2015-16	Transaction Value 2014-15
18.	**Write back of Debts and Advances**			
	Tata AIA Life Insurance Company Ltd.	**Nil**	0.66	
	Tata Securities Ltd.	**Nil**	0.10	
19.	**Other Expenses- Received/Receivable**			
	Tata Consultancy Services Ltd.	**Nil**	55.10	
	Tata Teleservices Ltd.	**Nil**	61.65	
	Olayan Voltas Contracting Company Ltd.	**Nil**	165.80	
	Universal Voltas L.L.C.	**341.56**	121.29	
20.	**Other Expenses-Paid / Payable**			
	Tata Business Support Services Ltd.	**513.15**	Nil	
	Tata Consultancy Services Ltd.	**913.78**	801.13	
	Tata International Metals (UK) Ltd.	**494.70**	Nil	
	Drive India Enterprise Solutions Ltd.	**Nil**	5,221.49	
21.	**Purchase of property, plant and equipment**			
	Tata Consultancy Services Ltd.	**174.48**	181.20	340.94
22.	**Investments**			
	Voltas Water Solutions Private Ltd.	**125.00**	59.55	38.60
23.	**Deposit Received**			
	Tata Consultancy Services Ltd.	**300.69**	300.69	300.69
	Tata Teleservices Ltd.	**801.58**	801.58	801.58
24.	**Provision for Debts and Advances at year end**			
	Tata Consultancy Services Ltd.	**17.56**	17.56	17.56
	Tata Teleservices Ltd.	**14.26**	14.26	14.26
25.	**Advance Outstanding at year end**			
	Voltas Water Solutions Private Ltd.	**9.78**	Nil	9.50
	Tata Teleservices Ltd.	**4.07**	Nil	8.33
	Tata Sons Ltd.	**4.71**	Nil	Nil
	Tata Consultancy Services Ltd.	**Nil**	61.93	Nil
26.	**Debit Balance Outstanding at year end**			
	Tata Consultancy Services Ltd.	**1,497.85**	1,007.96	2,948.94
	Tata De Mozcambique Limitada	**2,049.81**	3,771.78	1,945.60
	Universal Voltas L.L.C.	**1,146.95**	Nil	Nil
27.	**Credit Balance Outstanding at year end**			
	Drive India Enterprise Solutions Ltd.	**Nil**	Nil	1,552.91
	Tata Sons Ltd.	**890.16**	744.76	688.89
	Universal Weathermaker Factory L.L.C.	**Nil**	255.64	Nil
28.	**Guarantees Outstanding at year end**			
	Universal Weathermaker Factory L.L.C.	**Nil**	Nil	81.49
	Olayan Voltas Contracting Company Ltd.	**1,961.66**	2,984.88	Nil
29.	**Impairment in value of investments at year end**			
	Olayan Voltas Contracting Company Ltd.	**710.70**	Nil	Nil
30.	**Unsecured Advances Received**			
	Tata Teleservices Ltd.	**10.94**	Nil	1.10
	Tata AIA Life Insurance Company Ltd.	**Nil**	0.55	0.69
	Tata Consultancy Services Ltd.	**Nil**	3.92	Nil

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

43 (d) Compensation to key management personnel

The remuneration of key management personnel during the year was as follows:

		₹ in Lakhs	2015-16 ₹ in Lakhs
(1)	Short term benefits	**447.12**	370.23
(2)	Post employment benefits (Provident fund and Superannuation)	**21.38**	19.44

Footnote :

The remuneration of key management personnel is determined by the Nomination and Remuneration Committee having regard to the performance of individuals and market trends. The same excludes gratuity and compensated absence.

44. Research and Development Expenditure

		₹ In Lakhs	2015-2016 ₹ In Lakhs
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centers (eligible for weighted deduction)			
(1)	**Revenue**	**341.11**	322.21
	UPBG	**95.73**	114.99
	EM&RBG	**245.38**	207.22
(2)	**Capital Expenditure**	**3.95**	Nil
	UPBG	**3.17**	Nil
	EM&RBG	**0.78**	Nil
Other R&D Expenditure			
(1)	**Revenue**	**110.06**	111.51
	UPBG	**51.57**	65.08
	EM&RBG	**58.49**	46.43
(2)	**Capital Expenditure**	**Nil**	6.31
	UPBG	**Nil**	Nil
	EM&RBG	**Nil**	6.31
Total R&D Expenditure			
(1)	**Revenue**	**451.17**	433.72
	UPBG	**147.30**	180.07
	EM&RBG	**303.87**	253.65
(2)	**Capital Expenditure**	**3.95**	6.31
	UPBG	**3.17**	Nil
	EM&RBG	**0.78**	6.31

The approval is effective 1st April,2012. The eligible R&D revenue expenditure is ₹ 341.11 lakhs and ₹ 322.21 lakhs for the year ended 31st March, 2017 and 31st March, 2016, respectively. The eligible R&D capital expenditure is ₹ 3.95 lakhs and ₹ Nil for the year ended 31st March, 2017 and 31st March, 2016, respectively.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

45. Financial Instruments and Risk Management

A. Financial instruments by category :

	₹ In Lakhs			As at 31-3-2016 ₹ In Lakhs			As at 1-4-2015 ₹ In Lakhs		
	FVTPL	**FVTOCI**	**Amortised cost**	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets									
Investments									
- Equity instruments (other than joint ventures and associates)	**Nil**	**44,833.58**	**Nil**	Nil	36,167.29	Nil	Nil	39,386.60	Nil
- Preference shares	**300.00**	**Nil**	**Nil**	Nil	Nil	Nil	Nil	Nil	Nil
- Bonds and debentures	**Nil**	**Nil**	**7,991.90**	Nil	Nil	2,997.16	Nil	Nil	3,002.41
- Mutual funds	**1,67,800.95**	**Nil**	**Nil**	1,47,485.89	Nil	Nil	1,02,722.90	Nil	Nil
Loans	**Nil**	**Nil**	**345.65**	Nil	Nil	391.86	Nil	Nil	335.58
Trade receivables	**Nil**	**Nil**	**1,45,410.95**	Nil	Nil	1,36,722.28	Nil	Nil	1,31,644.60
Other financial assets	**Nil**	**Nil**	**9,001.63**	Nil	Nil	8,963.07	Nil	Nil	9,724.31
Cash and bank balances	**Nil**	**Nil**	**33,142.48**	Nil	Nil	18,548.05	Nil	Nil	23,064.87
	1,68,100.95	**44,833.58**	**1,95,892.61**	1,47,485.89	36,167.29	1,67,622.42	1,02,722.90	39,386.60	1,67,771.77
Financial liabilities									
Borrowings	**Nil**	**Nil**	**17,094.19**	Nil	Nil	27,074.00	Nil	Nil	12,854.36
Trade payables	**Nil**	**Nil**	**1,99,456.81**	Nil	Nil	1,74,878.31	Nil	Nil	1,52,845.67
Other financial liabilities	**163.60**	**Nil**	**5,133.03**	Nil	Nil	5,150.01	Nil	Nil	5,191.84
	163.60	**Nil**	**2,21,684.03**	Nil	Nil	2,07,102.32	Nil	Nil	1,70,891.87

Abbreviation :

FVTPL - Fair Value Through Profit or Loss

FVTOCI - Fair Value Through Other Comprehensive Income

B. Financial value measurement :

This note provides information about how the Group determines fair values of various financial assets and financial liabilities, that are measured at fair value on a recurring basis.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique (s) and inputs used).

No.	Financial assets / financial liabilities	Fair value as at			Fair value hierarchy	Valuation technique (s) and key input (s)
		₹ In Lakhs	31-3-2016 ₹ In Lakhs	1-4-2015 ₹ In Lakhs		
(1)	Net foreign currency forward contracts - Liabilities	**163.60**	Nil	Nil	Level 2	Future cash flows are estimated based on forward exchange rates (observable forward exchange rates at the end of reporting period) and contract forward rates discounted at a rate that reflects the credit risk of various counterparties.
(2)	Investment in equity instruments at FVTOCI (quoted) [Aggregate fair values of listed equity securities in various companies belonging textile machinery and chemicals industry domiciled in India]	**25,657.85**	20,759.38	23,845.37	Level 1	Quoted bid prices in an active market (Refer footnote 1)
(3)	Investments in Mutual funds at FVTPL	**1,67,800.95**	1,47,485.90	1,02,722.90	Level 1	Quoted bid prices and NAV in an active market.
(4)	Redeemable preference shares	**300.00**	Nil	Nil	Level 2	Observable price of securities based on transactions undertaken recently.
(5)	Investments in equity instruments at FVTOCI (unquoted)	**16,534.61**	12,766.79	12,900.11	Level 3	"Market multiple approach for estimating the fair value of unquoted investments. Market multiple EV/EBITVA are used after applying suitable discounts for size, liquidity and other company specific discounts. (Refer footnote 1)"

Footnotes :

(1) These investments in equity investments are not held for trading, instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Group has chosen to designate these investments in equity instruments as at FVTOCI as the Directors believe that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

(2) There were no transfers between Level 1 and 2 during the period.

(3) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair value since the Company does not anticipate that the carrying amount would be significantly different from the value that would eventually be received or settled.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

C. Reconciliation of level 3 fair value measurement :

The following table presents the changes in level 3 items for the years ended 31st March, 2017 and 31st March, 2016:

	₹ in lakhs
Opening balance as at 1st April, 2015	12,900.11
Less: Sale of equity shares	(1,203.94)
Add: Fair valuation gains recognised in OCI	1,070.62
Closing balance as at 31st March, 2016	12,766.79
Add: Fair valuation gains recognised in OCI	3,767.82
Closing balance as at 31st March, 2017	**16,534.61**

46. Finance Risk Management Objectives

The Group's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Group is exposed to Credit risk, Liquidity risk and Market risk. The Board of Directors ('Board') oversee the management of these financial risks through its Risk Management Committee. The Risk Management Policy of the Group formulated by the Risk Management Committee and approved by the Board, states the Group's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Group's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Group's financial performance.

The following disclosures summarize the Group's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Group.

(i) Credit risk management :

Credit risk refers to the risk of a financial loss arising from a counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.

The major exposure to credit risk at the reporting date is primarily from trade receivables. Trade receivables (typically unsecured) consists of a large number of customers, spread across diverse industries and geographical areas.

Credit risk is controlled by analysing credit limits and creditworthiness on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. For trade receivables, as a practical expedient, the Group computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

The concentration of credit risk is limited due to the fact that the customer base is large. There is no customer representing more than 5% of the total balance of trade receivables. More than 75% of the trade receivables are concentrated in India. The credit risk on liquid funds, bank balances, deposits with banks and derivative financial instruments is limited because the counterparties are banks and fund houses with high credit-ratings assigned by credit-rating agencies.

In addition, the Group is exposed to credit risk in relation to financial guarantees given to banks. For details refer Note 39 - Contingent liabilities.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

(ii) Liquidity Risk Management :

Liquidity risk refers to the risk that the Group cannot meets its financial obligations. The objective of the liquidity risk management is to maintain sufficient liquidity and ensure that the funds are available for use as per the requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

Maturities of financial liabilities:

The table below analyses the group's financial liabilities into relevant maturity groupings based on their contractual maturities:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months is equal to their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	**Less than 1 year ₹ in Lakhs**	**1- 2 years ₹ in Lakhs**	**2- 4 years ₹ in Lakhs**	**4- 7 years ₹ in Lakhs**	**Beyond 7 years ₹ in Lakhs**	**Total ₹ in Lakhs**
Non-derivatives						
Borrowings	17,094.19	Nil	Nil	Nil	Nil	**17,094.19**
Trade payables	1,96,514.26	2,942.55	Nil	Nil	Nil	**1,99,456.81**
Other financial liabilities	5,133.03	Nil	Nil	Nil	Nil	**5,133.03**
Non-derivative liabilities	**2,18,741.48**	**2,942.55**	**Nil**	**Nil**	**Nil**	**2,21,684.03**
Derivatives (net settled)						
Foreign exchange forward contracts	163.60	Nil	Nil	Nil	Nil	**163.60**
Total derivative liabilities	**163.60**	**Nil**	**Nil**	**Nil**	**Nil**	**163.60**

Contractual maturities of financial liabilities (31st March, 2016)	Less than 1 year ₹ in Lakhs	1- 2 years ₹ in Lakhs	2- 4 years ₹ in Lakhs	4- 7 years ₹ in Lakhs	Beyond 7 years ₹ in Lakhs	Total ₹ in Lakhs
Non- derivatives						
Borrowings	27,074.00	Nil	Nil	Nil	Nil	27,074.00
Trade payables	1,71,544.74	3,333.57	Nil	Nil	Nil	1,74,878.31
Other financial liabilities	5,150.01	Nil	Nil	Nil	Nil	5,150.01
Total non- derivative liabilities	2,03,768.75	3,333.57	Nil	Nil	Nil	2,07,102.32
Derivatives (net settled)						
Foreign exchange forward contracts	Nil	Nil	Nil	Nil	Nil	Nil
Total derivative liabilities	Nil	Nil	Nil	Nil	Nil	Nil

Contractual maturities of financial liabilities (1st April 2015)	Less than 1 year ₹ in Lakhs	1- 2 years ₹ in Lakhs	2- 4 years ₹ in Lakhs	4- 7 years ₹ in Lakhs	Beyond 7 years ₹ in Lakhs	Total ₹ in Lakhs
Non-derivatives						
Borrowings	12,422.56	431.80	Nil	Nil	Nil	12,854.36
Trade payables	1,50,885.26	1,960.41	Nil	Nil	Nil	1,52,845.67
Other financial liabilities	5,191.84	Nil	Nil	Nil	Nil	5,191.84
Total non- derivative liabilities	1,68,499.66	2,392.21	Nil	Nil	Nil	1,70,891.87
Derivatives (net settled)						
Foreign exchange forward contracts	Nil	Nil	Nil	Nil	Nil	Nil
Total derivative liabilities	Nil	Nil	Nil	Nil	Nil	Nil

(iii) Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

(a) Foreign currency risk:

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period areas follows:

Currency	Liabilities	As at 31-3-2016	As at 1-4-2015	Assets	As at 31-3-2016	As at 1-4-2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	**₹ in Lakhs**	₹ in Lakhs	₹ in Lakhs
AED	**28,946.95**	35,036.26	40,828.91	**46,158.96**	41,312.05	47,552.03
QAR	**58,463.15**	63,127.99	45,639.95	**59,178.79**	62,740.22	50,629.48
OMR	**24,818.03**	30,569.37	7,723.96	**30,341.02**	35,858.22	10,662.63
SAR	**2,910.45**	2,585.64	2,048.50	**2,268.36**	1,920.74	628.89
MUR	**15.90**	47.85	42.64	**214.11**	244.33	241.76
EUR	**(23.02)**	(77.02)	335.79	**5,272.96**	5,921.26	4,440.87
BHD	**469.60**	534.10	512.95	**1,248.59**	1,404.51	1,373.73
JPY	**Nil**	Nil	Nil	**44.83**	19.65	17.36
GBP	**882.96**	3.36	65.34	**Nil**	Nil	Nil
SGD	**1,721.72**	2,675.68	3,490.19	**2,194.48**	3,767.67	4,054.63
USD	**10,816.39**	5,320.29	9,850.96	**Nil**	Nil	Nil
CHF	**Nil**	Nil	Nil	**Nil**	82.49	Nil

The following table details the forward foreign currency (FC) contracts outstanding at the end of the reporting period:

	Average exchange rate (In Rupee)			Foreign currency (In Millions)			Notional amounts (₹ In Lakhs)			Fair value assets (liabilities) (₹ in Lakhs)		
		31-3-2016	1-4-2015		31-3-2016	1-4-2015		31-3-2016	1-4-2015		31-3-2016	1-4-2015
Outstanding contracts Buy currency -USD Less than 3 months	**64.88**	66.35	62.34	**228.56**	Nil	Nil	**14,827.69**	Nil	Nil	**(163.60)**	Nil	Nil

The line-items in the balance sheet that include the above hedging instruments are "Other financial assets" and "Other financial liabilities".

As at 31st March, 2017, the aggregate amount of mark to market losses under forward foreign exchange contracts relating to the exposure on these anticipated future transactions is ₹163.60 lakhs (As at 31-3-2016: ₹ Nil. As at 1-4-2015: ₹ Nil).

The Group has entered into contracts to purchase raw materials from overseas suppliers. The Group mainly enters into forward foreign exchange contracts (for terms not exceeding 6 months) to hedge the exchange rate risk arising from these purchases.

Foreign currency sensitivity analysis:

The Group is mainly exposed to the currency of USD, GBP and EUR.

The following table defines the Group's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only material outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates.

		31-3-2016
	(₹ in Lakhs)	(₹ in Lakhs)
Holding all other variables constant, impact on profit before tax	**117.06**	(152.61)

(b) Interest rate risk:

Interest rate risk is the risk that changes in interest rates will affect the Group's income or value of its holdings of financial instruments. The Group's exposure to interest rate risk relates to its bank loan and bank balances. Management believes that risk related to variation in interest rate on the bank loan and bank balances is very minimal.

(c) Other price risk:

The Group is exposed to other price risks arising from quoted equity investments.. Some of the Group's equity investments are held for strategic rather than trading purposes.

Exposure:

The Group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet as fair value through OCI. (Refer Note 7)

Sensitivity:

The table below summarises the impact of increases/decreases of the index on the Group's equity and OCI for the period. The analysis is based on the assumption that the equity index had increased by 5% or decreased by 5% with all other variables held constant and that all the Group's equity instruments moved in line with the index.

	Impact on other components of equity (OCI)	
		31-3-2016
	(₹ in Lakhs)	(₹ in Lakhs)
NSE Nifty 50 - increase 5% (2016-5%)	**1,282.88**	1,037.97
NSE Nifty 50 - decrease 5% (2016-5%)	**(1,282.88)**	(1,037.97)

Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as fair value through other comprehensive income.

There is no market price readily available for unquoted investments. The fair values of these investments are determined based on the valuations obtained from independent valuer and such fair values are dependent on various factors which affect such fair values.

47. Interest in Other Entities

(a) Subsidiaries (Direct and Indirect) :

The group's subsidiaries as at 31st March, 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business (unless otherwise stated).

Name of entity	**Place of business / country of incorporation**	**Beneficial Ownership interest held by the group**			**Principal activities**
			31-3-2016	1-4-2015	
Indian Subsidiaries :					
Universal Comfort Products Ltd.	India	**100%**	100%	100%	Manufacturing of split air conditioners
Rohini Industrial Electricals Ltd.	India	**100%**	100%	100%	Turnkey electrical and instrumentation projects
Auto Aircon (India) Ltd.	India	**100%**	100%	100%	
Agro Foods Punjab Ltd. (under liquidation. Refer footnote)	India				
Westerwork Engineers Ltd. (under liquidation)	India				

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

47. Interest in Other Entities (contd.)

(a) Subsidiaries (Direct and Indirect) (contd.)

Name of entity	Place of business / country of incorporation	Beneficial Ownership interest held by the group			Principal activities
			31-3-2016	1-4-2015	
Foreign Subsidiaries :					
Voltas Netherlands B.V.	The Netherlands	**100%**	100%	100%	Investment in overseas ventures undertaking turnkey projects and trading activities.
Weathermaker Ltd.	Isle of Man				
	(Principal place of business: United Arab Emirates)	**100%**	100%	100%	Manufacturing of ducts and duct accessories.
Saudi Ensas Company for Engineering Services W.L.L.	Saudi Arabia	**100%***	100%*	100%**	Undertake EPC (Engineering, Procurement and Construction) contracts of MEP (Mechanical, Electrical and Plumbing) projects.
(*Voltas Limited - 92% and Voltas Netherlands B.V. - 8%)					
(**Voltas Limited - 61% and Voltas Netherlands B.V. - 39%)					
Lalbuksh Voltas Engineering Services and Trading L.L.C. (Through Voltas Netherlands B.V.)	Sultanate of Oman	**60%**	60%	60%	Drilling, irrigation and landscaping activities and construction of water treatment plants.
Voltas Oman L.L.C. (Through Voltas Netherlands B.V.)	Sultanate of Oman	**65%**	65%	65%	Undertake EPC (Engineering, Procurement and Construction) contracts of MEP (Mechanical, Electrical and Plumbing) projects.
Voltas Qatar W.L.L. [Holds 50% interest in VAFE Joint Venture (Jointly Controlled Operation)]	Qatar	**97%**	75%	75%	Undertake EPC (Engineering, Procurement and Construction) contracts of MEP (Mechanical, Electrical and Plumbing) projects.

Footnote :

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

(b) Material Non-controlling interests (NCI):

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Lalbuksh Voltas Engineering Services & Trading L.L.C.

