VOLTAS

28th August, 2018

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, 2018

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, 2018 for your information and record.

2. The financial statements (stand-alone and consolidated) along with the Directors' Report and Auditors Report (stand-alone and consolidated) for the year ended 31st March, 2018 were approved and adopted by the shareholders of the Company at the 64th Annual General Meeting held on 27th August, 2018.

Thanking you,

Yours faithfully,
VOLTAS LIMITED
Malhotra
(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 India
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

ANNUAL REPORT 2017 - 2018

VOLTAS
A TATA Enterprise
tata150.com

Driving value through Smart Engineering

CELEBRATING 150 YEARS OF THE TATA GROUP

LEADERSHIP WITH TRUST

SINCE 1868

₹ 656,973 CRORE REVENUE

600 MILLION+ CONSUMERS

In a free enterprise,
the community is not just another
stakeholder in business, but is in fact
the very purpose of its existence.
- Jamsetji Tata

695,699 EMPLOYEES

₹ 27,346 CRORE PROFIT AFTER TAX

3.98 MILLION SHAREHOLDERS

150+ COUNTRIES

66% OF PARENT COMPANY TATA SONS' EQUITY SHARE CAPITAL HELD BY PHILANTHROPIC TRUSTS

150 YEARS

The figures are aggregated for Tata companies for the financial year ended 31.03.2017.

From pioneering businesses, to pioneering welfare practices,
to pioneering national institutions,
the Tata Group remains committed to improving the lives of communities
we serve globally, based on leadership with trust.

Picture (left to right): The four partners - Jamsetji Tata, Founder of the Tata Group; R. D. Tata, father of J. R. D. Tata; Sir Ratan Tata, younger son of the Founder; and Sir Dorabji Tata, elder son of the Founder.

tata150.com

MANAGEMENT TEAM

BOARD OF DIRECTORS

Chairman	Noel N. Tata
Managing Director	Pradeep Bakshi
Deputy Managing Director	Anil George
Directors	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 Noel N. Tata Nani Javeri Anjali Bansal

SHAREHOLDERS RELATIONSHIP COMMITTEE

Chairman	Noel N. Tata Bahram N. Vakil

CORPORATE MANAGEMENT

Managing Director	Pradeep Bakshi
Deputy Managing Director	Anil George
Executive Vice Presidents	Salil Kapoor M. Gopi Krishna Jayant Balan Narendren Nair Abhijit Gajendragadkar

SOLICITORS

Messrs Mulla & Mulla and Craigie, Blunt & Caroe

AUDITORS

S R B C & CO L.L.P
Chartered Accountants

BANKERS IN INDIA

State Bank of India
Bank of India
Punjab National Bank
Citibank N. A.
BNP Paribas
ICICI Bank
Axis Bank
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 Abu Dhabi Bank (UAE)
Doha Bank (Qatar)
Credit Agricole Corporate & 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, 27th August, 2018 at 3.00 p.m.
at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020.

BOARD OF DIRECTORS (FY 2017-18)

Sitting from left to right:

Hemant Bhargava, Anil George (Dy. Managing Director), Noel Tata (Chairman), Pradeep Bakshi (Managing Director & CEO) and Anjali Bansal

Standing from left to right:

Bahram Vakil, Nani Javeri, Ram Nath Mukhija, Debendranath Sarangi, Arun Kumar Adhikari and Vinayak Deshpande

CORPORATE MANAGEMENT GROUP

Sitting from left to right:

Pradeep Bakshi (Managing Director & CEO) and Anil George (Dy. Managing Director)

Standing from left to right Executive Vice Presidents:

Abhijit Gajendragadkar (CFO), M. Gopi Krishna (COO-DPG), Salil Kapoor (COO - UPBG), Jayant Balan (COO-IOBG) and Narendren Nair (CHRO)

THEME EXPLAINED

The image of the 'light bulb' has been a longstanding visual metaphor for the moment of brilliance, an innovation that is powerful yet accessible, a solution of amazing simplicity. The use of light bulb as the central theme is an ode to the inspiration that Voltas derives from this revolutionary object. In a memorable 64-year journey fraught with challenging experiences and learnings, the qualities that the light bulb embodies have helped Voltas shine through and emerge as India's largest air conditioning company, and one of the world's premier engineering solutions provider. Today, with all 5 divisions of Voltas working together to deliver perfectly synergized smart solutions, the outcome is truly GLOWING!

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ABOUT VOLTAS

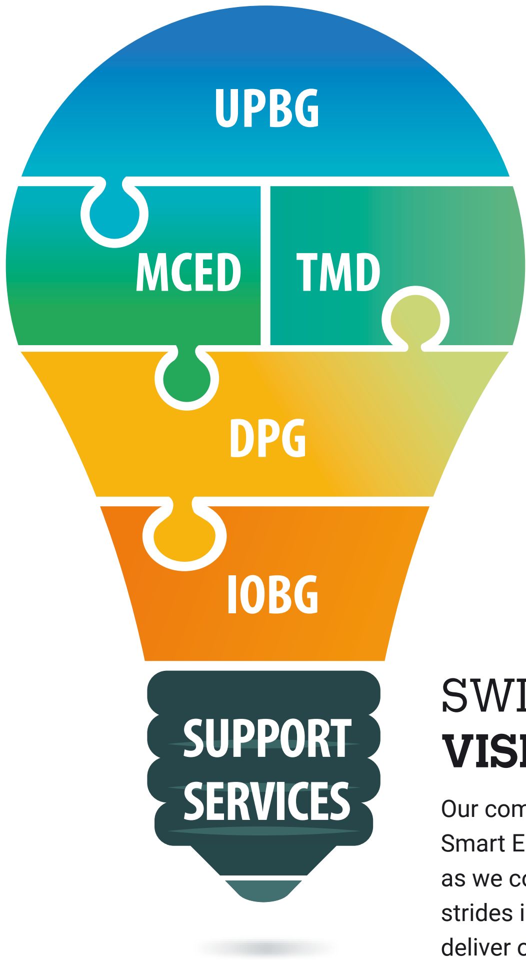
VOLTAS

A TATA Enterprise

Voltas Limited was established in 1954, with a focus on delivering smart, best-in-class business solutions. With over 5,000 employees spread across its head-quarters in India, the Middle East, Singapore and Africa; Voltas is amongst the top 10 companies within the Tata Group. With a commitment of Driving Value through Smart Engineering, the Company's total income for FY 17-18 was ₹6,602 crores with an RoCE of 20%. The Company is regarded as a pioneer and leader in the engineering and air-conditioning segment. Its operations are divided into three independent business clusters - Unitary Cooling Products, Electro-mechanical Projects & Services and Engineering Products & Services.

Voltas is the undisputed market leader, with more than 22% market share in Room Air Conditioners, manufacturing and marketing India's No.1 brand of Air Conditioners, with a substantial lead over numerous multi-national competitors. It also has a lead position in Commercial Refrigeration products and has forayed into Fresh Air Coolers, a new proposition in cooling. The Company is equally recognized for its engineering prowess and is a preferred solution provider cum projects specialist in India, the Middle East, South East Asia, and Africa, undertaking iconic Electro-mechanical Projects. Voltas' India business now includes rural electrification and water treatment projects as well. Voltas is also a sought after business partner by prominent global equipment manufacturers in the Textile and Mining Industry for their Sales and Services requirements. Voltas' engineering products and services span the spectrum from design and sourcing to installation, commissioning, parts supply, training and maintenance of textile machinery and mining and construction equipment.

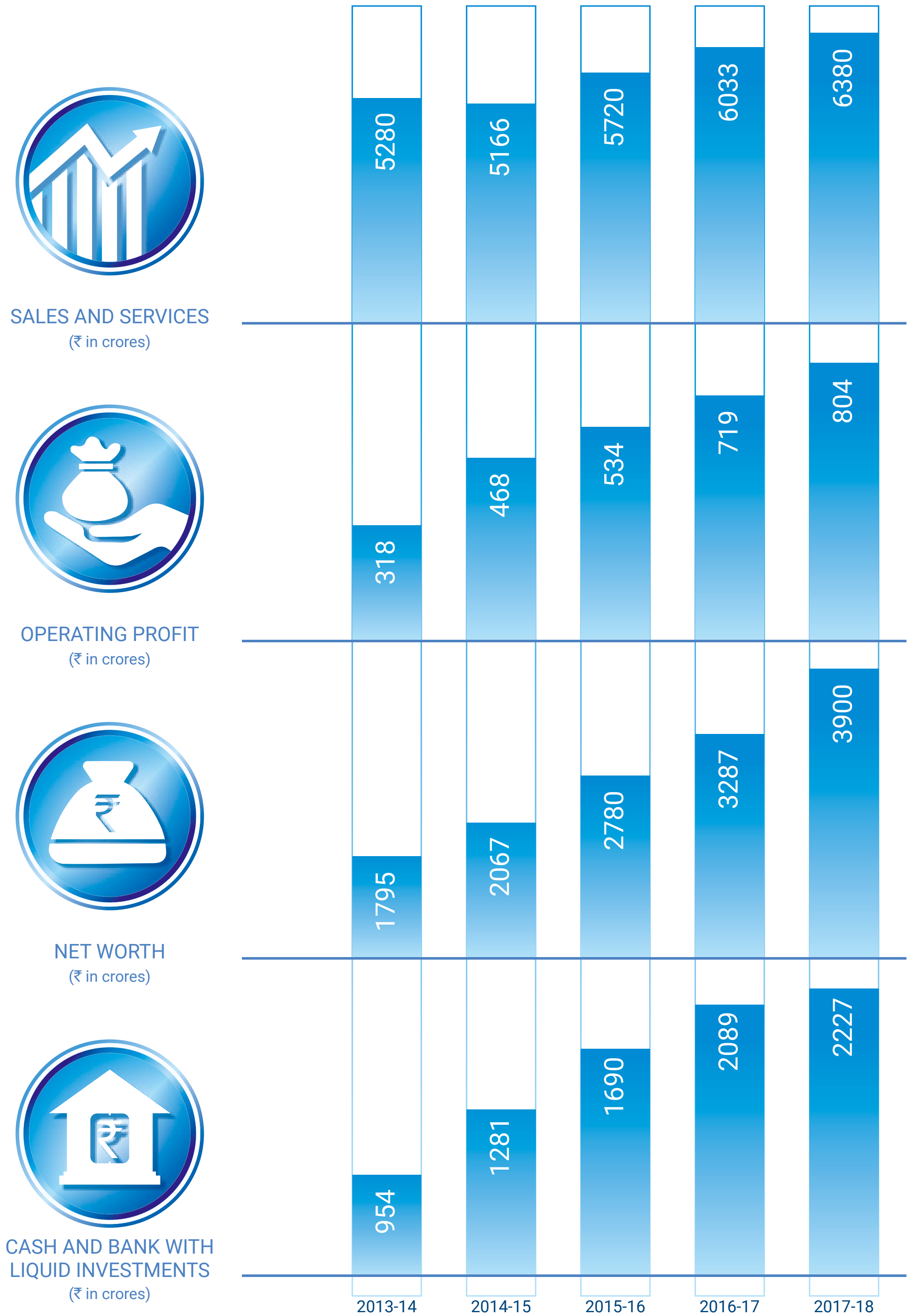
swift practices at VOLTAS



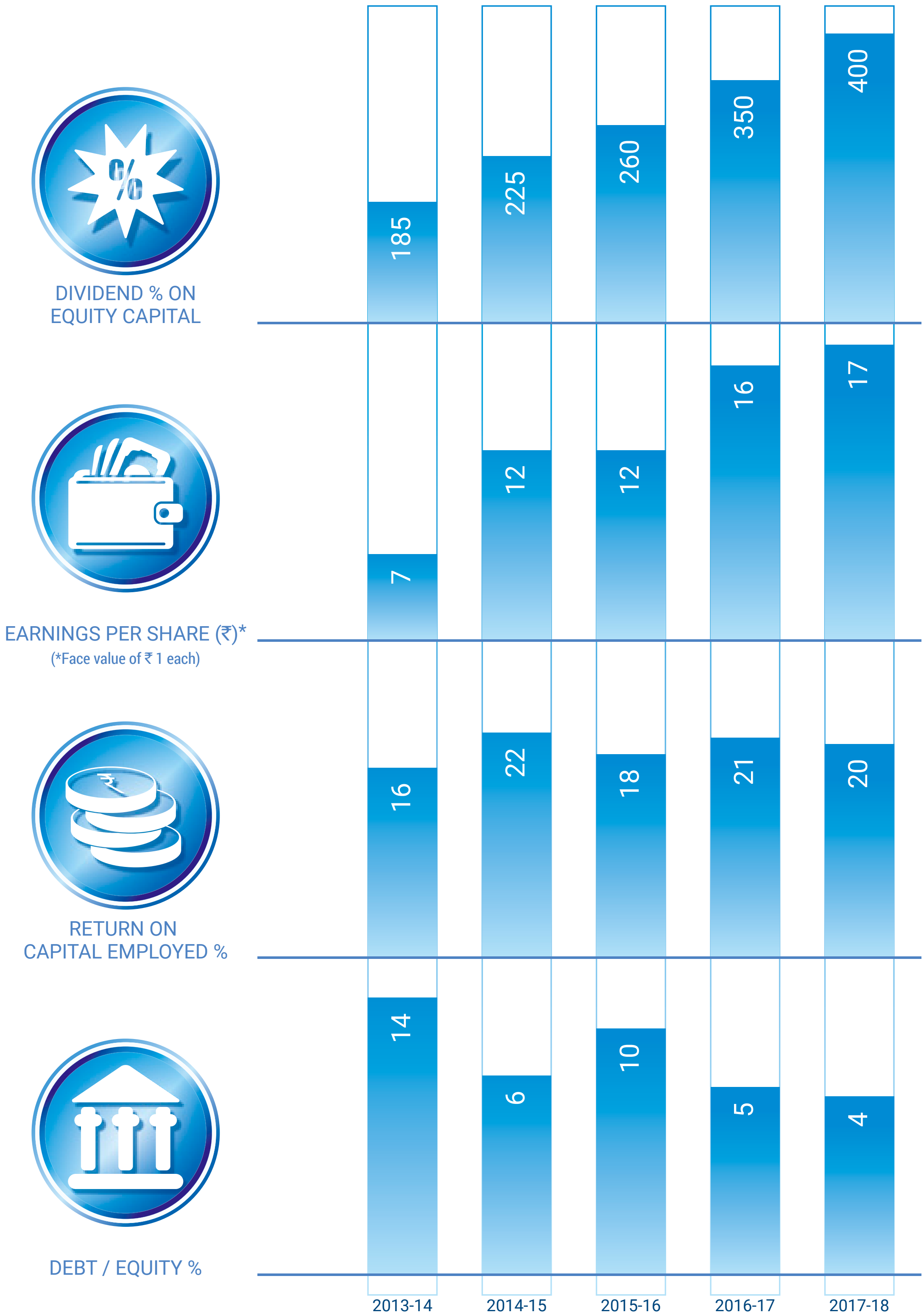
SWIFT AND **VISION 2020**

Our commitment to “drive value through Smart Engineering” is stronger than ever as we continue to make significant strides in all businesses. Helping us deliver on this commitment is SWIFT, the five pillars of Voltas Values: **Smart Thinking, Winning Attitude, Innovation, Flexibility and Teamwork.**

FINANCIAL INDICATORS (CONSOLIDATED)



FINANCIAL INDICATORS (CONSOLIDATED)



UNITARY PRODUCTS BUSINESS GROUP (UPBG)

With annual sales surpassing a landmark 1.5 million units and several breakthroughs across sub-categories (air conditioners, commercial refrigeration, air and water coolers), UPBG has strongly consolidated its position as the name to reckon with in the consumer durables space.

This success is due in no small part to the application of 'SWIFT' practices in everyday functioning of this flagship division. The competitive edge derived from SWIFT has helped the team sharpen focus, accelerate agility and act incisively in an ever-evolving business segment. An undisputed leadership in the AC segment since 2012 is a testament.

FY18 was a disruptive year for our business. Before the industry could recover from Demonetization blues, the uncertainty over GST implementation clouded the sales performance. That apart, the Bureau of Energy Efficiency implemented energy norm changes, towards the end of 2018. Meanwhile certain industry players were resorting to aggressive pricing in order to gain market share and liquidate inventory – increasing the competitive intensity.

Despite these challenges, the business continued to do even better than last year.

ROOM ACs

- No. 1 in the industry with Market Share of more than 22%
- 1st in the industry to introduce and launch Window Inverter ACs
- More than 35 SKUs in the Inverter AC range, which account for more than 40% share of the total Split ACs sold
- Voltas continues to have the largest distribution reach with more than 15,000 touch points across India

UNITARY PRODUCTS BUSINESS GROUP (UPBG)

AIR COOLERS

- Sold more than 200,000 Air Coolers
- Introduced several contemporary designs with smart and sleek features and attractive pricing options
- No. 3 player in the market

COMMERCIAL REFRIGERATION PRODUCTS

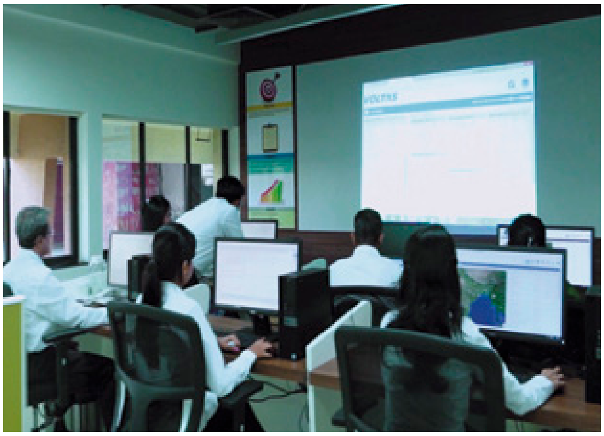
- Continued Market Leadership
- Enhanced portfolio with new range of products such as top glass freezers and curved glass freezers
- Preferred brand for leading chocolate, cola and ice cream manufacturers

VOLTBEK HOME APPLIANCES PRIVATE LIMITED:

In 2017, Voltas Limited and Ardutch B.V. (a subsidiary of Arçelik A.S.; part of the Koç Group – Turkey's largest industrial and services group), agreed to establish a Joint Venture Company (JVC) in India, to enter the consumer durables market. Accordingly, Voltbek Home Appliances Private Limited (Voltbek) was established to engage in the business of White Goods. The JVC will launch refrigerators, washing machines, microwaves and other white goods / domestic appliances. Voltbek will leverage Arçelik's global expertise in setting up a large, modern, state-of-the-art manufacturing unit, quality and R&D labs. Building on its strong brand presence, Voltas will provide support through its country wide sales and distribution network. Beko, the global brand of Arçelik A.Ş., has been one of the fastest growing home appliances brand of Europe. Voltbek has during the past few months taken various actions including identification of land for its manufacturing activities. The complementary strengths of the two partners will help build a sustainable consumer

DOMESTIC PROJECTS GROUP (DPG)

DPG is rapidly making its mark in the fast evolving landscape of modern India by successfully providing societal engineering solutions across infrastructure and service sectors. Applying the principles of SWIFT helps DPG make astute strategic decisions, weigh risks, operate amid challenges and deliver delightful experiences beyond expectations.



Remote Monitoring Centre, Thane

The focus at DPG has always been on applying technology and expertise to engineer smarter, greener, sustainable, better-connected and energy efficient solutions that can make a meaningful difference to lives.

While keeping HVAC (Heating, Ventilation and Air Conditioning) at its core, DPG has strategically focussed on Govt./Govt. funded projects. Under the Electrification thrust, it has been instrumental in electrifying more than 2500 villages across the country as a last mile connector. These projects are driven under the Deen Dayal Upadhyaya Gram Jyoti Yojana – a Central Government funded scheme. The Internet of Things (IoT) controlled remote monitoring system for predictive maintenance now has over 1000 chillers connected across India. This has provided a single window solution to address and resolve customer complaints and ensures uniform service delivery across locations.

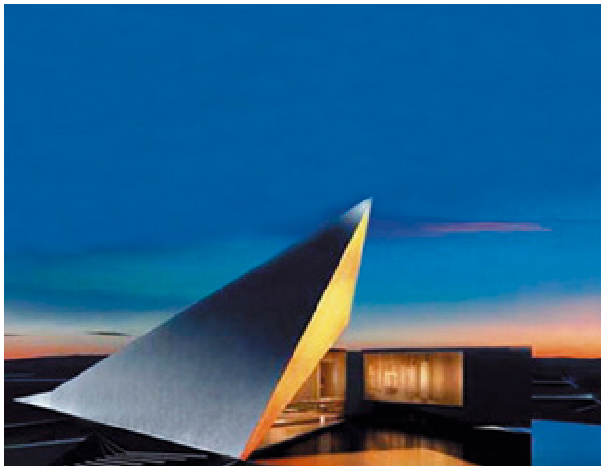
With the Govt. pushing the growth agenda via Flagship Schemes and a capital outlay of more than ₹3.5 lakh crores, opportunities can only increase. Apart from electrical distribution and water treatment solutions, the Company's core area of HVAC involving projects, products and services are expected to benefit.

Paryavaran Bhawan, New Delhi

New Delhi Metro

INTERNATIONAL OPERATIONS BUSINESS GROUP (IOBG)

Having delivered turnkey electro-mechanical solutions and services for several prestigious and complex projects, in more than 35 countries in a span of over 4 decades, IOBG is today the preferred, tier-1 MEP service provider in Middle Eastern countries like UAE, Oman, Bahrain, etc. However, over the past few years, economic slowdown & decline in infrastructure spends, has led to certification and payment delays. Even in these testing times, the team progressed significantly in commercially closing legacy orders and building the order book - newer and stronger projects via steadfast SWIFT practices. Today with the uptick in oil prices & improved investor sentiment, combined with upcoming Mega-Events like the Dubai Expo2020, the team is well poised to reap the benefits of its long established standing as a trusted contractor.



Artist Impression of Oman Museum

New projects booked included amongst others, an additional phase of a mixed-use development, a museum, and stronger entry into specialized areas such as District Cooling Plants and Industrial Projects.

The recent award of Contractor of the Year 2017 in Dubai and in 2018 in Oman was a recognition of the Company's project management capabilities.

Improved oil prices and spend levels are expected to boost growth in construction and allied sectors in the Middle-East. Construction market is expected to witness order finalization in excess of $200 Billion over the next 3-5 years. Also, a good demographic growth will open up sizeable opportunities with increased demand for utilities and social infrastructure. Volatility witnessed in the GCC market in earlier years is expected to tone down going forward, as Governments are pushing to increase the contribution of non-oil economy.

TEXTILE MACHINERY DIVISION (TMD) AND MINING & CONSTRUCTION EQUIPMENT (M&CE)

Voltas' engineering products businesses – TMD and M&CE are strongly linked 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, TMD and M&CE responded with great agility to identify opportunities for growth. The Textile Machinery business expanded itself across the value chain and focussed on building its after sales business and value added services. The mining business looked overseas for openings to tide over the domestic slowdown. Both these businesses laid a new foundation for growth and success firmly grounded on the principles of SWIFT.

The Textile Machinery business has had a tough FY18. The lingering and prolonged effects of Demonetization and GST led to margin pressures and muted capex, though it is expected to benefit the Industry in the longer term. However, the continued focus on After Sales business in addition to machinery sales, helped mitigate the impact. The business is also looking at increasing its presence across the post-spinning space through its tie-ups with world class principals like Shima Sheiki.

Mozambique operations continue to drive performance of mining business while the business in India continues to be impacted with a variety of external constraints. However, crushing equipment business in India has seen modest growth due to demand from road construction companies. As the activities in mining India pick up, there will be opportunities for the India business. The Company is selectively participating in tenders leveraging on its service expertise and network of depots.

AWARDS AND RECOGNITION

An unwavering commitment to performance excellence, innovative spirit and the relentless drive to lead. Voltas is honored to share a selection of the prestigious awards and accolades received in the year 2017-2018 for achievements that will inspire the organization.

DUN AND BRADSTREET CORPORATE AWARD 2018

Voltas was recognized with the Dun and Bradstreet Corporate Award 2018 for the 'Consumer Durables & Appliances' category.

RECOGNISED AS INDIA'S MOST TRUSTED AC BRAND

Voltas has been ranked as "India's Most Trusted Air Conditioner Brand" by the Brand Trust Report, 2018.

SMART CITIES PROJECT AWARD

Honoured in Green Building category at the '4th Smart Cities India 2018 Awards" for ***'Paryavaran Bhawan'*** project in New Delhi.

RECOGNISED AT INDIA GREEN BUILDING CONGRESS 2017

Recognized at Green Building Congress 2017 with IGBC's Leed India New Construction 'Gold' rating for Construction of Voltas Limited office at Coimbatore.

AWARDS AND RECOGNITION (contd.)

MEP CONTRACTOR OF THE YEAR, DUBAI

Voltas wins the prestigious MEP Contractor and Plumbing project of the year award at MEP (Mechanical, Electrical, Public Health) Middle East Awards 2017, Dubai.

MEP CONTRACTOR OF THE YEAR, OMAN

Lalbuksh Voltas Engineering Services was recognized as Contractor of the Year at the Construction Week Oman Awards, 2018.