Summarised balance sheet	**₹ In Lakhs**	31-3-2016 ₹ in Lakhs	1-4-2015 ₹ in Lakhs
Current assets	**11,506.69**	14,125.65	5,996.48
Current liabilities	**4,962.79**	8,823.05	2,427.60
Net current assets	**6,543.90**	5,302.60	3,568.88
Non-current assets	**424.98**	517.52	261.43
Non-current liabilities	**333.45**	303.73	230.86
Net non-current assets	**91.53**	213.79	30.57
Net assets	**6,635.43**	5,516.39	3,599.45
Accumulated NCI	**2,654.17**	2,206.56	1,439.78

Summarised statement of profit and loss	**₹ In Lakhs**	31-3-2016 ₹ in Lakhs
Revenue	**11,313.65**	18,903.71
Profit / (loss) for the year	**1,231.17**	1,628.11
Other comprehensive income	**(126.65)**	191.14
Total comprehensive income	**1,104.52**	**1,819.25**
Profit allocated to NCI	**492.47**	651.24

Summarised cash flows	**₹ In Lakhs**	31-3-2016 ₹ in Lakhs
Cash flow from operating activities	**1,072.40**	40.50
Cash flow from investing activities	**(131.05)**	(734.76)
Cash flow from financing activities	**(210.69)**	Nil
	730.66	(694.26)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

(c) Interest in associates and joint ventures:

(i) Set below are the associates and joint ventures of the group as at 31st March, 2017 which, in the opinion of the Directors, are material to the group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business	Principal activities	% of ownership interest	Relationship	Accounting method	Carrying amount		
						₹ In Lakhs	31-3-2016 ₹ in Lakhs	1-4-2015 ₹ in Lakhs
Universal Voltas L.L.C.	United Arab Emirates	Building maintenance, Onshore and off shore oil and gas fields and facilities services	49%	Joint venture	Equity method	**4,358.94**	4,949.05	5,263.18
Olayan Voltas Contracting Company Ltd.	Kingdom of Saudi Arabia	Execution of maintenance and construction contracts, Water and sewage installation	50%	Joint venture	Equity method	**162.71**	1,746.59	2,174.99
Immaterial joint ventures (refer iii below)				Joint venture	Equity method	**334.65**	349.49	544.21
Immaterial associates (refer iii below)				Associates	Equity method	**1,003.61**	885.15	599.48
Total equity accounted investments						**5,859.91**	7,930.28	8,581.86

(ii) Summarised financial information for material joint ventures :

The table below provide summarised financial information for those joint ventures that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not the Voltas's share in those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

Summarised balance sheet	Universal Voltas L.L.C.			Olayan Voltas Contracting Company L.L.C.		
	₹ In Lakhs	31-3-2016 ₹ In Lakhs	1-4-2015 ₹ In Lakhs	₹ In Lakhs	31-3-2016 ₹ In Lakhs	1-4-2015 ₹ In Lakhs
Current assets						
- Cash and cash equivalents	**2,830.79**	3,063.23	3,356.62	**125.75**	560.05	1,530.69
- Other assets	**15,711.03**	17,157.59	16,392.32	**5,140.92**	9,686.78	5,876.56
Current liabilities						
- Financial liabilities	**5,991.22**	7,344.11	5,567.84	**4,175.18**	5,319.92	2,158.28
- Other liabilities	**2,146.43**	1,192.83	1,631.83	**690.89**	1,356.30	888.96
Net current assets	**10,404.17**	11,683.88	12,549.27	**400.60**	3,570.61	4,360.01
Non-current assets	**191.48**	163.69	48.66	**19.13**	38.65	54.67
Non-current liabilities						
- Financial liabilities	**Nil**	Nil	Nil	**Nil**	Nil	Nil
- Other liabilities	**1,021.47**	1,100.68	1,110.65	**94.20**	116.08	64.70
Net non-current assets	**(829.99)**	(936.99)	(1,061.99)	**(75.07)**	(77.43)	(10.03)
Net assets	**9,574.18**	10,746.89	11,487.28	**325.53**	3,493.18	4,349.98

Reconciliation to the carrying amounts:

	Universal Voltas L.L.C.		Olayan Voltas Contracting L.L.C.	
		31-3-2016		31-3-2016
	₹ In Lakhs	₹ In Lakhs	**₹ In Lakhs**	₹ In Lakhs
Opening net assets	**10,746.89**	11,487.28	**3,493.18**	4,349.98
Profit for the year	**(940.04)**	2,311.00	**(3,126.40)**	(1,083.67)
Other comprehensive income	**(232.67)**	640.41	**(41.26)**	226.87
Dividends paid	**Nil**	(3,691.80)	**Nil**	Nil
Closing net assets	**9,574.18**	10,746.89	**325.52**	3,493.18
Group's share in %	**49**	49	**50**	50
Group's share in closing net assets	**4,691.35**	5,265.97	**162.76**	1,746.59
Goodwill / (Capital Reserve)	**(332.41)**	(316.92)	**Nil**	Nil
Carrying amount	**4,358.94**	4,949.05	**162.71**	1,746.59

Summarised statement of profit and loss:

	Universal Voltas L.L.C.		Olayan Voltas Contracting L.L.C.	
		31-3-2016		31-3-2016
	₹ In Lakhs	₹ In Lakhs	**₹ In Lakhs**	₹ In Lakhs
Revenue	**21,336.67**	22,359.69	**3,082.93**	9,142.61
Interest income	**11.97**	12.53	**Nil**	Nil
Depreciation and amortisation	**82.09**	49.29	**19.84**	28.80
Interest expense	**Nil**	Nil	**Nil**	Nil
Income tax expense	**Nil**	Nil	**47.43**	79.33
Profit / (Loss) for the year	**(940.04)**	2,311.00	**(3,126.40)**	(1,083.67)
Other comprehensive income	**(232.67)**	640.41	**(41.26)**	226.87
Total comprehensive income	**(1,172.71)**	2,951.41	**(3,167.66)**	(856.80)

(iii) Individually immaterial associates and joint ventures:

In addition to the interests in joint ventures disclosed above, the group also has interests in a number of individually immaterial joint ventures and associates that are accounted using the equity method.

		31-3-2016
	₹ In Lakhs	₹ In Lakhs
Aggregate carrying amount of individually immaterial associates	**1,003.61**	885.15
Aggregate amount of the group's share of:		
Profit / (loss) from continuing operations	**239.33**	285.68
Other comprehensive income	**(120.86)**	Nil
Total comprehensive income	**118.47**	285.68

		31-3-2016
	₹ In Lakhs	₹ In Lakhs
Aggregate carrying amount of individually immaterial joint venture	**334.65**	349.49
Aggregate amount of the group's share of:		
Profit / (loss) from continuing operations	**(139.85)**	254.27
Other comprehensive income	**Nil**	Nil
Total comprehensive income	**(139.85)**	(254.27)

		31-3-2016
	₹ In Lakhs	₹ In Lakhs
Share of profits from associates	**239.33**	285.68
Share of profits from joint ventures	**(2,163.67)**	336.24
Total share of profits from associates and joint ventures	**(1,924.34)**	621.92

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (contd.)

48. Aggregation of expenses disclosed under consumption of materials, cost of jobs and services, salaries and wages and other expenses in respect of specific items is as follows: (Refer Note 31 and 34)

	Nature of expenses	**Grouped under**			
		Consumption of materials, cost of jobs and services	**Salaries and wages**	**Other expenses**	**Total**
		₹ in Lakhs	**₹ in Lakhs**	**₹ in Lakhs**	**₹ in Lakhs**
(1)	Rent	**38.95**	**Nil**	**4,791.42**	**4,830.37**
(2)	Salaries and Wages, including Bonus	**2,631.99**	**56,762.66**	**Nil**	**59,394.65**
(3)	Power and Fuel	**43.91**	**Nil**	**652.85**	**696.76**
(4)	Insurance charges	**159.98**	**Nil**	**763.94**	**923.92**
(5)	Travelling and Conveyance	**99.61**	**Nil**	**4,899.49**	**4,999.10**
(6)	Stationery, Postage, Fax and Telephone Expenses	**28.65**	**Nil**	**1,742.28**	**1,770.93**
(7)	Legal and Professional charges	**23.33**	**Nil**	**2,359.02**	**2,382.35**
(8)	Clearing charges	**103.68**	**Nil**	**4,293.98**	**4,397.66**
(9)	Outside Service charges	**7,089.74**	**Nil**	**6,407.09**	**13,496.83**
(10)	Repairs to Plant and Machinery	**1.03**	**Nil**	**762.32**	**763.35**
(11)	Other general expenses	**465.29**	**Nil**	**12,686.64**	**13,151.93**

2015-16

	Nature of expenses	Grouped under			
		Consumption of materials, cost of jobs and services	Salaries and wages	Other expenses	Total
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(1)	Rent	28.64	Nil	5,420.56	5,449.20
(2)	Salaries and Wages, including Bonus	1,881.92	58,076.54	Nil	59,958.46
(3)	Power and Fuel	24.87	Nil	745.51	770.38
(4)	Insurance charges	220.27	Nil	634.90	855.17
(5)	Travelling and Conveyance	150.10	Nil	5,178.31	5,328.41
(6)	Stationery, Postage, Fax and Telephone Expenses	26.67	Nil	1,740.01	1,766.68
(7)	Legal and Professional charges	28.11	Nil	3,314.55	3,342.66
(8)	Clearing charges	30.65	Nil	4,017.17	4,047.82
(9)	Outside Service charges	10,207.91	Nil	5,043.38	15,251.29
(10)	Repairs to Plant and Machinery	0.81	Nil	858.78	859.59
(11)	Other general expenses	566.08	Nil	12,690.45	13,256.53

49. Capital Management

The Group's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met mainly through equity and operating cash flows generated. The Group is not subject to any externally imposed capital requirements

50. Events Occurring After Balance Sheet

(i) The Directors have recommended dividend of ₹ 11,580.97 lakhs at ₹ 3.50/- per share on equity shares which is subject to the approval of shareholders in the ensuing Annual General Meeting. This dividend and the tax thereon has not been recognised as a liability.

(ii) Further, an amount of ₹ 5,000 lakhs is proposed to be transferred to General Reserve which is approved in the Board Meeting subsequent to the year end and thus has not been recognised as transferred during the year.

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Voltas Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **VOLTAS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgements, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure A".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (g) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.

      (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      (iv) The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

2. As required by the Companies (Auditor's Report) Order, 2016 ("Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

B. P. Shroff
Partner
(Membership No. 34382)

Mumbai,
23rd May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of VOLTAS LIMITED ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

B. P. Shroff
Partner
(Membership No. 34382)

Mumbai,
23rd May, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

(i) (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.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed / assignment agreement / share certificates / re-development agreement / property taxes receipts / certified true copy of sale deed by sub-registrar / investigation report by solicitors provided to us, we report that, the title deeds comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date except for the following:

Particulars of the land and building	Amount ₹ in Lakhs	Remarks
16 flats in Tata Colony, Lallubhai Park, Andheri (W), Mumbai – 400063.	2.06	The said flats were allotted to the Company by way of common agreement entered into by the Company with other Tata Group companies. The title deeds are held by Tata Services Ltd on behalf of all allottees.

In respect of immovable properties of land that have been taken on lease and disclosed as lease pre-payment in the standalone Ind AS financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments, and providing guarantees and securities, as applicable except in respect of advances of ₹ 87.68 lakhs given to Auto Aircon (India) Ltd., dormant wholly owned subsidiary company, where no interest is payable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and there are no unclaimed deposits outstanding during/as at the year end. Hence, the provisions of Sections 73 to 76 or any other relevant provisions of the Act are not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(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, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as on 31st March, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in Lakhs)	Amount Unpaid (₹ in Lakhs)
The Central Excise Act, 1944	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	1982-1991, 2010-2015, 2013-2014	1,161.71	1,093.05
		Commissioners / Adjudicating Authority	1982-1991, 1992-1994, 1999-2001, 2004-2005, 2009-2012, 2013-2014	549.45	540.64
Finance Act, 1994 and Service Tax Laws	Service Tax	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2003-2017	789.51	661.05
		Commissioners /Adjudicating Authority	1999-2014	2,912.36	2,780.81
Sales Tax / VAT/ CST, Entry Tax	Sales Tax, VAT, CST and Entry Tax (including Penalty and Interest)	Supreme Court	1993-1994	46.55	39.55
		High Court	1988-1992, 1995-2005 , 2008- 2009	1,556.11	1,321.66
		Appellate Tribunals	1987-1988, 1997- 1998, 1999-2003, 2004-2011, 2013-2015	1,148.36	772.80
		Commissioner (Appeals)	1990-1991, 1992-1993, 1994-1997, 1998-2015	6,325.72	5,163.00
		Deputy Commissioner (Appeals)	1996-2001, 2005-2006, 2009-2015	1,561.05	996.14
		Assessing Authority	1987-1993, 1994-1995, 1996-1997, 1999-2001, 2010-2015	183.34	174.27

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company has been noticed or reported during the year. Further, according to the information and explanations given to us by the management, no fraud on the Company has been noticed or reported during the course of our audit except for one case where the Company has noticed that an employee had misappropriated cash amounting to ₹52.29 lakhs. The Company has since recovered the said amount.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone Ind AS financial statements etc. as required by the applicable Accounting Standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence the provisions of Section 192 of the Act are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

B. P. Shroff
Partner
(Membership No. 34382)

Mumbai,
23rd May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

	Note	₹ In Lakhs	As at 31-3-2016 ₹ In Lakhs	As at 1-4-2015 ₹ In Lakhs
I. ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	**15,273.21**	17,148.90	14,842.69
(b) Capital work-in-progress		**55.35**	108.77	442.17
(c) Investment property	5	**4,566.44**	2,897.32	2,669.73
(d) Other intangible assets	6	**781.75**	776.04	831.88
(e) Financial assets				
(i) Other investments	7	**2,21,386.36**	1,33,713.24	1,12,990.05
(ii) Loans	8	**71.73**	2,606.40	2,620.47
(iii) Other financial assets	9	**1,662.24**	3,069.43	2,483.43
(f) Income tax assets (net)		**261.77**	3,172.26	2,970.64
(g) Deferred tax assets (net)	10	**2,207.93**	2,885.29	1,771.03
(h) Other non-current assets	11	**5,786.02**	5,259.61	5,314.65
		2,52,052.80	1,71,637.26	1,46,936.74
Current assets				
(a) Inventories	12	**77,603.20**	55,525.90	63,408.65
(b) Financial assets				
(i) Other investments	7	**19,953.84**	66,765.48	46,996.29
(ii) Trade receivables	13	**1,18,796.82**	1,05,762.46	1,17,457.75
(iii) Cash and cash equivalents	14	**20,565.45**	12,693.49	14,400.78
(iv) Other balances with banks	15	**796.56**	509.44	411.93
(v) Loans	16	**153.21**	154.19	156.75
(vi) Other financial assets	17	**8,475.53**	8,661.28	9,256.29
(c) Other current assets	18	**61,235.84**	57,083.83	58,363.06
		3,07,580.45	3,07,156.07	3,10,451.50
TOTAL ASSETS		**5,59,633.25**	4,78,793.33	4,57,388.24
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	19	**3,307.53**	3,307.52	3,307.48
(b) Other equity	20	**2,95,174.03**	2,47,262.95	2,22,736.28
		2,98,481.56	2,50,570.47	2,26,043.76
Liabilities				
Non-current liabilities				
(a) Provisions	21	**7,795.46**	6,920.36	6,186.76
(b) Other non-current liabilities	22	**19.54**	80.28	41.74
		7,815.00	7,000.64	6,228.50
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	23	**6,908.10**	11,948.50	5,305.82
(ii) Trade payables	24	**1,79,214.53**	1,43,102.98	1,47,471.15
(iii) Other financial liabilities	25	**5,185.88**	5,053.81	5,129.07
(b) Provisions	26	**16,553.22**	14,752.58	14,559.66
(c) Income tax liabilities (net)		**4,016.28**	4,949.82	2,498.94
(d) Other current liabilities	27	**41,458.68**	41,414.53	50,151.34
		2,53,336.69	2,21,222.22	2,25,115.98
TOTAL LIABILITIES		**2,61,151.69**	2,28,222.86	2,31,344.48
TOTAL EQUITY AND LIABILITIES		**5,59,633.25**	4,78,793.33	4,57,388.24

See accompanying notes forming part of the financial statements. 1-46

For and on behalf of the Board

Chairman	**Ishaat Hussain**
Managing Director	**Sanjay Johri**
Directors	**N. N. Tata**
	R. N. Mukhija
	Vinayak Deshpande
	D. Sarangi
	Bahram N. Vakil
	Anjali Bansal
President - Corporate Affairs & CFO	**Anil George**
Vice President - Taxation, Legal & Company Secretary	**V. P. Malhotra**

Mumbai, 23rd May, 2017

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

B. P. Shroff
Partner
Mumbai, 23rd May, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

		Note	₹ in Lakhs	Year ended 31-3-2016 ₹ in Lakhs
I.	**Revenue from operations**	28	**5,47,258.09**	5,17,561.83
II.	**Other Income**	29	**25,482.77**	18,933.41
III.	**Total Income (I + II)**		**5,72,740.86**	5,36,495.24
IV.	**Expenses**			
	(a) Consumption of materials, cost of jobs and services		**1,71,991.34**	1,78,046.11
	(b) Purchases of stock-in-trade		**2,54,747.30**	2,10,496.83
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	**(20,534.17)**	7,901.84
	(d) Excise duty on sale of goods		**6,221.62**	2,684.78
	(e) Employee benefits expenses	31	**40,654.58**	41,206.64
	(f) Finance costs	32	**965.77**	806.46
	(g) Depreciation and amortisation expenses	33	**1,812.36**	1,910.41
	(h) Other expenses	34	**51,179.45**	46,749.78
	Total Expenses (IV)		**5,07,038.25**	4,89,802.85
V.	**Profit before exceptional items and tax (III - IV)**		**65,702.61**	46,692.39
VI.	**Exceptional Items**	35	**(600.61)**	2,101.88
VII.	**Profit before tax (V + VI)**		**65,102.00**	48,794.27
	Tax Expense			
	(a) Current tax			
	(i) Current tax		**17,920.00**	15,157.82
	(ii) Provision for taxation of earlier years written back		**(1,433.49)**	(20.10)
	(b) Deferred tax	10	**(3.10)**	(1,278.26)
VIII.	**Total tax expense**	36	**16,483.41**	13,859.46
IX.	**Net Profit for the year (VII - VIII)**		**48,618.59**	34,934.81
	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	(a) Changes in fair value of equity instruments through other comprehensive income		**9,569.07**	(2,015.38)
	(b) Remeasurement of post-employment benefit obligations		**(236.66)**	(255.32)
	(c) Income tax relating to these items		**(680.46)**	(164.00)
X.	**Other comprehensive income [net of tax]**		**8,651.95**	(2,434.70)
XI.	**Total comprehensive income [net of tax] (IX + X)**		**57,270.54**	32,500.11
XII.	**Earnings per share :**			
	Earnings Per Share (₹) - Basic and Diluted (Face value ₹ 1 per share)	37	**14.69**	10.56
	See accompanying notes forming part of the financial statements.	1-46		

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

B. P. Shroff
Partner
Mumbai, 23rd May, 2017

For and on behalf of the Board

Chairman	**Ishaat Hussain**
Managing Director	**Sanjay Johri**
Directors	**N. N. Tata**
	R. N. Mukhija
	Vinayak Deshpande
	D. Sarangi
	Bahram N. Vakil
	Anjali Bansal
President - Corporate Affairs & CFO	**Anil George**
Vice President- Taxation, Legal & Company Secretary	**V. P. Malhotra**

Mumbai, 23rd May, 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

A. Equity share capital

	₹ In Lakhs
Balance as on 1st April, 2015	3,307.48
Changes in equity share capital	0.04
Balance as on 31st March, 2016	3,307.52
Changes in equity share capital	0.01
Balance as on 31st March, 2017	**3,307.53**

B. Other equity:

₹ In Lakhs

	Reserves and Surplus						Items of Other Comprehensive Income	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	General Reserve	Staff Welfare Reserve	Retained Earnings	Equity instruments fair value through other comprehensive income	
Balance as on 1st April, 2015	155.52	125.70	627.30	1,22,182.83	1.00	63,652.08	35,991.85	2,22,736.28
Profit for the year	Nil	Nil	Nil	Nil	Nil	34,934.81	Nil	34,934.81
Other comprehensive income for the year, net of Income-tax	Nil	Nil	Nil	Nil	Nil	(174.10)	(2,260.60)	(2,434.70)
Total comprehensive income for the year	Nil	Nil	Nil	Nil	Nil	34,760.71	(2,260.60)	32,500.11
Payment of dividend	Nil	Nil	Nil	Nil	Nil	(7,444.91)	Nil	(7,444.91)
Dividend Distribution Tax	Nil	Nil	Nil	Nil	Nil	(528.70)	Nil	(528.70)
Transfer to General Reserve	Nil	Nil	Nil	2,000.00	Nil	(2,000.00)	Nil	Nil
Realised gain on sale of investments transferred from Other Comprehensive Income to Retained Earnings	Nil	Nil	Nil	Nil	Nil	903.93	(903.93)	Nil
Premium on calls-in-arrears received during the year	Nil	Nil	0.17	Nil	Nil	Nil	Nil	0.17
Balance as on 31st March, 2016	155.52	125.70	627.47	1,24,182.83	1.00	89,343.11	32,827.32	2,47,262.95
Profit for the year	Nil	Nil	Nil	Nil	Nil	48,618.59	Nil	48,618.59
Other comprehensive income for the year, net of Income tax	Nil	Nil	Nil	Nil	Nil	(154.38)	8,806.33	8,651.95
Total comprehensive income for the year	Nil	Nil	Nil	Nil	Nil	48,464.21	8,806.33	57,270.54
Payment of dividend	Nil	Nil	Nil	Nil	Nil	(8,603.00)	Nil	(8,603.00)
Dividend Distribution Tax	Nil	Nil	Nil	Nil	Nil	(756.51)	Nil	(756.51)
Transfer to General Reserve	Nil	Nil	Nil	2,000.00	Nil	(2,000.00)	Nil	Nil
Realised gain on sale of investments transferred from Other Comprehensive Income to Retained Earnings	Nil	Nil	Nil	Nil	Nil	901.83	(901.83)	Nil
Premium on calls-in-arrears received during the year	Nil	Nil	0.05	Nil	Nil	Nil	Nil	0.05
Balance as on 31st March, 2017	**155.52**	**125.70**	**627.52**	**1,26,182.83**	**1.00**	**1,27,349.64**	**40,731.82**	**2,95,174.03**

See accompanying notes forming part of the financial statements. 1-46

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

B. P. Shroff
Partner
Mumbai, 23rd May, 2017

For and on behalf of the Board

Chairman	**Ishaat Hussain**
Managing Director	**Sanjay Johri**
Directors	**N. N. Tata**
	R. N. Mukhija
	Vinayak Deshpande
	D. Sarangi
	Bahram N. Vakil
	Anjali Bansal
President-Corporate Affairs & CFO	**Anil George**
Vice President-Taxation, Legal & Company Secretary	**V. P. Malhotra**

Mumbai, 23rd May, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	₹ in Lakhs	₹ in Lakhs	2015-16 ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		**65,102.00**	48,794.27
Adjustments for:			
Depreciation and amortisation expenses	**1,815.78**		1,913.83
Allowance for doubtful debts and advances	**379.65**		3,414.36
Net unrealised foreign exchange gain	**(433.18)**		(370.92)
Impairment of investments	**710.70**		1,543.14
(Gain) / loss on disposal of property, plant and equipment	**8.65**		(3,283.85)
Finance costs	**965.77**		806.46
Interest income	**(1,400.35)**		(765.37)
Dividend income	**(7,963.45)**		(8,376.72)
Net (gain) / loss arising on financial assets measured at Fair Value Through Profit or Loss (FVTPL)	**(12,334.01)**		(4,909.52)
Financial guarantee contracts	**(48.00)**		(48.00)
Liabilities/provisions/allowances no longer required written back	**(2,795.26)**		(1,349.31)
Provision for contingencies	**239.85**		(83.53)
Provision for trade guarantees	**1,597.78**		184.65
Rental income	**(3,909.17)**		(3,424.17)
		(23,165.24)	(14,748.95)
Operating profit before Working Capital changes		**41,936.76**	34,045.32
Changes in Working Capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories	**(22,077.32)**		7,882.76
Trade receivables	**(11,825.36)**		8,764.34
Other financial assets	**(650.60)**		(122.59)
Other non-financial assets	**(4,271.65)**		821.56
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables	**39,301.40**		(3,154.16)
Other financial liabilities	**308.28**		(188.10)
Other non-financial liabilities	**(16.89)**		(8,698.34)
Provisions	**838.14**		825.38
		1,606.00	6,130.84
Cash generated from operations		**43,542.76**	40,176.16
Net income tax paid		**(14,509.56)**	(12,888.46)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**29,033.20**	27,287.70

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 (contd.)