AMONGST THE TOP 5 IN GCC

Voltas was placed at No.5 in a list of the top 25 MEP Contractors for 2017.

CUSTOMER APPRECIATION

Efi Reggiani honoured Voltas Textile Machinery Division as the 'Sales Winner' in The Digital Innovation Open House 2017.

CUSTOMER APPRECIATION

Mining & Construction West Bokaro Team received award for Excellent Service Support from Tata Steel for achieving 50,000 hours of Loader 2122 (LD-02).

RECOGNISED AS PREFERRED WORK PLACE FOR WOMEN

Voltas Limited has been certified as a "Preferred Work Place for Women" as per the FICCI industry survey for the gender parity index for formal sector.

FICCI flo
The Power to Empower
PREFERRED WORK PLACE FOR WOMEN
GENDER PARITY CERTIFIED 2018 INDIA

REPORTS AND FINANCIAL STATEMENTS

HIGHLIGHTS

			2017-18	2016-17	2015-16	2014-15	2013-14
1.	**SALES AND SERVICES**	₹	**6,380**	**6,033**	**5,720**	**5,166**	**5,280**
2.	**OTHER INCOME (INCLUDING OTHER OPERATING INCOME)**	₹	**222**	**274**	**164**	**148**	**123**
3.	**COST OF SALES AND SERVICES** (incl. Excise Duty)	₹	**4,591**	**4,298**	**4,114**	**3,619**	**3,891**
4.	**OPERATING, ADMINISTRATION AND OTHER EXPENSES**	₹	**1,209**	**1,271**	**1,242**	**1,227**	**1,194**
5.	Staff Expenses (included in 3 & 4)	₹	(587)	(618)	(635)	(590)	(595)
	Number of Employees (including Contract Staff)	Nos.	8118	8429	8741	8424	9101
6.	**OPERATING PROFIT**	₹	**804**	**719**	**534**	**468**	**318**
7.	**EXCEPTIONAL INCOME/(EXPENSES)**	₹	**1**	**1**	**29**	**46**	**22**
8.	**PROFIT BEFORE TAXATION**	₹	**805**	**720**	**563**	**514**	**340**
	Percentage to Sales and Services	%	*12.6*	*11.9*	*9.8*	*9.9*	*6.4*
	Percentage to Total Net Assets	%	*19.9*	*20.7*	*18.3*	*23.1*	*16.3*
9.	**TAXATION**	₹	**227**	**200**	**170**	**128**	**94**
10.	**PROFIT AFTER TAXATION**	₹	**578**	**520**	**393**	**386**	**246**
	Percentage to Sales and Services	%	*9.1*	*8.6*	*6.9*	*7.5*	*4.7*
	Percentage to Shareholders' Funds	%	*14.8*	*15.7*	*14.0*	*18.4*	*13.5*
11.	**PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY**	₹	**572**	**517**	**387**	**384**	**245**
12.	**RETAINED PROFIT**	₹	**437**	**414**	**309**	**286**	**174**
13.	**DIVIDEND ON EQUITY CAPITAL**	₹	**132**	**116**	**86**	**74**	**61**
	Percentage	%	*400*	*350*	*260*	*225*	*185*
14.	**PROPERTY, PLANT AND EQUIPMENT INCLUDING OTHER INTANGIBLE ASSETS (AT COST)**	₹	**470**	**460**	**484**	**459**	**461**
15.	**DEPRECIATION**	₹	**290**	**278**	**280**	**266**	**251**
16.	**INVESTMENTS**	₹	**2,754**	**2,268**	**1,946**	**1,094**	**732**
17.	**NET CURRENT AND NON-CURRENT ASSETS**	₹	**1,108**	**1,008**	**901**	**902**	**1,116**
18.	**DEFERRED TAX ASSET (NET)**	₹	**5**	**20**	**31**	**35**	**24**
19.	**TOTAL NET ASSETS**	₹	**4,047**	**3,478**	**3,082**	**2,224**	**2,082**
20.	**SHARE CAPITAL**	₹	**33**	**33**	**33**	**33**	**33**
21.	**OTHER EQUITY**	₹	**3,872**	**3,274**	**2,778**	**2,069**	**1,786**
22.	**EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY**	₹	**3,905**	**3,307**	**2,811**	**2,102**	**1,819**
	Equity per Share (Book Value)	₹ †	***117.88**	**99.93*	**84.96*	**55.59*	**48.29*
	Earnings per Share	₹ †	***17.30**	**15.64*	**11.70*	**11.62*	**7.42*
	Number of Shareholders	Nos.	**107457**	108646	105465	99973	103543
	Share Prices on Stock Exchange - High	₹ †	***675**	*425	*360	*301	*164
	- Low	₹ †	***401**	*267	*211	*149	*63
23.	**BORROWINGS**	₹	**142**	**171**	**271**	**122**	**263**
	Debt/Equity Ratio (Percentage to Shareholders' Funds)	%	***4***	*5*	*10*	*6*	*14*

** Face Value of ₹ 1 each. (Shares of ₹ 100 each split into Shares of ₹ 10 each in 1990 and thereafter, into Shares of ₹ 1 each in 2006).*

Notes :
1. *All amounts are Rupees in Crores 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 from 2015-16 onwards are as per Ind AS. The figures for preceding years are as per old IGAAP.*
5. *Operating profit from 2015-16 onwards includes share of profit / (loss) of joint ventures and associates.*
6. *** denotes value below ₹ 50 Lakhs.*

2012-13	2011-12	2010-11	2009-10	2008-09	1994-95	1984-85	1974-75	1964-65	1954-55	
5,567	5,208	5,211	4,782	4,374	811	266	159	42	10	1
107	109	73	78	96	8	2	**	**	**	2
4,220	3,813	3,715	3,312	3,216	604	211	138	35	8	3
1,186	1,135	1,085	1,041	908	192	56	19	5	2	4
(633)	(600)	(556)	(545)	(466)	(100)	(32)	(10)	(4)	(1)	5
10191	11611	13345	9627	10657	10667	8147	7252	5082	2324	
268	369	484	507	346	23	1	2	2	**	6
12	(150)	40	25	26	(1)	—	—	—	—	7
280	219	524	532	372	22	1	2	2	**	8
5.0	*4.2*	*10.1*	*11.1*	*8.5*	*2.7*	*0.5*	*1.0*	*5.9*	*2.5*	
14.8	*12.9*	*35.0*	*47.5*	*38.3*	*5.0*	*1.1*	*4.6*	*18.3*	*6.5*	
73	57	172	147	117	**	—	1	1	**	9
207	162	352	385	255	22	1	1	1	**	10
3.7	*3.1*	*6.7*	*8.0*	*5.8*	*2.7*	*0.5*	*0.5*	*2.3*	*1.4*	
12.7	*11.0*	*25.8*	*35.4*	*32.2*	*13.2*	*4.1*	*6.7*	*17.6*	*9.1*	
207	162	357	381	251	—	—	—	—	—	11
146	101	280	304	189	10	**	**	1	**	12
53	53	66	66	53	12	1	1	**	**	13
160	*160*	*200*	*200*	*160*	*35*	*10*	*12*	*15*	*5.5*	
451	424	410	408	412	307	50	12	4	1	14
240	219	188	182	184	107	16	6	1	**	15
407	312	269	234	156	82	5	1	1	—	16
1,247	1,160	994	640	565	149	66	29	9	3	17
22	24	15	20	22	—	—	—	—	—	18
1,887	1,701	1,500	1,120	971	431	105	36	13	4	19
33	33	33	33	33	34	10	6	3	2	20
1,593	1,445	1,329	1,052	757	131	20	6	3	**	21
1,626	1,478	1,362	1,085	790	165	30	12	6	2	22
*44.81	*41.21	*38.43	*30.08	*22.03	50	305	191	216	1,027	
*6.28	*4.90	*10.80	*11.51	*7.60	7	12	13	38	93	
116804	120098	93220	98788	119549	84180	45237	14395	7356	150	
*138	*189	*263	*190	*197	176	470	211	276		
*73	*72	*147	*46	*31	92	356	125	183		
261	223	138	35	181	266	75	24	7	2	23
16	*15*	*10*	*3*	*23*	*162*	*253*	*200*	*136*	*151*	

REPORT OF THE BOARD OF DIRECTORS

To The Members

Your Directors present their Sixty-Fourth Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2018.

1. Financial Results

₹ in crores

	Consolidated		Standalone	
	2017-18	2016-17	**2017-18**	2016-17
Total Income	**6,602**	6,307	**6,069**	5,740
Profit for the year after meeting all expenses but before interest, depreciation and exceptional items	**836**	778	**722**	685
Interest	**12**	16	**8**	10
Depreciation and amortization	**24**	24	**19**	18
Profit before exceptional items	**800**	738	**695**	657
Share of Profit/(Loss) of Joint Venture and Associates	**4**	(19)	**—**	—
Exceptional items (Net)	**1**	1	**(4)**	(6)
Profit before tax	**805**	720	**691**	651
Tax expenses	**227**	200	**182**	165
Profit after tax	**578**	520	**509**	486
Other Comprehensive Income (Net)	**163**	81	**158**	87
Total Comprehensive Income	**741**	601	**667**	573

2. Reserves

An amount of ₹ 20 crores was transferred to the General Reserve out of Profit available for appropriation.

3. Dividend

The Company's Dividend Policy which is uploaded 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 performance, the Directors recommend dividend of ₹ 4.00 per equity share of ₹ 1 each (400%) for the year 2017-18 (2016-17: 350%).

4. Operations

There appears to be a sense of greater optimism across many parts of the world. According to a latest IMF (International Monetary Fund) report, global growth is expected to rise 3.9% in 2018. Growth drivers include a notable rebound in global trade, an investment recovery in advanced economies, continued strong growth in Asia, a sizable upswing in emerging Europe and signs of recovery in several commodity exporting economies. These supported by strong momentum, favourable market sentiment, accommodative financial conditions and the domestic cum international repercussions of an expansionary fiscal policy in the United States, is expected to push the recovery. However, the headwinds of a possible escalation of a trade war between U.S.A and China loom large. On the back of America's sanctions on Iran and OPEC (Organisation of the Petroleum Exporting Countries) moves, oil prices have been steadily climbing up with implications for oil consuming countries like India. The threat of inflationary pressures in the US economy remain.

India has recorded the highest growth rate amongst the emerging economies of BRICS (Brazil, Russia, India, China and South Africa). The Government is committed to addressing deterrents and roadblocks to growth with progressive policy reforms such as the implementation of the Goods and Services Tax (GST), the Insolvency and Bankruptcy Code (IBC), recapitalization package to improve the financial health of public sector banks, schemes targeted at Power for All and so on. As a result of these measures, the economy is showing signs of growth although the inflationary impact of factors such as the recent increases in oil prices and depreciation of the Indian currency need to be watched.

During the year, Voltas achieved a total income of ₹ 6,602 crores, Income from operations of ₹ 6,380 crores and profit after tax of ₹ 578 crores.

Unitary Cooling Products Business Group (UPBG)

Despite intense competition and aggressive pricing, Voltas continued to remain No. 1 in ACs and improved its market share to 22.1% at Multi-Brand Outlets.

Voltas UPBG closed the year with turnover of ₹ 3,225 crores. The strategy of continued focus on Inverters, Fixed-Speed Split ACs as well as Window ACs has enabled UPBG to address customer needs for different products. In particular, the business is seeing a growth in Inverter AC demand from Quarter 3 (2017-18) onwards. The product range in Inverter ACs has been significantly enhanced to cater to this industry shift and Voltas has the widest range of Inverter ACs in the market.

Voltas sold over 2 lakh Fresh Air Coolers, a growth of around 38%. UPBG is improving market penetration through an expanded product range, a good value proposition supported by better features, competitive pricing, and deeper distribution network. Commercial Refrigeration business also grew with an enhanced portfolio of new products such as combo-coolers (chest freezer cum cooler) and varying capacities for existing categories in response to evolving customer needs.

Domestic Projects Group (DPG)

The decision to focus on Government projects/ externally funded investments has helped the domestic projects business to remain sufficiently protected against the impact of low investment in private sector. With the Government pushing the growth agenda, opportunities are increasing in electrical distribution, water treatment and Smart City development. Besides, DPG's core area of HVAC projects has benefited with projects in large buildings and in tunnel ventilation for Metro transportation. Meanwhile, the business continues to pursue various internal efficiency improvement initiatives, which augur well for maintaining the margins. The Company's wholly owned subsidiary - Rohini Industrial Electricals Limited (RIEL) has registered a profit in 2017-18 through efficient execution of rural electrification projects.

International Operations Business Group (IOBG)

Focus of IOBG has been on effective execution of on-going projects together with settlement and financial closure of older projects. These initiatives have helped to improve the profit margins.

Broad based pick-up in economic growth is expected across the Gulf Cooperation Council (GCC) countries in 2018. Going forward, the Company will continue its existing approach of booking new orders in a risk mitigated manner. At the same time, IOBG is conscious of the continued embargo in Qatar and is selective in booking orders in the Region.

Engineering Products Group (EPG) – Textile Machinery Division (TMD) and Mining & Construction Equipment (M&CE)

Impact of demonetization and GST implementation has been severe on the Domestic Textile Industry leading to further slowdown in new capacity formation. Profitability of spinning mills was also under pressure during the year due to subdued prices for yarn and a steep increase in raw cotton prices. Banks are also reticent to lend to the textile sector. Despite these conditions, TMD focused on providing value added services and delivered profits.

In M&CE, Mozambique operations continue to drive the performance. On the domestic front, the year was challenging with slowdown in mining related activity. However, a gradual recovery appears to be on the horizon. The Government's impetus on road development has been encouraging and orders in the Crushing & Screening Equipment sector have started emerging. M&CE remains focused on adding new principals and customers as well as new equipments.

5. Finance

Environmental headwinds continued in 2017-18 with GST changing business dynamics. However, efficient financial planning has ensured robustness of the Company's Balance Sheet with low debt and a comfortable cash position. The overall cash position including cash and bank balances and liquid investments improved to ₹ 2,227 crores as compared to ₹ 2,089 crores in the previous year while borrowings, at a consolidated level (specific to overseas projects), continues to be lower at ₹ 142 crores, down from ₹ 171 crores last year. Effective execution of ongoing projects, settlement and financial closure of older projects led to improvements in margins. Collection of receivables and realization of money remains a top priority across businesses.

Overall, the cash surplus continues to be deployed in suitably lower risk short term debt growth mutual funds to maximize earnings from the investment portfolio. In line with longer term road map for utilizing the surplus cash for scaling up and growing the business, the Company has invested in a new Joint Venture company

REPORT OF THE BOARD OF DIRECTORS, continued

Voltbek Home Appliances Private Limited (Voltbek) for Consumer Durable Products during 2017-18.

6. Tata Business Excellence Model (TBEM)

During 2017-18, the Company focused on addressing the key areas of improvements identified in the external assessment held in the previous financial year. Based on the outcome of the last TBEM External Assessment, the Company has implemented comprehensive action plans to take its Business Excellence journey forward. These action plans have contributed to improved processes resulting in higher customer satisfaction and improved market share. To assess the Business Excellence journey over last 2 years, the Company plans to participate in TBEM External Assessment during 2018.

Over the period, the Company has developed more than 50 Business Excellence champions to facilitate a seamless Business Excellence journey. 13 of these champions have contributed to external assessments of other Tata group companies with 5 assessors being recognised at the Annual Tata Group Business Excellence Convention 2017 for specific achievements.

During 2017-18, the Company participated in Tata Innovista with 13 innovations across various business teams. Each innovation is assessed by a panel of Subject Matter Experts from within the Tata Group.

7. IT Initiatives

The year 2017 saw a major reform in the Indirect Tax structure of India. In July 2017, GST was implemented across India and all businesses, big and small, had to change their systems to comply to the new framework. Having anticipated and started preparations much in advance, the transition to GST was smooth without any business disruptions.

Firewalls for all locations of Voltas were upgraded and redundancy incorporated in the Architecture. Security was also strengthened around authorization and network access for users. Application Security and Authorization was also an area of focus and SAP Access Violation Management (AVM) was implemented for all SAP users.

On the business front, Extended Warranty System and Mobile Application for Technicians in UPBG, Multiple Analytics based reports for DPG, New Customer Relationship Management (CRM) system for both DPG and TMD, Centralized Attendance System and Bank Payment Automation for IOBG and multiple utility applications for all employees were undertaken.

One of the key projects was SAP implementation for the new VoltBek JV. The plan and business blue print was completed in collaboration with the Arçelik team of Turkey (the joint venture partner) and the project is well under way and will be ready to Go Live in sync with the planned Product launch.

8. Environment and Safety

Safety continues to remain a priority at Voltas. While a Board Committee comprising 3 Directors, including the Managing Director reviews the Safety, Health and Environment (S-H-E) performance, a Steering Committee comprising Corporate Management Group and other key members periodically monitors the Safety performance and oversees the implementation of various initiatives. In an attempt to take the current Safety practices to the next level, the Company has used the behavioural safety approach to increase awareness.

In order to ensure consistency and resilience of its Safety controls, 61 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, during 2017-18, there was one fatal incident at RIEL project, caused due to collapse of a concrete pole during erection.

The Company seeks to ensure Zero Fatality. Accordingly, a focused approach in training was developed and the Company has achieved the following in 2017-18:

- Awareness – Across multiple programs, 2,00,546 personnel were Safety trained as compared to 1,69,162 in previous year.
- Certification program with NIST institute on Tata Safety standards – 23 personnel have been certified in the current year.
- 100% Induction training is ensured for all personnel at project sites.
- Increase in number of Near Miss instances reported in 2017-18 by 3 times as compared to last year due to better awareness.

Besides the formal trainings conducted, the Company is also aligning itself with digital platforms. Progress on the earlier created Online portal "SAFETY@VOLTAS" that captures S-H-E observations and ensures timely implementation of action plans, has been satisfactory,

REPORT OF THE BOARD OF DIRECTORS, continued

resulting in reduction of unsafe and adverse work conditions. A WhatsApp group of Safety practitioners has also been started so as to effectively share timely information and updates.

The Company has received numerous appreciation letters and awards in recognition of its contribution towards improving the Safety standards.

Sustainable Development

Engage, Equip and Empower, is the way chosen by Voltas to bring the marginalized segment into a stream of Sustainable Development. Voltas CSR interventions emphasize on people's participation, bringing in ownership and fostering social capital. Sustainability is the pre-cursor to all Voltas CSR Projects. The Company has identified CSR projects which are need-based and which focus on building capability of various key stakeholders to ensure perpetual community action.

Sustainable Livelihood

Sustainable Livelihood which is the flagship program of Voltas, has over 25 Skill Training Centres under its umbrella. The Skill Training Centres, which are being pursued in partnership with 13 reputed organizations are making both technical and non-technical courses available to community youth and women. Besides offering training in the domain area of Refrigeration and Air-conditioning, the Company has also initiated other technical trainings like Electrical and Plumbing. The non-technical courses like Tally & Accounts, Advance Tailoring and Stitching, IT Help Desk, etc. are also attracting girls from under privileged communities. In FY 2017-18, over 2,900 youth were trained in aggregate, under Technical and Non-technical courses and around 80% youth are now gainfully employed.

Voltas had initiated a notable project in 2016-17 named "Recognition of Prior Learning" (RPL). The RPL program that aims at formally training and upgrading knowledge of existing technicians from the Refrigeration and Air-conditioning Industry, has certified and trained 1400 existing technicians from across 19 locations in the country. Taking the initiative forward in FY 2017-18, the Company also piloted its first batch of RPL for technicians working in the space of Central Air-Conditioning.

9. Community Development

The vertical which essentially intervenes in the key community issues like Education, Health and Water, has also achieved many milestones by reaching out to over 20,000 people in FY 2017-18. To enhance the quality of human capital, the Company's educational interventions are focusing on 5 crucial aspects like Quality Education, Teacher's Training and Capacity Building, English proficiency, Inculcating Reading habits in primary school children and Career Guidance and counselling for Youth. Over 7,500 Children are directly impacted by the quality education intervention. Under Teachers Training, in partnership with Muktangan, Voltas could reach out to over 650 teachers. Voltas is particularly focusing a lot on Community teachers' training as a way to ensure quality education for more and more children.

A community project in Dadra has successfully completed 200 toilets 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 apt sites for borewell installation.

National Importance

There are 3 sub-themes under its aegis, namely Disaster Management, Affirmative Action (for inclusion of socio-economically weaker sections in the process of development) and Sanitation.

As part of Disaster Management, an intervention was initiated two years ago to address water scarcity in the perennially drought prone area of Marathwada in Maharashtra. The initiative which began with water distribution as an immediate answer to the need of villages, carried out an action research project called Participatory Ground Water Management to understand hydro-geological state of the villages and measures for sustainable and safe drinking water.

Under Affirmative Action, the Company continues to extend nutritional and educational support to Kathkari children from a school near Panvel. In addition to the said support, Voltas also introduced two more initiatives: Stitching and Tailoring skill training program for tribal women and Nursing course. The training program was further strengthened and 28 tribal girls were trained and 50% are gainfully employed.

Voltas also initiated an exclusive skill training program in electrical and plumbing for Schedule Caste/ Schedule Tribe youth in Raigad and Thane District. 210 young boys have been trained and 121 are placed with appropriate organizations.

10. Corporate Social Responsibility (CSR)

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

REPORT OF THE BOARD OF DIRECTORS, continued

During the financial year 2017-18, the Company has spent ₹ 9.14 crores towards various CSR activities, in line with the requirements of Section 135 of the Companies Act, 2013 ('Act').

11. Subsidiary/Joint Ventures/Associate Companies

The Company has 9 subsidiaries, 5 joint ventures and 2 associate companies.

As per the requirement of Section 129(3) of the Act, a statement containing salient features of the financial statements of subsidiaries, joint venture and associate companies in prescribed Form No. 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, including 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 2017-18.

During the year under review, the Company had transferred its entire 49% shareholding in Universal Weathermaker Factory L.L.C (UWF), Abu Dhabi, UAE and accordingly UWF ceased to be a joint venture company as on 31st March, 2018.

12. Number of Board Meetings

During 2017-18, eleven Board Meetings were held on 19th April, 2017; 23rd May, 2017; 8th June, 2017; 10th July, 2017; 2nd August, 2017; 27th September, 2017; 16th October, 2017; 8th November, 2017; 10th January, 2018; 7th February, 2018 and 15th March, 2018.

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, KMPs 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.

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 fulfilment 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 held on 15th March, 2018 and also shared with the NRC/Board. At the separate annual Meeting of Independent Directors, performance of Non-independent Directors, including Chairman, Board as a whole and various Committees 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 held on 17th May, 2018.

15. Statutory Auditors

At the 63rd Annual General Meeting (AGM) held on 28th August, 2017, the Members had approved the appointment of S R B C & Co. LLP (SRBC) as Statutory Auditors as well as Branch Auditors of the Company, to examine and audit the accounts of the Company for five consecutive financial years between 2017-18 and 2021-22, subject to ratification of their appointment at every subsequent AGM, if required under the Act. The Ministry of Law and Justice has through the Companies (Amendment) Act, 2017, notified certain amendments to the Companies Act, 2013 which would come in force from different dates as may be notified from time to time. The provisions relating to the requirement of seeking approval of the Members for ratification of appointment of Statutory Auditors at every AGM has been omitted with effect from 7th May, 2018, and is no more a legal requirement. Accordingly, the Notice convening the ensuing AGM does not include any Resolution for ratification of appointment of SRBC as the Statutory Auditors of the Company. The Auditors' Report for FY 2017-18 does not contain any qualification, reservation or adverse remarks.

REPORT OF THE BOARD OF DIRECTORS, continued

16. Cost Auditors

The Board had appointed M/s. Sagar and Associates, Cost Accountants as the Cost Auditors for the financial year 2017-18. M/s. Sagar and Associates, Cost Accountants, have been re-appointed as Cost Auditors of the Company for the financial year 2018-19 and approval of the Members is being sought for ratification of their remuneration.

17. Secretarial Auditor

M/s. N. L. Bhatia and Associates, the Practicing Company Secretaries were appointed as Secretarial Auditor to undertake Secretarial Audit of the Company for the year 2017-18. 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. M/s. N. L. Bhatia and Associates have been re-appointed as the Secretarial Auditor for the financial year 2018-19.

18. Audit Committee

The Audit Committee comprise 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. The Company has formulated a detailed Risk Management Policy to establish an effective and integrated framework for the risk management process. During 2017-18, two meetings were held on 5th July, 2017 and 10th January, 2018 where, the top 10 risks were identified for the Company and various mitigation measures in respect thereof were reviewed and discussed.

21. Particulars of Employees

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

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

Directors	Ratio to median remuneration
Mr. Ishaat Hussain (upto 28.8.2017)	*
Mr. Noel N. Tata	4.73
Mr. Pradeep Bakshi (w.e.f. 1.9.2017)	*
Mr. Anil George (w.e.f. 1.9.2017)	*
Mr. Nani Javeri	6.38
Mr. R. N. Mukhija	5.19
Mr. Vinayak Deshpande	3.25
Mr. Debendranath Sarangi	4.90
Mr. Bahram N. Vakil	4.89
Ms. Anjali Bansal	4.29
Mr. Hemant Bhargava (w.e.f. 23.5.2017)	*
Mr. Arun Kumar Adhikari (w.e.f. 8.6.2017)	*

Managing Director	Ratio to median remuneration
Mr. Sanjay Johri (upto 9.2.2018)	*
Mr. Pradeep Bakshi (w.e.f 10.2.2018)	*

* Since the remuneration of these Directors is only for part of the year, the ratio of their remuneration to median remuneration is not comparable and hence not stated.

Note: Ratio of Remuneration of Directors is computed based on Sitting fees and Commission paid during 2017-18.

(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 (upto 28.8.2017)	*
Mr. Noel N. Tata	33
Mr. Pradeep Bakshi (w.e.f. 1.9.2017)	*
Mr. Anil George (w.e.f. 1.9.2017)	*
Mr. Nani Javeri	16
Mr. R. N. Mukhija	29
Mr. Vinayak Deshpande	45
Mr. Debendranath Sarangi	55
Mr. Bahram N. Vakil	31
Ms. Anjali Bansal	64
Mr. Hemant Bhargava (w.e.f. 23.5.2017)	*

REPORT OF THE BOARD OF DIRECTORS, continued

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Arun Kumar Adhikari (w.e.f. 8.6.2017)	*
Mr. Sanjay Johri (Managing Director upto 9.2.2018)	*
Mr. Anil George (CFO upto 31.8.2017) – KMP	*
Mr. Abhijit Gajendragadkar (CFO w.e.f. 1.9.2017) – KMP	*
Mr. V. P. Malhotra (Company Secretary) – KMP	57

* Since the remuneration of Directors / KMPs in 2017-18 is for part of the year, the percentage increase in their remuneration is not comparable and hence not sated.

(c) **Percentage increase in the median remuneration of employees in the financial year:** 2.96%

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

2,613 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 8.30% for Employees other than Managerial Personnel and for Managerial Personnel (MD), it is not comparable. In 2016-17, there was one MD and in 2017-18, there were two MDs, for part of the year, respectively.

(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. Vinayak Deshpande retires by rotation and being eligible, offers himself for re-appointment.

Mr. Ishaat Hussain retired as the Chairman and Director of the Company at the 63rd AGM of the Company held on 28th August, 2017. Mr. Sanjay Johri ceased to be Managing Director of the Company with effect from 10th February, 2018 upon expiry of his term of appointment. The Directors place on record their sincere appreciation of the valuable guidance and support given by Mr. Ishaat Hussain during his long tenure as Chairman of the Company. The Board also placed on record their sincere gratitude and appreciation of the valuable services rendered by Mr. Johri, to take the Company to greater heights.

Mr. Noel N. Tata was appointed as the Chairman of the Company with effect from 1st September, 2017 and Mr. Abhijit Gajendragadkar was appointed as Chief Financial Officer and Key Managerial Personnel (KMP) of the Company with effect from 1st September, 2017. Based on the recommendation of NRC, the Board had appointed Mr. Pradeep Bakshi and Mr. Anil George as Additional Directors and Executive Directors of the Company with effect from 1st September, 2017 for a period of 3 years, subject to approval of Members at the ensuing AGM. Subsequently, based on the recommendation of NRC, the Board had, at its Meeting held on 16th October, 2017, appointed Mr. Pradeep Bakshi as Managing Director (Designate) with effect from 16th October, 2017 and as Managing Director & Chief Executive Officer (CEO) with effect from 10th February, 2018 for the period upto 31st August, 2020. Mr. Anil George was appointed as Deputy Managing Director (Designate) with effect from 16th October, 2017 and as Deputy Managing Director with effect from 10th February, 2018 for the period upto 31st August, 2020.

In accordance with the provisions of Section 161(1) of the Act, Mr. Pradeep Bakshi and Mr. Anil George hold office up to 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 a Member proposing their appointment as Directors of the Company. The Resolutions seeking approval of the Members for appointment of Mr. Pradeep Bakshi as a Director and as Executive Director/Managing Director & CEO and Mr. Anil George as a Director and Executive Director/Deputy Managing Director of the Company, including their brief profile forms part of the Notice of the 64th AGM of the Company.

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

Mr. Pradeep Bakshi (Managing Director), Mr. Anil George (Deputy Managing Director), Mr. Abhijit Gajendragadkar (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 as amended and Regulation 26 of Listing Regulations.

26. Corporate Governance

Pursuant to Schedule V of Listing Regulations, Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance forms 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. During 2017-18, no complaints were received under the Whistle Blower Policy. 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 of the Act during 2017-18

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 2017-18 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. Secretarial Standards

The Company has complied with the provisions of Secretarial Standards on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2).

31. 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

REPORT OF THE BOARD OF DIRECTORS, continued

financial controls were adequate and effective during the financial year 2017-18. 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.

32. 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.

33. 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 not received any written complaints on sexual harassment during the financial year 2017-18.

34. 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

Noel N. Tata
Chairman

Mumbai, 17th May, 2018

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 is striving to enhance employability of youth and women, to make need based development interventions with community participation and address issues of National Importance like Disaster Management, Affirmative Action and Sanitation.

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. Pradeep Bakshi (Managing Director)
3. Mr. Bahram N. Vakil (Independent Director)

3. Average net profit of the Company for last three financial years: ₹ 456.64 crores.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 9.13 crores.

5. Details of CSR spend during the financial year:

(a) Total amount to be spent for the financial year – ₹ 9.13 crores

(b) Amount unspent, if any - Nil

(c) Manner in which the amount spent during the financial year is detailed below.

Sl. 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 Crores)	Amount spent on the projects or Programs Sub Heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative Expenditure up to the reporting period (₹ in Crores)	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, Nagpur, and Mohali	5.04	Direct/Indirect Expenditure	5.04	GMR Varalakshmi Foundation; ICICI Foundation; Tata Strive; Joseph Cardijn Technical School; Bosco Boys; ASMACS Skill Development; Aditya Birla Skills Foundation; Tech Mahindra Foundation and various other implementing agencies.

Sl. 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 Crores)	Amount spent on the projects or Programs Sub Heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative Expenditure up to the reporting period (₹ in Crores)	Amount Spent: Direct or through Implementing Agency
2.	Education	Quality Education to Tribal students, Residential technical training courses for Tribal youth	Osmanabad, Latur, Thane and Panvel	0.98	Direct/Indirect Expenditure	6.02	Samaj Vikas Sanstha; Parisar Asha and Pratham Education Foundation.
3.	Community Development	Quality Education, Health, Water for Irrigation, Employability Enhancement	Thane, Panvel, Bhivandi, Mumbai, Dadra and Nagar Haveli and Kerala	2.66	Direct/Indirect Expenditure	8.68	Room to Read India Trust; Antarang Foundation; Learning Space Foundation; Action for Food Production (AFPRO); Paragon Charitable Trust; Anirban Rural Welfare Society and CETA Galaxy Trust.
4.	Administrative Expenses	—	Mumbai	0.46	Direct Expenditure	9.14	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. There is no short fall in the 2% CSR spend requirement for FY 2017-18.

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.

Pradeep Bakshi	**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) Replacement of conventional lights with LED at Thane and Pantnagar Plant resulted in savings of energy.

(b) Use of inverter welding machines in place of conventional Diode type.

(c) Use of Variable Frequency Drive (VFD) for air compressors on shop floor.

(d) Office Air-conditioner ON/OFF is regulated.

(e) Optimised the loading/unloading set points of air compressors resulting in power saving.

(f) Use of Belt type Conduction heaters in place of Conventional heaters for refrigerant tonner heating during winter for fast heating and power saving.

(g) Optimization of running of 500 KVA DG set by changeover switch resulting in savings.

Technology absorption:

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

(a) 7mm dia micro copper tube condensers in place of 9.52mm dia copper tubes, for ductable Air-conditioners.

(b) Replaced shell and tube heat exchangers by Brazed Plate type heat exchangers which has resulted in lower LiBr (lithium bromide) charge quantity in Vapour Absorption Machine (VAM).

(c) Thin wall high efficiency tubes in chiller and condenser.

(d) Anti-corrosion coating for aluminum fins in condenser coils.

(e) Split and Window Air-conditioners with 2018 Star Rating norms.

(f) 3 and 5 Star Window Air-conditioners with Inverter technology and eco-friendly Refrigerant R410a.

(g) 1 TR indigenous Indoor Units to reduce import dependency.

(h) Downsizing of 1 TR 3 Star Outdoor Units from 20" to 18" to reduce cost.

(i) 1.5 TR 3 Star models with BLDC (Brushless Direct Current) Indoor Unit Motor.

(j) Air-cooler with Antimicrobial Tank and Smart Humidity Control.

(k) Air-cooler in Tower and Table-Top category.

(l) Bottom Loaded Water Dispenser.

(m) Inverter DC technology with variable speed and frequency compressor freezers.

(n) Cheese Cooler.

(o) 320 litres Visi Cooler economical model.

(p) Normal, cold and hot water dispensing in one Water Cooler to facilitate end customers in all weathers.

(q) RO System water coolers with new technology of triple stage water filtration system, for pure water conservation.

(r) Commercial Refrigeration product for Ice Cream Hardening in Glass Sliding (GSL) Chest Freezer model with R 404a Refrigerant.

Research & Development (R&D):

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

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

  (i) Inverter Ductable Air-conditioners.

  (ii) Screw Chiller with low GWP (Global Warming Potential) Refrigerant R513a.

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

  (i) Vapour Absorption Machine for simultaneous cooling and heating application.

  (ii) New look Packaged Air-conditioners.

  (iii) Compact series Water Cooled Chiller Packages.

No technology has been imported during last three financial years.

Expenditure on Research & Development:

The Company has incurred Research & Development expenditure of ₹ 5.12 crores (including capital expenditure of ₹ 0.06 crore) during 2017-18.

Foreign exchange earnings and outgo:

		₹ in crores
Earnings in foreign exchange	:	184.85
Expenditure in foreign currency	:	2.10
Value of import on CIF basis	:	902.96

On behalf of the Board of Directors

Noel N. Tata
Chairman

Mumbai, 17th May, 2018

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 2017-18.

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

Noel N. Tata
Chairman

Mumbai, 17th May, 2018

ANNEXURE IV

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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.	Electro–mechanical Projects and Services	43219/43229	38%
2.	Unitary Cooling Products for Comfort and Commercial use	28191/28192	57%

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.	NA	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	NA	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	NA	Subsidiary	60% *	Sec 2(87)(ii)
7.	Voltas Oman L.L.C. 'ORIS' 3817-A, Ground Floor, Way No.4451, Behind Al Meera Hypermarket, Azaiba, P.O. Box 2263, Postal Code 112, Ruwi, Sultanate of Oman	NA	Subsidiary	65% *	Sec 2(87)(ii)

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	NA	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	NA	Subsidiary	49%	Sec 2(87)(i)
10.	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	NA	Associate	49% *	Sec 2(6)
11.	Olayan Voltas Contracting Company Limited 10, Dareen Centre, Al Ahsa Road, Al Malaz, P.O. Box 8772, Riyadh 11492, Kingdom of Saudi Arabia	NA	Associate	50%	Sec 2(6)
12.	Naba Diganta Water Management Limited GN 11-19, Sector-V, Salt Lake, Kolkata 700 091	U93010WB2008PLC121573	Associate	26%	Sec 2(6)
13.	Voltas Water Solutions Private Limited Voltas House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai 400 033	U74999MH2014PTC255780	Associate	50%	Sec 2(6)
14.	Voltbek Home Appliances Private Limited Voltas House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai 400 033	U29308MH2017PTC298742	Associate	49%	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, 2017)				No. of Shares held at the end of the year (31st March, 2018)				% 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)(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	5,08,92,813	68,450	5,09,61,263	15.40	6,33,64,901	40,600	6,34,05,501	19.16	3.76
(b) Banks / FI	3,71,456	1,02,770	4,74,226	0.14	5,71,931	1,02,170	6,74,101	0.20	0.06
(c) Central Government	8,07,818	0	8,07,818	0.24	11,22,652	0	11,22,652	0.34	0.10
(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	3,53,02,046	0	3,53,02,046	10.67	3,10,43,476	0	3,10,43,476	9.38	(1.29)
(g) FIIs	1,44,41,354	5,500	1,44,46,854	4.37	1,23,711	3,500	1,27,211	0.04	(4.33)
(h) FPIs	5,41,04,106	0	5,41,04,106	16.35	6,46,67,048	0	6,46,67,048	19.54	3.19
(i) Alternative Investment Funds	0	0	0	0	19,21,939	0	19,21,939	0.59	0.59
(j) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	**15,59,19,593**	**1,76,720**	**15,60,96,313**	**47.17**	**16,28,15,658**	**1,46,270**	**16,29,61,928**	**49.25**	**2.08**
(2) Non-Institutions									
(a) Bodies Corporate									
(i) Indian	1,48,07,594	1,28,160	1,49,35,754	4.51	1,01,10,313	1,19,300	1,02,29,613	3.09	(1.42)
(ii) Overseas	0	0	0	0	0	0	0	0	0

Category of Shareholders		No. of Shares held at the beginning of the year (1st April, 2017)				No. of Shares held at the end of the year (31st March, 2018)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	4,27,95,611	1,01,31,665	5,29,27,276	16.00	4,17,77,509	81,30,473	4,99,07,982	15.08	(0.92)
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,44,280	0	2,44,280	0.07	2,44,280	0	2,44,280	0.07	0
(c)	Others (specify)									
(i)	Trust	39,06,189	580	39,06,769	1.19	47,67,609	220	47,67,829	1.45	0.26
(ii)	Directors & Relatives	0	0	0	0	1,632	0	1,632	0	0
(iii)	NRIs	23,23,325	1,05,870	24,29,195	0.73	23,32,843	94,380	24,27,223	0.73	0
(iv)	Foreign Nationals	1,823	0	1,823	0	1,823	0	1,823	0	0
(v)	Foreign Bodies	0	89,850	89,850	0.03	0	88,950	88,950	0.03	0
Sub-total (B)(2)		**6,40,78,822**	**1,04,56,125**	**7,45,34,947**	**22.53**	**5,92,36,009**	**84,33,323**	**6,76,69,332**	**20.45**	**(2.08)**
Total Public Shareholding (B)= (B)(1)+(B)(2)		**21,99,98,415**	**1,06,32,845**	**23,06,31,260**	**69.70**	**22,20,51,667**	**85,79,593**	**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)		**32,02,51,895**	**1,06,32,845**	**33,08,84,740**	**100.00**	**32,23,05,147**	**85,79,593**	**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, 2017)			Shareholding at the end of the year (as on 31st March, 2018)			% 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 1.4.2017)	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 31.3.2018)			**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 (1.4.2017 to 31.3.2018)	
		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	2,28,20,733	6.90	2,28,20,733	6.90
	Bought during the year	30,19,000	0.91	2,58,39,733	7.81
	Sold during the year	31,22,884	0.94	2,27,16,849	6.87
	At the end of the year	2,27,16,849	6.87	2,27,16,849	6.87
2.	Franklin Templeton Investment Funds				
	At the beginning of the year	1,62,54,667	4.91	1,62,54,667	4.91
	Bought during the year	0	0.00	1,62,54,667	4.91
	Sold during the year	44,61,347	1.35	1,17,93,320	3.56
	At the end of the year	1,17,93,320	3.56	1,17,93,320	3.56
3.	HDFC Mutual Fund (Various Accounts)				
	At the beginning of the year	1,50,64,500	4.55	1,50,64,500	4.55
	Bought during the year	37,76,500	1.14	1,88,41,000	5.69
	Sold during the year	10,17,000	0.30	1,78,24,000	5.39
	At the end of the year	1,78,24,000	5.39	1,78,24,000	5.39
4.	Franklin Templeton Mutual Fund (Various Accounts)				
	At the beginning of the year	1,07,46,033	3.25	1,07,46,033	3.25
	Bought during the year	11,50,000	0.34	1,18,96,033	3.59
	Sold during the year	6,00,000	0.18	1,12,96,033	3.41
	At the end of the year	1,12,96,033	3.41	1,12,96,033	3.41

Sl. No.	Name	Shareholding		Cumulative Shareholding during the year (1.4.2017 to 31.3.2018)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5.	SBI Mutual Fund (Various Accounts)				
	At the beginning of the year	61,56,927	1.86	61,56,927	1.86
	Bought during the year	16,17,396	0.49	77,74,323	2.35
	Sold during the year	12,78,319	0.39	64,96,004	1.96
	At the end of the year	64,96,004	1.96	64,96,004	1.96
6.	Prazim Trading and Investment Company Private Limited				
	At the beginning of the year	52,88,820	1.60	52,88,820	1.60
	Bought during the year	0	0.00	52,88,820	1.60
	Sold during the year	23,43,797	0.71	29,45,023	0.89
	At the end of the year	29,45,023	0.89	29,45,023	0.89
7.	IDFC Mutual Fund (Various Accounts)				
	At the beginning of the year	52,44,723	1.59	52,44,723	1.59
	Bought during the year	21,58,351	0.65	74,03,074	2.24
	Sold during the year	24,15,115	0.73	49,87,959	1.51
	At the end of the year	49,87,959	1.51	49,87,959	1.51
8.	Standard Life Pacific Basin Trust				
	At the beginning of the year	46,83,871	1.42	46,83,871	1.42
	Bought during the year	2,81,956	0.08	49,65,827	1.50
	Sold during the year	8,23,835	0.25	41,41,992	1.25
	At the end of the year	41,41,992	1.25	41,41,992	1.25
9.	Aditya Birla Sun Life Trustee Company Private Limited (Various Accounts)				
	At the beginning of the year	45,97,635	1.39	45,97,635	1.39
	Bought during the year	35,81,630	1.08	81,79,265	2.47
	Sold during the year	14,33,530	0.43	67,45,735	2.04
	At the end of the year	67,45,735	2.04	67,45,735	2.04
10.	Kuwait Investment Authority Fund (Various Accounts)				
	At the beginning of the year	44,16,298	1.33	44,16,298	1.33
	Bought during the year	3,20,271	0.10	47,36,569	1.43
	Sold during the year	25,35,334	0.77	22,01,235	0.67
	At the end of the year	22,01,235	0.66	22,01,235	0.66

Sl. No.	Name	Shareholding		Cumulative Shareholding during the year (1.4.2017 to 31.3.2018)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
11.	HDFC Standard Life Insurance Company Limited (Various Accounts)				
	At the beginning of the year	38,25,111	1.16	38,25,111	1.16
	Bought during the year	49,85,649	1.50	88,10,760	2.66
	Sold during the year	44,08,426	1.33	44,02,334	1.33
	At the end of the year	44,02,334	1.33	44,02,334	1.33
12.	Mirae Asset Emerging Bluechip Fund (Various Accounts)				
	At the beginning of the year	33,92,307	1.02	33,92,307	1.02
	Bought during the year	11,14,242	0.34	45,06,549	1.36
	Sold during the year	11,72,598	0.35	33,33,951	1.01
	At the end of the year	33,33,951	1.01	33,33,951	1.01

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 1.4.2017)		Cumulative Shareholding during/end of the year (1.4.2017 to 31.3.2018)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Mr. Ishaat Hussain (upto 28.8.2017)	0	0	—	—
2.	Mr. Noel N. Tata	0	0	0	0
3.	Mr. Sanjay Johri (MD) – KMP (upto 9.2.2018)	0	0	—	—
4.	Mr. Pradeep Bakshi (MD) – KMP (w.e.f 10.2.2018)	0	0	0	0
5.	Mr. Anil George (CFO upto 31.8.2017 and ED w.e.f 1.9.2017) – KMP	1,000	0	1,000	0
6.	Mr. Nani Javeri	0	0	0	0
7.	Mr. R. N. Mukhija	0	0	0	0
8.	Mr. Vinayak Deshpande	632	0	632	0
9.	Mr. Debendranath Sarangi	0	0	0	0
10.	Mr. Bahram N. Vakil	0	0	0	0
11.	Ms. Anjali Bansal	0	0	0	0
12.	Mr. Hemant Bhargava	—	—	0	0
13.	Mr. Arun Kumar Adhikari	—	—	0	0
14.	Mr. Abhijit Gajendragadkar (CFO w.e.f 1.9.2017) – KMP	—	—	0	0
15.	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. 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**
Change in Indebtedness during the financial year				
(i) Addition	4,486.52	—	—	4,486.52
(ii) Reduction	8,612.92	—	—	8,612.92
Net Change	**(4,126.40)**	—	—	**(4,126.40)**
Indebtedness at the end of the financial year (As on 31.3.2018)				
(i) Principal Amount	2,781.70	—	—	2,781.70
(ii) Interest due but not paid	—	—	—	—
(iii) Interest accrued but not due	5.95	—	—	5.95
Total (i+ii+iii)	**2,787.65**	—	—	**2,787.65**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

₹ in Lakhs

Sl. No.	Particulars of Remuneration	Mr. Sanjay Johri (Managing Director upto 9.2.2018)	Mr. Pradeep Bakshi Executive Director/ Managing Director (w.e.f 1.9.2017)	Mr. Anil George Executive Director/ Deputy Managing Director (w.e.f 1.9.2017)	Total
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	515.77*	93.14	85.62	694.53
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	11.23	0.03	4.54	15.80
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission (for 2016-17, paid in 2017-18)	260.00	Nil	Nil	260.00
5.	Others, please specify – - PF, Superannuation & Medical (exempt) - Personal Accident Insurance Premia	 11.56 0.41	 4.20 0.34	 5.08 0.34	 20.84 1.09
	Total (A)	798.97	97.71	95.58	992.26
	Ceiling as per the Act (5% of Profit u/s 198 of the Companies Act, 2013)				5,965

* also includes gratuity and leave encashment paid on retirement.

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	Hemant Bhargava	Arun Kumar Adhikari	
1.	**Independent Directors**												
	(i) Fees for attending Board/Committee meetings	—	—	7.65	6.30	—	5.25	5.70	6.00	—	—	2.10	33.00
	(ii) Commission	—	—	37.00	30.00	—	29.00	28.50	24.00	—	—	—	148.50
	(iii) Others, please specify	—	—	—	—	—	—	—	—	—	—	—	—
	Total (1)	—	—	44.65	36.30	—	34.25	34.20	30.00	—	—	2.10	181.50
2.	**Other Non-Executive Directors**												
	(i) Fees for attending Board/Committee meetings	2.70	6.60	—	—	2.70	—	—	—	—	2.10	—	14.10
	(ii) Commission	33.50	26.50	—	—	20.00	—	—	—	3.50	—	—	83.50
	(iii) Others, please specify	—	—	—	—	—	—	—	—	—	—	—	—
	Total (2)	36.20	33.10	—	—	22.70	—	—	—	3.50	2.10	—	97.60
	Total (B) = (1+2)	36.20	33.10	44.65	36.30	22.70	34.25	34.20	30.00	3.50	2.10	2.10	279.10
	Total Managerial Remuneration (Commission)												232.00
	Overall Ceiling as per the Act for payment of commission to Non-Executive Directors (1% of Profit u/s 198 of the Companies Act, 2013)												596

Notes:

(1) Commission is for the year 2016-17, paid in 2017-18. Sitting fees paid is for 2017-18.

(2) Ceiling limits are for the year 2017-18.

(3) Mr. Ishaat Hussain ceased to be the Chairman and Director of the Company with effect from 28.8.2017; Ms. Usha Sangwan ceased to be a Director with effect from 27.9.2016; Mr. Hemant Bhargava was appointed as Director w.e.f 23.5.2017 and Mr. Arun Kumar Adhikari was appointed as Director w.e.f 8.6.2017.

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 (upto 31.8.2017)	Mr. Abhijit Gajendragadkar, CFO (w.e.f 1.9.2017)	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	188.00	111.65	106.78	406.43
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	3.24	2.78	2.48	8.50
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission				
	- as % of profit	Nil	Nil	Nil	Nil
	- others, specify	Nil	Nil	Nil	Nil
5.	Others, please specify – - PF, Superannuation & Medical (exempt)	3.78	3.73	4.82	12.33
	Total	195.02	118.16	114.08	427.26

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, 2018.

On behalf of the Board of Directors

Noel N. Tata
Chairman

Mumbai, 17th May, 2018

ANNEXURE V

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[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, 2018 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, 2018 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, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (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 (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, 1956
2. Payment of Bonus, 1965
3. Minimum Wages Act, 1948
4. Industrial Disputes Act, 1948
5. Industrial Employment (Standing Orders) Act, 1946
6. Payment of Gratuity, 1972
7. Employees Provident Fund and Miscellaneous Provisions Act, 1952
8. Factories Act, 1948
9. Income-tax Act, 1961 and Rules
10. Central Excise Act, 1944
11. Cenvat Credit Rules, 2004
12. Finance Act, 1994 (Service Tax)
13. Customs Act, 1962
14. State VAT Acts
15. The Central Goods and Services Tax Act, 2017
16. The Integrated Goods and Services Tax Act, 2017
17. State Goods and Services Tax Act
18. State Shops and Establishment Act
19. Contract Labour (Regulation and Abolition) Act, 1970

20. Employees Compensation Act, 1923
21. Employees State Insurance Act, 1948
22. Central Sales Tax, 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 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 the Board Meetings were passed unanimously and with requisite majority in General Meeting.**

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period, no specific event has taken place which has any 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: 8th May, 2018

To,

The Members

VOLTAS LIMITED

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

(1) Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.