	₹ in Lakhs	₹ in Lakhs	2015-16 ₹ in Lakhs
B. CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment and intangible assets (including capital advances and capital work-in-progress)	**(2,234.94)**		(3,637.40)
Proceeds from disposal of property, plant and equipment	**268.93**		3,421.46
Decrease in bank balances not considered as cash and cash equivalents (net)	**(287.12)**		(97.51)
Financial assets			
– payments for purchase of investments	**(1,86,889.33)**		(1,83,873.70)
– investment in preference shares of subsidiary	**(6,500.00)**		NIL
– proceeds from sale of investments	**1,73,762.06**		1,32,998.98
– proceeds from inter corporate deposit	**2,500.00**		NIL
– others	**NIL**		11,776.31
Interest received	**1,892.97**		549.51
Dividend received			
– subsidiaries	**4,928.83**		4,852.18
– others	**3,034.62**		3,524.54
Rent received	**3,908.58**		3,528.11
Rental deposits repaid	**(104.92)**		(54.05)
NET CASH FLOW (USED IN) INVESTING ACTIVITIES (B)		**(5,720.32)**	(27,011.57)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 (contd.)

	₹ in Lakhs	₹ in Lakhs	2015-16 ₹ in Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity instruments of the Company (Calls-in-Arrears)	**0.01**		0.04
Securities Premium (Calls-in-Arrears)	**0.04**		0.17
Net increase / (decrease) in working capital borrowings	**(5,040.40)**		6,642.67
Interest paid	**(1,089.05)**		(681.57)
Dividends paid including taxes thereon	**(9,307.42)**		(7,930.72)
NET CASH FLOW (USED IN) FINANCING ACTIVITIES (C)		**(15,436.82)**	(1,969.41)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**7,876.06**	(1,693.28)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**12,705.23**	14,398.51
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**20,581.29**	12,705.23
Cash and cash equivalents at the end of the year consist of :			
Cash and cash equivalents at the end of the year (Refer Note :14 Cash and cash equivalents)		**20,565.45**	12,693.49
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		**15.84**	11.75
		20,581.29	12,705.24

For and on behalf of the Board

Chairman	**Ishaat Hussain**
Managing Director	**Sanjay Johri**
Directors	**N. N. Tata**
	R. N. Mukhija
	Vinayak Deshpande
	D. Sarangi
	Bahram N. Vakil
	Anjali Bansal
President - Corporate Affairs & CFO	**Anil George**
Vice President - Taxation, Legal & Company Secretary	**V. P. Malhotra**

Mumbai, 23rd May, 2017

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

B. P. Shroff
Partner
Mumbai, 23rd May, 2017

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

1. BACKGROUND AND OPERATIONS

Voltas Limited (the "Company") is a public limited company and is incorporated in India. The address of its registered office is Voltas House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai 400033.

The Company, a premier Air Conditioning and Engineering company and 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.

The financial statements for the year ended 31st March, 2017 were approved by the Board of Directors and authorised for issue on 23rd May, 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) STATEMENT OF COMPLIANCE:

The financial statements of the Company have been prepared in accordance with and in compliance, in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1st April, 2016. Previous periods have been restated to Ind AS.

Upto the year ended 31st March, 2016, the Company prepared its financial statements in accordance with Indian GAAP, which includes accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended 31st March, 2017 are the first financial statements under Ind AS as prepared by the Company. The date of transition to Ind AS is 1st April, 2015. Refer Note 3 for the details of first-time adoption exemptions availed by the Company.

(b) BASIS OF PREPARATION AND PRESENTATION:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. (as amended) The financial statements have been prepared in accordance with the accounting policies, set out below and were consistently applied to all years presented unless otherwise stated.

The Company has adopted all issued Ind AS standards and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from Indian GAAP which is previous GAAP, as defined in Ind AS 101.

An explanation of how the transition to Ind AS has affected the Company's Balance Sheet, financial performance and Cash flows is provided in Note 3A.

(c) BASIS OF MEASUREMENT:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such basis and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(d) USE OF ESTIMATES AND JUDGEMENTS :

The preparation of financial statements in conformity with Ind AS requires Management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in Note 3B.

(e) REVENUE RECOGNITION :

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for trade discounts, rebates and other similar allowances Revenue includes excise duty however excludes sales tax, value added tax, works contract and any other indirects taxes or amounts collected on behalf of third parties .

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the Company.

(i) Revenue from sale of goods :

Revenue from sale of goods is recognised when the Company transfers all significant risks and rewards of ownership to the buyer while the Company retains neither continuing managerial involvement nor effective control over the goods sold.

(ii) Revenue from services :

Service revenue is recognised on rendering of services. Revenue from maintenance contracts are recognised pro-rata over the period of the contract.

In case of mining equipment's long term maintenance contracts, the revenue from such contracts is recognised in proportion to the costs actually incurred during the year in terms of the total estimated costs for such contracts, as repairs and maintenance of such machineries depends on its utilisation and wear and tear which varies from year to year.

(iii) Revenue from construction contracts :

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

The outcome of a construction contract is considered as estimated reliably when the stage of completion of the project reaches a reasonable level of completion i.e. the expenditure incurred on construction costs is atleast 20 % of the construction costs and it is reasonably expected that the counterparty will comply with the payment terms in the agreements.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses 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 immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the Balance Sheet, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the Balance Sheet under trade receivables.

(iv) Dividend and Interest income :

Dividend income is recognised when the right to receive payment is established. Interest income is recognised using the effective interest method.

(v) Rental Income :

Rental Income from operating leases is generally recognised on straight-line basis over the term of relevant lease. Where the rentals are solely to increase in line with expected general inflation to compensate for the expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

(f) EMPLOYEE BENEFITS (OTHER THAN PERSONS ENGAGED THROUGH CONTRACTORS) :

(a) Retirement benefits costs and termination benefits:

(i) Defined Contribution Plans :

Payments to defined benefit contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions. The Company operates following defined contribution plans:

(i) Superannuation Fund: 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.

(ii) Provident and Pension Fund: 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.

(ii) Defined Benefit Plans :

The Company's liabilities towards gratuity, pension and post-retirement medical benefit schemes are determined using the projected unit credit method, with actuarial valuation being carried out at the end of each annual reporting period.

Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item "Employee Benefits Expenses". Curtailment gains and losses are accounted for as past service costs.

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

(b) Short term and other long term employee benefits :

Benefits accruing to employees in respect of wages, salaries and compensated absences 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 expected to be paid in exchange of related service. 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 at the present value of the estimated future cash flow expected to be made by the Company in respect of services provided by employees up to the reporting date.

(g) PROPERTY, PLANT AND EQUIPMENT :

Property, plant and equipment are stated at historical cost less depreciation and impairment losses, if any. Freehold land is not depreciated.

Historical Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the acquisition of assets and making them operational for their intended use.

Projects under which the property, plant and equipment is not yet ready for their intended use are carried as capital work in progress at cost determined as aforesaid.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the depreciable amount of assets (other than freehold land and assets under construction) over the useful lives using the straight line method.

Depreciation on property, plant and equipment has been provided on the Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

(h) INVESTMENT PROPERTY :

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(i) INTANGIBLE ASSETS :

Intangible assets purchased are measured at cost as of the date of acquisition less accumulated amortisation and accumulated impairment, if any.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated useful life of intangible assets are as follows:

- Manufacturing Rights and Technical Know-how	:	6 years
- Software	:	5 years

(j) FOREIGN CURRENCY TRANSLATION :

The functional currency of the Company is Indian Rupee (₹).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

Non-monetary items denominated in a foreign currency are measured at historical cost and translated at exchange rate prevalent at the date of transaction

(k) LEASES :

Leases are classified as Finance lease whenever the terms of lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as Operating leases.

Operating lease payments are recognised as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

(l) 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. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(m) TAXES ON INCOME :

Current Income Tax :

Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961.

Deferred tax :

Deferred Tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date. Current income tax/deferred tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss .

Minimum Alternate Tax :

According to section 115JAA of the Income Tax Act, 1961, Minimum Alternative Tax (MAT) paid over and above the normal income tax in a subject year is eligible for carry forward for fifteen succeeding assessment years for set-off against normal income tax liability. The MAT credit asset is assessed against the Company's normal income tax during the specified period.

(n) PROVISIONS AND CONTINGENCIES :

Provisions :

Provisions are recognised when there is a present obligation (legal or constructive) as a result of past event, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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.

Contingencies :

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

(o) FINANCIAL INSTRUMENTS :

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(a) Non-derivative financial instruments :

(i) Cash and cash equivalents :

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial assets carried at amortised cost :

Financial assets are measured at amortised cost if these are held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through other comprehensive income :

Financial assets are measured at fair value through other comprehensive income (OCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and by selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election to present in other comprehensive income the subsequent changes in fair value of equity investments not held for trading. The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments.

(iv) Financial assets at fair value through profit or loss :

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at the fair value through other comprehensive income. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(v) Investments in subsidiaries, joint ventures and associates :

Investment in subsidiaries, joint ventures and associates are carried at cost in the financial statements.

(vi) Financial liabilities :

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(vii) Equity instrument :

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

(b) Derecognition of financial instruments :

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(c) Fair value of financial instruments :

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value and such value may never actually be realised.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

(p) IMPAIRMENT :

(a) Financial assets :

The Company assessed the expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on the Company's past history of recovery, credit worthiness of the counter party and existing market conditions.

For all financial assets other than trade receivables, expected credit losses are measured at an amount equal to the 12-month expected credit loss (ECL) unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. For trade receivables, the Company has applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109 which requires the expected lifetime losses from initial recognition of the receivables.

(b) Non-financial assets :

Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

(q) INTERESTS IN JOINT OPERATIONS :

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. When the Company undertakes its activities under joint operations, the Company as a joint operator recognises in relation to its interest in a joint operation:

1. its assets, including its share of any assets held jointly;
2. its liabilities, including its share of any liabilities incurred jointly;
3. its revenue from the sale of its share of the output arising from the joint operation;
4. its share of the revenue from the sale of the output by the joint operation; and
5. its expenses, including its share of any expenses incurred jointly.

(r) SEGMENT REPORTING :

Segments are identified based on the manner in which the chief operating decision-maker (CODM) decides about the resource allocation and reviews performance. The Managing Director has been identified as the CODM.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. 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".

Segment information has been presented in the Consolidated Financial Statements as permitted by Ind AS 108 on Operating Segments, specified under Section 133 of the Companies Act, 2013.

(s) OPERATING CYCLE :

A portion of the Company's activities (primarily long-term project activities) has an operating cycle that exceeds one year. Accordingly, assets and liabilities related to these long-term contracts, which will not be realised/paid within one year, have been classified as current. For all other activities, the operating cycle is twelve months.

3. FIRST-TIME ADOPTION EXEMPTIONS AVAILED BY THE COMPANY AS PER IND AS 101

OVERALL PRINCIPLE

The Company has prepared financial statements which comply with Ind AS for periods ending on or after 31st March, 2016, together with the comparative period data for the year ended 31st March, 2016. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at 1st April, 2015, the Company's date of transition to Ind AS. This note explains the exemptions availed on first time adoption and principal adjustments made by the Company in restating its Indian GAAP Balance Sheet as at 1st April, 2015 and its previously published Indian GAAP financial statements as at and for the year ended 31st March, 2016.

(a) Business Combinations

The Company has elected to apply Ind AS 103 – "Business Combinations" prospectively from the date of transition to business combinations occurred before the transition date. Hence, business combinations occurring prior to the transition date have not been restated.

3A. FIRST-TIME IND AS ADOPTION RECONCILIATIONS

(a) Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2016:

₹ in Lakhs

	Footnotes	Amount
Net profit from ordinary activities after tax (under previous GAAP) for the year ended 31st March, 2016		33,288.91
Effect of measuring Mutual Fund investments at fair value through profit or loss	a	1,992.14
Reversal of gain on sale of equity instruments classified as fair value through OCI	a	(1,173.93)
Others	b,c,d,e	1,155 .69
Tax on above items	f	(328.00)
Net profit (under Ind AS) for the year		34,934.81
Other comprehensive income (Net of tax)	a,c	(2,434.70)
Total comprehensive income as per Ind AS for the year ended 31st March, 2016		**32,500.11**

(b) Reconciliation of total equity as at 31st March, 2016 and 1st April, 2015:

	Footnotes	As at 31st March, 2016	As at 1st April, 2015
Total equity (shareholder's funds) under previous GAAP		207,874.16	1,83,951.62
Fair valuation of Financial Assets (Mutual Fund)	a	4,717.85	2,721.38
Fair valuation of Equity instruments	a	32,803.00	35,991.85
Impairment of financial assets (including expected credit losses)	b	(3,218.00)	(3,678.52)
Interest on investment in preference shares	d,e	437.28	Nil
Reversal of proposed dividend and tax thereon	g	10,354.37	8,960.52
Tax impact on above adjustments	f	(2,398.19)	(1,903.15)
Total equity as per Ind AS		**2,50,570.47**	**2,26,043.70**

(c) Reconciliation of cash flows as at 31st March, 2016

Particulars	Footnote	Previous GAAP	Effect of transition	As per Ind AS
Net cash flow from / (used in) operating activities	h	30,762.12	(3,474.42)	27,287.70
Net cash flow from / (used in) investing activities	h	(30,483.53)	3,471.96	(27,011.57)
Net cash flow used in financing activities	h	(1,969.41)	Nil	(1,969.41)
Net Increase / (decrease) in cash and cash equivalents	h	(1,690.82)	(2.46)	(1,693.28)
Cash and cash equivalents at the beginning of the year	h	14,424.57	(26.06)	14,398.51
Cash and cash equivalents at the end of the year	h	12,733.75	(28.51)	12,705.24

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

Footnotes :

(a) Fair value of equity investments through Other Comprehensive Income (OCI)

Under previous GAAP, current investments were measured at lower of cost or fair value and long-term investments (quoted and unquoted) were measured at cost less diminution in the value which is other than temporary. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of investments in mutual funds were recognised in Statement of Profit and Loss and that of investments in equity (which is strategic in nature as not held for trading) were recognised in equity. Consequently, the gain on sale of such investments previously recognised in Statement of Profit and Loss is now recognised in OCI and such realised gain is transferred to retained earnings.

(b) Allowance for bad and doubtful debts based on Expected Credit Loss (ECL)

Under previous GAAP, the allowance for bad and doubtful debts were accounted based on incurred loss model. Whereas, under Ind AS, this provision is created based on Expected Credit Loss Model (ECL). Consequently, ₹ 3,678.52 lakhs as at 1st April, 2015 has been recognized as additional allowance with a charge to transition reserves. Also, ₹ 460.52 lakhs during the year ended 31st March, 2016 has been recognized as a reversal of allowance.

(c) Remeasurement of defined benefit plans

Under Ind AS, remeasurements of defined benefit plans i.e. actuarial gains and losses and the return on plan assets excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of the Statement of Profit and Loss. Under the previous GAAP, these remeasurements were accounted in the Statement of Profit and Loss for the year. As a result of this change, the profit before tax for the year ended 31st March, 2016 increased by ₹ 255.32 lakhs. There is no impact on the total equity as 31st March. 2016.

(d) Investment in preference shares of a subsidiary

Under previous GAAP, 0.01% cumulative redeemable preference shares subscribed were classified as part of investment in preference shares. However, under Ind AS, preference shares are discounted and the difference between face value and discounted value is classified as an investment in subsidiary as in substance it is a debt instrument. The resultant interest income is recognised in the Statement of Profit and Loss. The effect of this change is increase in total equity of ₹ 390 lakhs as at 31st March, 2016 (₹ Nil as at 1st April, 2015), and increase in profit before tax as well as net profit of ₹ 389.55 lakhs for the year ended 31st March, 2016.

(e) Income on financial guarantees provided

Under Ind AS financial guarantee income is recognized in Statement of Profit and Loss based on fair value measurement. Accordingly, ₹ 48 lakhs as at 31st March, 2016 (Nil as at 1st April, 2015) has been increased in the cost of investments. The effect of this change is an increase in total equity of ₹ 48 lakhs as at 31st March, 2016 (Nil as at 1st April, 2015), increase in profit before tax and net profit of ₹ 48 lakhs for the year ended 31st March, 2016.

(f) Tax adjustments

Tax adjustments include deferred tax impact on account of differences between previous GAAP and Ind AS. These adjustments have resulted in decrease in net profit by ₹ 328 lakhs for the year ended 31st March, 2016.

(g) Reversal of Proposed Dividend and transfer to General Reserve

Under the previous GAAP, transfer to General Reserves and dividends proposed by the Board of Directors after the Balance Sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the General Meeting. This has resulted in an increase in other equity by ₹ 10,354.37 lakhs as at 31st March, 2016 (₹ 8,960.52 lakhs as at 1st April, 2015).

(h) Reclassification in cash flow statement

- Cash flow from rental income of investment properties have been reclassified from operating activities to investing activities in line with requirements of Ind AS.
- Cash in hand balance as at 31st March, 2016 under the previous GAAP included closing balance of imprest advance with the employees, which have been treated as other current assets under Ind AS.

3B. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 2, Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

Construction contracts

Cost to complete

The Company's Management estimates the costs to complete for each project for the purpose of revenue recognition and recognition of anticipated losses on projects, if any. In the process of calculating the cost to complete, Management conducts regular and systematic reviews of actual results and future projections with comparison against budget. This process requires monitoring controls including financial and operational controls and identifying major risks facing the Company and developing and implementing initiatives to manage those risks. The Company's Management is confident that the costs to complete the project are fairly estimated.

Percentage of completion

Management's estimate of the percentage of completion on each project for the purpose of revenue recognition is through conducting some weight analysis to assess the actual quantity of the work for each activity performed during the reporting period and estimate any future costs for comparison against the initial project budget. This process requires monitoring of financial and operational controls. Management is of the opinion that the percentage of completion of the projects is fairly estimated.

As required by Ind AS 11 in applying the percentage of completion on its long-term projects, the Company is required to recognize any anticipated losses on it contracts. In light of the above, Management is of the opinion that based on the current facts, future losses on contract has been adequately provided for.

Contract variations and claims

Contract variations and claims are recognized as revenue to the extent that it is probable that they will result in revenue which can be reliably measured and it is probable that the economic benefits associated with flow to the Company. This requires exercise of judgement by Management based on prior experience, application of contract terms, manner and terms of settlement and relationship with the customers, etc.

Impairment of financial assets

The Company's Management reviews periodically items classified as receivables to assess whether a provision for impairment should be recorded in the Statement of Profit or Loss. Management estimates the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgement and uncertainty.

The Company reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Some of the Company's assets are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about valuation techniques and inputs used in determining the fair value of various assets is disclosed in Note 42.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The Policy for the same has been explained in Note 2(m).

Litigations

From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each Balance Sheet date and revisions made for the changes in facts and circumstances.

Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. All assumptions are reviewed at each Balance Sheet date.

Useful lives of property, plant and equipment and intangible assets

The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

Warranty provisions (trade gurantees)

The Company gives warranties for its products, undertaking to repair or replace the product that fail to perform satisfactory during the warranty period. Provision made at the year-end represents the amount of expected cost of meeting such obligations of rectification / replacement which is based on the historical warranty claim information as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in current year are consistent with those in prior year. Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives.

3C. RECENT ACCOUNTING PRONOUNCEMENTS

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable from 1st April, 2017.

Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The requirements of the amendment have no impact on the financial statements as the standard is not applicable to the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

4. Property, Plant and Equipment (Owned, unless otherwise stated)

₹ in Lakhs

	Freehold Land	Buildings	Plant and Equipments	Office and EDP Equipments	Furniture and fixtures	Vehicles	Transferred to Investment property	Total Property, Plant and Equipment
Gross carrying amount								
As at 1st April, 2015	2,877.27	12,004.34	10,772.60	6,221.07	2,250.24	511.88	(3,459.13)	31,178.27
Additions	Nil	3,066.20	398.93	576.55	225.76	Nil	Nil	4,267.44
Disposals	0.50	119.08	100.68	268.38	31.76	107.83	Nil	628.23
Transfers in / (out)	Nil	Nil	Nil	Nil	Nil	Nil	(328.30)	(328.30)
As at 31st March, 2016	2,876.77	14,951.46	11,070.85	6,529.24	2,444.24	404.05	(3,787.43)	34,489.18
Depreciation								
As at 1st April, 2015	Nil	3,026.67	7,712.33	4,633.65	1,473.33	279.00	(789.40)	16,335.58
Charge for the period	Nil	333.53	593.64	463.52	154.58	50.79	(97.07)	1,498.99
Disposals	Nil	87.51	66.59	241.53	26.45	68.57	Nil	490.65
Transfers in / (out)	Nil	Nil	Nil	Nil	Nil	Nil	(3.64)	(3.64)
As at 31st March, 2016	Nil	3,272.69	8,239.38	4,855.64	1,601.46	261.22	(890.11)	17,340.28
Net carrying amount as at 1st April, 2015	2,877.27	8,977.67	3,060.27	1,587.42	776.91	232.88	(2,669.73)	14,842.69
Net carrying amount as at 31st March, 2016	2,876.77	11,678.77	2,831.47	1,673.60	842.78	142.83	(2,897.32)	17,148.90
Gross carrying amount								
As at 1st April, 2016	2,876.77	14,951.46	11,070.85	6,529.24	2,444.24	404.05	(3,787.43)	34,489.18
Additions	Nil	380.36	398.96	571.03	262.86	Nil	Nil	1,613.21
Disposals	Nil	268.52	161.53	1,424.29	82.40	74.26	Nil	2,011.00
Transfers in / (out)	Nil	Nil	Nil	Nil	Nil	Nil	(1,827.01)	(1,827.01)
As at 31st March, 2017	**2,876.77**	**15,063.30**	**11,308.28**	**5,675.98**	**2,624.70**	**329.79**	**(5,614.44)**	**32,264.38**
Depreciation								
As at 1st April, 2016	Nil	3,272.69	8,239.38	4,855.64	1,601.46	261.22	(890.11)	17,340.28
Charge for the period	Nil	345.14	521.70	462.30	176.84	36.26	(117.39)	1,424.85
Disposals	Nil	141.25	135.35	1,337.99	54.20	64.67	Nil	1,733.46
Transfers in / (out)	Nil	Nil	Nil	Nil	Nil	Nil	(40.50)	(40.50)
As at 31st March, 2017	**Nil**	**3,476.58**	**8,625.73**	**3,979.95**	**1,724.10**	**232.81**	**(1,048.00)**	**16,991.17**
Net carrying amount as at 31st March, 2016	2,876.77	11,678.77	2,831.47	1,673.60	842.78	142.83	(2,897.32)	17,148.90
Net carrying amount as at 31st March, 2017	**2,876.77**	**11,586.72**	**2,682.55**	**1,696.03**	**900.60**	**96.98**	**(4,566.44)**	**15,273.21**

Footnotes :

(a) Buildings includes ₹ 0.40 lakh (31-3-2016: ₹ 0.40 lakh; 1-4-2015: ₹ 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) 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 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
1. Lalbaug Property	1999-2000	**734.12**	734.12	734.12
2. Non-Sanad land behind HRD Centre, Thane	2003-04	**1,735.95**	1,735.95	1,735.95
3. Pune Property	2003-04	**2,145.53**	2,145.53	2,145.53
4. Non-Sanad land on south side of Voltas Switchgear Limited, Thane	2004-05	**199.75**	199.75	199.75
5. Sanad land behind HRD Centre, Thane	2004-05	**305.78**	305.78	305.78
6. Upvan Land, Thane	2006-07	**2,070.00**	2,070.00	2,070.00
7. Henkel Switchgear Limited approach land at Thane	2006-07	**223.40**	223.40	223.40
8. Land adjoining Simtools at Thane	2007-08	**919.96**	919.96	919.96
9. Nala Land at Thane	2009-10	**238.18**	238.18	238.18
10. Sanad land, HRD Centre, Thane	2014-15	**1,500.00**	1,500.00	1,500.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

5. Investment Property

₹ in Lakhs

	Freehold Land	Buildings	Total Investment Property
Gross carrying amount			
As at 1st April, 2015	14.19	3,444.94	3,459.13
Transfers in / (out)	Nil	328.30	328.30
As at 31st March, 2016	14.19	3,773.24	3,787.43
Depreciation and Amortisation			
As at 1st April, 2015	Nil	789.40	789.40
Charge for the period	Nil	97.07	97.07
Transfers in / (out)	Nil	3.64	3.64
As at 31st March, 2016	Nil	890.11	890.11
Net carrying amount as at 1st April, 2015	14.19	2,655.54	2,669.73
Net carrying amount as at 31st March, 2016	14.19	2,883.13	2,897.32
Gross carrying amount			
As at 1st April, 2016	14.19	3,773.24	3,787.43
Transfers in / (out)	Nil	1,827.01	1,827.01
As at 31st March, 2017	14.19	5,600.25	5,614.44
Depreciation and Amortisation			
As at 1st April, 2016	Nil	890.11	890.11
Charge for the period	Nil	117.39	117.39
Transfers in / (out)	Nil	40.50	40.50
As at 31st March, 2017	**Nil**	**1,048.00**	**1,048.00**
Net carrying amount as at 31st March, 2016	14.19	2,883.13	2,897.32
Net carrying amount as at 31st March, 2017	**14.19**	**4,552.25**	**4,566.44**

Footnotes :

(1) All the above assets are under cancellable operating lease.

(2) The amount included in transfers in / (out) represents the assets transferred from property, plant and equipment to Investment Property when it is held for the purpose of earning rental income / capital appreciation.

(3) Amounts recognised in the Statement of Profit and Loss in relation to investment properties are as follows:

	₹ in Lakhs	2015-16 ₹ in Lakhs
Rental income	**3,909.17**	3,424.17
Direct operating expenses arising from investment property that generated rental income during the year (net of recoveries)	**97.70**	87.76
Profit from investment properties before depreciation	**3,811.47**	3,336.41
Depreciation	**117.39**	97.07
Profit from investment properties	**3,694.08**	3,239.34

(4) Fair Value of the Company's investment properties are as follows :

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Land	**11,409.60**	10,518.23	9,626.85
Building	**67,207.40**	54,039.64	48,243.97
	78,617.00	64,557.87	57,870.82

The fair value of the investment properties have been derived using the market comparable approach (market value method / sale comparison technique) based on recent market prices without any significant adjustments being made to the market observable data. The valuation was carried out by an independent valuer registered with the authority which governs the valuers in India. Accordingly, fair value estimates for investment properties are classified as level 3.

6. Intangible Assets

₹ in Lakhs

	Manufacturing Rights & Technical Know-how	Software Costs	Total Intangible Assets
Gross carrying amount			
As at 1st April, 2015	1,030.90	4,042.80	5,073.70
Additions	Nil	258.55	258.55
Disposals	Nil	0.94	0.94
As at 31st March, 2016	1,030.90	4,300.41	5,331.31
Amortisation			
As at 1st April, 2015	1,024.40	3,217.42	4,241.82
Charge for the period	6.50	307.85	314.35
Disposals	Nil	0.90	0.90
As at 31st March, 2016	1,030.90	3,524.37	4,555.27
Net carrying amount as at 1st April, 2015	6.50	825.38	831.88
Net carrying amount as at 31st March, 2016	Nil	776.04	776.04
Gross carrying amount			
As at 1st April, 2016	1,030.90	4,300.41	5,331.31
Additions	Nil	275.87	275.87
Disposals	Nil	205.21	205.21
As at 31st March, 2017	**1,030.90**	**4,371.07**	**5,401.97**
Amortisation			
As at 1st April, 2016	1,030.90	3,524.37	4,555.27
Charge for the period	Nil	270.12	270.12
Disposals	Nil	205.17	205.17
As at 31st March, 2017	**1,030.90**	**3,589.32**	**4,620.22**
Net carrying amount as at 31st March, 2016	Nil	776.04	776.04
Net carrying amount as at 31st March, 2017	**Nil**	**781.75**	**781.75**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

7. Investments

7(i) Non-current Investments

A Investments in Subsidiaries, Joint Ventures & Associates (Fully paid Unquoted Equity Instruments)

	Currency	Face Value	No.	₹ In Lakhs	No.	As at 31-3-2016 ₹ In Lakhs	No.	As at 1-4-2015 ₹ In Lakhs
1. Investments in Subsidiary Companies:								
Weathermaker Ltd., UAE	US$	1	**4,08,441**	**307.19**	4,08,441	307.19	4,08,441	307.19
Voltas Netherlands B.V.	EURO	45	**13,635**	**265.20**	13,635	265.20	13,635	265.20
Universal Comfort Products Ltd.	₹	10	**2,76,42,000**	**1,694.92**	2,76,42,000	1,694.92	2,76,42,000	1,694.92
Lalbuksh Voltas Engineering Services and Trading, L.L.C, Muscat, Sultanate of Oman	RO	1	**50,000**	**8.14**	50,000	8.14	50,000	8.14
Agro Foods Punjab Ltd. (Refer footnote 7 (a))	₹	100	**2,80,000**	**Nil**	2,80,000	Nil	280,000	Nil
(Beneficial rights transferred pending transfer of shares)								
Auto Aircon (India) Ltd. (#)	₹	10	**1,13,00,000**	**565.00**	1,13,00,000	565.00	1,13,00,000	565.00
Westerwork Engineers Ltd. (Under Liquidation) (#)	₹	100	**9,600**	**109.29**	9,600	109.29	9,600	109.29
Rohini Industrial Electricals Ltd. (#) (Refer footnote 7 (d))	₹	10	**18,25,782**	**15,249.59**	18,25,782	12,037.10	18,25,782	11,989.12
Saudi Ensas Company for Engineering Services W.L.L., Saudi Arabia (#)	SR	100	**2,41,360**	**2,761.95**	2,41,360	2,761.95	15,860	17.90
Share Application Money - Saudi Ensas (#)				**Nil**		Nil		2,744.05
Gross Investments in Subsidiary Companies				**20,961.28**		17,748.79		17,700.81
Less : Impairment in value of Investments (#)				**9,949.24**		9,949.24		8,406.10
				11,012.04		7,799.55		9,294.71
2. Investments in Joint Ventures:								
Universal Weathermaker Factory L.L.C., Abu Dhabi	AED	1000	**2,695**	**298.09**	2,695	298.09	2,695	298.09
Voltas Water Solutions Private Ltd.	₹	10	**22,31,500**	**223.15**	9,81,500	98.15	3,86,000	38.60
Olayan Voltas Contracting Company Ltd., Saudi Arabia (#)	SR	100	**50,000**	**710.70**	50,000	710.70	50,000	710.70
Gross Investments in Joint Ventures				**1,231.94**		1,106.94		1,047.39
Less : Impairment in value of Investments (#)				**710.70**		Nil		Nil
				521.24		1,106.94		1,047.39
3. Investments in Associate Companies:								
Brihat Trading Private Ltd.	₹	10	**3,352**	**0.34**	3,352	0.34	3,352	0.34
Terrot GmbH, Germany	EURO	1	**2,60,900**	**156.24**	2,60,900	156.24	2,60,900	156.24
Naba Diganta Water Management Ltd.	₹	10	**47,97,000**	**479.70**	47,97,000	479.70	47,97,000	479.70
Investments in Associate Companies				**636.28**		636.28		636.28

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

7. Investments (contd.)

B Investments in Other Companies (Investments at Fair Value through Other Comprehensive Income) (Investments not held for trading)

	Currency	Face Value			As at 31-3-2016		As at 1-4-2015	
			No.	**₹ In Lakhs**	No.	₹ In Lakhs	No.	₹ In Lakhs
1. Fully Paid Equity Instruments:								
UNQUOTED :								
Lakshmi Ring Travellers (Coimbatore) Ltd.	₹	10	**1,20,000**	**4,289.38**	1,20,000	3,198.69	1,20,000	3,001.70
Agrotech Industries Ltd.	US$	1	**3,67,500**	**Nil**	3,67,500	Nil	3,67,500	Nil
Tata International Ltd. (Refer footnote 7 (b))	₹	1000	**10,000**	**565.00**	10,000	565.00	10,000	565.00
Tata Services Ltd. (Refer footnote 7 (b))	₹	1000	**448**	**4.48**	448	4.48	448	4.48
Tata Industries Ltd. (Refer footnote 7 (b))	₹	100	**13,05,720**	**2,071.51**	13,05,720	2,071.51	1,305,720	2,071.51
Tata Projects Ltd.	₹	100	**1,35,000**	**12,245.23**	1,35,000	9,568.10	1,35,000	8,694.47
Premium Granites Ltd.	₹	10	**4,91,220**	**Nil**	4,91,220	Nil	4,91,220	Nil
OMC Computers Ltd.	₹	10	**4,04,337**	**Nil**	4,04,337	Nil	4,04,337	Nil
Rujuvalika Investments Ltd. (Refer footnote 7 (e))	₹	10	**Nil**	**Nil**	Nil	Nil	1,83,333	1,087.16
Avco Marine S.a.S, France	EURO	10	**1,910**	**Nil**	1,910	Nil	1,910	Nil
Voltas Employees Consumers Co-operative Society Ltd.	₹	10	**750**	**0.08**	750	0.08	750	0.08
Saraswat Co-operative Bank Ltd.	₹	10	**10**	**Nil**	10	Nil	10	Nil
Industrial Estates Private Ltd. (Refer footnote 7 (e))	₹	1000	**Nil**	**Nil**	Nil	Nil	25	116.78
Super Bazar Co-operative Stores Ltd.	₹	10	**500**	**0.05**	500	0.05	500	0.05
Investments in Other Companies				**19,175.73**		15,407.91		15,541.23
2. Fully Paid Quoted Equity Instruments :								
QUOTED :								
Lakshmi Automatic Loom Works Ltd.	₹	10	**6,15,200**	**Nil**	6,15,200	Nil	6,15,200	Nil
Tata Chemicals Ltd.	₹	10	**2,00,440**	**1,200.33**	2,00,440	748.00	2,00,440	885.94
Lakshmi Machine Works Ltd. (Refer footnote 7 (e))	₹	10	**5,79,672**	**24,457.52**	6,00,000	20,011.38	6,00,000	22,959.43
Reliance Industries Ltd. (Refer footnote 7 (c))	₹	10	**2,640**	**Nil**	2,640	Nil	2,640	Nil
				25,657.85		20,759.38		23,845.37
C Investment in Preference Shares								
UNQUOTED :								
Subsidiaries (at amortised cost) :								
Rohini Industrial Electricals Ltd. (Refer footnote 7 (d))	₹	100	**1,27,00,000**	**8,244.16**	62,00,000	4,285.55	62,00,000	3,896.00
0.01% Cumulative Redeemable Preference Shares at amortise cost								
Others (at fair value through profit & loss) :								
Lakshmi Automatic Loom Works Limited	₹	100	**3,00,000**	**300.00**	5,50,000	Nil	5,50,000	Nil
				8,544.16		4,285.55		3,896.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

7. Investments (contd.)

D Investment in Mutual funds (at fair value through profit or loss)

	Currency	Face Value	No.	₹ In Lakhs	No.	As at 31-3- 2016 ₹ In Lakhs	No.	As at 1-4- 2015 ₹ In Lakhs
DIRECT PLAN -GROWTH								
UNQUOTED :								
Axis Short Term Fund	₹	10	**6,05,33,938**	**11,139.03**	6,05,33,938	10,158.87	Nil	Nil
Birla Sun Life Dynamic Bond Fund Retail	₹	10	**1,01,34,752**	**3,011.80**	1,01,34,752	2,714.56	1,01,31,752	2,500.00
Birla Sun Life Saving Fund	₹	100	**13,20,367**	**4,226.64**	13,20,367	3,879.47	13,20,367	3,559.99
Birla Sun Life Treasury Optimizer Plan	₹	100	**21,54,181**	**4,531.17**	Nil	Nil	Nil	Nil
HDFC Income Fund	₹	10	**76,84,623**	**2,973.27**	76,84,623	2,672.12	76,84,623	2,506.43
HDFC Medium Term Opportunity Fund	₹	10	**11,42,34,535**	**20,764.98**	1,51,17,706	2,500.00	Nil	Nil
ICICI Prudential Banking & PSU Debt Fund	₹	10	**9,19,70,278**	**17,409.42**	3,82,75,823	6,509.76	Nil	Nil
ICICI Prudential Income	₹	10	**58,75,586**	**3,203.21**	58,75,586	2,818.13	58,75,586	2,638.86
ICICI Prudential Income Opportunities Fund	₹	10	**1,27,89,425**	**2,983.29**	1,27,89,425	2,694.03	1,27,89,425	2,500.00
IDFC Corporate Bond Fund	₹	10	**13,91,04,625**	**15,601.84**	6,39,17,917	6,510.04	Nil	Nil
IDFC Super Saver Income Fund -Medium Term Plan	₹	10	**2,20,08,592**	**6,284.75**	1,04,36,060	2,706.27	1,04,36,060	3,202.26
Kotak Bond Short Term	₹	10	**4,50,88,129**	**14,266.24**	Nil	Nil	Nil	Nil
Reliance Dynamic Bond Fund	₹	10	**1,30,70,176**	**3,005.93**	1,30,70,176	2,679.74	1,30,70,176	2,521.85
Reliance Banking & PSU Debt Fund	₹	10	**85,07,308**	**1,006.58**	Nil	Nil	Nil	Nil
Tata Dynamic Bond Fund	₹	10	**1,12,95,861**	**2,992.33**	1,12,95,861	2,683.16	1,12,95,861	2,500.00
Tata Short Term Bond Fund	₹	10	**3,64,91,160**	**11,488.99**	3,64,91,160	10,497.59	1,73,43,390	4,586.36
UTI Bond Fund	₹	10	**58,43,087**	**3,037.76**	58,43,087	2,656.00	58,43,087	2,506.32
UTI Short Term Income Fund	₹	10	**9,80,16,454**	**19,919.88**	Nil	Nil	Nil	Nil
Franklin India Income Builder Account -Plan A	₹	10	**Nil**	**Nil**	50,59,141	2,666.29	50,59,141	2,500.00
Reliance Medium Term Fund	₹	10	**Nil**	**Nil**	85,84,870	2,724.37	85,84,870	2,500.00
UTI Floating Rate Fund	₹	1000	**Nil**	**Nil**	87,808	2,187.77	87,808	2,004.21
ICICI Prudential Blended Plan B - Regular Plan	₹	10	**Nil**	**Nil**	Nil	Nil	2,28,95,214	4,754.79
IDFC Super Saver Income Fund-Medium Term Plan	₹	10	**Nil**	**Nil**	Nil	Nil	1,99,60,777	4,000.00
QUOTED :								
Birla Sunlife Interval Income Fund-Annual Plan V	₹	10	**Nil**	**Nil**	1,06,73,978	1,376.42	1,37,77,014	1,639.70
DHFL Pramerica Fixed Maturity Plan Series 57	₹	10	**Nil**	**Nil**	2,50,00,000	2,975.28	2,50,00,000	2,744.15
ICICI Prudential FMP Series 73 - 369 Days Plan	₹	10	**Nil**	**Nil**	1,00,00,000	1,187.70	1,00,00,000	1,092.74
Reliance Fixed Horizon Fund XXVI - Series 6	₹	10	**Nil**	**Nil**	5,00,00,000	5,922.85	5,00,00,000	5,468.95
				1,47,847.11		80,720.42		55,726.61

E Investment in Debenture/Bonds (at amortised cost)

	Currency	Face Value	No.	₹ In Lakhs	No.	As at 31-3- 2016 ₹ In Lakhs	No.	As at 1-4- 2015 ₹ In Lakhs
QUOTED :								
11.50% Tata Steel Ltd. Perpetual Bonds	₹	1000000	**292**	**2,941.90**	292	2,947.16	292	2,952.41
Tata International Ltd. Non Convertible Debentures	₹	1000000	**500**	**5,000.00**	Nil	Nil	Nil	Nil
UNQUOTED:								
Rural Electrification Corporation Ltd	₹	10000	**500**	**50.00**	500	50.00	500	50.00
				7,991.90		2,997.16		3,002.41

7. Investments (contd.)

F Investment in Others :

UNQUOTED :	Currency	Face Value	No.	₹ In Lakhs	As at 31-3- 2016 No.	As at 31-3- 2016 ₹ In Lakhs	As at 1-4- 2015 No.	As at 1-4- 2015 ₹ In Lakhs
Government Securities	₹			**0.05**		0.05		0.05
				0.05		0.05		0.05
G Total : Non-current Investments - Net				**2,21,386.36**		1,33,713.24		1,12,990.05
Footnotes :								
(i) Aggregate amount of Quoted Investments and market value thereof				**33,599.75**		35,168.79		37,743.32
(ii) Aggregate amount of Unquoted Investments				**1,98,446.55**		1,08,493.69		83,652.83
(iii) Aggregate amount of impairment in value of investments				**10,659.94**		9,949.24		8,406.10

Abbreviations for Currencies :

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

Footnotes :

7 (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.

7 (b) For these unquoted investments categorised under Level 3, their respective cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

7 (c) 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.

7 (d) Redeemable preference shares were issued to Rohini Industrial Electricals Limited (RIEL) in 2016-17 ₹ 6,500 lakhs, in 2012-13 ₹ 3,700 lakhs and in 2011-12 ₹ 2,500 lakhs for a period of 7 years, respectively and are cumulative with dividend of 0.01%. This investment is accounted at amortised cost and the difference between the investment value and the amortised cost is treated as additional capital contribution and included in value of equity investment in Rohini.

7 (e) During 2016-17, the Company has participated in buy-back offer from Lakshmi Machine Works Ltd and sold 20328 shares for a total consideration of ₹ 902.33 lakhs. The Company has received dividend of ₹ 8.13 lakhs (2015-16 : ₹ 8.13 lakhs) on the shares sold during the year. During 2015-16, the Company has sold its shareholding in Rujuvalika Investments Limited and Industrial Estates Private Limited for consideration aggregating ₹ 1,204.16 lakhs.

7 (ii) Current Investments

A Investments in Mutual Funds (at Fair Value through Profit & Loss)

	Currency	**Face Value**	**No.**	**₹ In Lakhs**	As at 31-3-2016 No.	As at 31-3-2016 ₹ In Lakhs	As at 1-4-2015 No.	As at 1-4-2015 ₹ In Lakhs
DIRECT PLAN -DIVIDEND REINVESTMENT								
UNQUOTED :								
Birla Sun Life Savings Fund	₹	100	**37,59,691**	**3,770.86**	50,48,804	5,063.81	Nil	Nil
HDFC Arbitrage Fund	₹	10	**50,92,647**	**547.20**	48,24,066	511.93	Nil	Nil
IDFC Arbitrage Fund	₹	10	**42,02,576**	**546.89**	39,54,642	511.89	Nil	Nil
Kotak Equity Arbitrage Fund	₹	10	**27,14,653**	**547.41**	25,42,121	507.77	Nil	Nil

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

7. Investments (contd.)

	Currency	Face Value	No.	₹ In Lakhs	As at 31-3-2016 No.	As at 31-3-2016 ₹ In Lakhs	As at 1-4-2015 No.	As at 1-4-2015 ₹ In Lakhs
Kotak Flexi Debt Fund	₹	10	**1,05,86,306**	**1,059.39**	Nil	Nil	Nil	Nil
Reliance Arbitrage Advantage Fund	₹	10	**50,72,599**	**547.50**	48,18,343	511.39	Nil	Nil
SBI Arbitrage Opportunities Fund	₹	10	**38,48,312**	**542.30**	36,76,784	508.90	Nil	Nil
Axis Short Term Fund	₹	10	**Nil**	**Nil**	2,43,24,982	2,500.00	Nil	Nil
Canara Robeco Savings Plus Fund	₹	10	**Nil**	**Nil**	4,88,11,768	5,008.09	Nil	Nil
DHFL Pramerica Short Maturity Fund	₹	10	**Nil**	**Nil**	4,95,30,358	5,199.20	Nil	Nil
HDFC Floating Rate Income Fund - Short Term Plan	₹	10	**Nil**	**Nil**	7,41,01,099	7,470.06	Nil	Nil
HDFC Banking & PSU Debt Fund	₹	10	**Nil**	**Nil**	Nil	Nil	7,42,42,744	7,549.09
IDFC Ultra Short Term Fund	₹	10	**Nil**	**Nil**	3,88,28,753	3,904.27	3,17,47,067	3,192.20
Kotak Bond Short Term Plan	₹	10	**Nil**	**Nil**	10,36,68,168	10,671.41	Nil	Nil
L&T Liquid Fund	₹	1000	**Nil**	**Nil**	2,96,546	3,003.56	Nil	Nil
SBI Ultra Short Term Debt Fund	₹	1000	**Nil**	**Nil**	10,53,654	10,600.73	Nil	Nil
Sundaram Ultra Short Term Fund	₹	10	**Nil**	**Nil**	4,99,24,450	5,014.36	Nil	Nil
UTI Floating Rate Fund	₹	1000	**Nil**	**Nil**	5,36,561	5,778.11	Nil	Nil
Axis Treasury Advantage Fund	₹	1000	**Nil**	**Nil**	Nil	Nil	2,23,983	3,507.56
DWS Ultra Short Term Fund	₹	10	**Nil**	**Nil**	Nil	Nil	5,07,05,473	5,079.62
Franklin India Ultra Short Bond Fund	₹	10	**Nil**	**Nil**	Nil	Nil	4,80,70,974	4,837.29
Kotak Treasury Advantage Fund	₹	10	**Nil**	**Nil**	Nil	Nil	4,57,80,433	4,614.58
L&T Ultra Short Term Fund	₹	10	**Nil**	**Nil**	Nil	Nil	3,72,37,236	3,851.22
SBI Ultra Short Term Debt Fund	₹	1000	**Nil**	**Nil**	Nil	Nil	7,06,937	7,104.70
Sundaram Income Plus Fund	₹	10	**Nil**	**Nil**	Nil	Nil	1,81,48,163	2,019.73
Sundaram Money Fund	₹	10	**Nil**	**Nil**	Nil	Nil	2,47,54,431	2,500.82
QUOTED**:**								
Birla Sunlife Interval Income Fund-Annual Plan 5	₹	10	**1,06,73,978**	**1,478.29**	Nil	Nil	Nil	Nil
DHFL Pramerica Fixed Maturity Plan Series 57	₹	10	**2,50,00,000**	**3,220.08**	Nil	Nil	Nil	Nil
ICICI Prudential FMP Series 73 -369 Days Plan P	₹	10	**1,00,00,000**	**1,278.27**	Nil	Nil	Nil	Nil
Reliance Fixed Horizon Fund XXVI-Series 6	₹	10	**5,00,00,000**	**6,415.65**	Nil	Nil	Nil	Nil
Sundaram Fixed Term Plan FI 383 Days	₹	10	**Nil**	**Nil**	Nil	Nil	2,50,00,000	2,739.48
				19,953.84		66,765.48		46,996.29

Footnotes :

	31-3-2017	31-3-2016	1-4-2015
(i) Aggregate amount of quoted investments and market value thereof	**12,392.29**	Nil	2,739.48
(ii) Aggregate amount of Unquoted investments	**7,561.55**	66,765.48	44,256.81
(iii) Aggregate amount of impairment in value of investments	**Nil**	Nil	Nil

8. Loans (Non-current)

		₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
(a)	Loans to related parties (Refer footnote)			
	- Unsecured, considered good	**Nil**	2,500.00	2,500.00
	- Doubtful	**87.68**	87.68	89.78
	Gross Loans to related parties	**87.68**	2,587.68	2,589.78
	Less: Allowance for doubtful loans	**87.68**	87.68	89.78
	Net Loans to related parties	**Nil**	2,500.00	2,500.00
(b)	Loans to Employees	**71.73**	106.40	120.47
		71.73	2,606.40	2,620.47

Footnote :

Loans and advances in nature of loans given to Subsidiaries in view of Regulation 34(3) of SEBI (listing Obligations and Disclosure requirements) Regulations, 2015

	Name of the Related Party	Relation	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs	Maximum balance during the year ₹ in Lakhs	Maximum balance during the year 2015-16 ₹ in Lakhs
(a)	Auto Aircon (India) Ltd. (*)	Subsidiary	**87.68**	87.68	84.93	**87.68**	87.68
(b)	Rohini Industrial Electricals Ltd. (#)	Subsidiary		2,500.00	2,500.00		2,500.00
(c)	Saudi Ensas Company for Engineering Services W.L.L.	Subsidiary			4.85		
	Total		**87.68**	2,587.68	2,589.78	**87.68**	2,587.68

* Loans and Advances shown in (a) above has no repayment schedule and no interest is payable.

\# Loans and Advances shown in (b) above has no repayment schedule.

9. Other Financial Assets (Non-current)

		₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
(a)	Security deposits	**338.85**	797.06	725.42
(b)	Deposits with Customers / others	**405.83**	414.73	371.07
(c)	Others - Considered good	**917.56**	1,857.64	1,386.94
	Others - doubtful	**3,482.21**	1,766.95	1,433.99
	Less: Allowance for doubtful advance	**3,482.21**	1,766.95	1,433.99
		1,662.24	3,069.43	2,483.43

10. Deferred Tax Balances

(a) The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet:

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Deferred tax assets	**11,022.36**	10,164.04	8,408.64
Deferred tax liabilities	**(8,814.43)**	(7,278.75)	(6,637.61)
Net	**2,207.93**	2,885.29	1,771.03

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

10. Deferred Tax Balances (contd.)

(b) The balance comprises temporary differences attributable to:

	As at 31-3-2016 ₹ in Lakhs	(Charged) / credited to statement of Profit and Loss ₹ in Lakhs	(Charged) / credited to other comprehensive income ₹ in Lakhs	**As at 31-3-2017 ₹ in Lakhs**
Provision for employee benefits	3,432.48	68.32	82.28	**3,583.08**
Allowance for receivables, loans and advances	5,024.28	4.60	Nil	**5,028.88**
Provision for contingencies and claims	732.59	1,056.34	Nil	**1,788.93**
Unpaid statutory liabilities	474.25	5.37	Nil	**479.62**
Others	500.44	(358.59)	Nil	**141.85**
Deferred Tax Assets	10,164.04	776.04	82.28	**11,022.36**
Property, plant and equipment and intangible assets	(3,700.75)	71.03	Nil	**(3,629.72)**
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(3,207.87)	Nil	(762.74)	**(3,970.61)**
Unrealised gains on fair valuation of Mutual funds	(370.13)	(770.99)	Nil	**(1,141.12)**
Others	Nil	(72.98)	Nil	**(72.98)**
Deferred Tax Liabilities	(7,278.75)	(772.94)	(762.74)	**(8,814.43)**
Net Deferred Tax Assets	2,885.29	3.10	(680.46)	**2,207.93**

	As at 1-4-2015 ₹ in Lakhs	(Charged) / credited to statement of Profit and Loss ₹ in Lakhs	(Charged) / credited to other comprehensive income ₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs
Provision for employee benefits	3,179.37	171.43	81.68	3,432.48
Provision for receivables, loans and advances	3,806.10	1,218.18	Nil	5,024.28
Provision for contingencies and claims	761.50	(28.91)	Nil	732.59
Unpaid statutory liabilities	561.65	(87.40)	Nil	474.25
Others	100.02	400.42	Nil	500.44
Deferred Tax Assets	8,408.64	1,673.72	81.68	10,164.04
Property, plant and equipment and intangible assets	(3,336.44)	(364.31)	Nil	(3,700.75)
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(2,962.19)	Nil	(245.68)	(3,207.87)
Unrealised gains on fair valuation of Mutual funds	(213.60)	(156.53)	Nil	(370.13)
Others	(125.38)	125.38	Nil	Nil
Deferred Tax Liabilities	(6,637.61)	(395.46)	(245.68)	(7,278.75)
Net Deferred Tax assets	1,771.03	1,278.26	(164.00)	2,885.29

11. Other Non-current Assets

		₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
(a)	Capital advances	**602.72**	203.44	758.63
(b)	Advance with public bodies (Customs, Port Trust, etc.)	**23.80**	23.80	23.80
(c)	Indirect taxes recoverable	**4,823.29**	4,760.05	4,265.60
(d)	Advance to Suppliers	**134.57**	134.57	164.95
(e)	Lease prepayments	**276.52**	279.93	283.35
(f)	Others	**173.03**	115.21	115.21
	Less: Allowance for doubtful advances	**247.91**	257.39	296.89
		5,786.02	5,259.61	5,314.65

11. Other Non-Current Assets (contd.)

Footnote :

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Allowance for doubtful advance pertains to:			
(a) Indirect taxes recoverable	**81.87**	87.87	81.87
(b) Advance to Suppliers	**134.56**	134.56	164.94
(c) Others	**31.48**	34.96	50.08
	247.91	257.39	296.89

12. Inventories

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
(a) Raw materials and Components	**8,862.01**	7,318.21	7,293.98
(b) Work-in-progress	**517.41**	485.23	547.81
(c) Finished goods	**18,734.77**	9,098.31	11,077.55
(d) Stock-in-trade of goods acquired for trading	**49,485.69**	38,620.16	44,480.18
(e) Stores and spares	**3.32**	3.99	9.13
	77,603.20	55,525.90	63,408.65
The above includes goods-in-transit:			
(a) Raw materials and Components	**1,000.45**	82.73	65.01
(b) Finished goods	**1,357.27**	1,380.12	1,159.35
(c) Stock-in-trade of goods acquired for trading	**6,747.90**	9,301.60	5,864.73
	9,105.62	10,764.45	7,089.09
Footnote :-			
The cost of inventories recognised as an expense during the year excludes construction costs incurred in relation to construction contract revenue	**2,86,514.44**	2,66,311.35	

13. Trade Receivables (Current)

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Trade receivables	**1,10,641.50**	90,213.89	1,03,274.27
Retention money receivable	**18,858.18**	27,560.90	23,325.15
Gross current trade receivables	**1,29,499.68**	1,17,774.79	1,26,599.42
Less: Allowance for doubtful debts	**10,702.86**	12,012.33	9,141.67
Net current trade receivables	**1,18,796.82**	1,05,762.46	1,17,457.75
Security details :			
Secured, considered good	**543.51**	156.17	132.05
Unsecured, considered good	**1,18,253.31**	1,05,606.29	1,17,325.70
Doubtful	**10,702.86**	12,012.33	9,141.67
Gross current trade receivables	**1,29,499.68**	1,17,774.79	1,26,599.42
Footnotes :			
(i) Retention money receivable after one year	**11,903.62**	9,494.04	10,297.54

(ii) In determining the allowances for doubtful trade receivables, the Company has used a simplyfied method of computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

13. Trade Receivables (contd.)

		₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs
(iii)	Movement in expected credit loss allowance on trade receivable		
	Balance at the beginning of the year	**12,012.33**	9,141.67
	Adjustments / Allowances during the year (including write back)	**(946.19)**	3,035.36
	Written off against past provision	**(363.28)**	(164.70)
	Balance at the end of the year	**10,702.86**	12,012.33

14. Cash and Cash equivalents

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Cash in hand	**79.78**	108.45	129.68
Cheques on hand	**2,917.62**	3,656.91	3,603.70
Balances with banks			
Current accounts	**14,769.77**	8,928.00	10,667.28
Fixed deposits with maturity less than 3 months	**2,798.28**	0.13	0.12
	20,565.45	12,693.49	14,400.78

Footnote :

Details of Specified bank notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016.:

	SBNs	Other denomination	Total
Closing balance in hand as on 8th November, 2016	0.76	0.09	0.85
Add: Permitted receipts	Nil	8.38	8.38
Less: Permitted payments	Nil	8.47	8.47
Less: Amount deposited in banks	0.76	Nil	0.76
Closing cash balance as on 30th December, 2016	Nil	Nil	Nil

15. Other Balances with Banks

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Fixed deposits with maturity greater than 3 months	**Nil**	1.44	Nil
Balances with banks			
Earmarked Balances	**490.71**	439.61	398.54
Margin money	**305.85**	68.39	13.39
	796.56	509.44	411.93

16. Loans (Current)

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Loans to Employees	**153.21**	154.19	156.75
	153.21	154.19	156.75

17. Other Financial Assets (current)

		As at 31-3-2016	As at 1-4-2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(a) Security deposits	**2,037.70**	1,425.52	1,124.11
(b) Interest accrued	**1,202.02**	1,694.64	1,478.78
(c) Others	**5,235.81**	5,541.12	6,653.40
	8,475.53	8,661.28	9,256.29

18. Other Current Assets

		As at 31-3-2016	As at 1-4-2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(a) Advance with public bodies (Customs, Port Trust, etc.)	**313.64**	498.25	448.18
(b) Indirect Taxes recoverable	**2,799.76**	2,601.82	2,798.17
(c) Advance to Suppliers	**11,127.14**	3,047.09	2,315.44
(d) Amount due from customers under construction contracts (*)	**45,561.86**	49,587.77	50,958.25
(e) Others	**1,442.92**	1,356.38	1,853.48
Less: Allowance for doubtful advances	**9.48**	7.48	10.46
	61,235.84	57,083.83	58,363.06

* Includes project specific material procured for future activities

Footnote :

Amounts due from customers under construction contracts.

Contracts in progress at the end of the reporting period

(i) Construction costs incurred plus recognised profits less recognised losses to date	**3,71,745.59**	3,86,887.29	
(ii) Less: progress billings	**3,38,774.81**	3,60,162.67	
(iii) Recognised and included in the financial statements as amounts due:			
- from customers under construction contracts	**45,561.86**	49,587.77	50,958.25
- to customers under construction contracts	**8,997.70**	9,688.08	12,440.80
(iv) Advances received for contracts in progress	**16,776.33**	16,958.57	23,011.21
(v) Retention money for contracts in progress	**13,443.52**	11,148.19	10,668.43

19. Share Capital

		As at 31-3-2016	As at 1-4-2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Authorised:			
- 60,00,00,000 (31-3-2016: 60,00,00,000) Equity Shares of ₹ 1/- each	**6,000.00**	6,000.00	6,000.00
- 40,00,000 (31-3-2016: 40,00,000) Preference Shares of ₹ 100/- each	**4,000.00**	4,000.00	4,000.00
	10,000.00	10,000.00	10,000.00
Issued, Subscribed and Paid up:			
- 33,08,84,740 (31-3-2016: 33,08,84,740) Equity Shares of ₹ 1/- each	**3,308.85**	3,308.85	3,308.85
Less : Calls-in-Arrears [1,32,140 shares (31-3-2016: 1,33,110 shares ; 1-4-2015: 1,36,590 shares)] [Refer footnote 19 (d)]	**1.32**	1.33	1.37
Total share capital	**3,307.53**	3,307.52	3,307.48

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

Footnotes :

19(a) Equity Shares: The Company has one class of equity shares having a par value of Re.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).

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

			As at 31-3-2016	
	Equity Shares		Equity Shares	
	Numbers	**₹ in Lakhs**	Numbers	₹ In Lakhs
Shares outstanding at the beginning of the year	**33,08,84,740**	**3,308.85**	33,08,84,740	3,308.85
Shares outstanding at the end of the year	**33,08,84,740**	**3,308.85**	33,08,84,740	3,308.85

(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**			As at 31-3-2016		As at 1-4-2015	
		No. of Shares held	**% of Holding**	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Tata Sons Ltd.	**Equity**	**8,81,31,780**	**26.64**	8,81,31,780	26.64	8,81,31,780	26.64
Life Insurance Corporation of India	**Equity**	**2,28,20,733**	**6.90**	2,48,72,076	7.52	2,48,72,076	7.52

(d) As per records of the Company, no calls remained unpaid by the Directors and Officers of the Company as on 31st March, 2017 (31-3-2016 : Nil ; 1-4-2015 : Nil))

20. Other Equity

		As at 31-3-2016	As at 1-4-2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Summary			
(1) Capital Reserve	**155.52**	155.52	155.52
(2) Capital Redemption Reserve	**125.70**	125.70	125.70
(3) Securities Premium Account	**627.52**	627.47	627.30
(4) General Reserve	**1,26,182.83**	1,24,182.83	1,22,182.83
(5) Staff Welfare Reserve	**1.00**	1.00	1.00
(6) Equity instruments fair value through other comprehensive income	**40,731.82**	32,827.32	35,991.85
(7) Retained Earnings	**1,27,349.64**	89,343.11	63,652.08
	2,95,174.03	2,47,262.95	2,22,736.28

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

Movements in other equity

		₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs
(1)	**Capital Reserve**		
	- As per last Balance Sheet	**155.52**	155.52
(2)	**Capital Redemption Reserve**		
	- As per last Balance Sheet	**125.70**	125.70
(3)	**Securities Premium Account**		
	- As per last Balance Sheet	**627.47**	627.30
	- Received during the year	**0.05**	0.17
	- Closing Balance	**627.52**	627.47
(4)	**General Reserve**		
	- As per last Balance Sheet	**1,24,182.83**	1,22,182.83
	- Transfer from retained earnings	**2,000.00**	2,000.00
	- Closing Balance	**1,26,182.83**	1,24,182.83
(5)	**Staff Welfare Reserve**		
	- As per last Balance Sheet	**1.00**	1.00
(6)	**Equity instruments fair value through Other Comprehensive income**		
	- As per last Balance Sheet	**32,827.32**	35,991.85
	- Equity instruments fair value through other comprehensive income	**8,806.33**	(2,260.60)
	- Realised gain on sale of investments transferred from Other Comprehensive Income to Retained Earnings	**(901.83)**	(903.93)
	- Closing Balance	**40,731.82**	32,827.32
(7)	**Retained Earnings**		
	(a) As per last Balance Sheet	**89,343.11**	63,652.08
	(b) Additions / Adjustments :		
	- Net Profit / (Loss) for the current year	**48,618.59**	34,934.81
	- Transfer from other comprehensive income net of tax	**(154.38)**	(174.10)
	- Realised gain on sale of investments transferred from Other Comprehensive Income to retained earnings	**901.83**	903.93
		49,366.04	35,664.64
	(c) Deductions :		
	- Dividend	**8,603.00**	7,444.91
	- Dividend distribution tax	**756.51**	528.70
	-Transfer to General Reserve	**2,000.00**	2,000.00
		11,359.51	9,973.61
	(d) Closing Balance	**1,27,349.64**	89,343.11
		2,95,174.03	2,47,262.95

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

Footnotes : Nature and purpose of reserves

Capital Reserve:

Capital Reserve was created from capital surplus on sale of assets and on amalgamation of subsidiary.

Capital Redemption Reserves:

Capital Redemption Reserve is created out of profit available for distribution towards redemption of Preference shares. This reserve can be used for the purpose of issue of Bonus shares.

Securities Premium:

Securities Premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares.

General Reserve:

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit or loss.

Retained Earnings:

The balance in the Retained Earnings primarily represents the surplus after payment of dividend (including tax on dividend) and transfer to reserves.