(2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in 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: 8th May, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Macro picture

1. According to a latest IMF (International Monetary Fund) report, global growth is expected to rise 3.9% in 2018. Growth drivers include a notable rebound in global trade, an investment recovery in advanced economies, continued strong growth in Asia, a sizable upswing in emerging Europe and signs of recovery for several commodity exporting economies.

2. Economic growth in the Gulf Cooperation Council (GCC) countries, the main arena for the Company's International Projects' operations, was lower in 2017-18 as compared to the previous year due to the impact of reduced oil output and prices. It is expected that growth will pick up in 2018-19 with an uptick in oil prices, although geo-political tensions in Qatar and other regions continue.

3. India recorded the highest growth rate amongst the emerging economies of BRICS (Brazil, Russia, India, China and South Africa) during 2017-18. India's foreign exchange reserve that stands at around USD 424 billion, provides some cushion for managing foreign exchange outflows. The Government's policy reforms such as the implementation of the GST (Goods and Service Tax), the Insolvency and Bankruptcy Code (IBC), recapitalization package to improve the financial health of public sector banks, schemes targeted at Power for All have contributed to the growth momentum. However, the inflationary impact of factors such as the recent increases in oil prices and depreciation of the Indian currency need to be watched.

Tata@150

4. The calendar year 2018 also marks the 150th year of the Tata Group. Voltas is proud to be a Tata Enterprise Company. To mark the milestone, the Group has released a special logo which represents the Group's vision of a brilliant tomorrow. The colours represent the youthful energy and potential the Group sees in the future. 150 circles in the logo create a graphic representation of a global community bound together by the ideals of the Group. The 150 itself is slanted to indicate a forward-facing outlook. Keeping with the tradition, Voltas too has incorporated this logo in its communication material for the year. The Company has a series of programs to celebrate the 150th year of the Group.

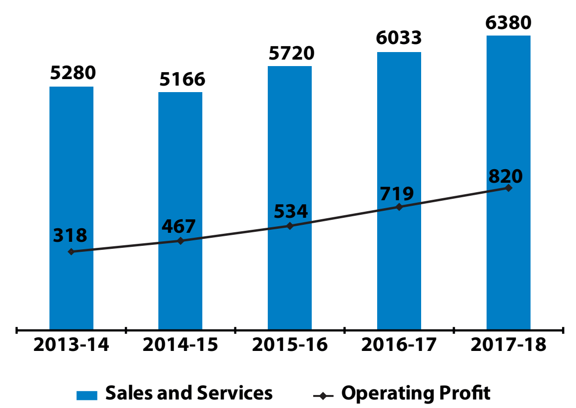
Voltas – Driving Value through Smart Engineering

5. The Company continued to remain focussed on the path for attaining Vision 2020 – 'Driving Value through Smart Engineering' – across its workforce. By doing differently, and more efficiently, the employees are strategically using and applying smart thinking for enhancing value. The zest to provide best-in-class solutions based on logic, facts and consumer insights are a part of the organisation's DNA. The culture of SWIFT (Smart Thinking, Winning Attitude, Innovation & Initiative, Flexibility and Teamwork) drives the ethos at Voltas.

6. The year gone by showcases multiple examples of Smart Engineering be it the launch of the innovative Window Inverter AC - a first for the industry, the customised, value additive solutions offered by the Textile Machinery and Mining businesses, or the IoT (Internet of Things) that tracks installed chillers across the country remotely. The International Business ensured smart execution and speedy completion along with commercial and financial closure of the older projects.

7. Sales and Services and Operating Profits (Profit before exceptional items) of Voltas (consolidated) for the period between financial year 2013-14 and 2017-18 are given below:

Financial Performance (Consolidated)
(₹ in crores)

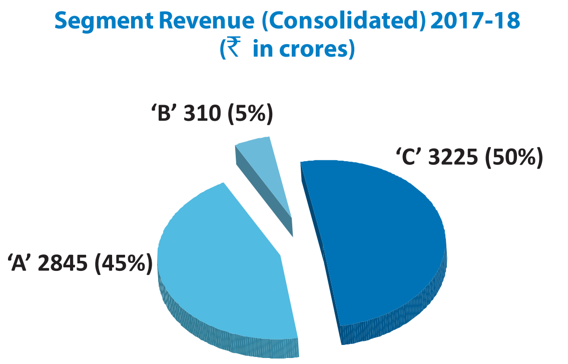


8. The business segments of Voltas (Consolidated) are:

'A' - Electro-mechanical Projects and Services

'B' - Engineering Products and Services

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



Voltbek Home Appliances Private Limited

9. Shareholders would be happy to know that, Voltas and Ardutch B.V. (a subsidiary of Arçelik A.Ş.; part of the Koç Group (Revenue of USD 21 billion approx in 2017) – Turkey's largest industrial and services group), have established a Joint Venture company (JVC) in India, to enter the consumer durables market in the country. The new company incorporated in India in the name of Voltbek Home Appliances Private Limited (Voltbek) is an equal partnership joint venture.

10. The JVC is working towards launching refrigerators, washing machines, microwaves and other white goods / domestic appliances under the brand name Voltas-Beko. Beko, the global brand of Arçelik A.Ş., has been the fastest growing home appliances brand of Europe. The brand is the market leader in UK and the No. 1 freestanding white goods brand of Europe. The complementary strengths of the two partners will help build a sustainable consumer durables business in India. A manufacturing facility will be set up in the country, and the JVC will also source products from Arçelik's global manufacturing facilities and vendor base.

UNITARY COOLING PRODUCTS

11. Overcoming many challenges, the Unitary Cooling Products business was able to achieve good growth, selling around 1.15 million Room Air Conditioners, during the year. Voltas launched its range of 'All Star' Inverter ACs, with the value proposition of 'All Weather Comfort – All Year Savings' during the summer of 2017. Based on 'Two Stage Steady Cool compressor technology', these ACs offer high degree of energy efficiency in extreme weather conditions. The model range for Inverter ACs was substantially enhanced during the year. Voltas now has the largest range of Inverter AC's to cater to the varied customer preferences across the country. Inverter AC's were a significant portion of the total sales in Q3 and Q4 of 2017-18.

12. As per latest independent third party retail audit report, Voltas continues to have the largest Distribution Reach among the pure AC players in the market, with more than 15,000 touch points, across the country. All this led to an overall increase in YTD Market Share to 22.1% in FY18, an improvement of 100 bps over the last year. This is the 7th consecutive year of Leadership with increasing market share well ahead of several formidable multi-national and local competitors.

13. This was a difficult year for the industry with sales impacted in Q1(2017-18) due to GST implementation and migration to higher energy efficiency standards in Q3(2017-18). Summer months began on a high note, but demand was soon dampened due to early onset of rains in some regions in May/June 2017. Market sentiments in June 2017 were mixed, given the uncertainty over impact of GST on trade partners.

14. The Bureau of Energy Efficiency (BEE) started mandatory star labelling for ACs from 2010. Since then, the bar for energy efficiency has been periodically raised. Synonymous with the responsibility of the market leader, Voltas has been able to align itself well in time with the changes made by BEE. From January 2018, industry started following common Star labelling 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 2017 (which were made mandatory from January 2018).

15. With the market shifting towards Inverter ACs, the Company has geared its R&D, to develop super-efficient Inverter ACs. Voltas is also the first in the industry to launch Window Inverter AC in India. The Company has more than 35 SKUs in the All-Star DC Inverter range today, with features like:

High ambient and instant cooling; Super silent operations; Two-stage steady cool compressor; Five motors using DC technology and Eco friendly refrigerant.

16. The Company launched attractive consumer offers, such as, financing schemes and cash-back offers, along with fresh TV commercials, bringing back the favourite, Mr. Murthy.

17. In its third year of operations, Voltas Fresh Air Coolers further enhanced its product portfolio, across Personal, Window, Desert and Towers series, with a range of 24 models. The significant growth registered in this category was driven by enhancing the model mix, expanding touch points across the white goods and brown goods channel, expanding service network and clear communication of features like honeycomb cooling pads and three-stage filters. The automatic humidity control feature in air coolers, which extends the usage period of the products across both sticky and dry heat, was well accepted by the market.

18. The Company's performance in the Commercial Refrigeration category was augmented by the availability of an enhanced portfolio by introducing products catering to changing consumer preferences, such as top-glass freezers and curved freezers among others. Voltas continues to retain its market leadership position.

19. Voltas believes that After-sales-service is critical in sustaining its leadership position. In this regard, Voltas is continuously investing in avenues for strengthening the Service Network such as developing a separate network of in-house Direct Service Centres and improving last mile service delivery. The service network was considerably expanded in terms of newer outlets and reach. A number of customer friendly initiatives such as extended warranty on product and compressor, auto alerts to customers for service, were introduced during the year.

OPPORTUNITIES AND OUTLOOK

20. Voltas ensures that it stays relevant to the market by continuously engaging with various stakeholders and using these insights to modify its products and service offerings. Owing to the increasing consumer spending capacity, changing consumer preferences and better availability of power, the AC category is expected to witness good growth in the coming years. Voltas, being the market leader, is well poised to lead the industry in this direction. Government initiatives such as GST implementation, migration to ISEER, etc., will improve the product performance and increase efficiencies in supply chain, for the entire industry. In the air cooler business, the Company expects a positive impact of GST implementation on demand shift to organized sector products.

THREATS

21. While the AC industry is growing at a rapid pace, there are some challenges in the external environment. On one hand, GST, exchange rate and commodity prices impact pricing, and on the other, competitive pricing, especially in energy efficient products, results in lower margins. Improved focus on value engineering, cost innovation, customer service and logistics will help Voltas sustain its market dominance, in an increasingly competitive market.

ELECTRO-MECHANICAL PROJECTS AND SERVICES

Domestic Projects

22. The Domestic Projects business continues to align itself with the Vision 2020 statement while creating a differentiator in the market through reliable solutions and delighting the customer through trust worthy after-sales service offerings. The IoT controlled, remote monitoring system for predictive maintenance now covers over 1,000 chillers, across India. Service personnel in the field are empowered to use technology in the form of smart mobile device, giving them a single window solution to address their needs in customer complaint resolution process. This has enabled uniform service delivery across locations. This year witnessed a turn-around for Rohini Industrial Electricals Limited (RIEL), a wholly-owned subsidiary of the Company. It’s scope of work includes electrification projects. In fact, Voltas has been instrumental in electrifying more than 2500 villages across the country as a last mile connector. These projects are driven under the Deen Dayal Upadhyaya Gram Jyoti Yojana – a Central Government funded scheme.

23. New regulations on Energy Efficiency norms (Energy Conservation Building Code) along with refrigerant changes has led to upgradation of technology in the existing product range and introduction of energy efficient products confirming to standards. Expansion of the distribution channel for products to increase the reach across India, led to

better penetration. The Company has strategically focussed on Government projects for the last few years and is executing projects in rural electrification, metro rail, air ventilation, water management and HVAC. Besides early introduction of Bharat-Stage VI is leading to large scale expansion and modernization of refineries, thus giving opportunities for specialized Low Temperature Product Offerings.

International Projects

24. The International Projects business had a successful year with good progress on commercial and financial closure of old projects and efficient execution of ongoing projects. The combination of improved execution, client relationship building and selective, risk-mitigated booking of new projects were the primary reasons for a profitable year. New projects booked included amongst others, an additional phase of a mixed-use development, a museum, and re-entry into specialized areas such as District Cooling Plants and Industrial Projects.

25. During the year, many Middle East countries and in particular, the UAE saw project announcements and awards in sectors like leisure and hospitality, in addition to retail and Expo 2020 related developments.

26. Efforts were intensified to expand and accelerate growth of MEP Facilities Maintenance and Water Treatment offerings with projects being booked in the UAE and Oman. Pre-fabricated modular installation of MEP services became a standard approach adopted for the Company's own projects and also offered to the market as a standalone solution. The recent award of 'Contractor of the Year 2017' in both Dubai and Oman was a recognition of the Company's project management capabilities.

OPPORTUNITIES

Domestic Projects

27. The Company has strategically increased its focus on orders from Government projects. With the Government emphasizing inclusive growth encompassing needs of the common man, opportunities in urban infrastructure, transportation, electrical distribution, water treatment, education, healthcare besides smart cities are increasingly visible. The recent impetus from the Government on announcements and increased budgetary allocations covering the following adjacent areas of the Company's core business, has led to growing opportunities in India in areas such as:

- Rural Electrical Distribution
- Transportation infrastructure (including Metros, Airports, Ports, etc.)
- Buildings including educational institutions, hospitals and Government buildings
- Railway Station Redevelopment Projects
- Water and Effluent Treatment Projects

Voltas, given its long term experience and expertise, is well positioned to be the preferred partner for execution of such projects.

28. The Government's intention to build social infrastructure through development of hospitals and educational institutions has been demonstrated through the announcement of major investments in these areas and represents significant potential for the Company's HVAC Solutions business. The rapid emergence of Cold-Chains due to increased organized retail and improved logistics also represents an opportunity for this business.

29. While Phase I of the Electrification program under the GOI scheme is on, the next Phase Saubhagya will also begin soon, opening up opportunities in the space of connecting each house in the village with a electric connection. The Company has been involved in execution of electrical distribution projects in the States of West Bengal, Rajasthan, Madhya Pradesh, Jharkhand and Bihar and is looking at expanding this line of business to other States.

International Projects

30. With some improvement in oil prices, the economies in the GCC region are also looking at a growth phase. This will boost the spending levels across construction and other sectors. According to the Middle East Economic Digest (MEED) Projects forecast, the construction sector in the UAE is projected to grow to USD 37.3 billion by 2021. This will provide opportunities for Voltas in the areas of Built-Infrastructure including Hotels, Malls, Airports, Metros, Commercial and Industrial establishments, etc. Orders are also being awarded for hotels, malls, recreational facilities and theme parks towards the goal of increasing tourism and travel into the region.

31. VAT was introduced in the UAE and Saudi Arabia from January 2018 and planned in other countries by 2019. Ambitious longer-term vision and plans to 2030 or even beyond have been announced by UAE and Saudi Arabia. UAE is taking several steps in the area of smart and sustainable cities, e-trade and transportation. Resolution of the Qatar situation will see opportunities resume in that market. In parallel, in countries including Oman, the Company is making efforts to book orders on infrastructure related projects.

32. Opportunities exist and will continue to be available for players who take a judicious risk-reward balanced approach towards booking and executing projects. Additionally, projects in the mid to small size segment will also be targeted on the back of partnerships with main contractors in this segment and through the Business' joint venture operations in the UAE and Oman. The Business will also continue to grow its MEP Facilities Management and Water Management Solutions with growth potential being high from a current relatively small base.

THREATS

Domestic Projects

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

34. The market is gradually shifting towards new technology to meet climate change protocols. The Company's Engineering Centre is working on new designs and applications to meet new market and regulatory requirements while exploring partnerships with the right technology partners.

35. Fluctuations in commodity prices and input cost increase is a cause of concern and the Company has adequate risk mitigation processes for the same.

International Projects

36. Budget constraints of clients and irrational pricing by some contracting companies in the region are driving down prices. In addition, cost increases due to introduction of new levies and an increase in commodity prices will need to be countered by improved productivity, especially given turnkey lump sum contracts, with no price escalation clauses. Enhanced approaches to integrated planning, productivity and change management through the use of technology and automation will be key to delivering sustainable efficiency in the execution of projects.

37. Potential economic and political developments, in the region as well as globally, pose threats to sustained growth, progress of ongoing projects and payments. New geographies providing opportunities will be targeted and growth of MEP Facility Management and Water Management Solutions will be further accelerated to supplement revenue and income streams into the future.

ENGINEERING PRODUCTS AND SERVICES

Textile Machinery

38. The Indian Textile Industry is going through a difficult phase both in the domestic as well as export front. The domestic yarn production did not show any growth despite addition of spindles; exports also witnessed negative growth both in garments / apparels and yarn. The lingering and prolonged effects of Demonetization and GST have created a difficult environment, though it is expected to benefit the Industry in the longer term.

39. The reduction in the export incentives post GST increased the difficulties experienced by the textile manufacturers. This led to margin pressure and muted sentiments across the value chain, especially in the spinning sector. As a consequence of this, the capex growth in the industry was muted; however, the continued focus on 'After Sales businesses' in addition to machinery sales helped mitigate the impact.

40. The Business has rolled out a "Five Point Strategy" for its growth to strengthen its leadership position across its offerings by increasing market share and 'After Sales'.

41. Textile Machinery business has a good set of Principals and is looking at setting up more alliances to explore value additive areas in the post spinning space – a case in point being the recent JV with the Japanese brand Shima Sheiki.

Mining & Construction Equipment

42. Mozambique operations continue to drive performance of Mining business while the business in India continues to be impacted with a number of external constraints. In this

environment, the Crushing equipment business in India has seen modest growth due to demand from road construction companies.

OPPORTUNITIES

Textile Machinery

43. The long term potential for Indian Textile Industry looks promising given the huge domestic market driven by aspiring middle class as well as natural advantages available to Indian exporters.

44. The impact of GST related taxation changes and tepid textile exports has led to a slow down of new investments in textile sector. This naturally, affected the Company's mainstay business of selling spinning and post spinning machinery. The strategy of providing both, capital equipment solutions and ongoing operating support means that the Company is increasingly seen as a 'one stop' solution provider through a comprehensive portfolio of products and solutions.

Mining & Construction Equipment (M&CE)

45. Customer centricity of M&CE was the growth driver in Mining Services in Africa. M&CE had steadily grown business/ revenues in Africa through additional contracts for Loaders, Excavators and Auxiliary equipment. The business is also exploring opportunities to enter into maintenance contracts in other African nations.

46. A global trend of Mining OEM consolidation and increasing commodity prices had impacted Mining industry during the past few years. On the domestic front, with the opening up of commercial Mining, there is good opportunity for global Mining companies in India. At the same time, expansion plans of Coal India coupled with spending boost by Government for Road and Infra projects are expected to provide good growth opportunities, especially for Powerscreen crushing and screening business.

47. As the activities in Mining India pick up, there will be opportunities for the India business. The Company is selectively participating in tenders leveraging on its service expertise and network of depots.

THREATS

Textile Machinery

48. The Textile Industry continues to be supported by the Government through export incentives and investment subsidies, which partially offsets the lack of competitiveness due to the Free Trade Agreement enjoyed by the competing countries like Bangladesh, Vietnam, etc. (with the major textile markets like USA and EU). The latest directive by the World Trade Organisation (WTO) to India to curb the incentives / subsidies may have major impact in the short term as more than 30% of the textile produce is directly / indirectly exported.

49. Further, the increasing trend in the import of textiles and garments into India post GST, if not addressed could become another threat to the Textile Industry. As the Company's Textile Machinery business is closely linked to the fortunes of the textile industry, such external factors may have an adverse impact on the performance. 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

50. The main challenge will be to build the Mining India business, which has been impacted in the last 3-4 years due to transfer of Terex Unit Rig/O&K agency business to Caterpillar dealers, and suspension of EMTA mines due to Supreme Court order for cancellation of Coal Blocks. The trend of global consolidation, impacting the entire mining industry is also expected to affect M&CE business. However, M&CE is well poised to cater to the situation by re-positioning itself as an equipment supplier and service provider and identifying new mining sector OEMs which seek representation in the Indian market.

FINANCIAL PERFORMANCE - CONSOLIDATED

51. Financial performance as a measure of operational performance.

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

₹ in crores

	2017-18	2016-17	Change	Change%
Segment-A (Electro-mechanical Projects and Services)	**2,845**	2,655	190	7%
Segment-B (Engineering Products and Services)	**310**	332	(22)	(7%)
Segment-C (Unitary Cooling Products for Comfort and Commercial Use)	**3,225**	3,046	179	6%
Total	**6,380**	6,033	347	6%

The Consolidated Segment Revenue for 2017-18 was higher by 6% at ₹ 6,380 crores as compared to ₹ 6,033 crores last year mainly due to higher sales recorded by Electro-mechanical Projects and Unitary Cooling Products businesses.

(b) **Exceptional Items:**

₹ in crores

	2017-18	2016-17	Change	Change%
Exceptional income	**1**	1	—	—

Exceptional income during 2017-18 was on account of surrender of tenancy rights.

(c) **Employee Benefits Expense:**

₹ in crores

	2017-18	2016-17	Change	Change%
Employee Benefits Expense	**587**	618	(31)	(5%)

Employee Benefits Expense consists of salary, wages, commission to Managing Directors, Deputy Managing Director, Company's contribution to Provident Fund and other funds, gratuity and staff welfare expenses. There has been an overall 5% decrease in Employee Benefits Expense during the year under review as compared to the previous year, due to demobilization of workmen, post completion of certain international projects.

(d) **Finance Costs:**

₹ in crores

	2017-18	2016-17	Change	Change%
Interest	**12**	16	(4)	(25%)

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

(e) **Profitability:**

₹ in crores

	2017-18	2016-17	Change	Change%
Profit Before Tax	**805**	720	85	12%
Profit After Tax and Minority Interest/ Share of Profit/loss of Associates	**572**	517	55	11%

Consolidated Profit before tax in 2017-18 was higher at ₹ 805 crores due to better performance across all businesses, with a significant increase in the Projects business. On the domestic front, Universal Comfort Products Limited reported profit before tax of ₹ 97 crores in 2017-18 and Rohini Industrial Electricals Limited reported profit of ₹ 2 crores.

52. FINANCIAL POSITION - CONSOLIDATED

(a) **Borrowings:**

₹ in crores

	2017-18	2016-17	Change	Change%
Borrowings	**142**	171	(29)	(17%)

Borrowings were primarily for execution of overseas projects, including by subsidiaries/joint venture companies. With completion of some overseas projects, the overall bank borrowings were lower by 17% as compared to last year.

(b) **Investments:**

₹ in crores

	2017-18	2016-17	Change	Change%
Non-current Investments	**2,266**	2,068	198	10%
Current Investments	**488**	200	288	144%
Total	**2,754**	2,268	486	21%

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

(c) **Inventories:**

₹ in crores

	2017-18	2016-17	Change	Change%
Raw materials, components, stores and spares	**200**	189	11	6%
Work-in-progress (net)	**6**	6	—	—
Finished goods	**183**	218	(35)	(16%)
Stock-in-trade of goods (for trading)	**424**	495	(71)	(14%)

Overall, the inventory levels were lower in 2017-18 due to increase in sales volumes.

(d) **Trade Receivables:**

₹ in crores

	2017-18	2016-17	Change	Change%
Current Trade Receivables (Net)	**1,570**	1,454	116	8%

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

(e) **Other Assets:**

₹ in crores

	2017-18	2016-17	Change	Change%
Other Current Financial Assets	**82**	72	10	14%
Other Non-Current Financial Assets	**35**	18	17	94%
Other Current Assets	**1,357**	1,022	335	33%
Other Non-Current Assets	**88**	67	21	31%

Other Financial Assets (current and non-current) comprise 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 the contract revenues recognized in excess of certified bills in Projects business. In the Projects business, revenues are recognized on the basis of Percentage Completion Method, in line with the Accounting Standard.

(f) **Liabilities and Provisions:**

₹ in crores

	2017-18	2016-17	Change	Change%
Current liabilities	**3,271**	3,042	229	8%
Non-Current liabilities	**102**	102	—	—

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.

FINANCIAL PERFORMANCE – STANDALONE

53. Financial performance as a measure of operational performance.

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

₹ in crores

	2017-18	2016-17	Change	Change%
Segment-A (Electro-mechanical Projects and Services)	**2,180**	1,875	305	16%
Segment-B (Engineering Products and Services)	**310**	332	(22)	(7%)
Segment-C (Unitary Cooling Products for Comfort and Commercial Use)	**3,306**	3,218	88	3%
Total	**5,796**	5,425	371	7%

Revenues in Electro-mechanical Projects and Services (Segment A) were higher by 16% as compared to the previous year. In Segment B, Revenues of both Textile Machinery and Mining and Construction Equipment business were lower than previous year due to various exogenous factors and certain one offs in the previous year. Supported by strong performance in the peak summer season, Revenue of Unitary Cooling Products (Segment C) was higher by 3% as compared to last year.

(b) **Other Income:**

₹ in crores

	2017-18	2016-17	Change	Change%
Other Income	**237**	267	(30)	(11%)

Other Income comprise rental income, dividend from investments, interest income and profit from sale of investments. Owing to an increase in bond yield, the MTM (Mark to Market) of the Company's investments in debt mutual funds was lower as compared to 2016-17.

(c) **Exceptional Items:**

₹ in crores

	2017-18	2016-17	Change	Change%
Exceptional Income	**(4)**	(6)	2	33%

Exceptional income during 2017-18 was on account of surrender of tenancy rights, offset by reduction in provision for diminution in value of investments in an overseas joint venture company.