21. Provisions

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Provision for employee benefits :			
(a) Provision for gratuity	**3,077.29**	3,104.12	2,625.93
(b) Pension obligations	**3,301.20**	2,695.23	2,496.17
(c) Post retirement medical benefits	**1,337.56**	1,013.80	931.78
(d) Provision for employee separation compensation	**79.41**	107.21	132.88
	7,795.46	6,920.36	6,186.76

22. Other Non-Current Liabilities

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Unexpired service contracts	**19.54**	80.28	41.74
	19.54	80.28	41.74

23. Borrowings (Current)

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Secured Borrowings :			
(a) Term Loans from Banks	**3,822.65**	3,357.58	623.77
(b) Repayable on Demand	**3,085.45**	8,590.92	4,682.05
	6,908.10	11,948.50	5,305.82

Footnote :

Secured against assignment of property, plant and equipment, inventory, book debts, contract dues and lien on term deposits.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

24. Trade Payables (Current)

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Trade payables			
(i) Total outstanding dues of micro and small enterprises	**1,227.13**	4,604.58	471.81
(ii) Total outstanding dues of creditors other than micro and small enterprises	**1,77,987.40**	1,38,498.40	1,46,999.34
	1,79,214.53	1,43,102.98	1,47,471.15

Footnotes :

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
(i) Trade payable includes retention money payable after one year	**1,411.43**	2,486.25	1,623.03
(ii) Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 :			
(i) (a) Principal amount remaining unpaid to any supplier	**1,178.25**	4,534.81	382.32
(b) Interest on (i)(a) above	**16.00**	10.36	8.95
(ii) The amount of interest paid along with the principal payment made to the supplier	**57.29**	54.82	59.42
(iii) Amount of interest due and payable on delayed payments	**20.92**	41.67	62.64
(iv) Amount of further interest remaining due and payable for the earlier years	**11.97**	17.74	17.90
(v) Total outstanding dues of Micro and Small Enterprises			
- Principal	**1,178.25**	4,534.81	382.32
- Interest	**48.88**	69.77	89.49

25. Other Financial Liabilities (Current)

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
(a) Deposits received from customers / others	**3,951.70**	3,972.56	4,058.15
(b) Interest accrued but not due on borrowings	**15.08**	138.38	13.49
(c) Unpaid dividends	**492.54**	440.54	398.53
(d) Other financial liabilities	**726.56**	502.33	658.90
	5,185.88	5,053.81	5,129.07

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

26. Provisions (Current)

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
(a) Provision for employee benefits :			
(i) Provision for gratuity	**615.82**	738.66	905.38
(ii) Pension obligations	**164.61**	157.71	151.41
(iii) Provision for compensated absences	**3,322.39**	3,244.05	3,015.36
(iv) Post retirement medical benefits	**63.96**	66.74	43.21
(v) Provision for employee separation compensation	**27.26**	23.87	23.87
(b) Provision for Trade Guarantees	**10,002.63**	8,404.85	8,220.20
(c) Provision for Contingencies for Indirect Tax matters	**2,356.55**	2,116.70	2,200.23
	16,553.22	14,752.58	14,559.66

Footnotes :

(a) Provisions for Trade Guarantees :

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs
Opening balance	**8,404.85**	8,220.20
Additional provisions recognised	**9,566.39**	7,619.55
Less : Utilisation	**7,905.14**	6,982.05
Less : Reversal	**63.47**	452.85
	10,002.63	8,404.85

(b) Provision for Contingencies for Indirect Tax matters :

Opening balance	**2,116.70**	2,200.23
Additional provisions recognised	**1,058.23**	344.14
Less : Utilisation	**500.05**	77.67
Less : Reversal	**318.33**	350.00
	2,356.55	2,116.70

27. Other Current Liabilities (Current)

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
(a) Advances received from customers / others	**25,608.59**	24,101.70	30,265.53
(b) Unexpired service contracts	**509.97**	626.41	1,804.78
(c) Amount due to customers under construction contracts	**8,997.70**	9,688.08	12,440.80
(d) Statutory obligations	**6,327.01**	6,981.28	5,615.92
(e) Others	**15.41**	17.06	24.31
	41,458.68	41,414.53	50,151.34

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

28. Revenue from Operations

		₹ in Lakhs	2015-16 ₹ in Lakhs
(a)	Sale of products	**3,62,346.72**	3,23,099.94
(b)	Construction contract revenue	**1,15,962.93**	1,30,561.40
(c)	Sale of services	**64,192.12**	61,471.17
(d)	Other operating income		
	- Unclaimed credit balances written back	**2,795.26**	1,349.31
	- Sale of scrap	**834.56**	580.20
	- Others	**1,126.50**	499.81
		5,47,258.09	5,17,561.83

29. Other Income

		₹ in Lakhs	2015-16 ₹ in Lakhs
(a)	Dividend Income :		
	From investment in subsidiaries	**4,928.83**	4,852.18
	From equity investments measured at FVTOCI	**342.54**	372.56
	From mutual funds investments measured at FVTPL	**2,692.08**	3,151.98
(b)	Interest Income :		
	- On sundry advances, deposits, customers' balances etc.	**135.61**	264.04
	- On deposits with banks	**424.82**	367.86
	- On Income-tax refunds	**834.66**	128.21
	- On fair valuation of financial assets	**623.08**	389.55
(c)	Net Gain :		
	- On preference shares investments measured at FVTPL	**550.00**	Nil
	- On sale of debt mutual funds investments measured at FVTPL	**1,590.08**	2,527.83
	- On fair valuation of financial assets measured at FVTPL	**9,570.85**	1,992.14
(d)	Net foreign exchange gain / (loss)	**(1,249.78)**	257.51
(e)	Rental income	**3,909.17**	3,424.17
(f)	Cash discount from suppliers	**291.97**	231.10
(g)	Other non-operating income (net of expenses directly attributable to such income)	**838.86**	974.28
		25,482.77	18,933.41

30. Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

	₹ in Lakhs	2015-16 ₹ in Lakhs
Inventories at the end of the year :		
- Finished Goods including stock-in-trade	**68,220.46**	47,718.47
- Work-in-progress	**517.41**	485.23
	68,737.87	48,203.70
Inventories at the beginning of the year :		
- Finished Goods including stock-in-trade	**47,718.47**	55,557.73
- Work-in-progress	**485.23**	547.81
	48,203.70	56,105.54
Net (increase) / decrease	**(20,534.17)**	7,901.84

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

31. Employee Benefits Expenses

		₹ in Lakhs	2015-16 ₹ in Lakhs
(a)	Salaries and Wages, including Bonus	**36,418.03**	36,956.15
(b)	Contribution to Provident and other Funds	**2,255.88**	2,230.49
(c)	Staff Welfare expenses	**1,980.67**	2,020.00
		40,654.58	41,206.64

32. Finance Costs

		₹ in Lakhs	2015-16 ₹ in Lakhs
	Interest expense :		
(a)	on borrowings from banks and others	**675.46**	578.58
(b)	on interest delayed / deferred payment of income tax	**290.31**	227.88
		965.77	806.46

33. Depreciation and Amortisation Expenses

		₹ in Lakhs	2015-16 ₹ in Lakhs
(a)	Depreciation on property, plant and equipment	**1,424.85**	1,498.99
(b)	Amortisation on Intangible assets	**270.12**	314.35
(c)	Depreciation on Investment property	**117.39**	97.07
		1,812.36	1,910.41

34. Other Expenses

		₹ in Lakhs	2015-16 ₹ in Lakhs
(a)	Consumption of Stores and Spare parts	**385.50**	380.33
(b)	Power and Fuel	**284.60**	321.14
(c)	Rent	**3,456.65**	3,884.78
(d)	Repairs to Buildings	**98.90**	132.65
(e)	Repairs to Plant and Machinery	**502.99**	511.22
(f)	Insurance charges	**484.77**	339.70
(g)	Rates and Taxes	**178.22**	122.10
(h)	Travelling and Conveyance	**3,853.58**	4,013.08
(i)	Payment to Auditors [Refer Note 34(A)]	**389.53**	372.11
(j)	Legal and Professional charges	**2,187.06**	3,003.94
(k)	Bad and Doubtful Debts / Advances	**758.08**	3,369.83
(l)	Loss on Sale of Fixed Assets (Net)	**118.74**	11.17
(m)	Corporate Social Responsibility (CSR) [Refer Note 34(B)]	**844.83**	957.19
(n)	Provision / loss on settlements	**2,058.38**	Nil
(o)	Outside Service charges	**5,389.84**	4,064.95
(p)	Clearing charges	**4,228.34**	3,952.06
(q)	Forwarding charges (Net)	**7,240.55**	5,309.88
(r)	Commission other than to Sole Selling Agents, Rebates and Allowances	**364.39**	227.36
(s)	Advertising	**6,484.36**	4,752.65
(t)	Stationery, Postage, Fax and Telephone Expenses	**1,438.62**	1,417.85
(u)	Other general expenses	**10,431.52**	9,605.79
		51,179.45	46,749.78

34. (A)Auditor's Remuneration

		₹ in Lakhs	2015-16 ₹ in Lakhs
(a)	To statutory auditor for		
	(i) Audit Fees	**146.50**	146.50
	(ii) Tax Audit Fees	**30.00**	30.00
	(iii) Taxation Matters	**15.00**	11.00
	(iv) Other Services	**180.67**	168.92
	(v) Reimbursement of Expenses	**11.52**	10.01
(b)	To Secretarial Auditor for secretarial audit	**1.50**	1.50
(c)	To Cost Auditor for cost audit	**4.34**	4.18
		389.53	372.11

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

34. (B) Corporate Social Responsibility (CSR) expenses

		₹ in Lakhs	2015-16 ₹ in Lakhs
(a)	Gross amount required to be spent by the Company during the year		
	Construction / acquisition of any asset	**Nil**	Nil
	Others	**837.27**	696.86
		837.27	696.86
(b)	Amount actually spent on CSR activities in cash		
	Construction / acquisition of any asset	**Nil**	Nil
	Others	**844.83**	957.19
		844.83	957.19
(c)	Amount yet to be spent in cash during the year (if any)		
	Construction / acquisition of any asset	**Nil**	Nil
	Others	**Nil**	4.34
		Nil	4.34

35. Exceptional Items

		₹ in Lakhs	2015-16 ₹ in Lakhs
(A)	**Exceptional Income**		
	- Profit on Sale of Property	**110.09**	3,295.02
	Less :		
(B)	**Exceptional Expenses**		
	- Impairment in value of Investments	**710.70**	1,543.14
	- Reversal of Provision for Contingencies	**Nil**	(350.00)
Exceptional Items (net)		**(600.61)**	2,101.88

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

36. Reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in Statement of Profit and Loss is as follows:

	₹ in Lakhs	2015-16 ₹ in Lakhs
Profit from continuing operations before income tax expense	**65,102.00**	48,794.27
Indian statutory income tax rate	**34.61%**	34.61%
Expected Income-tax expense	**22,531.80**	16,887.70
Effect of adjustments to reconcile the expected tax expense to reported income tax expense:		
Effect of exempt income	**(2,700.96)**	(3,034.16)
Effect on non-deductible expenses	**900.15**	933.83
Effect of income which is taxed at special rates	**(3,149.83)**	(1,171.67)
Adjustments in respect of current income tax of previous year	**(1,433.49)**	(20.10)
Others (net)	**335.74**	263.86
	16,483.41	13,859.46

37. Earnings per Share has been computed as under :

		₹ in Lakhs	2015-16 ₹ in Lakhs
(a)	Net profit after tax for the year - (₹ in lakhs)	**48,618.59**	34,934.81
(b)	Weighted average number of Equity Shares Outstanding	**33,08,84,740**	33,08,84,740
(c)	Earnings Per Share (₹) - Basic and Diluted (Face value ₹ 1/- per share)	**14.69**	10.56

38. (A) Capital Commitments

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Property, plant and equipment	**1,243.82**	613.12	3,878.77
Intangible assets	**218.26**	105.64	31.90
Less: Advance paid against such contracts	**602.72**	203.44	752.83
Capital commitments net of advance	**859.36**	515.32	3,157.84
(b) In respect of guarantees 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 Property, plant and equipment, trade receivables and inventories.	**1,28,900.32**	1,01,705.26	97,542.09

(B) Contingent liabilities

(a) Guarantees on behalf of other companies :

	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Limits (Fund and Non Fund based)	**62,621.25**	30,554.80	23,782.26
Against which outstanding balance	**43,259.08**	16,527.90	19,648.87

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

			As at 31-3-2016	As at 1-4-2015
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
	Taxes, Cess and Duties (other than Income Tax)	**16,234.55**	16,700.61	16,613.91
	Contractual matters in the course of business	**2,704.24**	2,584.95	2,512.95
	Others including guarantees for terminated contract	**30,114.41**	30,781.22	295.51
(i)	Total	**49,053.20**	50,066.78	19,422.37
(ii)	Net of taxes balance	**32,511.91**	32,738.67	12,700.29
(iii)	Against which provision has been made for contingencies	**2,356.55**	2,116.70	2,200.23
(iv)	Claims against which the Company has right to recover from third parties	**224.32**	224.32	1,963.37
(c)	Income-tax demands :			
	- In respect of matters decided in Company's favour by appellate authorities where the department is in further appeal	**1,420.62**	2,622.91	2,752.43

(d) Except for matters included in the estimate above, the Company is unable to reasonably estimate a range of possible loss for certain proceedings or disputes, including where:

(i) plaintiffs / parties have not claimed an amount of money damages, unless Management can otherwise determine an appropriate amount;

(ii) the proceedings are in early stages;

(iii) there is uncertainty as to the outcome of pending appeals, matters under arbitration or negotiations;

(iv) there are significant factual issues to be resolved; and / or there are legal issues presented

Based on currently available information, the outcomes of the above matters will not have a materially adverse effect on the Company's financial statements, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period. Accordingly, an estimate of the timings of cash flows, if any, in respect of the above is not available.

39. Employee Benefit Plans

(a) In accordance with Indian Law or based on Gratuity Scheme, the Company provides for the lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. Certain overseas branch of the Company also provide for retirement benefit plan in accordance with the local laws.

(b) The most recent acturial valuation of plan assets and the present values of the defined benefit obligations were carried out as at 31st March, 2017. The present value of the defined benefit obligation and the related current service costs and past service cost, are measured using the projected unit credit method.

(c) These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. Indian Assured Lives Mortality (2006-08) Ultimate has been used to derive the liability. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of the plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31st March, 2017 by Mr. D. K. Pandit, Fellow of the Institute of Actuaries of India and Partner of M/s K. A. Pandit, Consultants and Actuaries.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

Net cost of retirement benefits included in employee costs (contd.)

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
		2015-16		2015-16		2015-16		2015-16
	₹ in Lakhs	₹ in Lakhs	**₹ in Lakhs**	₹ in Lakhs	**₹ in Lakhs**	₹ in Lakhs	**₹ in Lakhs**	₹ in Lakhs
Current service cost	**332.03**	309.15	**741.23**	764.01	**183.15**	172.95	**53.96**	47.65
Net interest expense	**29.62**	(0.46)	**136.91**	153.76	**229.95**	211.81	**86.88**	78.00
Components of defined benefit costs recognised in profit or loss	**361.65**	308.69	**878.14**	917.77	**413.10**	384.76	**140.84**	125.65
Remeasurement on the net defined benefit liability:								
Return on plan assets	**(255.53)**	6.94	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil
Actuarial (gains) / losses arising from changes in financial assumptions	**313.13**	(59.26)	**Nil**	47.20	**198.67**	(25.57)	**268.40**	(6.12)
Actuarial (gains) / losses arising from experience adjustments	**(154.60)**	**270.25**	**(266.49)**	**(27.88)**	**170.17**	**2.48**	**(37.09)**	**47.97**
Components of defined benefit costs recognised in other comprehensive income	**(97.00)**	217.93	**(266.49)**	19.32	**368.84**	(23.09)	**231.31**	41.85
	264.65	526.62	**611.65**	937.09	**781.94**	361.67	**372.15**	167.50
Change in benefit obligation								
Opening defined benefit obligation	**5,639.10**	5,276.88	**3,475.25**	2,872.01	**2,852.93**	2,647.58	**1,080.54**	975.00
Current service cost	**332.03**	309.15	**741.23**	764.01	**183.15**	172.95	**53.96**	47.65
Interest cost	**454.51**	422.15	**136.91**	153.76	**229.95**	211.81	**86.88**	78.00
Remeasurement (gains) / losses:								
Actuarial gains and losses arising from changes in financial assumptions	**313.13**	(59.26)	**Nil**	47.20	**198.67**	(25.57)	**268.40**	(6.12)
Actuarial gains and losses arising from experience adjustments	**(154.60)**	270.25	**(266.49)**	(27.88)	**170.17**	2.48	**(37.09)**	47.97
Liabilities assumed on account of transfer in	**27.30**	Nil	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil
Exchange differences on foreign plans	**Nil**	Nil	**(80.05)**	270.00	**Nil**	Nil	**Nil**	Nil
Benefits paid	**(600.24)**	(580.07)	**(549.67)**	(603.85)	**(169.06)**	(156.32)	**(51.17)**	(61.96)
Closing defined benefit obligation	**6,011.23**	5,639.10	**3,457.18**	3,475.25	**3,465.81**	2,852.93	**1,401.52**	1,080.54
Change in plan assets								
Opening fair value of plan assets	**5,271.57**	4,617.58						
Interest income	**424.89**	422.61						
Remeasurement (gains) / losses:								
Return on plan assets	**255.53**	(6.94)						
Contributions from the employer	**423.56**	818.38						
Benefits paid	**(600.25)**	(580.06)						
Closing fair value of plan assets	**5,775.30**	5,271.57						

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	Gratuity funded			Gratuity unfunded			Pension			Post retirement medical benefits		
	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs	**₹ in Lakhs**	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs	**₹ in Lakhs**	As at 31-3-2016 ₹ in Lakhs	As at 1-4- 2015 ₹ in Lakhs	**₹ in Lakhs**	As at 31-3-2016 ₹ in Lakhs	As at 1-4- 2015 ₹ in Lakhs
Present value of funded defined benefit obligation	**(6,011.23)**	(5,639.10)	(5,276.88)	**(3,457.18)**	(3,475.25)	(2,872.01)	**(3,465.81)**	(2,852.93)	(2,647.58)	**(1,401.52)**	(1,080.54)	(975.00)
Fair value of plan assets	**5,775.30**	5,271.57	4,617.58	**Nil**	Nil	Nil	**Nil**	Nil	Nil	**Nil**	Nil	Nil
Net (liability) / asset arising from defined benefit obligation	**(235.93)**	(367.53)	(659.30)	**(3,457.18)**	(3,475.25)	(2,872.01)	**(3,465.81)**	(2,852.93)	(2,647.58)	**(1,401.52)**	(1,080.54)	(975.00)

The fair value of the plan assets at the end of the reporting period for each category, are as follows.

Category of investments:	Gratuity funded		
	₹ in Lakhs	As at 31-3-2016 ₹ in Lakhs	As at 1-4-2015 ₹ in Lakhs
Government of India securities	**2,639.82**	2,281.88	1,065.03
Corporate bonds	**2,715.48**	2,655.81	3,252.78
Special deposit scheme	**115.78**	115.78	115.78
Mutual funds	**88.51**	46.18	Nil
Others (Interest accrued, Balances with banks and plan assets managed by Life Insurance Corporation of India)	**215.71**	171.92	183.99
	5,775.30	5,271.57	4,617.58

	Gratuity funded			Gratuity unfunded			Pension			Post retirement medical benefits		
		As at 31-3-2016	As at 1-4-2015		As at 31-3-2016	As at 1-4-2015		As at 31-3-2016	As at 1-4-2015		As at 31-3-2016	As at 1-4-2015
Discount rate	**7.34%**	8.06%	8.00%	**4.00%**	5.00%	5.25%	**7.34%**	8.06%	8.00%	**7.34%**	8.06%	8.00%
Expected rate of salary increase	**8.00%**	8.00%	8.00%	**4.00%**	5.00%	5.00%	**8.00%**	8.00%	8.00%	**5.00%**	5.00%	5.00%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	Gratuity funded		**Gratuity unfunded**		**Pension**		**Post retirement medical benefits**	
	₹ in Lakhs	2015-16 ₹ in Lakhs	**₹ in Lakhs**	2015-16 ₹ in Lakhs	**₹ in Lakhs**	2015-16 ₹ in Lakhs	**₹ in Lakhs**	2015-16 ₹ in Lakhs
Projected benefit obligations on current assumptions	**6,011.23**	5,639.10	**3,457.18**	3,475.25	**3,465.81**	2,852.93	**1,401.52**	1,080.54
Delta effect of +1% change in rate of discounting	**(419.04)**	(393.10)	**(361.40)**	(372.05)	**(280.27)**	(230.71)	**(30.03)**	(23.22)
Delta effect of -1% change in rate of discounting	**478.43**	448.81	**432.59**	447.36	**325.48**	267.92	**40.44**	31.27
Delta effect of +1% change in rate of salary increase	**474.02**	444.68	**428.08**	442.69	**322.45**	265.43	**32.13**	(24.84)
Delta effect of -1% change in rate of salary increase	**(422.93)**	(396.75)	**(364.61)**	(375.35)	**(282.85)**	(232.83)	**(32.13)**	24.84
Delta effect of +1% change in rate of employee turnover	**(1.92)**	(1.80)	**Nil**	Nil	**N.A.**	N.A.	**(8.35)**	(6.46)
Delta effect of -1% change in rate of employee turnover	**1.80**	1.69	**Nil**	Nil	**N.A.**	N.A.	**7.46**	5.76

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.
There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Expected contribution by the Company to the Gratuity Funded plan during the next financial year is ₹ 900 lakhs.