(d) **Employee Benefits Expense:**

₹ in crores

	2017-18	2016-17	Change	Change%
Employee Benefits Expense	**422**	407	15	4%

Employee Benefits Expense consists of salary, wages, commission to Managing Directors and Deputy Managing Director, Company's contribution to Provident Fund and other funds, gratuity and staff welfare expenses. The overall increase in Employee Benefits expense during the year under review was 4%. Inflation linked salary increases were partially offset by demobilization of workmen, post completion of certain projects in the Middle East.

(e) **Finance Costs:**

₹ in crores

	2017-18	2016-17	Change	Change%
Interest	**8**	10	(2)	(20%)

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

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

₹ in crores

	2017-18	2016-17	Change	Change%
Depreciation and Amortisation Expenses	**19**	18	1	6%

The charge for depreciation on fixed assets is marginally higher for the year as compared to previous year.

(g) **Other Expenses:**

₹ in crores

	2017-18	2016-17	Change	Change%
Other Expenses	**513**	524	(11)	(2%)

Other Expenses include 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

	2017-18	2016-17	Change	Change%
Profit Before Tax	**683**	651	32	5%
Profit After Tax (Net Profit)	**501**	486	15	3%

Projects business segment showed considerable growth in profits during the year due to prudent project selection and efficient execution while Unitary Cooling Products segment maintained its increasing profit trajectory. Overall profit before tax improved by 5% and profit after tax improved by 3%.

54. FINANCIAL POSITION – STANDALONE

(a) **Borrowings:**

₹ in crores

	2017-18	2016-17	Change	Change%
Borrowings	**28**	69	(41)	(59%)

Borrowings were primarily for execution of overseas projects. With completion and financial closure of old projects, the overall bank borrowings at the end of the year were lower by 59% as compared to last year.

(b) **Investments:**

₹ in crores

	2017-18	2016-17	Change	Change%
Non-current Investments:				
- Investment in subsidiaries, joint venture and associates	**206**	122	84	69%
- Other Investments	**802**	614	188	31%
- FMPs / Units of Debt Mutual Funds (Growth Scheme)	**1,376**	1,478	(102)	(7%)
Total	**2,384**	2,214	170	8%
Current Investments:				
- Investment in Preference Shares	**22**	—	22	100%
- Liquid Funds / Liquid Plus / Arbitrage (Dividend)	**130**	76	54	71%
- Units of Debt Mutual Funds (Growth Scheme)	**358**	124	234	189%
Total	**510**	200	310	155%

The Company's investment of surplus cash in Mutual Funds (non-current and current) has increased by ₹ 186 crores (net) and was ₹ 1,864 crores as on 31st March, 2018 as compared to ₹ 1,678 crores as on 31st March, 2017. To maximize returns on Debt mutual fund investments, a larger portion of investments was last year 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. In 2017-18, the Company has also made significant investment (around ₹ 79 crores) in the new Joint Venture company for White Goods (Voltbek).

(c) **Inventories:**

₹ in crores

	2017-18	2016-17	Change	Change%
Raw materials, components, stores and spares	**155**	89	66	74%
Work-in-progress (net)	**6**	5	1	20%
Finished goods	**158**	187	(29)	(16%)
Stock-in-trade of goods (for trading)	**424**	495	(71)	(14%)

Stock of finished goods was at lower level as compared to 2016-17 due to liquidation of inventory by Unitary Cooling Products business.

(d) **Trade Receivables:**

₹ in crores

	2017-18	2016-17	Change	Change%
Current Trade Receivables (Net)	**1,277**	1,188	89	7%

Current Trade Receivables were higher by 7% as compared to previous year primarily in the Domestic operations, both in Projects and Products.

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

₹ in crores

	2017-18	2016-17	Change	Change%
Cash and cash equivalents	**174**	206	(32)	(16%)

Cash and bank balance at the year end was marginally lower by ₹ 32 crores.

(f) **Other Assets:**

₹ in crores

	2017-18	2016-17	Change	Change%
Other Current Financial Assets	**81**	85	(4)	(5%)
Other Non-Current Financial Assets	**23**	17	6	35%
Other Current Assets	**948**	612	336	55%
Other Non-Current Assets	**79**	58	21	36%

Other Financial Assets (current and non-current) comprise advance payment of taxes (net), capital advances, security deposits, advance to customs, port trust / other authorities and suppliers. Other Assets (current and non-current) comprise contract revenues recognized as being in excess of certified bills and advances to Government. These have increased in the current year due to large order execution by the Projects businesses. Revenues are recognized on the basis of Percentage Completion Method, in line with the Accounting Standard.

(g) **Liabilities and Provisions:**

₹ in crores

	2017-18	2016-17	Change	Change%
Current liabilities	**2,887**	2,533	354	14%
Non-Current liabilities	**74**	78	(4)	(5%)

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 due to an increase in short term trade payables.

LIQUIDITY AND CAPITAL RESOURCES

55. The emphasis of Management on maintaining a robust Balance Sheet continues. The Company had cash and cash equivalents / liquid investments of ₹ 2,227 crores as on 31st March, 2018. The Company has limited borrowings, mainly working capital finance for International Projects.

RISKS AND CONCERNS

56. 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.

57. 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 hedged by utilizing forward cover, EEFC account, repatriation from International Projects and Dividend from overseas JVs and Subsidiaries. Accordingly, despite increased volatility of the Rupee, the Company has ensured that the impact of foreign exchange fluctuations was minimized.

58. 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

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

60. The Company's Internal Audit team consists of qualified professionals led by the Chief Internal Auditor, who reports to the Board Audit Committee. The Company has also engaged the services of a leading firm of Chartered Accountants as co-sourcing partner for internal audit. The internal audit function provides assurance to the Board and to the Audit Committee on the adequacy and effectiveness of internal controls, compliance with operating systems at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and status on remedial actions thereon are regularly presented to the Audit Committee.

61. Audits are conducted based on an annual risk-based internal audit plan which is approved by the Board Audit Committee at the beginning of the financial year. The scope and coverage of the internal audit plan includes reviewing and reporting on key process risks, adherence to operating guidelines and statutory compliances. The annual audit plan and internal audit reports are shared with the statutory auditors.

62. Processes in the Internal Audit function have been continuously strengthened for enhanced effectiveness and productivity including use of tools for analytics in the audit domain and ongoing knowledge improvement programmes for staff.

63. Internal audit has been entrusted with independent testing of operating effectiveness of internal controls. Based on the assessment carried out and evaluations of the results of the assessment, the Board of Directors is of the opinion that the Company has an adequate Internal Financial Controls system that is operating effectively as at 31st March, 2018.

HUMAN RESOURCES

64. The Company has taken several long term initiatives to ensure appropriate availability of skills, talent and resources for the next five years in alignment with Business Strategy. Accordingly, initiatives like Span & Layer, capability and skill development, engagement initiatives, Digitization & Automation of HR processes, Industrial Hygiene and Occupational Health Surveys in factories and offices and office up-gradation programs were further strengthened during the year. The focus has been on building highly skilled and engaged workforce in order to achieve ambitious growth targets.

65. The Company has augmented its leadership and talent pipeline with a combination of lateral hires in the market together with internal movements and induction of fresh talent through campus hires. To keep the young campus hires engaged and charged till they actually join Voltas, pre-joining engagement initiative is enhanced through

regular communications like Info-byte. There is significant improvement in Learning & Development with customized training for different focused groups from various businesses. The maximum coverage of training is in Middle Management and Junior Management band. In order to maintain sustainable growth and have competitive advantage, the Company has identified its core talent and is currently engaged in developing them via suitable leadership programmes.

66. During 2017-18, the Company had launched Middle Management Leadership Development program (MMLP) for Middle Managers to enhance the internal leadership pipeline. The Assessment & Development Center for MMLP assessed 132 employees (out of population of 484). 37 employees were selected as High Potential for the leadership program and in partnership with Indian Institute of Management – Ahmedabad, underwent a 2-phase Development program. Going forward, the Company would place these high potential employees across divisions in appropriate roles and responsibilities.

67. Voltas has implemented a well-rounded formal engagement calendar to improve employee engagement covering all locations through various initiatives like Cultural Day celebration, Sporting Events, Employee Volunteering.

68. High 5, a Reward & Recognition initiative, is now in its third year of implementation and going strong. Employees and managers are encouraged to recognize and felicitate the contribution of peers and teams. This year, new categories have been introduced in High 5 - Best V-Cas Manager; Inspiring V-Cas Managers for managers who have actively completed training need identification, performance planning and recognition for his / her team; Outstanding contribution towards CSR and Internal Trainers.

69. In keeping with the spirit of professional engagement and pragmatic business relations, the Company successfully entered into a Bonus and Incentive Settlement with its employees across locations. Given an approach of innovative and inclusive practices, the Company enjoyed a favourable Industrial Relations climate during 2017-18.

70. Voltas reiterates its commitment to provide a safe and harassment-free working environment for all its employees. The Company launched a protracted campaign, across locations, to increase the awareness on gender equality and sensitivity at work place with a series of face-to-face meetings and e-learning modules Tools like the Manual on Sexual Harassment of Women at Workplace released by the Ministry of Women and Child Development, Government of India, POSH Classroom trainings and E-learning portal for employees.

71. The Company has participated in "Gender Parity Survey for the Formal Sector of India", conducted by FICCI flo and received the overall rating as ''Good" with score of 14.7 out of 24. The Company has received a certification ''Preferred Work Place for Women" and is allowed to use the logo on the Company's website and in other communication channels to enhance its employer brand.

72. The total staff strength of Voltas Limited (stand-alone) as on 31st March, 2018 was 4769, including 2154 contract staff, primarily for overseas projects. On a consolidated basis, total manpower as on 31st March, 2018 was 8118, including 5228 contract staff. The international projects business including overseas subsidiaries/joint ventures had 4195 contract staff.

CAUTIONARY STATEMENT

73. 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 and Deputy 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: 9 Non-Executive Directors (NEDs), Managing Director and a Deputy Managing Director. Of the 9 NEDs, 6 are Independent Directors, including a Woman 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, all other Directors are liable to retire by rotation.

(b) Independent Directors

All the Independent Directors of the Company have confirmed that they satisfy the criteria of Independence as indicated in the Companies Act, 2013 (the Act) 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 the Retirement Age 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 Act. 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/ contribution at Board/Committee Meetings, integrity and maintenance of confidentiality, independence, independent views and 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 held periodically.

During 2017-18, a separate Meeting of Independent Directors of the Company was held on 15th March, 2018 to discuss the performance evaluation based on the self assessment of Directors and the Board and also to 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 have expressed their satisfaction and complimented the good process followed by the Company, including conduct of Board Meetings and quality of 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 Act 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 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 2017-18, eleven Board Meetings were held on the following dates and the gap between two consecutive Board Meetings did not exceed 120 days.

19th April, 2017; 23rd May, 2017; 8th June, 2017; 10th July, 2017; 2nd August, 2017; 27th September, 2017; 16th October, 2017; 8th November, 2017; 10th January, 2018; 7th February, 2018; and 15th March, 2018.

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 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 (beyond certain threshold limits), 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, 2018. 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 Head-Finance of the respective business clusters.

(g) Category and attendance

The names and categories of the Directors, their attendance at Board Meetings held 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 2017-18	Attendance at the last AGM held on 28th August, 2017	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[1] (Chairman) DIN: 00027891	Not Independent Non-Executive	5	Yes	NA	NA	NA
Mr. Noel N. Tata[2] (Chairman) DIN: 00024713	Not Independent Non-Executive	11	Yes	5	—	2
Mr. Sanjay Johri[3] (Managing Director) DIN: 00032015	Not Independent Executive	10	Yes	NA	NA	NA
Mr. Pradeep Bakshi[4] (Managing Director) DIN: 02940277	Not Independent Executive	6	NA	1	—	—
Mr. Anil George[4] (Deputy Managing Director) DIN: 00590939	Not Independent Executive	6	NA	3	2	—
Mr. Nani Javeri DIN: 02731854	Independent Non-Executive	9	Yes	3	--	4
Mr. R. N. Mukhija DIN: 00001653	Independent Non-Executive	10	Yes	4	--	2
Mr. Vinayak Deshpande DIN: 00036827	Not Independent Non-Executive	7	Yes	4	1	2
Mr. Debendranath Sarangi DIN: 01408349	Independent Non-Executive	10	Yes	2	--	1
Mr. Bahram N. Vakil DIN: 00283980	Independent Non-Executive	9	Yes	3	--	1
Ms. Anjali Bansal DIN: 00207746	Independent Non-Executive	10	Yes	4	--	1
Mr. Hemant Bhargava DIN: 01922717	Not Independent Non-Executive	7	No	5	--	1
Mr. Arun Kumar Adhikari DIN: 00591057	Independent Non-Executive	6	Yes	4	--	2

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

[1]Mr. Ishaat Hussain retired as Non-Executive Director and Chairman of the Company at the 63rd AGM held on 28th August, 2017.

[2]Mr. Noel N. Tata was appointed as Non-Executive Chairman of the Company w.e.f. 1st September, 2017.

[3]Mr. Sanjay Johri retired as Managing Director of the Company w.e.f. 10th February, 2018.

[4]Mr. Pradeep Bakshi and Mr. Anil George, who were appointed as Executive Directors of the Company w.e.f. 1st September, 2017 were appointed as Managing Director and Deputy Managing Director, respectively, w.e.f. 10th February, 2018.

3. Audit Committee

(a) Composition, name of Members and Chairman

The Board Audit Committee (BAC) comprise 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, Deputy Managing Director, Executive Vice President - Finance & 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

Eight Meetings of Audit Committee were held during the financial year 2017-18 on the following dates:

19th April, 2017; 22nd May, 2017; 8th June, 2017; 5th July, 2017; 1st August, 2017; 7th November, 2017, 10th January, 2018, and 6th February, 2018.

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	7
Mr. Debendranath Sarangi	6

The quorum of BAC 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 Act.
  - (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.
- Grant omnibus approval in respect of related party transactions which are of repetitive nature and in ordinary course of business upto certain threshold limits as prescribed under the Act, the rules made thereunder and Listing Regulations.
- 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 comprise Mr. Nani Javeri (Chairman), Mr. R. N. Mukhija and Mr. Debendranath Sarangi. During 2017-18, two Meetings were held on 5th July, 2017 and 10th January, 2018. 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 2017-18 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. 40), 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 2017-18. 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) comprise Mr. Bahram N. Vakil (Chairman), Mr. Nani Javeri, Ms. Anjali Bansal (Independent Directors) and Mr. Noel N. Tata (Non-Executive Director). During 2017-18, nine meetings were held on 19th April, 2017; 23rd May, 2017; 8th June, 2017; 2nd August, 2017; 1st September, 2017; 27th September, 2017; 16th October, 2017; 7th February, 2018 and 15th March, 2018. The attendance of each member of the Committee is given below:

Name of Members	No. of Meetings attended
Mr. Bahram N. Vakil	7
Mr. Nani Javeri	8
Mr. Ishaat Hussain*	4
Mr. Noel N. Tata	9
Ms. Anjali Bansal	9

*Mr. Ishaat Hussain ceased to be Member of NRC upon his retirement as Chairman and Director of the Company w.e.f. 28th August, 2017.

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 the 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 and Deputy Managing Director is reviewed by the NRC based on certain criteria such as industry benchmarks, Company's performance and the responsibilities shouldered by them. The remuneration of the Managing Director and Deputy 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 Act 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. Revision in pension amounts payable to the retired Managing Directors/Executive Directors from time to time, are 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 AGM 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 Act for a period of five years commencing from 1st April, 2015. Commission for 2017-18 will be distributed amongst the Non-Executive Directors in accordance with the directives given by the Board. In addition to commission, the Non-Executive Directors of the Company 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 paid/payable and sitting fees paid in 2017-18 and their shareholding in the Company as on date are given below:

- Non-Executive Directors

Name of Directors	Commission for 2017-18* (₹ in Lakhs)	Sitting Fees paid in 2017-18 (₹ in Lakhs)	No. of Shares held
Mr. Ishaat Hussain#	21.00	2.70	–
Mr. Noel N. Tata	–	6.60	–
Mr. Nani Javeri	47.00	7.65	–
Mr. R. N. Mukhija	34.00	6.30	–
Mr. Vinayak Deshpande	–	2.70	632
Mr. Debendranath Sarangi	30.00	5.25	–
Mr. Bahram N. Vakil	36.00	5.70	–
Ms. Anjali Bansal	33.00	6.00	–
Mr. Hemant Bhargava**	12.00	2.10	–
Mr. Arun Kumar Adhikari	12.00	2.10	–

* payable in 2018-19.

** Sitting fees and Commission is payable to LIC.

\# Mr. Ishaat Hussain retired as Chairman and Director of the Company at the 63rd AGM held on 28th August, 2017.

In accordance with the Tata Group Guidelines, Mr. Noel N. Tata and Mr. Vinayak Deshpande, being the Managing Director of Tata International Limited and Tata Projects Limited, repectively, were not eligable for any commission from the Company for financial year 2017-18. The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during 2017-18, except as stated above.

- **Remuneration of Executive Directors**

(₹ in Lakhs)

Name of Director	Salary	Perquisites and allowances including retiral benefits	Commission for 2017-18*	No. of Shares held
Mr. Sanjay Johri	82.57	449.80	320.00	–
Mr. Pradeep Bakshi	35.00	62.71	120.00	–
Mr. Anil George	35.00	60.59	120.00	1000

* payable in 2018-19.

Notes:

(a) In line with the Retirement Age Policy of the Company, Mr. Sanjay Johri retired as Managing Director w.e.f. 10th February, 2018, on reaching the age of 65 years.

(b) Consequent upon retirement of Mr. Sanjay Johri, Mr. Pradeep Bakshi, who was appointed as Executive Director of the Company w.e.f. 1st September, 2017 was appointed as Managing Director w.e.f. 10th February, 2018 for a term upto 31st March, 2020, subject to approval of shareholders at the 64th AGM. Remuneration of Mr. Pradeep Bakshi is for part of the year, with effect from 1st September, 2017.

(c) Mr. Anil George, who was appointed as Executive Director of the Company w.e.f. 1st September, 2017 was appointed as Deputy Managing Director w.e.f. 10th February, 2018 for a term upto 31st March, 2020, subject to approval of shareholders at the 64th AGM. Remuneration of Mr. Anil George is for part of the year, with effect from 1st September, 2017.

(d) As per the terms of appointment, Mr. Pradeep Bakshi and Mr. Anil George are entitled to terminate their agreement with the Company 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.

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

(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 Act. Mr. Noel N. Tata, is the Chairman and Mr. Bahram N. Vakil, Independent Director is a Member of this Committee. During 2017-18, two meetings of Shareholders Relationship Committee were held on 13th October, 2017 and 27th February, 2018 which were also attended by the Company Secretary. The Minutes of the Shareholders Relationship Committee Meetings are circulated and noted by the Directors at Board Meetings. Mr. Noel N. Tata attended the last Annual General Meeting of the Company as Chairman of Shareholders Relationship Committee.

During 2017-18, 19 complaints were received from SEBI/Stock Exchanges which were suitably dealt with and closed. As on 31st March, 2018, no complaints were pending.

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 comprise Mr. Noel N. Tata (Chairman), Mr. Bahram N. Vakil and Mr. Pradeep Bakshi. Mr. Pradeep Bakshi was appointed as Member of CSR Committee in place of Mr. Sanjay Johri w.e.f. 10th February, 2018. A CSR Policy has been formulated by the Committee, which has been approved by the Board, to undertake CSR projects/activities. During 2017-18, two Meetings were held on 20th June, 2017 and 27th February, 2018, 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, etc. During 2017-18, 5 Meetings were held on 10th July, 2017; 26th July, 2017; 14th September, 2017; 9th November, 2017 and 14th March, 2018.

(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. Pradeep Bakshi, Managing Director, Mr. Anil George, Deputy Managing Director and Mr. Abhijit Gajendragadkar, Executive Vice President Finance and Chief Financial Officer are members of the Investment Committee. Mr. Sanjay Johri ceased to be Member of the Committee w.e.f. 10th February, 2018. Mr. Pradeep Bakshi and Mr. Abhijit Gajendragadkar were appointed as Members of the Committee w.e.f. 10th February, 2018. During 2017-18, two Meetings were held on 24th October, 2017 and 7th March, 2018. 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. Noel N. Tata, Mr. Pradeep Bakshi and Mr. Anil George periodically meet to discuss and guide the Management on various strategic issues. Mr. Ishaat Hussain and Mr. Sanjay Johri ceased to be members of the Committee upon their retirement from Company on 28th August, 2017 and 10th February, 2018, respectively. Mr. Pradeep Bakshi and Mr. Anil George were appointed as Members of the Committee w.e.f. 10th February, 2018.

(e) Project Committee comprising Mr. R. N. Mukhija (Chairman), Mr. Vinayak Deshpande and Mr. Pradeep Bakshi review and monitor the progress and execution of projects and other related matters. Mr. Pradeep Bakshi was appointed as a Member of the Committee in place of Mr. Sanjay Johri w.e.f. 10th February, 2018. During 2016-17, two Meetings were held on 27th September, 2017 and 1st December, 2017.

(f) The Safety-Health-Environment (S-H-E) Committee comprising Mr. R. N. Mukhija (Chairman), Mr. Vinayak Deshpande and Mr. Pradeep Bakshi review and monitor the Safety standards and practices followed by the Company. Mr. Pradeep Bakshi was appointed as a Member of the Committee in place of Mr. Sanjay Johri w.e.f. 10th February, 2018. The Company conducts Safety audits by cross-functional teams at project sites. During 2017-18, two Meetings of S-H-E Committee were held on 27th September, 2017 and 7th February, 2018.

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 are as given below. No Special Resolutions were passed at these AGMs:

Date of AGM	Time
61st AGM- 3rd August, 2015	3.00 p.m.
62nd AGM- 29th August, 2016	3.00 p.m.
63rd AGM- 28th August, 2017	3.00 p.m.

During 2017-18, 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 27th August, 2018.

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 2017-18.
- 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 Chief Financial Officer have in accordance with Regulation 17(8) of Listing Regulations certified to the Board on matters pertaining to CEO/CFO certification.
- 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 in the prescribed format, 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 the Stock Exchanges.

14. General Shareholders Information

- **AGM: Date, time and venue**
  Monday, 27th August, 2018 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, 2018
  (c) Second Quarter Results
  – By 14th November, 2018
  (d) Third Quarter Results
  – By 14th February, 2019
  (e) Results for the year ending 31st March, 2019
  – By 30th May, 2019
- **Date of Book closure**
  Tuesday, 7th August, 2018 to Monday, 27th August, 2018 (both days inclusive).
- **Dividend Payment date**
  Dividend would be paid on or after 31st August, 2018.
- **Listing on Stock Exchange**
  – BSE Limited
  P. J Towers, Dalal Street, Mumbai 400001
  – National Stock Exchange of India Limited
  Exchange Plaza, C-1, Block G,
  Bandra Kurla Complex,
  Bandra East, Mumbai 400051
  The Company has paid the listing fees to BSE and NSE for the year 2018-19.

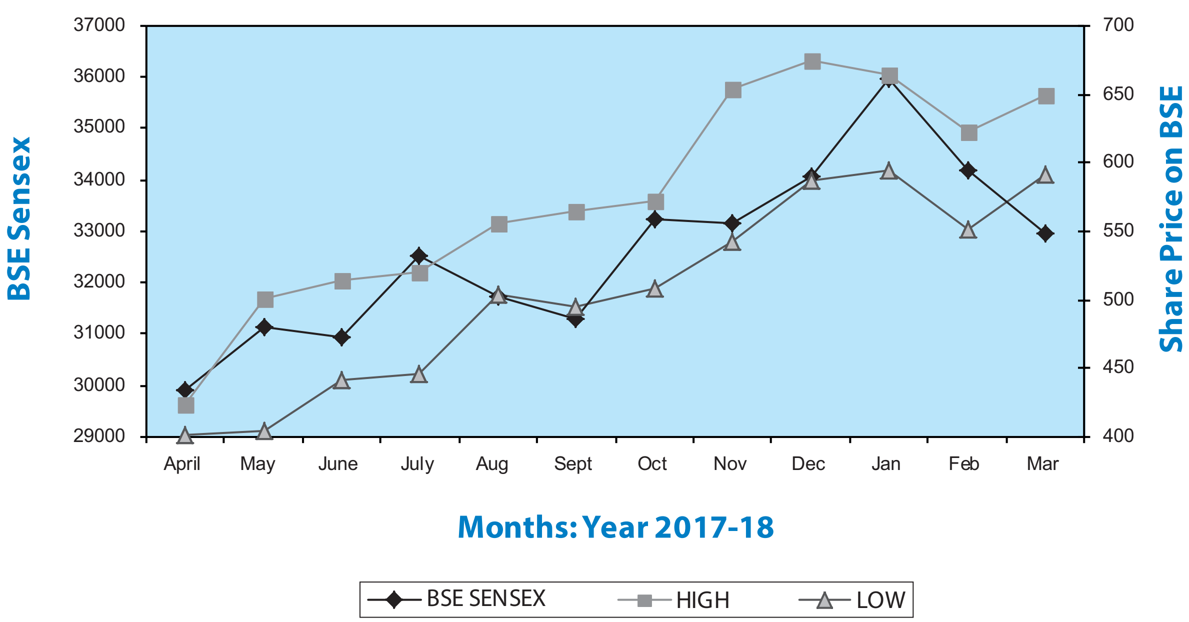
- **Stock Code**
  - BSE : 500575
  - NSE : VOLTAS
  - ISIN for NSDL/CDSL : INE226A01021

- **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 Crores	High ₹	Low ₹	No. of Shares Traded	Turnover ₹ in Crores
2017									
April	29918	424.00	401.25	1698537	70.28	423.45	401.30	24724090	1023.16
May	31146	501.05	403.50	4738151	213.13	501.75	403.40	58853957	2650.51
June	30922	514.65	440.80	2296386	111.39	514.00	440.40	33222898	1600.98
July	32515	520.00	445.15	1893283	92.19	520.75	453.75	22048054	1078.36
August	31730	555.70	504.00	2048543	109.39	556.50	505.00	33695509	1798.32
September	31284	564.95	494.15	1686338	90.24	565.00	494.55	23935236	1269.50
October	33213	571.75	508.00	978221	52.55	572.20	506.65	20402325	1092.87
November	33149	653.45	542.00	2775479	166.94	653.80	541.55	30741720	1836.16
December	34057	675.00	587.05	1821572	115.23	675.30	586.55	24762711	1575.35
2018									
January	35965	664.00	594.65	2200231	138.51	660.80	595.15	25110071	1578.55
February	34184	622.90	551.85	2309167	136.63	622.75	552.00	33104695	2054.80
March	32969	649.90	591.05	1826828	114.53	649.50	591.05	30371947	1902.39

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, 2018**

No. of equity shares held	No. of shareholders	No. of Shares held	% of Issued Share Capital
Upto 5000	108709	37980176	11.48
5001 to 10000	922	6518946	1.97
10001 to 20000	412	5789728	1.75
20001 to 30000	114	2879494	0.87
30001 to 40000	47	1651516	0.50
40001 to 50000	34	1531247	0.46
50001 to 100000	66	4817080	1.46
100001 and above	209	269716553	81.51
Total	**110513**	**330884740**	**100.00**
Physical Mode	**12002**	**8579593**	**2.59**
Electronic Mode:	**98511**	**322305147**	**97.41**
- **NSDL**	**58911**	**304752058**	**92.10**
- **CDSL**	**39600**	**17553089**	**5.31**

- **Shareholding Pattern as on 31st March, 2018**

Category	No. of Shares held	% of Issued Share Capital
Tata Group of companies	100253480	30.30
Foreign Portfolio Investors	64794259	19.58
Mutual Funds and UTI	63405501	19.16
Insurance companies	31043476	9.38
Bodies Corporate	14997442	4.53
Non Resident Indians	2427223	0.74
Alternate Investment Funds	1921939	0.58
Central Government Corporations	1122652	0.34
Banks	674101	0.20
Foreign companies and Foreign nationals	90773	0.03
Public	50153894	15.16
Total	**330884740**	**100.00**

- **Shareholders holding more than 1% Equity Shares of the Company as on 31st March, 2018**

Name of Shareholder	No. of Shares held	% of Issued Share Capital
Tata Sons Limited	88131780	26.64
Life Insurance Corporation of India	22716849	6.87
HDFC Mutual Fund	17824000	5.39
Franklin Templeton Investment Funds	11793320	3.56
Franklin Templeton Mutual Fund	11296033	3.41
Tata Investment Corporation Limited	9962330	3.01
Aditya Birla Sun Life Trustee Company Private Limited	6745735	2.04
SBI Mutual Fund	6496004	1.96
IDFC Mutual Fund	4987959	1.51
HDFC Standard Life Insurance Company Limited	4402334	1.33
Standard Life Pacific Basin Trust	4141992	1.25
Mirae Asset Mutual Fund	3333951	1.01

- **Registrar and Transfer Agent**

TSR Darashaw Limited

Unit : Voltas Limited

6-10, Haji Moosa Patrawala Industrial Estate,

20, Dr. E. Moses Road, Near Famous Studio, 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**

97.41% of the share capital has been dematerialized as on 31st March, 2018.

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

Date of declaration of dividend	Dividend for the year	Due for transfer to the IEPF
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
28th August, 2017	2016-17	28th September, 2024

Pursuant to Section 124 of the Act 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 by Circular dated 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 IEPF Authority. Accordingly, the Company had transferred 15,43,422 shares (physical) and 32,107 shares (held in demat) to IEPF Authority in respect of dividend declared by the Company for 2008-09 and 2009-10 and which had remained unclaimed for seven consecutive years. The Company has uploaded the details of such shareholders on its website www.voltas.com and website of IEPF Authority www.iepf.gov.in. The concerned shareholders may note that the shares so transferred to IEPF Account, including all benefits accruing on such shares, if any, can be claimed by them only from IEPF Authority by following the prescribed procedure.

- **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 by giving details of their NACH mandate. For more 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 Act 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, 2018 affirmed compliance of their respective Codes of Conduct adopted by the Company and confirmation to that effect has been given by each of them.

Pradeep Bakshi
Managing Director

Mumbai, 17th May, 2018

Independent Auditor's Certificate on compliance with the conditions of Corporate Governance
as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To the Members of Voltas Limited

1. The Corporate Governance Report prepared by Voltas Limited (hereinafter the 'Company'), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations') ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock Exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. 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.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

   i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Directors Register as on March 31, 2018 and verified that atleast one Women Director was on the Board during the year;

   iv. Obtained and read the minutes of the following meetings held between April 1, 2017 and March 31, 2018:

      (a) Board of Directors meetings;

      (b) Board Audit Committee meetings;

      (c) Annual General Meeting;

(d) Nomination and Remuneration Committee meetings;

(e) Shareholders Relationship Committee meetings; and

(f) Risk Management Committee meetings.

v. Obtained necessary representations and declarations from Directors of the Company including the Independent Directors; and

vi. Performed necessary inquiries with the Management and also obtained necessary specific representations from the Management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 1 above.

Other matters and Restriction on Use

9. This report 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.

10. This report is addressed to and provided to the Members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Dolphy D'Souza
Partner
Membership Number: 38730

Mumbai, May 17, 2018

Business Responsibility Report

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

INTRODUCTION

1. The Business Responsibility (BR) Policy of Voltas has been formulated envisaging the Principles of Social, Environmental and Economic responsibility of business which are prescribed in the National Voluntary Guidelines (NVG) issued by the Ministry of Corporate Affairs. The guidelines encompass the 9 Principles and core elements for each of these Principles.
2. The Business Responsibility Report has been prepared by Voltas, in accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 NVG. This Report provides an overview of the activities carried out by 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

2017-18

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

Sl. No.	Segments	NIC Code
1.	Electro - Mechanical Projects and Services	43219 / 43229
2.	Engineering Products and Services (Textile Machinery, Mining & Construction Equipment)	33125 / 33127 46595 / 46599
3.	Unitary Cooling Products for Comfort and Commercial Use	28191 / 28192

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

Enlisted below are the products and services manufactured / provided by Voltas:

- Electro-Mechanical Projects and Services
- Engineering Products and Services (Textile Machinery, Mining & Construction Equipment)
- Unitary Cooling Products for Comfort and Commercial Use - Room Air-conditioners, Air Coolers and Commercial Refrigeration Products.

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

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

Voltas has its presence at five International Locations: Oman, Kingdom of Saudi Arabia, Abu Dhabi, Qatar and Dubai.

(ii) Number of National Locations

The business activities of Voltas are carried out via the branch/territory/area offices located all across India. Voltas has its manufacturing units located at Thane, Dadra and Uttarakhand.

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, 2018)

1. Paid up Capital (INR)

₹ 33.08 crores

2. Total Turnover (INR) - Standalone

₹ 5,796 crores

3. Total profit after taxes (INR) - Standalone

₹ 509 crores (excluding 'other comprehensive income')

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

Voltas has spent 2% of its average net profit of last 3 financial years for activities related to social welfare and improvement (CSR activities), in accordance with the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended).

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

The philosophy of Voltas encompasses the concept of Engage, Equip and Empower. These concepts are knitted together with three focus areas, namely **Sustainable Livelihood, Community Development and Issues of National Importance.** Voltas aspires towards enhancing employability for youth and women, working for priority development concerns of the community and addressing National concerns like Natural Calamities, Cleaner India (Sanitation) and Affirmative Action. Thus, the social impact areas determined for implementation of 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 located in India and 6 are overseas:

Subsidiaries (India):

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

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 Oman L.L.C. (Muscat, Sultanate of Oman)
4. Lalbuksh Voltas Engineering Services & Trading L.L.C. (Muscat, Sultanate of Oman)
5. Voltas Qatar W.L.L. (Doha, Qatar)
6. Voltas Netherlands B.V. (Amsterdam, The Netherlands)

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)**

   No, 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, the other entities, currently do not participate in the BR initiatives of 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 of the Board and CSR Committee
00283980	Mr. Bahram N. Vakil	Independent Director
02940277	Mr. Pradeep Bakshi	Managing Director & CEO

   (b) **Details of the BR head**

Sl. No.	Particulars	Details
1.	DIN (if applicable)	N.A.
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?	Voltas has adopted the Tata Code of Conduct (TCOC) and Climate Change Policies developed by Tata Group. The development of these Policies was done based on a comprehensive deliberations and research on the globally followed best practices. There are also Policies for CSR, Safety, and Respect for Gender which are formulated by Voltas. These Policies encompasses most of the BR Policy principles.								

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	The CSR Committee/Board of Directors of Voltas have approved the BR Policy and 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 BR policy has been formally communicated to all internal stakeholders of Voltas. The communication of TCOC and other policies is extended 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	There are in-house structures instituted in Voltas for the implementation of 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?	There is a systematized mechanism, the Whistle Blower mechanism is in place for the employees to report any potential concern or any instance of violation of TCOC. It covers all aspects of BR. Also, to respond to the investor grievances, there is an investor grievance mechanism in place. 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 Policies

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 Board and CSR Committee reviews the BR performance of the Company 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; The BR report of Voltas gets published annually. The Company is presently working on the Sustainability Report and has plans to publish the same from 2018-19 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?**

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

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

   Under TCOC, 30 stakeholder complaints were received and all (100%) have been resolved during 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.**

   The Company's Vision of 'Driving Value through Smart Engineering', seeks to continuously innovate to create energy efficient products by minimising wasteful energy consumption in their branded products. Voltas encourages use of technology that purifies the air, lowers energy costs, purifies polluted water and industrial/urban effluents.

   Some of the products in which social and environmental concerns were considered in the design are listed below:

   1. Packaged Air conditioners with Hydro Fluoro Carbon (HFC) Refrigerant 410a which has zero Ozone Depletion Potential (ODP).
   2. Energy efficient inverter based Ductable Air conditioners.
   3. Vapour Absorption Machines – Environment Friendly Refrigerant, use waste heat from exhaust of DG sets and Gas engines to produce cooling with higher efficiency at lesser electricity consumption, reduction in carbon foot print.
   4. Air cooled flooded chillers to improve the energy efficiency.
   5. Energy Saving by using Variable Speed (inverter technology) compressor.

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?**

   Developed compact series chillers resulting in reduction in weight by 10% and consequently, less requirement of raw material to that extent.

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

In Air-cooled Chillers, the energy efficiency improved by 2% - 3% by using flooded evaporator designs.

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

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 their manufacturing operations and complies with applicable laws and regulations. All procurement of inputs is done with the intention to ensure that there is no wasteful use of natural resources. Processes and practices are put in place to offset the effect of climate change in business activities.

The Company has reduced usage of wooden packing and started using card boards for Packaged Air conditioners and Ductable Split Units. Vendors are advised not to use plastics for packing. For Coils sent from Thane Plant to Dadra Plant, reusable steel pallets are used for transportation to eliminate wooden packing.

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, reduces the time-to-market.

Voltas has started developing Indoor units of Spilt ACs with new designs.

The Businesses have developed number of small scale suppliers in the vicinity of the Company's Dadra and Thane Plants. This has reduced transportation cost substantially. Training is imparted to workmen to improve the capability.

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, the Company's products and waste generated are recycled through E-Recycler (The E-Waste Policy of the Company is under finalisation).

Principle 3

1. Please indicate the Total number of employees

	Number of Employees (As on 31st March, 2018)
Permanent & Contract (India and Overseas) including employees on Third Party Rolls	4,769
Apprentices	103

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

	Number of Employees
Contractual - India and Overseas	2,154

3. Please indicate the Number of permanent women employees

There are 164 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 of Voltas.

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

Total permanent manpower strength is 2,303 pan India, including General Staff of 392 as on 31st March, 2018. Around 17% of permanent employees in India are members of the recognized Employees Union/Federation.

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

During 2017-18, the Company had not received any complaints relating to child labour, forced labour, involuntary labour and sexual harassment.

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

A total of 2,00,546 employees, which comprises 47,374 (24%) permanent and 1,53,172 (76%) contract employees attended Safety trainings in FY 2017-18 [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.

The internal stakeholders are largely the employees (permanent and on contract). 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, the socially and economically disadvantaged sections of the Society have been identified by Voltas. The Scheduled Caste and Scheduled Tribe communities are identified as the 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.

To provide equal ground to the vulnerable and marginalised sections of the country, Voltas directly executes or aids initiatives for them. The Vocational Skill Development programs and initiative to provide quality education helps to enhance the entrepreneurship and employability skills of the members of SC/ST communities. These programs encourage and promote income generation and social inclusion for the youth and also to 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, on quaterly basis.

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, there is a comprehensive Safety-Health-Environment Policy in place at Voltas. The environmental risk assessment, material for Voltas eco-system are determined through this policy.

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

   The current global concerns are climate change, global warming, increased emissions, waste accumulation and down gradation of environment. There is active participation from Voltas in the Green mission and it also shares the global concerns. Voltas furnishes best-in-class technologies, e.g. 'Green Buildings' and usage of efficient energy saving technologies for product manufacturing. A few of them are enlisted below:

   - Installation of Variable Frequency Drive on Air Compressors in utility;
   - Use of Transvector air guns instead of Conventional air guns for product cleaning;
   - Use of Belt type conduction heaters in place of conventional heaters for heating refrigerant;
   - Use of Daylight domes in place of Highway luminaires during daytime on Assembly Line;
   - Optimization of running exhaust fans in utility;
   - Optimized running of 500KVA DG set by adding changeover for 250KVA DG set;
   - Up-gradation of vacuum line of Assembly Line;
   - Compressed air leakage control at shop floor.

   Through these initiatives for energy saving, the Company achieved reduction in total equivalent carbon foot print by 107 Ton per annum.

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 on 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 2017-18.

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)
   - CEAMA (Consumer Electronics and Appliances Manufacturers Association)

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; in various initiatives of BIS for updating and formulating standards related to Refrigeration and Air Conditioning; with RAMA for providing inputs to BEE (Bureau of Energy Efficiency) in developing Energy Conservation Building Code (ECBC) 2017.

   Voltas is also actively participating in HPMP - Hydrofluorocarbons Phase out Management Plan (by MOEF - Ozone cell) program for doing research on new refrigerants which has lower Global Warming Potential (GWP) and zero ODP.

   Voltas has started electronic recycling with CEAMA for addressing WEEE - Waste from Electric and Electronic Equipment.

Principle 8

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

   The engagement of Voltas with the communities is governed by the philosophy of 'Giving back to the community'. Voltas through the years has stood for Corporate Sustainability, specially to address key development issues in the communities it operates. At Voltas, the philosophy of Engage, Equip and Empower is knitted with three focus areas namely **Sustainable Livelihood, Community Development and Issues of National Importance** of building capacities of youth and women to increase their employability, creating significant and sustained impact on the communities, serving 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 programs undertaken by Voltas fall under the following heads:

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

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

   There is an internal team which monitors the CSR programs of Voltas. The team largely collaborates with numerous NGOs and other professional implementing agencies for execution of projects on ground and also encourages community participation.

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

   Yes; Voltas does perform outcomes assessment of its CSR initiatives at regular intervals, internally. However, for impact assessment, the minimum period required for long term projects is about 3 years. Projects started in 2015-16 would undergo impact assessment in FY 2019-20 through external agencies, to evaluate whether the projects are delivering the desired results.

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

   For FY 2017-18, the Company's contribution to community development projects was ₹ 2.68 crores on projects relating to Education, Water and Health 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.**

   Community participation is an essential component of project execution to ensure its sustainability. Formation of village committees/groups for support in knowledge transfer, peer to peer learning and capacity building are some of the efforts taken up. In several projects, more specifically skill development and water conservation, active community participation is observed, and the community 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. There is regular monitoring and evaluation of all the administrative, operational and financial level details of the program. The analysis aids 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	2017 - 2018	2016 - 2017	2015 - 2016
% of Complaints Pending	1%	1.2%	1.5%

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)**

   The product labels and packaging of all Voltas products 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 have been no such cases filed by any of the stakeholder against the Company.

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

   Yes; 'Customer Engagement Survey' is a yearly activity conducted at Voltas, 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 Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures, comprising of the consolidated Balance Sheet as at March 31, 2018, 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 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 Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("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 consolidated statement of changes in equity of the Group including its Associates and Joint Ventures in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. 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 of the assets of the Group and of its associates and 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 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 Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us, 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, 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 March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 23, 2017.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

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

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of 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 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group's companies, its associates and joint ventures incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India, refer to our separate report in "Annexure 1" to this Report;

(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 consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures – Refer Note 38 to the consolidated Ind AS financial statements;

(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 Holding Company, its subsidiaries, associates and joint ventures incorporated in India during the year ended March 31, 2018.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Dolphy D'Souza
Partner
Membership Number: 38730

Mumbai,
May 17, 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS

Report on the Internal Financial Controls 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 financial statements of Voltas Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Voltas Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and joint ventures, 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 Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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.

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, the Holding Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, maintained 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 March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Dolphy D'Souza
Partner
Membership Number: 38730

Mumbai,
May 17, 2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

	Note	₹ In Crores	As at 31-3-2017 ₹ In Crores
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	**170.49**	172.75
(b) Capital work-in-progress		**4.08**	0.55
(c) Investment property	5	**44.71**	45.66
(d) Goodwill	6	**72.31**	72.31
(e) Other intangible assets	6	**9.64**	9.17
(f) Investments in joint ventures and associates	7	**155.84**	58.60
(g) Financial assets			
(i) Investments	7	**2,110.11**	2,009.73
(ii) Loans	8	**0.50**	0.72
(iii) Other financial assets	9	**34.92**	17.60
(h) Income tax assets (net)		**3.34**	5.58
(i) Deferred tax assets (net)	10	**17.84**	30.50
(j) Other non-current assets	11	**88.33**	66.83
		2,712.11	2,490.00
Current assets			
(a) Inventories	12	**812.99**	907.03
(b) Financial assets			
(i) Investments	7	**487.64**	199.54
(ii) Trade receivables	13	**1,570.28**	1,454.11
(iii) Cash and cash equivalents	14	**257.93**	313.05
(iv) Other balances with banks	15	**25.76**	18.38
(v) Loans	16	**4.32**	2.74
(vi) Other financial assets	17	**82.09**	72.42
(c) Other current assets	18	**1,356.53**	1,022.29
		4,597.54	3,989.56
TOTAL ASSETS		**7,309.65**	6,479.56
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	**33.08**	33.08
(b) Other equity	20	**3,872.13**	3,273.54
Equity attributable to owners of the Company		**3,905.21**	3,306.62
Non-controlling interests		**31.74**	28.52
		3,936.95	3,335.14
Liabilities			
Non-current liabilities			
(a) Provisions	21	**87.32**	91.43
(b) Deferred tax liabilities (net)	10	**13.24**	10.72
(c) Other non-current liabilities	22	**0.97**	0.20
		101.53	102.35
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	**142.29**	170.94
(ii) Trade payables	24	**2,176.41**	1,994.57
(iii) Other financial liabilities	25	**84.65**	52.97
(b) Provisions	26	**185.54**	177.02
(c) Income tax liabilities (net)		**9.53**	47.50
(d) Other current liabilities	27	**672.75**	599.07
		3,271.17	3,042.07
TOTAL LIABILITIES		**3,372.70**	3,144.42
Total Equity and Liabilities		**7,309.65**	6,479.56

The accompanying notes are forming part of the financial statements.

For and on behalf of the Board

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Dolphy D'Souza
Partner
Membership Number: 38730

Mumbai, 17th May, 2018

Chairman **Noel N.Tata**
Managing Director & CEO **Pradeep Bakshi**
Deputy Managing Director **Anil George**
Executive Vice President - Finance & CFO **Abhijit Gajendragadkar**
Vice President - Taxation, Legal & Company Secretary **V. P. Malhotra**

Directors
Nani Javeri
R. N. Mukhija
Vinayak Deshpande
D. Sarangi
Bahram N. Vakil
Anjali Bansal
Hemant Bhargava
Arun Kumar Adhikari

Mumbai, 17th May, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

		Note	₹ In Crores	Year ended 31-3-2017 ₹ In Crores
I.	**Revenue from operations**	28	**6,427.87**	6,095.02
II.	**Other Income**	29	**174.13**	212.02
III.	**Total Income (I + II)**		**6,602.00**	6,307.04
IV.	**Expenses**			
	(a) Consumption of materials, cost of jobs and services		**2,820.22**	3,374.57
	(b) Purchases of stock-in-trade		**1,641.89**	1,051.57
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	**105.41**	(190.25)
	(d) Excise duty on sale of goods		**23.49**	62.22
	(e) Employee benefits expenses	31	**586.73**	618.43
	(f) Finance costs	32	**11.92**	16.04
	(g) Depreciation and amortisation expenses	33	**24.35**	24.45
	(h) Other expenses	34	**587.49**	611.59
	Total Expenses (IV)		**5,801.50**	5,568.62
V.	**Profit before share of profit / (loss) of joint ventures and associates, exceptional items and tax (III - IV)**		**800.50**	738.42
VI.	**Share of profit / (loss) of joint ventures and associates**		**3.80**	(19.25)
VII.	**Profit before exceptional items and tax (V + VI)**		**804.30**	719.17
VIII.	**Exceptional Items**	35	**0.61**	1.10
IX.	**Profit before tax (VII + VIII)**		**804.91**	720.27
	Tax Expense			
	(a) Current tax		**221.24**	213.89
	(b) Adjustment of tax relating to earlier periods		**(4.01)**	(14.02)
	(c) Deferred tax	10	**9.78**	0.54
X.	**Total tax expense**	36	**227.01**	200.41
XI.	**Net Profit for the year (IX - X)**		**577.90**	519.86
	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		**152.95**	95.69
	(ii) Remeasurement gain / (loss) on defined benefit plans		**6.19**	(2.39)
	(iii) Income tax relating to these items		**(1.67)**	(6.80)
	(b) **Items that will be reclassified to profit or loss**			
	Exchange difference on translation of foreign operations		**5.98**	(4.95)
XII.	**Other Comprehensive Income [net of tax]**		**163.45**	81.55
XIII.	**Total Comprehensive Income [net of tax] (XI + XII)**		**741.35**	601.41
	Profit for the year attributable to :			
	– Owners of the Company		**572.40**	517.43
	– Non-controlling interests		**5.50**	2.43
			577.90	519.86
	Other Comprehensive income for the year attributable to :			
	– Owners of the Company		**163.11**	82.14
	– Non-controlling interests		**0.34**	(0.59)
			163.45	81.55
	Total Comprehensive Income for the year attributable to :			
	– Owners of the Company		**735.51**	599.57
	– Non-controlling interests		**5.84**	1.84
			741.35	601.41
XIV.	**Earnings per share:**			
	Basic and Diluted (₹) (Face value ₹ 1/- per share)	37	**17.30**	15.64

The accompanying notes are forming part of the financial statements.