The defined benefit obligations shall mature after year ended 31st March, 2017 as follows:

	Gratuity funded	**Gratuity unfunded**	**Pension**	**Post retirement medical benefits**
	₹ in Lakhs	**₹ in Lakhs**	**₹ in Lakhs**	**₹ in Lakhs**
2018	659.14	284.49	164.61	56.65
2019	236.92	97.08	251.40	69.36
2020	488.15	148.57	250.41	62.30
2021	337.03	121.81	249.35	56.47
2022	545.81	100.09	248.18	68.90
Thereafter	3,424.65	952.06	1,219.66	407.43

40. Related Party Disclosures

(a) List of Related Parties and Relationships

Party		Relation
A.	Auto Aircon (India) Ltd.	Subsidiary
	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 Qatar W.L.L.	
	Voltas Oman L.L.C.	
	Agro Foods Punjab Ltd. (Under liquidation)	
	Westerwork Engineers Ltd. (Under liquidation)	
B.	Brihat Trading Private Ltd.	Associate
	Naba Diganta Water Management Ltd.	
	Terrot GmbH	
C.	Universal Voltas L.L.C.	Joint Venture
	Olayan Voltas Contracting Company Ltd.	
	Universal Weathermaker Factory L.L.C.	
	Voltas Water Solutions Private Ltd.	
	AVCO Marine S.a.S. (Under liquidation)	
	Agrotech Industries Ltd. (Under closure)	
D.	Tata Sons Ltd. and Subsidiaries of Tata Sons Ltd.	Promoter together with its subsidiary holding more than 20%
E.	Mr. Sanjay Johri - Managing Director	Key Management Personnel
F.	Voltas Limited Provident Fund	Employee Benefit Funds
	Voltas Managerial Staff Provident Fund	
	Voltas Limited Employees' Gratuity Fund	
	Voltas Limited Managerial Staff Gratuity Fund	
	Voltas Limited Employees' Superannuation Scheme	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

40 (b) Related Party Transactions

₹ in Lakhs

Sr. No.	Year	Transactions		Subsidiaries	Associates	Joint Ventures	Promoter	Subsidiaries & Step down Subsidiaries of Promoters	Key Management Personnel	Employee benefit fund	Total
1	**2016-17**	**Purchases of stock-in-trade**	**[Refer 40 (c)(1)]**	**109,472.81**	**NIL**	**NIL**	**NIL**	**85.08**	**NIL**	**NIL**	**109,557.89**
	2015-16			100,028.19	NIL	101.61	NIL	86.04	NIL	NIL	100,215.84
2	**2016-17**	**Sale of Products**	**[Refer 40 (c)(2)]**	**50,618.76**	**NIL**	**0.12**	**18.50**	**4,964.48**	**NIL**	**NIL**	**55,601.86**
	2015-16			54,493.06	0.45	1.00	1.22	4,604.28	NIL	NIL	59,100.01
3	**2016-17**	**Service Income - Other than Management fees**	**[Refer 40 (c)(3)]**	**95.85**	**18.26**	**266.22**	**4.24**	**7,079.76**	**NIL**	**NIL**	**7,464.33**
	2015-16			131.39	3.09	122.97	8.44	7,244.63	NIL	NIL	7,510.52
4	**2016-17**	**Service Income - Management fees**	**[Refer 40 (c)(4)]**	**NIL**	**NIL**	**NIL**	**NIL**	**93.77**	**NIL**	**NIL**	**93.77**
	2015-16			NIL	NIL	NIL	NIL	39.69	NIL	NIL	39.69
5	**2016-17**	**Construction contract (against which billed ₹4,243.25 lakhs; Previous year : ₹ 4,837.28 lakhs)**	**[Refer 40 (c)(5)]**	**NIL**	**NIL**	**NIL**	**1.83**	**2,494.38**	**NIL**	**NIL**	**2,496.21**
	2015-16			NIL	NIL	NIL	11.80	6,174.97	NIL	NIL	6,186.77
6	**2016-17**	**Sale of property, plant and equipment**	**[Refer 40 (c)(6)]**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
	2015-16			58.45	NIL	NIL	NIL	NIL	NIL	NIL	58.45
7	2016-17	**Interest Income**	**[Refer 40 (c)(7)]**	**104.79**	**NIL**	**NIL**	**NIL**	**47.14**	**NIL**	**NIL**	**151.93**
	2015-16			250.00	NIL	NIL	NIL	NIL	NIL	NIL	250.00
8	**2016-17**	**Rental Income**	**[Refer 40 (c)(8)]**	**37.66**	**NIL**	**5.51**	**NIL**	**352.15**	**NIL**	**NIL**	**395.32**
	2015-16			38.60	NIL	3.11	NIL	1,106.55	NIL	NIL	1,148.26
9	**2016-17**	**Dividend Income**	**[Refer 40 (c)(9)]**	**4,928.83**	**NIL**	**NIL**	**NIL**	**15.00**	**NIL**	**NIL**	**4,943.83**
	2015-16			4,852.18	NIL	NIL	NIL	10.00	NIL	NIL	4,862.18
10	**2016-17**	**Deputation Charges received**	**[Refer 40 (c)(10)]**	**206.82**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**206.82**
	2015-16			180.16	NIL	NIL	NIL	NIL	NIL	NIL	180.16
11	**2016-17**	**Commission Received / Receivable**	**[Refer 40 (c)(11)]**	**4,010.49**	**59.83**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**4,070.32**
	2015-16			1,589.18	91.00	NIL	NIL	NIL	NIL	NIL	1,680.18
12	**2016-17**	**Bad and Doubtful Debts / Advances - Reversal (P&L)**	**[Refer 40 (c)(12)]**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
	2015-16			0.98	NIL	NIL	NIL	NIL	NIL	NIL	0.98
13	**2016-17**	**Bad and Doubtful Debts / Advances (P&L)**	**[Refer 40 (c)(13)]**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
	2015-16			2.75	NIL	NIL	NIL	NIL	NIL	NIL	2.75
14	**2016-17**	**Remuneration Paid / Payable**	**[Refer 40 (c)(14)]**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**468.50**	**NIL**	**468.50**
	2015-16			NIL	NIL	NIL	NIL	NIL	389.67	NIL	389.67
15	**2016-17**	**Dividend Paid**	**[Refer 40 (c)(15)]**	**NIL**	**NIL**	**NIL**	**2,291.43**	**NIL**	**NIL**	**NIL**	**2,291.43**
	2015-16			NIL	NIL	NIL	1,982.97	NIL	NIL	NIL	1,982.97

40 (b) Related Party Transactions (contd.)

₹ in Lakhs

Sr. No.	Year	Transactions		Subsidiaries	Associates	Joint Ventures	Promoter	Subsidiaries & Step down Subsidiaries of Promoters	Key Management Personnel	Employee benefit fund	Total
16	**2016-17**	**Consulting Charges paid**	**[Refer 40 (c)(16)]**	**NIL**	**NIL**	**NIL**	**2.86**	**NIL**	**NIL**	**NIL**	**2.86**
	2015-16			NIL	NIL	NIL	13.68	NIL	NIL	NIL	13.68
17	**2016-17**	**Tata Brand Equity**	**[Refer 40 (c)(17)]**	**NIL**	**NIL**	**NIL**	**855.55**	**NIL**	**NIL**	**NIL**	**855.55**
	2015-16			NIL	NIL	NIL	717.43	NIL	NIL	NIL	717.43
18	**2016-17**	**Traning Expenses Paid / Payable**	**[Refer 40 (c)(18)]**	**NIL**	**NIL**	**NIL**	**0.49**	**NIL**	**NIL**	**NIL**	**0.49**
	2015-16			NIL	NIL	NIL	21.89	NIL	NIL	NIL	21.89
19	**2016-17**	**Commission Paid**	**[Refer 40 (c)(19)]**	**NIL**	**NIL**	**NIL**	**NIL**	**9.57**	**NIL**	**NIL**	**9.57**
	2015-16			NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
20	**2016-17**	**Purchase of goods for execution of contracts**	**[Refer 40 (c)(20)]**	**NIL**	**NIL**	**935.88**	**NIL**	**NIL**	**NIL**	**NIL**	**935.88**
	2015-16			NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
21	**2016-17**	**Interest Expenses**	**[Refer 40 (c)(21)]**	**23.92**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**23.92**
	2015-16			26.07	NIL	NIL	NIL	NIL	NIL	NIL	26.07
22	**2016-17**	**Impairment in value of investment**	**[Refer 40 (c)(22)]**	**NIL**	**NIL**	**710.70**	**NIL**	**NIL**	**NIL**	**NIL**	**710.70**
	2015-16			2,744.05	NIL	NIL	NIL	NIL	NIL	NIL	2,744.05
23	**2016-17**	**Write back of Debts and Advances**	**[Refer 40 (c)(23)]**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
	2015-16			NIL	NIL	NIL	NIL	0.80	NIL	NIL	0.80
24	**2016-17**	**Other Expenses- Received/Receivable**	**[Refer 40 (c)(24)]**	**10,048.09**	**NIL**	**381.55**	**22.33**	**37.59**	**NIL**	**NIL**	**10,489.56**
	2015-16			9,248.45	NIL	301.68	NIL	121.29	NIL	NIL	9,671.42
25	**2016-17**	**Other Expenses- Paid/Payable**	**[Refer 40 (c)(25)]**	**1,397.04**	**NIL**	**45.26**	**200.41**	**2,269.92**	**NIL**	**265.75**	**4,178.38**
	2015-16			1,330.14	NIL	0.36	8.17	6,846.19	NIL	209.80	8,394.66
26	**2016-17**	**Purchase of property, plant and equipment**	**[Refer 40 (c)(26)]**	**NIL**	**NIL**	**NIL**	**NIL**	**166.33**	**NIL**	**NIL**	**166.33**
	2015-16			NIL	NIL	NIL	NIL	181.00	NIL	NIL	181.00
27	**2016-17**	**Investments**	**[Refer 40 (c)(27)]**	**NIL**	**NIL**	**125.00**	**NIL**	**NIL**	**NIL**	**NIL**	**125.00**
	2015-16			2,744.05	NIL	59.55	NIL	NIL	NIL	NIL	2,803.60
28	**2016-17**	**Investments in Preference Shares**	**[Refer 40 (c)(28)]**	**6,500.00**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**6,500.00**
	2015-16			NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
29	**2016-17**	**Advance given / to be given against execution of contracts**	**[Refer 40 (c)(29)]**	**610.00**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**610.00**
	2015-16			1,087.10	NIL	NIL	NIL	NIL	NIL	NIL	1,087.10
	2014-15			NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
30	**2016-17**	**Security deposit received**	**[Refer 40 (c)(30)]**	**NIL**	**NIL**	**1.38**	**NIL**	**1,137.42**	**NIL**	**NIL**	**1,138.80**
	2015-16			NIL	NIL	1.38	NIL	1,137.42	NIL	NIL	1,138.80
	2014-15			NIL	NIL	NIL	NIL	1,124.40	NIL	NIL	1,124.40

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

40 (b) Related Party Transactions (contd.)

₹ in Lakhs

Sr. No.	Year	Transactions		Subsidiaries	Associates	Joint Ventures	Promoter	Subsidiaries & Step down Subsidiaries of Promoters	Key Management Personnel	Employee benefit fund	Total
31	**2016-17**	**Write back of provision for Share Application Money**	**[Refer 40 (c)(31)]**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
	2015-16			1,201.89	NIL	NIL	NIL	NIL	NIL	NIL	1,201.89
	2014-15			NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
32	**2016-17**	**Provision for Debts and Advances at year end**	**[Refer 40 (c)(32)]**	**87.68**	**NIL**	**NIL**	**NIL**	**34.69**	**NIL**	**NIL**	**122.37**
	2015-16			87.68	NIL	NIL	NIL	34.69	NIL	NIL	122.37
	2014-15			1,286.83	NIL	NIL	NIL	34.69	NIL	NIL	1,321.52
33	**2016-17**	**Advance Outstanding at year end**	**[Refer 40 (c)(33)]**	**2,833.55**	**NIL**	**9.78**	**4.71**	**5.61**	**NIL**	**NIL**	**2,853.65**
	2015-16			2,229.80	NIL	5.10	NIL	68.59	NIL	NIL	2,303.49
	2014-15			2,119.79	NIL	9.50	NIL	11.37	NIL	NIL	2,140.66
34	**2016-17**	**Advance Share Application Money at year end**	**[Refer 40 (c)(34)]**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
	2015-16			NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	2014-15			2,744.05	NIL	NIL	NIL	NIL	NIL	NIL	2,744.05
35	**2016-17**	**Debit Balance Outstanding at year end**	**[Refer 40 (c)(35)]**	**NIL**	**3.07**	**1,235.94**	**NIL**	**4,381.77**	**NIL**	**NIL**	**5,620.78**
	2015-16			2,118.90	82.79	514.35	3.41	5,063.89	NIL	NIL	7,783.34
	2014-15			2,187.80	189.43	526.53	16.92	5,444.68	NIL	NIL	8,365.36
36	2016-17	**Credit Balance Outstanding at year end**	**[Refer 40 (c)(36)]**	**31,666.28**	**NIL**	**NIL**	**890.16**	**13.38**	**NIL**	**NIL**	**32,569.82**
	2015-16			19,816.73	NIL	255.71	744.76	117.20	NIL	NIL	20,934.40
	2014-15			19,036.73	NIL	269.29	688.89	1,709.36	NIL	NIL	21,704.27
37	2016-17	**Intercorporate Deposits at year end**	**[Refer 40 (c)(37)]**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
	2015-16			2,500.00	NIL	NIL	NIL	NIL	NIL	NIL	2,500.00
	2014-15			2,500.00	NIL	NIL	NIL	NIL	NIL	NIL	2,500.00
38	**2016-17**	**Guarantees Outstanding at year end**	**[Refer 40 (c)(38)]**	**41,297.41**	**NIL**	**1,961.66**	**NIL**	**NIL**	**NIL**	**NIL**	**43,259.07**
	2015-16			13,543.02	NIL	2,984.88	NIL	NIL	NIL	NIL	16,527.90
	2014-15			19,567.38	NIL	81.49	NIL	NIL	NIL	NIL	19,648.87
39	2016-17	**Impairment in value of Investments at year end**	**[Refer 40 (c)(39)]**	**2,761.95**	**NIL**	**710.70**	**NIL**	**NIL**	**NIL**	**NIL**	**3,472.65**
	2015-16			2,761.95	NIL	NIL	NIL	NIL	NIL	NIL	2,761.95
	2014-15			1,218.81	NIL	NIL	NIL	NIL	NIL	NIL	1,218.81
40	**2016-17**	**Unsecured Advances Received**	**[Refer 40 (c)(40)]**	**NIL**	**NIL**	**NIL**	**NIL**	**12.28**	**NIL**	**NIL**	**12.28**
	2015-16			NIL	NIL	NIL	NIL	4.53	NIL	NIL	4.53
	2014-15			NIL	NIL	NIL	NIL	1.84	NIL	NIL	1.84
41	**2016-17**	**Contribution to Employee benefit fund**		**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**1,211.13**	**1,211.13**
	2015-16			NIL	NIL	NIL	NIL	NIL	NIL	1,595.32	1,595.32
	2014-15			NIL	NIL	NIL	NIL	NIL	NIL	1,355.23	1,355.23

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

40. (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 2015-16	Transaction Value 2014-15
1.	**Purchases of stock-in-trade**			
	Universal Comfort Products Ltd.	**1,03,207.69**	88,960.85	
	Rohini Industrial Electricals Ltd.	**Nil**	10,191.07	
2.	**Sale of Products**			
	Universal Comfort Products Ltd.	**50,548.58**	54,303.48	
3.	**Service Income - Other than Management fees**			
	Tata Africa Holdings (SA) (Proprietary) Ltd.	**960.78**	Nil	
	Tata Consultancy Services Ltd.	**2,244.55**	1904.01	
	Tata De Mozambique Limitada	**3,626.13**	5,098.32	
4.	**Service Income - Management fees**			
	Tata Capital Financial Services Ltd.	**93.77**	39.69	
5.	**Construction contract revenue**			
	Tata Consultancy Services Ltd. (against which billed ₹ 4161.98 lakhs; Previous year : ₹ 4371.70 lakhs)	**2,405.81**	5,882.12	
6.	**Sale of property, plant and equipment**			
	Voltas Qatar W.L.L.	**Nil**	57.69	
7.	**Interest Income**			
	Rohini Industrial Electricals Ltd.	**104.79**	250.00	
	Tata International Ltd.	**47.14**	Nil	
8.	**Rental Income**			
	Tata Consultancy Services Ltd.	**159.04**	155.15	
	Tata Teleservices Ltd.	**155.40**	915.49	
9.	**Dividend Income**			
	Voltas Netherlands B.V.	**739.23**	705.88	
	Universal Comfort Products Ltd.	**4,146.30**	4,146.30	
10.	**Deputation Charges received**			
	Universal Comfort Products Ltd.	**206.82**	180.16	
11.	**Commission Received / Receivable**			
	Universal Comfort Products Ltd.	**4,010.49**	1,589.18	
12.	**Bad and Doubtful Debts / Advances - Reversal (P&L)**			
	Saudi Ensas Company for Engineering Services W.L.L.	**Nil**	0.98	
13.	**Bad and Doubtful Debts / Advances (P&L)**			
	Auto Aircon (India) Ltd.	**Nil**	2.75	
14.	**Remuneration Paid / Payable**			
	Mr. Sanjay Johri	**468.50**	389.67	
15.	**Dividend Paid**			
	Tata Sons Ltd.	**2,291.43**	1,982.97	
16.	**Consulting Charges paid**			
	Tata Sons Ltd.	**2.86**	13.68	
17.	**Tata Brand Equity**			
	Tata Sons Ltd.	**855.55**	717.43	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

40. (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 2015-16	Transaction Value 2014-15
18.	**Traning expenses Paid / Payable**			
	Tata Sons Ltd.	**0.49**	21.89	
19.	**Commission Paid**			
	Tata Unistore Ltd. (formerly Tata Industrial Services Ltd.)	**9.57**	Nil	
20.	**Purchase of goods for execution of contracts**			
	Universal Voltas L.L.C.	**935.88**	Nil	
21.	**Interest Expenses**			
	Rohini Industrial Electricals Ltd.	**23.92**	26.07	
22.	**Impairment in value of investment**			
	Olayan Voltas Contracting Company Ltd.	**710.70**	Nil	
	Saudi Ensas Company for Engineering Services W.L.L.	**Nil**	2,744.05	
23.	**Write back of Debts and Advances**			
	Tata AIA Life Insurance Company Ltd.	**Nil**	0.66	
	Tata Securities Ltd.	**Nil**	0.10	
24.	**Other Expenses- Received/Receivable**			
	Voltas Qatar W.L.L.	**9,363.44**	8,821.34	
25.	**Other Expenses- Paid/Payable**			
	Tata Business Support Services Ltd.	**513.15**	Nil	
	Tata Consultancy Services Ltd.	**911.43**	Nil	
	Tata International Metals (UK) Ltd.	**494.70**	Nil	
	Voltas Qatar W.L.L.	**1,301.18**	1,275.88	
	Drive India Enterprise Solutions Ltd.	**Nil**	5,205.49	
26.	**Purchase of property, plant and equipment**			
	Tata Consultancy Services Ltd.	**165.31**	180.95	340.94
27.	**Investments**			
	Voltas Water Solutions Private Ltd.	**125.00**	Nil	38.60
	Saudi Ensas Company for Engineering Services W.L.L.	**Nil**	2,744.05	Nil
28.	**Investments in Preference Shares**			
	Rohini Industrial Electricals Ltd.	**6,500.00**	Nil	Nil
29.	**Advance given / to be given against execution of contracts**			
	Rohini Industrial Electricals Ltd.	**610.00**	1,084.35	Nil
30.	**Security deposit received**			
	Tata Consultancy Services Ltd.	**300.69**	300.69	300.69
	Tata Teleservices Ltd.	**801.58**	801.58	801.58
31.	**Write back of provision for Share Application Money**			
	Saudi Ensas Company for Engineering Services W.L.L.	**Nil**	1,201.89	Nil

40 (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 2015-16	Transaction Value 2014-15
32.	**Provision for Debts and Advances at year end**			
	Auto Aircon (India) Ltd.	**87.68**	87.68	Nil
	Tata Consultancy Services Ltd.	**17.56**	17.56	Nil
	Tata Projects Ltd.	**31.10**	31.10	Nil
	Saudi Ensas Company for Engineering Services W.L.L.	**Nil**	Nil	1201.89
33.	**Advance Outstanding at year end**			
	Rohini Industrial Electricals Ltd.	**1,098.25**	1,142.72	1246.94
	Voltas Qatar W.L.L.	**1,392.52**	924.49	760.59
34.	**Advance Share Application Money at year end**			
	Saudi Ensas Company for Engineering Services W.L.L.	**Nil**	Nil	2744.05
35.	**Debit Balance Outstanding at year end**			
	Tata Consultancy Services Ltd.	**1,497.85**	1,007.96	2,948.94
	Tata De Mozambique Limitada	**2,049.81**	3,771.78	1,945.60
	Universal Voltas L.L.C.	**1,146.95**	Nil	Nil
	Rohini Industrial Electricals Ltd.	**Nil**	1,838.37	1,828.27
36.	**Credit Balance Outstanding at year end**			
	Universal Comfort Products Ltd.	**30,596.80**	15,372.12	18134.12
	Rohini Industrial Electricals Ltd.	**Nil**	3,771.18	Nil
37.	**Intercorporate Deposits at year end**			
	Rohini Industrial Electricals Ltd.	**Nil**	2,500.00	2500.00
38.	**Guarantees Outstanding at year end**			
	Rohini Industrial Electricals Ltd.	**6,667.41**	13,470.70	19,474.77
	Voltas Netherlands B.V.	**34,630.00**	Nil	Nil
	Olayan Voltas Contracting Company Ltd.	**Nil**	2,984.88	Nil
39.	**Impairment in value of Investments at year end**			
	Saudi Ensas Company for Engineering Services W.L.L.	**2,761.95**	2,761.95	1218.81
	Olayan Voltas Contracting Company Ltd.	**710.70**	Nil	Nil
40.	**Unsecured Advances Received**			
	Tata Teleservices Ltd.	**10.94**	Nil	1.10
	Tata AIA Life Insurance Company Ltd.	**Nil**	0.55	0.69
	Tata Consultancy Services Ltd.	**Nil**	3.92	Nil

40. (d) Compensation to Key Management Personnel

The remuneration of Key Management Personnel during the year was as follows:

			2015-16
		₹ in Lakhs	₹ in Lakhs
1	Short term benefits	**447.12**	370.23
2	Post employment benefits (Provident fund and Superannuation)	**21.38**	19.44

Footnote :

The remuneration of key management personnel is determined by the Nomination and Remuneration Committee having regard to the performance of individuals and market trends. The same excludes gratuity and compensated absence.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

41. Research and Development Expenditure

		₹ in Lakhs	2015-16 ₹ in Lakhs
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centers (eligible for weighted deduction)			
(1)	**Revenue**	**341.11**	322.21
	UPBG	**95.73**	114.99
	EM&RBG	**245.38**	207.22
(2)	**Capital Expenditure**	**3.95**	Nil
	UPBG	**3.17**	Nil
	EM&RBG	**0.78**	Nil
Other R&D Expenditure			
(1)	**Revenue**	**110.06**	111.51
	UPBG	**51.57**	65.08
	EM&RBG	**58.49**	46.43
(2)	**Capital Expenditure**	**Nil**	6.31
	UPBG	**Nil**	Nil
	EM&RBG	**Nil**	6.31
Total R&D Expenditure			
(1)	**Revenue**	**451.17**	433.72
	UPBG	**147.30**	180.07
	EM&RBG	**303.87**	253.65
(2)	**Capital Expenditure**	**3.95**	6.31
	UPBG	**3.17**	Nil
	EM&RBG	**0.78**	6.31

The approval is effective from 1st April,2012. The eligible R&D revenue expenditure is ₹ 341.11 lakhs and ₹ 322.21 lakhs for the year ended 31st March, 2017 and 31st March, 2016 respectively. The eligible R&D capital expenditure is ₹ 3.95 lakhs and ₹ Nil for the year ended 31st March, 2017 and 31st March, 2016 respectively.