For and on behalf of the Board

As per our report of even date	*Chairman*	**Noel N.Tata**	*Directors*	**Nani Javeri**
	Managing Director & CEO	**Pradeep Bakshi**		**R. N. Mukhija**
For **S R B C & CO LLP**	*Deputy Managing Director*	**Anil George**		**Vinayak Deshpande**
Chartered Accountants				**D. Sarangi**
ICAI Firm Registration Number: 324982E/E300003	*Executive Vice President - Finance & CFO*	**Abhijit Gajendragadkar**		**Bahram N. Vakil**
				Anjali Bansal
				Hemant Bhargava
per Dolphy D'Souza	*Vice President - Taxation, Legal & Company Secretary*	**V. P. Malhotra**		**Arun Kumar Adhikari**
Partner				
Membership Number: 38730				

Mumbai, 17th May, 2018   *Mumbai, 17th May, 2018*

Consolidated Statement of changes in Equity for the year ended 31st March, 2018

₹ in Crores

A. Equity share capital

Balance as on 31st March, 2016	33.08
Changes in equity share capital	*
Balance as on 31st March, 2017	33.08
Changes in equity share capital	*
Balance as on 31st March, 2018	**33.08**

B. Other equity:

₹ in Crores

	Reserves and Surplus								Items of Other Comprehensive Income		Total attributable to owners of the Company	Non-controlling interests	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 31st March, 2016	1.56	1.26	6.27	12.69	1,265.54	0.01	2.92	1,150.35	328.27	9.14	2,778.01	26.68	2,804.69
Profit for the year	-	-	-	-	-	-	-	517.43	-	-	517.43	2.43	519.86
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	(1.56)	88.06	(4.36)	82.14	(0.59)	81.55
Total comprehensive income for the year	-	-	-	-	-	-	-	515.87	88.06	(4.36)	599.57	1.84	601.41
Payment of dividends	-	-	-	-	-	-	-	(86.03)	-	-	(86.03)	-	(86.03)
Dividend Distribution Tax	-	-	-	-	-	-	-	(16.01)	-	-	(16.01)	-	(16.01)
Transfer to General Reserve	-	-	-	-	27.25	-	-	(27.25)	-	-	-	-	-
Realised gain on sale of investments transferred from Other Comprehensive Income to Retained Earnings	-	-	-	-	-	-	-	9.02	(9.02)	-	-	-	-
Others	-	-	-	-	-	-	-	(2.00)	-	-	(2.00)	-	(2.00)
Premium on calls-in-arrears received	-	-	*	-	-	-	-	-	-	-	*	-	*
Balance as on 31st March, 2017	1.56	1.26	6.27	12.69	1,292.79	0.01	2.92	1,543.95	407.31	4.78	3,273.54	28.52	3,302.06
Profit for the year	-	-	-	-	-	-	-	572.40	-	-	572.40	5.50	577.90
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	4.08	153.39	5.64	163.11	0.34	163.45
Total comprehensive income for the year	-	-	-	-	-	-	-	576.48	153.39	5.64	735.51	5.84	741.35
Payment of dividend	-	-	-	-	-	-	-	(115.81)	-	-	(115.81)	-	(115.81)
Dividend Distribution Tax	-	-	-	-	-	-	-	(23.58)	-	-	(23.58)	-	(23.58)
Transfer from Legal Reserve	-	-	-	-	-	-	(0.32)	0.32	-	-	-	-	-
Dividend paid by subsidiary to minority	-	-	-	-	-	-	-	-	-	-	-	(1.35)	(1.35)
Transfer to General Reserve	-	-	-	-	57.25	-	-	(57.25)	-	-	-	-	-
Others	-	-	-	-	0.86	-	-	1.27	-	0.34	2.47	(1.27)	1.20
Premium on calls-in-arrears received	-	-	*	-	-	-	-	-	-	-	*	-	*
Balance as on 31st March, 2018	**1.56**	**1.26**	**6.27**	**12.69**	**1,350.90**	**0.01**	**2.60**	**1,925.38**	**560.70**	**10.76**	**3,872.13**	**31.74**	**3,903.87**

* value below ₹ 50,000/-

The accompanying notes are forming part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Dolphy D'Souza
Partner
Membership Number: 38730

Mumbai, 17th May, 2018

For and on behalf of the Board

Chairman	**Noel N.Tata**	*Directors*	**Nani Javeri**
Managing Director & CEO	**Pradeep Bakshi**		**R. N. Mukhija**
Deputy Managing Director	**Anil George**		**Vinayak Deshpande**
			D. Sarangi
Executive Vice President - Finance & CFO	**Abhijit Gajendragadkar**		**Bahram N. Vakil**
			Anjali Bansal
			Hemant Bhargava
Vice President - Taxation, Legal & Company Secretary	**V. P. Malhotra**		**Arun Kumar Adhikari**

Mumbai, 17th May, 2018

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

				2016-17
		₹ in Crores	**₹ in Crores**	₹ in Crores
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit before tax		**804.91**	720.27
	Adjustments for :			
	Share of (profit) / loss of joint ventures and associates	**(3.80)**		19.25
	Depreciation and amortisation expenses	**24.35**		24.48
	Allowance for doubtful debts and advances	**(40.85)**		0.14
	Unrealised foreign exchange (gain) / loss (net)	**10.93**		(4.33)
	Interest income	**(12.20)**		(13.58)
	Dividend income	**(12.59)**		(30.35)
	(Gain) / loss arising on financial assets measured at Fair Value through Profit or Loss (FVTPL) (net)	**(104.85)**		(117.11)
	Finance costs	**11.92**		16.04
	Liabilities/provisions/allowances no longer required written back	**(20.28)**		(35.46)
	(Gain) / loss on disposal of property, plant and equipment	**0.04**		0.19
	Rental income	**(37.16)**		(38.72)
	Impairment of investments	**1.39**		-
			(183.10)	(179.45)
	Operating profit before Working Capital Changes		**621.81**	540.82
	Changes in Working Capital:			
	Adjustments for (increase) / decrease in operating assets:			
	Inventories	**94.04**		(182.35)
	Trade receivables	**(93.76)**		(71.89)
	Other financial assets	**(6.96)**		(15.78)
	Other non-financial assets	**(348.47)**		94.14
	Adjustments for increase / (decrease) in operating liabilities:			
	Trade payables	**191.78**		282.82
	Other financial liabilities	**31.06**		3.56
	Other non-financial liabilities	**74.45**		(72.35)
	Provisions	**10.58**		31.03
			(47.28)	69.18
	Cash generated from operations		**574.53**	610.00
	Income tax paid (Net of refunds)		**(249.23)**	(181.90)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**325.30**	428.10

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (contd.)

		₹ in Crores	₹ in Crores	2016-17 ₹ in Crores
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of property, plant and equipment and intangible assets (including capital advances and capital work-in-progress)	**(34.61)**		(25.74)
	Proceeds from disposal of property, plant and equipment	**1.52**		2.87
	(Increase)/decrease in other bank balances (net)	**(7.06)**		(2.19)
	Purchase of investments	**(1,173.76)**		(1,891.17)
	Proceeds from sale of investments	**961.08**		1,762.62
	Interest received	**10.74**		12.28
	Dividend received	**5.14**		30.35
	Rent received	**37.33**		38.71
	Rental deposits (repaid) / received	**0.43**		(1.05)
	NET CASH FLOW FROM / (USED) IN INVESTING ACTIVITIES (B)		**(199.19)**	(73.32)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from issue of equity instruments of the Company (Calls-in-Arrears)	*		*
	Securities Premium (Calls-in-Arrears)	*		*
	Net increase / (decrease) in working capital borrowings	**(28.66)**		(99.80)
	Interest paid	**(12.01)**		(17.26)
	Dividends paid including taxes thereon	**(140.73)**		(94.43)
	NET CASH FLOW FROM / (USED) IN FINANCING ACTIVITIES (C)		**(181.39)**	(211.49)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**(55.28)**	143.29
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**313.21**	169.92
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**257.93**	313.21
	Non-cash investing and financing transaction			
	Net gain arising on financial assets measured at FVTPL		**76.12**	95.71
	Impairment of Investment		**1.39**	-
			77.51	95.71
	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)		**257.93**	313.05
	Effect of exchange difference on restatement of foreign currency Cash and cash equivalents		*	0.16
			257.93	313.21

*Represents amount less than ₹ one lakh

For and on behalf of the Board

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Dolphy D'Souza
Partner
Membership Number: 38730

Mumbai, 17th May, 2018

Chairman **Noel N.Tata**
Managing Director & CEO **Pradeep Bakshi**
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Arun Kumar Adhikari

Mumbai, 17th May, 2018

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

1. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of Voltas Limited (the Company) and its subsidiaries (collectively, the Group) for the year ended 31st March, 2018. Voltas Limited (the "Company") is a public limited company established in the year 1954 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. The Group is 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 Singapore) 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, 2018 were approved by the Board of Directors and authorised for issue on 17th May, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION:

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The accounting policies adopted for preparation and presentation of financial statements have been consistently applied except for the changes in accounting policy for amendments to the standard that were issued by MCA, effective for annual period beginning from on or after 1st April, 2017.

Changes in accounting policies and disclosures:

Amendments to Ind AS 7 Statement of Cash Flows - Disclosure Initiative:

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Group has provided the information for both the current and the comparative period in Note 14.

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.

(b) FAIR VALUE MEASUREMENT:

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(c) BASIS OF CONSOLIDATION :

(i) Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company and its subsidiaries as at 31st March, 2018.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights; and
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group 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 Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, assets, liabilities, 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 Group gains control until the date when the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31st March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.
Consolidation procedure:

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

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

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

Profit or loss and each component of other comprehensive income are 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 intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. 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

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

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

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

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

(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.

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

(iv) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

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. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

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

(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 3A.

(e) REVENUE RECOGNITION:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. 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 GST, sales tax, value added tax, works contract and any other indirect taxes or amounts collected on behalf of the government.

(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.

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

(f) EMPLOYEE BENEFITS:

(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:

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) 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.

Provident and Pension Fund: The eligible employees of the Group are entitled to receive benefits under provident fund schemes which are in substance, defined benefit 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.

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 Group represents 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 Group's defined benefit 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.

(c) Compensated absences:

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and this is shown under current provision in the Balance Sheet. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes and this is shown under long term provisions in the Balance Sheet. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Group presents the leave as a current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(g) PROPERTY, PLANT AND EQUIPMENT :

Property, plant and equipment are stated at cost less depreciation and impairment losses, if any. The cost of property, plant and equipment comprise its purchase price, including import duties and non-refundable taxes and any directly attributable cost of bringing an asset to working condition and location for its intended use. 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 Group'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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(h) INVESTMENT PROPERTY :

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on investment property has been provided as per the useful life prescribed in Schedule II to the Companies Act, 2013.

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

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 :

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.

(k) LEASES :

Group as a lessee:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

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.

Group as a lessor:
Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(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. 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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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 liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. 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, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income (OCI) or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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.

(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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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.

(o) FINANCIAL INSTRUMENTS:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets:

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement:

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Financial assets at amortised cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit or Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss. This category generally applies to trade receivables, loans and other financial assets.

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

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the asset's contractual cash flow represents SPPI.

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in statement of Profit and Loss (P&L). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

(iii) Financial assets at fair value through profit and loss (FVTPL):

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

(iv) Equity Instruments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, other than investment in Subsidiaries, Associates and Joint Ventures, the Group makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Derecognition:

The Group derecognises a financial asset when the rights to receive cash flows from the asset have expired or it transfers the right to receive the contractual cash flow on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

Financial liabilities:

Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

(i) Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit or loss.

(ii) Financial liabilities at amortised cost:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(p) 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:

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

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) 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 Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/liabilities".

(r) CASH AND CASH EQUIVALENTS:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(s) EARNINGS PER SHARE:

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

(t) 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.

3A. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

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 have 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 will 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 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.

Fair value measurement of financial instruments

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 Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group 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 44.

Litigations

From time to time, the Group 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 unfavourable 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 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 expense in future periods.

Warranty provisions (trade guarantees)

The Group 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. 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 the goodwill is allocated. The value in use calculations requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and suitable discount rate in order to calculate the present value. Whether the actual future cash flows expected to arise are less than expected, a material impairment loss may arise.

Consolidation of Oman entities

As per the Joint Venture agreements executed for Voltas Oman LLC and Lalbuksh Voltas Engineering Services & Trading LLC., Group companies incorporated in the Sultanate of Oman, Voltas Limited has the right to manage and control the 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 Statement of Voltas Limited as Subsidiary companies.

3B. RECENT ACCOUNTING PRONOUNCEMENTS

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 Revenue from Contracts with Customers notified on 28th March, 2018 is effective from 1st April, 2018 and will supersede all current revenue recognition requirements. While an initial assessment of the standard does not indicate a significant impact, except for the disclosure requirements, a reliable estimate of the impact can be concluded only upon completion of the ongoing evaluation process.

Amendments to Ind AS 112 - Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

The requirements of the amendment have no impact on the financial statements as there are no subsidiary, joint venture or an associate that has been classified as held for sale.

Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

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

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1st April, 2018. These amendments are not expected to have any impact on the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development, into or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1st April, 2018. The Group will apply amendments when they become effective. However, since the Group's current practice is in line with the clarifications issued, the Group does not expect any effect on its financial statements.

Ind AS 28 - Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1st April, 2018. These amendments are not applicable to the Group.

Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1st April, 2018. However, the Group does not expect any significant effect on its financial statements.

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

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

₹ In Crores

	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 31st March, 2016	28.77	163.94	153.18	73.08	27.62	18.94	(37.87)	427.66
Additions	-	4.01	4.84	6.41	2.70	0.54	-	18.50
Disposals	-	2.77	4.20	15.07	1.31	1.06	-	24.41
Transfers in / (out)	-	-	-	-	-	-	(18.27)	(18.27)
Exchange differences on consolidation	-	(0.14)	(0.59)	(0.13)	(0.04)	(0.31)	-	(1.21)
As at 31st March, 2017	28.77	165.04	153.23	64.29	28.97	18.11	(56.14)	402.27
Depreciation								
As at 31st March, 2016	-	38.43	115.22	54.44	18.54	14.72	(8.90)	232.45
Charge for the period	-	4.73	6.93	5.61	2.02	1.75	(1.17)	19.87
Disposals	-	1.50	3.79	14.14	1.01	0.93	-	21.37
Transfers in / (out)	-	-	-	-	-	-	(0.41)	(0.41)
Exchange differences on consolidation	-	(0.08)	(0.55)	(0.10)	(0.04)	(0.25)	-	(1.02)
As at 31st March, 2017	-	41.58	117.81	45.81	19.51	15.29	(10.48)	229.52
Net carrying amount as at 31st March, 2016	28.77	125.51	37.96	18.64	9.08	4.22	(28.97)	195.21
Net carrying amount as at 31st March, 2017	28.77	123.46	35.42	18.48	9.46	2.82	(45.66)	172.75
Gross carrying amount								
As at 31st March, 2017	28.77	165.04	153.23	64.29	28.97	18.11	(56.14)	402.27
Additions	-	0.91	4.99	11.14	1.48	0.36	-	18.88
Disposals	-	0.19	8.14	2.06	2.49	0.64	-	13.52
Transfers in / (out)	-	-	(0.03)	(0.07)	0.05	-	-	(0.05)
Exchange differences on consolidation	-	0.01	0.02	0.01	-	0.01	-	0.05
As at 31st March, 2018	**28.77**	**165.77**	**150.07**	**73.31**	**28.01**	**17.84**	**(56.14)**	**407.63**
Depreciation								
As at 31st March, 2017	-	41.58	117.81	45.81	19.51	15.29	(10.48)	229.52
Charge for the period	-	4.12	6.17	6.89	1.89	1.47	(0.95)	19.59
Disposals	-	0.18	7.13	1.85	2.28	0.52	-	11.96
Transfers in / (out)	-	-	(0.01)	(0.08)	0.04	-	-	(0.05)
Exchange differences on consolidation	-	-	0.02	(0.05)	0.06	0.01	-	0.04
As at 31st March, 2018	**-**	**45.52**	**116.86**	**50.72**	**19.22**	**16.25**	**(11.43)**	**237.14**
Net carrying amount as at 31st March, 2017	28.77	123.46	35.42	18.48	9.46	2.82	(45.66)	172.75
Net carrying amount as at 31st March, 2018	**28.77**	**120.25**	**33.21**	**22.59**	**8.79**	**1.59**	**(44.71)**	**170.49**

Footnote :

Buildings includes ₹ 0.0040 crore (31-3-2017: ₹ 0.0040 crore) being cost of shares and bonds in Co-operative Housing Societies.

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

5. Investment Property

₹ in Crores

	Freehold Land	Buildings	Total Investment Property
Gross carrying amount			
As at 31st March, 2016	0.14	37.73	37.87
Transfers in / (out)	-	18.27	18.27
As at 31st March, 2017	0.14	56.00	56.14
Depreciation and Amortisation			
As at 31st March, 2016	-	8.90	8.90
Charge for the period	-	1.17	1.17
Transfers in / (out)	-	0.41	0.41
As at 31st March, 2017	-	10.48	10.48
Net carrying amount as at 31st March, 2016	0.14	28.83	28.97
Net carrying amount as at 31st March, 2017	0.14	45.52	45.66
Gross carrying amount			
As at 31st March, 2017	0.14	56.00	56.14
Disposals	-	-	-
Transfers in / (out)	-	-	-
As at 31st March, 2018	0.14	56.00	56.14
Depreciation and Amortisation			
As at 31st March, 2017	-	10.48	10.48
Charge for the period	-	0.95	0.95
Transfers in / (out)	-	-	-
As at 31st March, 2018	**-**	**11.43**	**11.43**
Net carrying amount as at 31st March, 2017	0.14	45.52	45.66
Net carrying amount as at 31st March, 2018	**0.14**	**44.57**	**44.71**

Footnotes :

(1) All the above investment properties 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:

		2016-17
	₹ in Crores	₹ in Crores
Rental income	**37.16**	38.72
Direct operating expenses (including repairs and maintenance) generating rental income (net of recoveries)	**1.89**	0.98
Profit from investment properties before depreciation and indirect expenses	**35.27**	37.74
Depreciation	**0.95**	1.17
Profit arising from investment properties before indirect expenses	**34.32**	36.57

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

		As at 31-3-2017
	₹ in Crores	₹ in Crores
Land	**124.79**	114.10
Building	**663.54**	672.07
	788.33	786.17

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.

The Group has no restriction on the realisability of its Investment properties and no contractual obligation to purchase, construct and develop investment properties.

6. Intangible Assets

₹ in Crores

	Manufacturing Rights & Technical Know- how	Software Costs	Total Intangible Assets
Gross carrying amount			
As at 31st March, 2016	10.31	45.93	56.24
Additions	-	4.03	4.03
Disposals	-	2.15	2.15
Exchange differences on consolidation	-	(0.04)	(0.04)
As at 31st March, 2017	10.31	47.77	58.08
Amortisation			
As at 31st March, 2016	10.31	37.38	47.69
Charge for the period	-	3.41	3.41
Disposals	-	2.16	2.16
Exchange differences on consolidation	-	(0.03)	(0.03)
As at 31st March, 2017	10.31	38.60	48.91
Net carrying amount as at 31st March, 2016	-	8.55	8.55
Net carrying amount as at 31st March, 2017	-	9.17	9.17
Gross carrying amount			
As at 31st March, 2017	10.31	47.77	58.08
Additions	-	4.30	4.30
Disposals	-	0.03	0.03
Transfers in / (out)	-	0.05	0.05
Exchange differences on consolidation	-	*	*
As at 31st March, 2018	**10.31**	**52.09**	**62.40**
Amortisation			
As at 31st March, 2017	10.31	38.60	48.91
Charge for the period	-	3.81	3.81
Disposals	-	0.01	0.01
Transfers in / (out)	-	0.05	0.05
Exchange differences on consolidation	-	*	*
As at 31st March, 2018	**10.31**	**42.45**	**52.76**
Net carrying amount as at 31st March, 2017	-	9.17	9.17
Net carrying amount as at 31st March, 2018	**-**	**9.64**	**9.64**

* value below ₹ 50,000/-

Footnotes :

		₹ in Crores	As at 31-3-2017 ₹ in Crores
(a)	**Goodwill generated on consolidation**	**72.31**	72.31
(b)	**Movement in goodwill**		
	Balance at the beginning of the year	**72.31**	72.31
	Balance at the end of the year	**72.31**	72.31

(c) Allocation of Goodwill to Cash-Generating Units (CGU)

(i) The carrying value of the Goodwill pre-dominantly relates to Goodwill that arose on the acquisition of Rohini Industrial Electricals Limited (RIEL) (wholly owned subsidiary) of ₹ 71.36 crores (31-3-2017: ₹ 71.36 crores).

(ii) The Goodwill has been allocated for impairment, testing purposes to Segment-A (Electro-mechanical Projects and Services). The Goodwill is tested annually for impairment, more frequently if there are any indications that Goodwill may be impaired.

(iii) The Management believes that the business conditions have improved given the government polices, order book and the business environment.

(iv) The recoverable amount of Segment-A (Electro-mechanical Projects and Services) CGU has been determined using the value in use calculation. The calculation uses five years projections based on the order book position which are duly approved by the Directors of RIEL. Value in use has been determined based on future cashflows after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

(v) Key assumptions for the value in use calculations includes:

- 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.

(vi) The Management believes that no reasonably possible change in any of the key assumptions used in the value in use calculation would cause the carrying value of the CGU to materially exceed its value in use.

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

7. Investments

7 (i) Non- current Investments

	Currency	Face Value	No.	₹ In Crores	No.	As at 31-3-2017 ₹ In Crores
A Investments in Associates & Joint Ventures						
(Fully paid - Unquoted Investments; accounted as per Equity Method)						
1. Investments in Associate Companies (at cost unless otherwise stated) :						
Brihat Trading Private Ltd.	₹	10	**3,352**	*	3,352	*
Terrot GmbH, Germany	EURO	1	**2,60,900**	**9.19**	2,60,900	5.77
Naba Diganta Water Management Ltd.	₹	10	**47,97,000**	**5.00**	47,97,000	4.27
				14.19		10.04
2. Investments in Joint Ventures (at cost unless otherwise stated):						
Universal Weathermaker Factory L.L.C. Abu Dhabi	AED	1000	**2,695**	**-**	2,695	3.29
Voltas Water Solutions Private Ltd. (#)	₹	10	**22,31,500**	**0.07**	22,31,500	0.05
Universal Voltas L.L.C., UAE	AED	1000	**3,430**	**57.81**	3,430	43.59
Olayan Voltas Contracting Company Ltd., Saudi Arabia (#) (including Share application money)	SR	100	**50,000**	**11.32**	50,000	1.63
Voltbek Home Appliances Private Ltd.	₹	10	**7,88,94,900**	**73.84**	-	-
Gross Investments in Joint Ventures				**143.04**		48.56
Less : Impairment in value of Investments (#)				**1.39**		-
				141.65		48.56
				155.84		58.60
Investments accounted as per Equity Method						
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**	**-**	2,80,000	-
Westerwork Engineers Ltd. (Under Liquidation) (#)	₹	100	**9,600**	**1.09**	9,600	1.09
Gross Investments in Subsidiary Companies				**1.09**		1.09
Less : Impairment in value of Investments (#)				**1.09**		1.09
2. Investments in Other Companies (Investments at Fair Value through Other Comprehensive Income)						
(a) Fully Paid Equity Instruments						
UNQUOTED:						
Lakshmi Ring Travellers (Coimbatore) Ltd.	₹	10	**1,20,000**	**42.22**	1,20,000	42.89
Agrotech Industries Ltd.	US$	1	**3,67,500**	**-**	3,67,500	-
Tata International Ltd. (Refer footnote 7 (b))	₹	1000	**10,000**	**5.65**	10,000	5.65
Tata Services Ltd. (Refer footnote 7 (b))	₹	1000	**448**	**0.04**	448	0.04
Tata Industries Ltd. (Refer footnote 7 (b))	₹	100	**13,05,720**	**20.72**	13,05,720	20.72
Tata Projects Ltd.	₹	100	**1,35,000**	**120.69**	1,35,000	122.45
Premium Granites Ltd.	₹	10	**4,91,220**	**-**	4,91,220	-
OMC Computers Ltd.	₹	10	**4,04,337**	**-**	4,04,337	-
Avco Marine S.a.S, France	EURO	10	**1,910**	**-**	1,910	-
Voltas Employees Consumers Co-operative Society Ltd.	₹	10	**750**	*	750	*
Saraswat Co-operative Bank Ltd.	₹	10	**10**	**-**	10	-
Super Bazar Co-operative Stores Ltd.	₹	10	**500**	*	500	*
				189.32		191.75
(b) Fully Paid Quoted Equity Instruments						
QUOTED:						
Lakshmi Automatic Loom Works Ltd.	₹	10	**6,15,200**	**-**	6,15,200	-
Tata Chemicals Ltd.	₹	10	**2,00,440**	**13.56**	2,00,440	12.00
Lakshmi Machine Works Ltd.	₹	10	**5,79,672**	**398.40**	5,79,672	244.59
Reliance Industries Ltd. (Refer footnote 7 (c))	₹	10	**2,640**	**-**	2,640	-
				411.96		256.59
				601.28		448.34
3. Investment in Preference Shares						
UNQUOTED:						
In Other Companies (at amortised cost)						
Tata Capital Ltd. 6.33 % Cumulative Redeemable Preference Shares	₹	1000	**3,00,000**	**30.00**	-	-
In Other Companies (at fair value through profit and loss)						
Lakshmi Automatic Loom Works Ltd. 6.00% Cumulative Redeemable Preference Shares	₹	100	-	**-**	3,00,000	3.00
				30.00		3.00

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

		Currency	Face Value	No.	₹ In Crores	No.	As at 31-3-2017 ₹ In Crores
4.	**Investment in Unquoted Mutual funds (at fair value through profit or loss)**				**1,375.73**		1,478.47
5.	**Investment in Debenture/Bonds (at amortised cost)**						
	QUOTED:						
	Tata Steel Ltd. 11.50% Perpetual Bonds	₹	1000000	**292**	**29.37**	292	29.42
	Tata International Ltd. 9.30% Non Convertible Debentures	₹	1000000	**500**	**50.00**	500	50.00
	UNQUOTED:						
	Rural Electrification Corporation Ltd. :						
	6.00% Non Convertible Debentures	₹	10000	**500**	**0.50**	500	0.50
	5.25% Non Convertible Debentures	₹	10000	**500**	**0.50**	-	-
	8.01% Non Convertible Debentures	₹	1000	**50,000**	**5.42**	-	-
	7.17% Non Convertible Debentures	₹	1000000	**70**	**7.39**	-	-
	National Housing Bank: 8.26% Non Convertible Debentures	₹	5000	**18,049**	**9.92**	-	-
					103.10		79.92
6.	**Investment in Others**						
	Government Securities	₹			*		*
					*		*
Other Investments					**2,110.11**		2,009.73
Total : Non-current Investments - Net					**2,265.95**		2,068.33
Footnotes :							
(i)	Aggregate amount of quoted investments and market value thereof				**491.33**		336.01
(ii)	Aggregate amount of unquoted investments				**1777.10**		1733.41
(iii)	Aggregate amount of impairment in value of investments				**2.48**		1.09

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

* value below ₹ 50,000/-

7 (a) Under a loan agreement for ₹ 0.60 crore (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 Group 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 Group. Pending disposal of the case, dividend on these shares has not been recognised.