42. Financial Instruments and Risk Management

A. Financial instruments by category:

		₹ in Lakhs			As at 31-3- 2016 ₹ in Lakhs			As at 1-4-2015 ₹ in Lakhs	
	FVTPL	**FVTOCI**	**Amortised cost**	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets									
Investments									
- Equity instruments (other than Subsidiaries, Joint Ventures and Associates)	**Nil**	**44,833.58**	**Nil**	Nil	36,167.29	Nil	Nil	39,386.60	Nil
- Preference shares	**300.00**	**Nil**	**8,244.16**	Nil	Nil	4,285.55	Nil	Nil	3,896.00
- Bonds and debentures	**Nil**	**Nil**	**7,991.95**	Nil	Nil	2,997.21	Nil	Nil	3,002.46
- Mutual funds	**1,67,800.95**	**Nil**	**Nil**	1,47,485.90	Nil	Nil	1,02,722.90	Nil	Nil
Loans	**Nil**	**Nil**	**224.94**	Nil	Nil	2,760.59	Nil	Nil	2,777.22
Trade receivables	**Nil**	**Nil**	**1,18,796.82**	Nil	Nil	1,05,762.46	Nil	Nil	1,17,457.75
Other financial assets	**Nil**	**Nil**	**10,137.76**	Nil	Nil	11,730.71	Nil	Nil	11,739.74
Cash and bank balances	**Nil**	**Nil**	**21,362.01**	Nil	Nil	13,202.93	Nil	Nil	14,812.71
	1,68,100.95	**44,833.58**	**1,66,757.64**	1,47,485.90	36,167.29	1,40,739.45	1,02,722.90	39,386.61	1,53,685.88
Financial liabilities									
Borrowings	**Nil**	**Nil**	**6,908.10**	Nil	Nil	11,948.50	Nil	Nil	5,305.82
Trade payables	**Nil**	**Nil**	**1,79,214.53**	Nil	Nil	143,102.98	Nil	Nil	1,47,471.15
Other financial liabilities	**163.60**	**Nil**	**5,022.28**	Nil	Nil	5,053.81	Nil	Nil	5,129.07
	163.60	**Nil**	**1,91,144.91**	Nil	Nil	1,60,105.29	Nil	Nil	1,57,906.04

Abbreviations :
FVTPL : Fair Value Through Profit or Loss FVTOCI : Fair Value Through Others Comprehensive Income.

B. Financial value measurements:

This note provides information about how the Group determines fair values of various financial assets and financial liabilities. that are measured at fair value on a recurring basis.

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique (s) and inputs used).

No.	Financial assets / financial liabilities	Fair value as at			Fair value hierarchy	Valuation technique (s) and key input (s)
		₹ in Lakhs	31-3- 2016 ₹ in Lakhs	1-4-2015 ₹ in Lakhs		
1	Net foreign currency forward contracts -Liabilities	**163.60**	Nil	Nil	Level 2	Future cash flows are estimated based on forward exchange rates (observable forward exchange rates at the end of reporting period) and contract forward rates discounted at a rate that reflects the credit risk of various counterparties
2	Investment in equity instruments at FVTOCI (quoted) [Aggregate fair values of listed equity securities in various companies belonging textile machinery and chemicals industry domiciled in India]	**25,657.85**	20,759.38	23,845.37	Level 1	Quoted bid prices in an active market (Refer footnote1)
3	Investments in Mutual funds at FVTPL	**1,67,800.95**	1,47,485.90	1,02,722.90	Level 1	Quoted bid prices and NAV in an active market
4	Redeemable preference shares	**300.00**	Nil	Nil	Level 2	Observable price of securities based on transactions undertaken recently
5	Investments in equity instruments at FVTOCI (unquoted)	**16,534.61**	12,766.79	12,900.11	Level 3	Market multiple approach for estimating the fair value of unquoted investments Market multiple EV/EBITVA are used after applying suitable discounts for size, liquidity and other company specific discounts (Refer footnote 1)

Footnotes:

(1) These investments in equity investments are not held for trading, Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the Directors believe that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

(2) There were no transfers between Level 1 and 2 during the period.

(3) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair value since the Company does not anticipate that the carrying amount would be significantly different from the value of that would eventually be received or settled.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

C. Reconciliation of level 3 fair value measurement

The following table presents the changes in level 3 items for the years ended 31st March, 2017 and 31st March, 2016:

	₹ in Lakhs
Opening balance as at 1st April, 2015	12,900.11
Less: Sale of equity shares	(1,203.94)
Add: Fair valuation gains recognised in OCI	1,070.62
Closing balance as at 31st March, 2016	12,766.79
Add: Fair valuation gains recognised in OCI	3,767.82
Closing balance as at 31st March, 2017	**16,534.61**

43. Aggregation of expenses disclosed in consumption of materials, cost of jobs and services, salaries and wages and other expenses in respect of specific items is as follows (Refer Note 31 and 34) :

	Nature of expenses	Grouped under			
		Consumption of materials, cost of jobs and services	**Salaries and wages**	**Other expenses**	**Total**
		₹ in Lakhs	**₹ in Lakhs**	**₹ in Lakhs**	**₹ in Lakhs**
1	Rent	**38.95**	**Nil**	**3,456.65**	**3,495.60**
2	Salaries and Wages, including Bonus	**2,621.97**	**36,418.03**	**Nil**	**39,040.00**
3	Power and Fuel	**43.91**	**Nil**	**284.60**	**328.51**
4	Insurance charges	**159.98**	**Nil**	**484.77**	**644.75**
5	Travelling and Conveyance	**99.32**	**Nil**	**3,853.58**	**3,952.90**
6	Stationery, Postage, Fax and Telephone Expenses	**27.14**	**Nil**	**1,438.62**	**1,465.76**
7	Legal and Professional charges	**20.74**	**Nil**	**2,187.06**	**2,207.80**
8	Clearing charges	**103.68**	**Nil**	**11,468.89**	**11,572.57**
9	Outside Service charges	**6,942.63**	**Nil**	**5,389.84**	**12,332.47**
10	Repairs to Plant and Machinery	**1.03**	**Nil**	**502.99**	**504.02**
11	Other general expenses	**426.17**	**Nil**	**10,431.52**	**10,857.69**

	Nature of expenses	2015-16 Grouped under			
		Consumption of materials, cost of jobs and services	Salaries and wages	Other expenses	Total
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
1	Rent	28.64	Nil	3,884.78	3,913.42
2	Salaries and Wages, including Bonus	1,859.91	36,956.15	Nil	38,816.06
3	Power and Fuel	24.87	Nil	321.14	346.01
4	Insurance charges	220.27	Nil	339.70	559.97
5	Travelling and Conveyance	145.66	Nil	4,013.08	4,158.74
6	Stationery, Postage, Fax and Telephone Expenses	26.67	Nil	1,417.85	1,444.52
7	Legal and Professional charges	17.78	Nil	3,003.94	3,021.72
8	Clearing charges	30.65	Nil	3,952.06	3,982.71
9	Outside Service charges	9,982.08	Nil	4,064.95	14,047.03
10	Repairs to Plant and Machinery	0.81	Nil	511.22	512.03
11	Other general expenses	509.65	Nil	9,605.79	10,115.44

44. Finance Risk Management Objectives

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables. The Company is exposed to Credit risk, Liquidity risk and Market risk. The Board of Directors ('Board') oversee the Management of these financial risks through its Risk Management Committee. The Risk Management Policy of the Company formulated by the Risk Management Committee and approved by the Board, states the Company's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's Management, the structure for managing risks and the framework for Risk Management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

(i) Credit risk management:

Credit risk refers to the risk of a financial loss arising from a counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default, the risk of deterioration of creditworthiness as well as concentration of risks.

The major exposure to credit risk at the reporting date is primarily from trade receivables. Trade receivables (typically unsecured) consists of a large number of customers, spread across diverse industries and geographical areas. Credit risk is controlled by analysing credit limits and creditworthiness on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

The concentration of credit risk is limited due to the fact that the customer base is large. There is no customer representing more than 5% of the total balance of trade receivables. More than 75% of the trade receivables are concentrated in India. The credit risk on liquid funds, bank balances, deposits with banks and derivative financial instruments is limited because the counterparties are banks and fund houses with high credit-ratings assigned by credit-rating agencies.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks. For details refer Note 38B - Contingent liabilities.

(ii) Liquidity risk management:

Liquidity risk refers to the risk that the Company cannot meets its financial obligations. The objective of the liquidity risk management is to maintain sufficient liquidity and ensure that the funds are available for use as per the requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

Maturities of financial liabilities:

The table below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months is equal to their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	**Less than 1 year ₹ in Lakhs**	**1-2 years ₹ in Lakhs**	**2-4 years ₹ in Lakhs**	**4-7 years ₹ in Lakhs**	**Beyond 7 years ₹ in Lakhs**	**Total ₹ in Lakhs**
Non-derivatives						
Borrowings	6,908.10	Nil	Nil	Nil	Nil	**6,908.10**
Trade payables	1,76,521.18	2,693.35	Nil	Nil	Nil	**1,79,214.53**
Other financial liabilities	5,022.28	Nil	Nil	Nil	Nil	**5,022.28**
Non-derivative liabilities	**1,88,451.56**	**2,693.35**	**Nil**	**Nil**	**Nil**	**1,91,144.91**
Derivatives (net settled)	Nil	Nil	Nil	Nil	Nil	**Nil**
Foreign exchange forward contracts	163.60	Nil	Nil	Nil	Nil	**163.60**
Total derivative liabilities	**163.60**	**Nil**	**Nil**	**Nil**	**Nil**	**163.60**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

Contractual maturities of financial liabilities (31st March, 2016)	Less than 1 year ₹ in Lakhs	1-2 years ₹ in Lakhs	2-4 years ₹ in Lakhs	4-7 years ₹ in Lakhs	Beyond 7 years ₹ in Lakhs	Total ₹ in Lakhs
Non-derivatives						
Borrowings	11,948.50	Nil	Nil	Nil	Nil	11,948.50
Trade payables	1,40,548.62	2,554.36	Nil	Nil	Nil	1,43,102.98
Other financial liabilities	5,053.81	Nil	Nil	Nil	Nil	5,053.81
Total non-derivative liabilities	1,57,550.93	2,554.36	Nil	Nil	Nil	1,60,105.29
Derivatives (net settled)	Nil	Nil	Nil	Nil	Nil	Nil
Foreign exchange forward contracts	Nil	Nil	Nil	Nil	Nil	Nil
Total derivative liabilities	Nil	Nil	Nil	Nil	Nil	Nil

Contractual maturities of financial liabilities (1st April, 2015)	Less than 1 year ₹ in Lakhs	1-2 years ₹ in Lakhs	2-4 years ₹ in Lakhs	4-7 years ₹ in Lakhs	Beyond 7 years ₹ in Lakhs	Total ₹ in Lakhs
Non-derivatives						
Borrowings	5,305.82	Nil	Nil	Nil	Nil	5,305.82
Trade payables	1,45,641.44	1,829.71	Nil	Nil	Nil	1,47,471.15
Other financial liabilities	5,129.07	Nil	Nil	Nil	Nil	5,129.07
Total non-derivative liabilities	1,56,076.33	1,829.71	Nil	Nil	Nil	1,57,906.04
Derivatives (net settled)	Nil	Nil	Nil	Nil	Nil	Nil
Foreign exchange forward contracts	Nil	Nil	Nil	Nil	Nil	Nil
Total derivative liabilities	Nil	Nil	Nil	Nil	Nil	Nil

(iii) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

(a) Foreign currency risk:

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities including overseas branches at the end of the reporting period are as follows.

Currency		**Liabilities**			**Assets**	
		As at 31-3-2016	As at 1-4-2015		As at 31-3-2016	As at 1-4-2015
	₹ in lakhs	₹ in lakhs	₹ in lakhs	**₹ in lakhs**	₹ in lakhs	₹ in lakhs
AED	**28,720.60**	35,452.53	40,893.30	**43,365.34**	39,668.93	45,998.95
BHD	**469.60**	534.10	512.95	**1,248.59**	1,404.51	1,373.73
MUR	**15.90**	47.85	42.64	**214.11**	244.33	241.76
EUR	**Nil**	Nil	534.27	**318.39**	157.02	Nil
JPY	**Nil**	Nil	Nil	**44.83**	19.65	17.36
GBP	**882.96**	3.36	65.34	**Nil**	Nil	Nil
SGD	**1,721.72**	2,675.68	3,490.19	**2,194.48**	3,767.67	4,054.63
USD	**10,816.39**	5,320.29	9,850.96	**Nil**	Nil	Nil
QAR	**25,449.30**	26,007.08	27,166.83	**23,747.69**	23,034.72	30,903.89
CHF	**Nil**	Nil	Nil	**Nil**	82.49	Nil

The following table details the forward foreign currency (FC) contracts outstanding at the end of the reporting period:

	Average exchange rate (in Rupee)			Foreign currency (In Milliions)			Nominal amounts (₹ In Lakhs)			Fair value assets (liabilities) (₹ in Lakhs)		
		31-3-2016	1-4- 2015		31-3-2016	1-4- 2015		31-3-2016	1-4- 2015		31-3-2016	1-4- 2015
Outstanding contracts												
Buy currency -USD Less than 3 months	**64.88**	66.35	62.34	**228.56**	Nil	Nil	**14,827.69**	Nil	Nil	**(163.60)**	Nil	Nil

The line-items in the Balance Sheet that include the above hedging instruments are "Other financial assets" and "Other financial liabilities".

At 31st March, 2017, the aggregate amount of losses under forward foreign exchange contracts relating to the exposure on these anticipated future transactions is ₹ 163.60 lakhs (As at 31-3-2016: ₹ Nil; As at 1-4-2015: ₹ Nil).

The Company has entered into contracts to purchase raw materials from overseas suppliers. The Company mainly enters into forward foreign exchange contracts (for terms not exceeding 6 months) to hedge the exchange rate risk arising from these purchases.

Foreign currency sensitivity analysis:

The Company is mainly exposed to the currency of USD, GBP and EUR.

The following table details the Company's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to Key Management Personnel and represents Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only material outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates.

		31-3-2016
	₹ in Lakhs	₹ in Lakhs
Holding all other variables constant, impact on profit before tax	**117.06**	(152.61)

(b) Interest rate risk:

Interest rate risk is the risk that changes in interest rates will affect the Company's income or value of its holdings of financial instruments. The Company's exposure to interest rate risk relates to its bank loan and bank balances. Management believes that risk related to variation in interest rate on the bank loan and bank balances is very minimal.

(c) Other price risk:

The Company is exposed to other price risks arising from quoted equity investments. Some of the Company's equity investments are held for strategic rather than trading purposes.

Exposure:

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the Balance Sheet as fair value through OCI. (Refer Note 7)

Sensitivity:

The table below summarises the impact of increases/decreases of the index on the Company's equity and OCI for the year. The analysis is based on the assumption that the equity index had increased by 5% or decreased by 5% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

	Impact on other components of equity (OCI)	
		31-3-2016
	₹ in Lakhs	₹ in Lakhs
NSE Nifty 50 - increase 5% (2016-5%)	**1,282.88**	1,037.97
NSE Nifty 50 - decrease 5% (2016-5%)	**(1,282.88)**	(1,037.97)

Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as fair value through other comprehensive income.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

There is no market price readily available for unquoted investments. The fair values of these investments are determined based on the valuations obtained from independent valuer and such fair values are dependent on various factors which affect such fair values.

45. Capital Management

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met mainly through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

46. Events occurring after Balance Sheet:

i) The Directors have recommended final dividend of ₹ 11,580.97 lakhs at ₹ 3.50/- per share on equity shares which is subject to the approval of shareholders in the ensuing Annual General Meeting. This dividend and the tax thereon has not been recognised as a liability.

ii) Further, the amount of ₹ 5,000 lakhs is proposed to be transferred to General Reserve which is approved in the Board Meeting subsequent to the year end and thus has not been recognised as transferred during the year.

For and on behalf of the Board

Chairman	**Ishaat Hussain**
Managing Director	**Sanjay Johri**
Directors	**N. N. Tata**
	Nani Javeri
	R. N. Mukhija
	Vinayak Deshpande
	D. Sarangi
	Bahram N. Vakil
	Anjali Bansal
	Usha Sangwan
President - Corporate Affairs & CFO	**Anil George**
Vice President- Taxation, Legal & Company Secretary	**V. P. Malhotra**

Mumbai, 23rd May, 2017

FORM No. AOC-1

Statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]

PART "A": SUBSIDIARIES

	Name of Subsidiary	Universal Comfort Products Limited (UCPL)	Rohini Industrial Electricals Limited (RIEL)	Auto Aircon (India) Limited (AAIL)	Weathermaker Limited (WML)	Saudi Ensas Company for Engineering Services & Trading W.L.L. (Saudi Ensas)	Lalbuksh Voltas Engineering Services & Trading L.L.C. (LALVOL)	Voltas Oman L.L.C. (VOLLC)	Voltas Qatar W.L.L. (VQWLL)	Voltas Netherlands B.V. (VNBV)
1	Date since when subsidiary was acquired	17-6-2008	4-9-2008	6-12-2002	20-1-2006	28-1-2009	31-3-2011	27-3-2011	3-5-2016	31-12-1999
2	Reporting Period	31-3-2017	31-3-2017	31-3-2017	31-3-2017	31-3-2017	31-3-2017	31-3-2017	31-3-2017	31-3-2017
3	(i) Reporting currency	INR	INR	INR	AED	SR	RO	RO	QAR	EURO
	(ii) Exchange rate as on the last date of the relevant financial year	–	–	–	₹ 17.67	₹ 17.31	₹ 168.55	₹ 168.55	₹ 17.82	₹ 69.26
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
4	Capital	2,764.20	182.58	1,130.00	265.05	4,526.57	421.38	842.75	178.20	428.53
5	Reserves & Surplus (Other Equity)	25,403.93	(4,078.05)	(1,214.23)	2,617.29	(4,934.95)	5,894.58	(479.39)	2,337.12	4,699.14
6	Total Assets	48,564.20	10,565.37	34.71	3,590.08	2,564.24	11,612.20	20,717.17	36,921.82	1,187.71
7	Total Liabilities	20,396.07	14,460.84	118.94	707.74	2,972.62	5,296.24	20,353.81	34,406.50	10.74
8	Investments	–	–	–	–	–	–	–	–	3,920.70
9	Turnover (gross) / Total Income	1,40,588.80	5,394.91	–	3,322.22	2,761.18	11,194.00	18,644.33	44,506.07	115.77
10	Profit / (loss) before Taxation	13,375.75	(1,201.75)	(0.08)	570.52	15.48	1,388.15	(720.63)	(66.93)	43.05
11	Provision for Taxation	3,322.10	–	–	–	21.49	168.67	(15.59)	20.29	–
12	Profit / (loss) after Taxation	10,053.65	(1,201.75)	(0.08)	570.52	(6.01)	1,219.48	(705.04)	(87.22)	43.05
13	Proposed Dividend	4,837.35	–	–	353.40	–	547.79	–	–	–
14	% of Shareholding	100%	100%	100%	100%	100%*	60%**	65%***	49%****	100%

* 8% shares held by VNBV   ** 40% shares held by VNBV   *** 65% shares held by VNBV   **** 49% shares held by VNBV

Notes :

1. Foreign currency figures of WML, Saudi Ensas, LALVOL, VOLLC, VQWLL and VNBV have been converted into Indian Rupees on the basis of appropriate exchange rates as on reporting period.
2. Abbreviation for foreign currencies - AED: United Arab Emirates Dirhams; SR: Saudi Riyal; RO: Omani Rial; QAR: Qatari Rial and Euro: European Union Currency.
3. As Voltas Limited controls the composition of the Board of Directors of VQWLL, it is a subsidiary of Voltas.

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Setion 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.	Universal Voltas L.L.C.	Olayan Voltas Contracting Company Limited	Naba Diganta Water Management Limited	Voltas Water Solutions Private Limited	Terrot GmbH	Brihat Trading Private Limited
1	Date on which the Associate/Joint Venture was associated or acquired	29-1-2009	26-8-1981	8-2-2012	17-3-2008	26-4-2014	13-5-2014	21-8-2012
2	Latest Audited Balance Sheet Date	31-3-2017	31-3-2017	31-3-2017	31-3-2017	31-3-2017	31-12-2016	31-3-2017
3	Shares of Associate/Joint Ventures held by the Company on the year end							
	(i) Number	2,695	–	50,000	47,97,000	22,31,500	2,60,900	3,352
	(ii) Amount of Investment in Associates/ Joint Ventures (₹ in lakhs)	298.09	–	710.70	479.70	223.15	156.22	0.34
	(iii) Extent of Holding %	49%	49%*	50%	26%	50%	20.07%	33.21%
4	Description of how there is significant influence	Equity Investment more than 20%						
5	Reason why the Associate/Joint Venture is not consolidated	Not applicable						Dormant Company
6	Networth attributable to Shareholding as per latest Audited Balance Sheet (₹ in lakhs)	339.78	4,691.35	162.76	426.62	5.41	725.03	Not Material
7	Profit / (loss) for the year							
	(i) Considered in Consolidation (₹ in lakhs)	(22.14)	(460.62)	(1,563.20)	70.12	(117.71)	125.75	Not Material
	(ii) Not considered in consolidation (₹ in lakhs)	–	–	–	–	–	–	Not Material

*Share Capital is held by Voltas Netherlands B.V., a wholly owned subsidiary.

For and on behalf of the Board

Chairman	**Ishaat Hussain**
Managing Director	**Sanjay Johri**
Directors	**N. N. Tata**
	R. N. Mukhija
	Vinayak Deshpande
	D. Sarangi
	Bahram N. Vakil
	Anjali Bansal
President - Corporate Affairs & CFO	**Anil George**
Vice President- Taxation, Legal & Company Secretary	**V. P. Malhotra**

Mumbai, 23rd May, 2017

Notes

Notes

VOLTAS

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