7 (ii) Current Investments

		Currency	Face Value	No.	₹ In Crores	No.	As at 31-3-2017 ₹ In Crores
A	**Investments in Mutual Funds (at Fair Value through Profit and Loss)**						
	QUOTED:				-		123.92
	UNQUOTED:				**487.64**		75.62
Current investments					**487.64**		199.54
Footnotes :							
(i)	Aggregate amount of quoted investments and market value thereof				-		123.92
(ii)	Aggregate amount of unquoted investments				**487.64**		75.62
(iii)	Aggregate amount of impairment in value of investments				-		-

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

8. Loans (Non-current) (at amortised cost)

	₹ in Crores	As at 31-3-2017 ₹ in Crores
Loans to Employees (unsecured, considered good)	**0.50**	0.72
	0.50	0.72

9. Other Financial Assets (Non-current) (Unsecured, considered good unless otherwise stated) (at amortised cost)

	₹ in Crores	As at 31-3-2017 ₹ in Crores
(a) Security deposits	**8.55**	4.32
(b) Deposits with customers / others	**4.82**	4.06
(c) Fixed deposits with remaining maturity of more than 12 months	**21.55**	9.22
(d) Others, considered doubtful	**12.59**	34.82
Less: Allowance for doubtful advance	**12.59**	34.82
	34.92	17.60

10. Deferred Tax

(a) The following is the analysis of deferred tax assets / (liabilities) presented in the Consolidated Balance Sheet :

	₹ in Crores	As at 31-3-2017 ₹ in Crores
(i) **Deferred Tax Assets**		
Deferred tax assets	**105.33**	121.92
Deferred tax liabilities	**(87.49)**	(91.42)
Deferred Tax Assets (net)	**17.84**	30.50
(ii) **Deferred Tax Liabilities**		
Deferred tax assets	**0.50**	-
Deferred tax liabilities	**(2.39)**	-
Deferred tax liabilities (net)	**(1.89)**	-
Deferred tax liability on undistributed profits	**(11.35)**	(10.72)
	(13.24)	(10.72)
Reconciliation of deferred tax assets (net):		
Opening balance	**30.50**	40.69
Tax income/(expense) during the period recognised in profit or loss	**(9.22)**	0.53
Tax income/(expense) during the period recognised in OCI	**(1.67)**	(6.80)
Reclassified to deferred tax liability	**(1.77)**	-
Adjusted against tax liability	**-**	(3.92)
Closing balance	**17.84**	30.50
Reconciliation of deferred tax liabilities (net):		
Opening balance	**(10.72)**	(9.65)
Tax income/(expense) during the period recognised in profit or loss	**(0.56)**	(1.07)
Tax income/(expense) during the period recognised in OCI	**-**	-
Reclassified from deferred tax asset	**1.77**	-
Adjusted against tax liability	**(3.73)**	-
Closing balance	**(13.24)**	(10.72)

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

(b) The balance comprise temporary differences attributable to:

(i) Deferred Tax Assets

	As at 31-3-2017 ₹ in Crores	Deferred Tax Assets of a component classified as Deferred Tax Liabilities during the year ₹ in Crores	(Charged) / credited to statement of profit and loss ₹ in Crores	(Charged) / credited to other comprehensive income ₹ in Crores	Adjusted against tax liability ₹ in Crores	**₹ in Crores**
Provision for employee benefits	36.71	(0.07)	1.34	(2.11)	-	**35.87**
Allowance for receivables, loans and advances	50.29	-	(8.14)	-	-	**42.15**
Provision for contingencies and claims	17.89	-	(9.08)	-	-	**8.81**
Unpaid statutory liabilities	5.22	(0.42)	(0.26)	-	-	**4.54**
Estimated Loss on Projects	0.27	-	9.17	-	-	**9.44**
Deferred Tax on unrealised profit	6.66	-	(2.69)	-	-	**3.97**
MAT credit entitlement	3.73	(3.73)	-	-	-	**-**
Others	1.15	-	(0.60)	-	-	**0.55**
Deferred Tax Assets	121.92	(4.22)	(10.26)	(2.11)	-	**105.33**
Property, plant and equipment and intangible assets	(39.01)	2.45	1.47	-	-	**(35.09)**
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(39.70)	-	-	0.44	-	**(39.26)**
Unrealised gains on fair valuation of Mutual funds	(11.41)	-	(1.73)	-	-	**(13.14)**
Others	(1.30)	-	1.30	-	-	**-**
Deferred Tax Liabilities	(91.42)	2.45	1.04	0.44	-	**(87.49)**
Deferred Tax Assets (net)	30.50	(1.77)	(9.22)	(1.67)	-	**17.84**

(ii) Deferred Tax Liabilities

	As at 31-3-2017 ₹ in Crores	Deferred Tax Assets of a component classified as Deferred Tax Liabilities during the year ₹ in Crores	(Charged) / credited to statement of profit and loss ₹ in Crores	(Charged) / credited to other comprehensive income ₹ in Crores	Adjusted against tax liability ₹ in Crores	**₹ in Crores**
Provision for employee benefits	-	0.07	0.02	-	-	**0.09**
Unpaid statutory liabilities	-	0.42	(0.01)	-	-	**0.41**
MAT credit entitlement	-	3.73	-	-	(3.73)	**-**
Deferred Tax Assets	-	4.22	0.01	-	(3.73)	**0.50**
Property, plant and equipment and intangible assets	-	(2.45)	0.06	-	-	**(2.39)**
Deferred Tax Liabilities	-	(2.45)	0.06	-	-	**(2.39)**
Deferred Tax Liabilities (net)	-	1.77	0.07	-	(3.73)	**(1.89)**
Deferred Tax Liability on undistributed profits	(10.72)	-	(0.63)	-	-	**(11.35)**
Total Deferred Tax Liabilities (net)	(10.72)	1.77	(0.56)	-	(3.73)	**(13.24)**

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

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

	As at 31-3-2016 ₹ In Crores	(Charged) / credited to statement of profit and loss ₹ in Crores	(Charged) / credited to other comprehensive income ₹ in Crores	Adjusted against tax liability ₹ in Crores	As at 31-3-2017 ₹ In Crores
Provision for employee benefits	34.38	1.50	0.83	-	36.71
Allowance for receivables, loans and advances	50.24	0.05	-	-	50.29
Provision for contingencies and claims	7.33	10.56	-	-	17.89
Unpaid statutory liabilities	5.16	0.06	-	-	5.22
Estimated Loss on Projects	-	0.27	-	-	0.27
Deferred Tax on unrealised profit	5.97	0.69	-	-	6.66
MAT credit entitlement	7.65	-	-	(3.92)	3.73
Others	5.00	(3.85)	-	-	1.15
Deferred Tax Assets	115.73	9.28	0.83	(3.92)	121.92
Property, plant and equipment and intangible assets	(39.27)	0.26	-	-	(39.01)
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(32.07)	-	(7.63)	-	(39.70)
Unrealised gains on fair valuation of Mutual funds	(3.70)	(7.71)	-	-	(11.41)
Others	-	(1.30)	-	-	(1.30)
Deferred Tax Liabilities	(75.04)	(8.75)	(7.63)	-	(91.42)
Deferred Tax Assets (net)	40.69	0.53	(6.80)	(3.92)	30.50
Deferred Tax Liability on undistributed profits	(9.65)	(1.07)	-	-	(10.72)
	-	(0.54)	(6.80)	(3.92)	-

As at 31st March, 2018, recognised deferred tax liability of ₹ 11.35 crores (31st March, 2017: ₹10.72 crores) is for taxes that would be payable on the unremitted earnings of certain Group's subsidiaries, joint venture or associate. The Group has determined that undistributed profits of its subsidiaries, joint venture or associate will not be distributed in the foreseeable future. The Group has an agreement with its associate that the profits of the associate will not be distributed until it obtains the consent of the Group. The parent does not foresee such consent being given at the reporting date. Furthermore, the Group's joint venture will not distribute its profits until it obtains the consent from all venture partners.

During the year ended 31st March, 2018 and 31st March, 2017, the parent company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The group believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence, DDT paid is charged to equity.

11. Other Non-Current Assets (Unsecured, considered good unless otherwise stated)

		₹ in Crores	As at 31-3-2017 ₹ in Crores
(a)	Balance with Government Authorities	**69.47**	55.64
(b)	Capital advances	**13.92**	6.03
(c)	Advance to suppliers	**1.42**	1.35
(d)	Lease prepayments	**4.98**	5.05
(e)	Others	**2.08**	1.72
	Less: Allowance for doubtful advance	**3.54**	2.96
		88.33	66.83

Footnote :
Allowance for doubtful advance pertains to :

(a)	Balance with Government Authorities	**1.29**	1.29
(b)	Advance to suppliers	**1.42**	1.35
(c)	Others	**0.83**	0.32
		3.54	2.96

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

12. Inventories (at lower of cost and net realisable value)

			As at 31-3-2017
		₹ in Crores	₹ in Crores
(a)	Raw materials and Components	**199.41**	187.92
(b)	Work-in-progress	**6.30**	5.58
(c)	Finished goods	**183.11**	217.90
(d)	Stock-in-trade	**423.52**	494.86
(e)	Stores and spares	**0.65**	0.77
		812.99	907.03
	Inventories includes goods-in-transit:		
(a)	Raw materials and Components	**71.97**	10.00
(b)	Finished goods	**7.85**	13.57
(c)	Stock-in-trade	**73.53**	67.48
		153.35	91.05

Footnote :

The cost of inventories recognised as an expense in respect of write-down of inventory to net realisable value	**2.76**	1.09

13. Trade Receivables (Current) (at amortised cost)

		As at 31-3-2017
	₹ in Crores	₹ in Crores
Gross Trade receivables	**1,686.34**	1,591.71
Less: Allowance for doubtful debts	**116.06**	137.60
	1,570.28	1,454.11
Security details :		
Secured, considered good	**15.28**	5.47
Unsecured, considered good	**1,555.00**	1,448.64
Doubtful	**116.06**	137.60
	1,686.34	1,591.71

Footnotes :

(i) The Group applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables. The Group follows the simplified approach for recognition of impairment loss allowance on trade receivables. The application of the simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date. ECL impairment loss allowance (or reversal) recognized during the period is recognized in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

(ii) Movement in expected credit loss allowance on trade receivables.

		As at 31-3-2017
	₹ in Crores	₹ in Crores
Balance at the beginning of the year	**137.60**	154.53
Allowances / (write back) during the year	**19.87**	(12.49)
Written of against past provision	**(41.41)**	(4.44)
Balance at the end of the year	**116.06**	137.60

(iii) Trade receivables are non interest bearing and are generally on terms of 30 to 90 days.

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

14. Cash and Cash equivalents

	₹ in Crores	As at 31-3-2017 ₹ in Crores
Cash on hand	**0.20**	1.40
Cheques on hand	**31.65**	29.18
Balances with banks		
- On current accounts	**202.23**	196.71
- Fixed deposits with maturity less than 3 months	**23.85**	85.76
	257.93	313.05

Footnote :

Changes in liabilities arising from financing activities:

The changes in liabilities arising from financing activities is on account of cash flow changes only and there are no non-cash changes.

15. Other Balances with Banks

	₹ in Crores	As at 31-3-2017 ₹ in Crores
Fixed deposits with maturity greater than 3 months	**17.37**	-
Earmarked balances - unpaid dividend accounts	**5.22**	4.91
Margin money	**3.17**	13.47
	25.76	18.38

Footnotes :

(a) As at 31st March, 2018, the Group had available ₹ 672.45 crores (31st March, 2017: ₹ 413.71 crores) of undrawn committed borrowing facilities.

(b) Margin money deposit is against bank guarantee given to Government authorities.

16. Loans (Current) (at amortised cost)

	₹ in Crores	As at 31-3-2017 ₹ in Crores
Loans to employees (Unsecured, considered good)	**4.32**	2.74
	4.32	2.74

17. Other Financial Assets (Current) (Unsecured, considered good unless otherwise stated) (at amortised cost)

	₹ in Crores	As at 31-3-2017 ₹ in Crores
(a) Security deposits	**14.69**	20.47
(b) Interest accrued	**7.16**	5.69
(c) Gratuity fund (Refer Note 39)	**2.99**	-
(d) Fixed deposits with remaining maturity of more than12 months	**0.08**	1.05
(e) Others		
- Considered good	**57.17**	45.21
- Considered doubtful	**2.29**	-
Less: Allowance for doubtful advance	**2.29**	-
	82.09	72.42

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

18. Other Current Assets (Unsecured, considered good unless otherwise stated)

		₹ in Crores	As at 31-3-2017 ₹ in Crores
(a)	Balance with Government Authorities	**154.21**	39.28
(b)	Advance to suppliers	**93.68**	142.99
(c)	Amount due from customers under construction contracts (*)	**1,065.19**	821.77
(d)	Others		
	- Considered good	**43.45**	18.25
	- Considered doubtful	**0.13**	0.09
	Less: Allowance for doubtful advances for Others	**0.13**	0.09
		1,356.53	1,022.29

* Includes project specific material procured for future activities.

Footnote :

Disclosure pursuant to Ind AS 11 - "Construction Contracts" :

(i)	Contract revenue recongnised during the year	**2,211.23**	1,960.83
(ii)	Construction costs incurred plus recognised profits less recognised losses to date	**6,991.29**	5,947.00
(iii)	Recognised and included in the financial statements as amounts due:		
	- from customers under construction contracts	**1,065.19**	821.77
	- to customers under construction contracts	**121.18**	95.57
(iv)	Advances received for contracts in progress	**278.97**	264.67
(v)	Retention money for contracts in progress	**207.40**	251.48

19. Share Capital

	₹ in Crores	As at 31-3-2017 ₹ in Crores
Authorised:		
60,00,00,000 (31-3-2017: 60,00,00,000) Equity Shares of ₹ 1/- each	**60.00**	60.00
40,00,000 (31-3-2017: 40,00,000) Preference Shares of ₹ 100/- each	**40.00**	40.00
	100.00	100.00
Issued, Subscribed and Paid up:		
33,08,84,740 (31-3-2017: 33,08,84,740) Equity Shares of ₹ 1/- each	**33.09**	33.09
Less :Calls-in-Arrears [1,28,300 shares (31-3-2017: 1,32,140 shares] [Refer footnote 19 (d)]	**0.01**	0.01
	33.08	33.08

Footnotes :

Terms / Rights attached to Equity Shares

(a) 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).

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

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

			As at 31-3-2017	
	Equity Shares		Equity Shares	
	Numbers	**₹ In Crores**	Numbers	₹ In Crores
Shares outstanding at the beginning of the year	**33,08,84,740**	**33.09**	33,08,84,740	33.09
Shares outstanding at the end of the year	**33,08,84,740**	**33.09**	33,08,84,740	33.09

(c) Details of shareholders holding more than 5 percent shares in the Company:

Name of Shareholder	Class of Shares			As at 31-3-2017	
		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
Life Insurance Corporation of India	Equity	**2,27,16,849**	**6.87**	2,28,20,733	6.90
HDFC Trustee Company Ltd. (Various Accounts)	Equity	**1,78,24,000**	**5.39**	1,50,64,500	4.55

(d) As per the records of the Company, no calls remained unpaid by the Directors and Officers of the Company as on 31st March, 2018 (31-3-2017 : Nil).

20. Other Equity

		₹ in Crores	As at 31-3-2017 ₹ in Crores
Summary			
(1)	Capital Reserves	**1.56**	1.56
(2)	Capital Redemption Reserve	**1.26**	1.26
(3)	Securities Premium Account	**6.27**	6.27
(4)	Capital Reserve on Consolidation	**12.69**	12.69
(5)	General Reserve	**1,350.90**	1,292.79
(6)	Staff Welfare Reserve	**0.01**	0.01
(7)	Exchange difference on translation of foreign operations through other comprehensive income	**10.76**	4.78
(8)	Legal Reserve	**2.60**	2.92
(9)	Equity instruments fair value through other comprehensive income	**560.70**	407.31
(10)	Retained Earnings	**1,925.38**	1,543.95
		3,872.13	3,273.54

Movements in Other Equity

(1)	**Capital Reserve**		
	- As per last Balance Sheet	**1.56**	1.56
(2)	**Capital Redemption Reserve**		
	- As per last Balance Sheet	**1.26**	1.26
(3)	**Securities Premium Account**		
	- As per last Balance Sheet	**6.27**	6.27
	- Received during the year	*	*
	- Closing Balance	**6.27**	6.27
(4)	**Capital Reserve on Consolidation**		
	- As per last Balance Sheet	**12.69**	12.69
(5)	**General Reserve**		
	- As per last Balance Sheet	**1,292.79**	1,265.54
	- Transfer from Retained Earnings	**57.25**	27.25
	- Others	**0.86**	-
	- Closing Balance	**1 ,350.90**	1,292.79

			As at 31-3-2017
		₹ in Crores	₹ in Crores
(6)	**Staff Welfare Reserve**		
	- As per last Balance Sheet	**0.01**	0.01
(7)	**Exchange difference on translation of foreign operations through other comprehensive income**		
	- As per last Balance Sheet	**4.78**	9.14
	- Add / (less) : Net translation difference during the year	**5.98**	(4.36)
	- Closing Balance	**10.76**	4.78
(8)	**Legal Reserve**		
	- As per last Balance Sheet	**2.92**	2.92
	- Transfer to Retained Earnings	**0.32**	-
	- Closing Balance	**2.60**	2.92
(9)	**Equity instruments fair value through Other Comprehensive Income**		
	- As per last Balance Sheet	**407.31**	328.27
	- Changes during the year	**153.39**	88.06
	- Realised gain on sale of investments transferred from Other Comprehensive Income to Retained Earnings	**-**	(9.02)
	- Closing Balance	**560.70**	407.31
(10)	**Retained Earnings**		
	(a) As per last Balance Sheet	**1,543.95**	1,150.35
	(b) Additions :		
	- Net Profit for the year	**572.40**	517.43
	- Others	**1.27**	(2.00)
	- Transfer from Other Comprehensive Income (Net of tax)	**4.08**	(1.56)
	- Transfer from Legal Reserve	**0.32**	-
	- Realised gain on sale of investments transferred from Other Comprehensive Income to Retained Earnings	**-**	9.02
		578.07	522.89
	(c) Deductions :		
	- Dividend	**115.81**	86.03
	- Dividend Distribution Tax	**23.58**	16.01
	- Transfer to General Reserve	**57.25**	27.25
		196.64	129.29
	- Closing Balance	**1,925.38**	1,543.95
		3,872.13	3,273.54

* value below ₹ 50,000/-

		As at 31-3-2017
	₹ in Crores	₹ in Crores
Distribution made and proposed		
Cash Dividends on Equity Shares declared and paid:		
Dividend for the year ended 31st March, 2017: ₹3.50 per share (31st March, 2016: ₹2.60 per share)	**115.81**	86.03
Dividend Distribution Tax	**23.58**	16.01
	139.39	102.04
Proposed Dividend on Equity Shares:		
Dividend for the year ended 31st March, 2018: ₹ 4.00 per share (31st March, 2017: ₹ 3.50 per share)	**132.35**	115.81
Dividend Distribution Tax on proposed dividend	**27.21**	23.58
	159.56	139.39

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (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 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 the requirement of local laws. This reserve is not available for distribution.

Retained Earnings :

The balance in 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 2017-18.

21. Provisions (Non-Current)

			As at 31-3-2017
		₹ in Crores	₹ in Crores
Provision for employee benefits :			
(a)	Provision for gratuity (Refer Note 39)	**41.68**	44.25
(b)	Pension obligations (Refer Note 39)	**38.08**	33.01
(c)	Provision for compensated absences	**0.08**	-
(d)	Post retirement medical benefits (Refer Note 39)	**6.90**	13.38
(e)	Provision for employee separation compensation	**0.58**	0.79
		87.32	91.43

22. Other Non-Current Liabilities

		As at 31-3-2017
	₹ in Crores	₹ in Crores
Unexpired service contracts	**0.97**	0.20
	0.97	0.20

23. Borrowings (Current) (at amortised cost)

		₹ in Crores	As at 31-3-2017 ₹ in Crores
Secured borrowings			
(a)	Term loans from Banks	**29.57**	38.23
(b)	Working Capital loans from Banks	**112.72**	132.71
		142.29	170.94

Footnotes :

(i) Borrowings are secured against assignment of Property, Plant & Equipment, Inventory, Book debts, Contract dues and lien on Term deposits.

(ii) Term loans are repayable within a period of 90 days.

(iii) Term loans from banks carry an average interest rate of 4.40% to 6.50%. (31st March, 2017 : 4.40% to 6.50%)

(iv) Working capital loans from banks carry an average interest rate of 4.50% to 9.25% (31st March, 2017 : 4.50% to 9.25%).

24. Trade Payables

		₹ in Crores	As at 31-3-2017 ₹ in Crores
Trade payables :			
(i)	Total outstanding dues of micro and small enterprises	**22.28**	12.38
(ii)	Total outstanding dues of creditors other than micro and small enterprises	**2,154.13**	1,982.19
		2,176.41	1,994.57

Footnote :

Trade payables are non interest bearing and are normally settled on 60 days term.

25. Other Financial Liabilities (Current)

		₹ in Crores	As at 31-3-2017 ₹ in Crores
(a)	Deposits received from customers / others	**40.65**	39.52
(b)	Interest accrued but not due on borrowings	**0.06**	0.15
(c)	Unpaid dividends	**5.22**	4.91
(d)	Other financial liabilities	**38.72**	8.39
		84.65	52.97

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

26. Provisions (Current)

			₹ in Crores	As at 31-3-2017 ₹ in Crores
(a)	Provision for employee benefits:			
	(i)	Provision for gratuity (Refer Note 39)	**2.32**	6.16
	(ii)	Pension obligations (Refer Note 39)	**2.74**	1.64
	(iii)	Provision for compensated absences	**37.76**	41.07
	(iv)	Post retirement medical benefits (Refer Note 39)	**0.49**	0.64
	(v)	Provision for employee separation compensation	**0.25**	0.27
(b)	Provision for Trade Guarantees		**116.51**	103.67
(c)	Provision for Contingencies for Tax matters		**25.47**	23.57
			185.54	177.02

Footnotes :

A.	Provisions for trade guarantees		
	Opening balance	**103.67**	84.74
	Additional provisions recognised	**104.27**	99.63
	Less : Utilisation	**89.46**	80.06
	Less : Reversal	**1.97**	0.64
	Closing balance	**116.51**	103.67
B.	Provision for Contingencies for Tax matters		
	Opening balance	**23.57**	21.17
	Additional provisions recognised	**4.24**	10.58
	Less : Utilisation	**-**	5.00
	Less : Reversal	**2.34**	3.18
	Closing balance	**25.47**	23.57

27. Other Current Liabilities

		₹ in Crores	As at 31-3-2017 ₹ in Crores
(a)	Advances received from customers / others	**453.73**	433.10
(b)	Unexpired service contracts	**10.11**	5.10
(c)	Amount due to customers under construction contracts	**121.18**	95.57
(d)	Statutory obligations	**87.60**	65.03
(e)	Others	**0.13**	0.27
		672.75	599.07

28. Revenue from Operations

			₹ in Crores	2016-17 ₹ in Crores
(a)	Sale of products		**3,617.69**	3,524.89
(b)	Construction contract revenue		**2,211.23**	1,960.83
(c)	Sale of services		**551.36**	547.06
(d)	Other operating income :			
	(1)	Unclaimed credit balances written back	**20.28**	35.46
	(2)	Sale of scrap	**5.20**	10.31
	(3)	Others	**22.11**	16.47
			6,427.87	6,095.02

Footnote :

Sales for the year ended 31st March, 2018 is net of Goods and Services Tax (GST). However, sales for the previous year is gross of Excise Duty. Sales, net of GST / Excise Duty for the year ended 31st March, 2018 has increased by 6.47%, in comparison to the previous year.

29. Other Income

		₹ in Crores	2016-17 ₹ in Crores
(a)	Dividend Income		
	- From equity investments measured at FVTOCI	**5.14**	3.43
	- From mutual funds investments measured at FVTPL	**7.45**	26.92
(b)	Interest Income		
	- On sundry advances, deposits, customers' balances, etc.	**0.23**	0.32
	- On deposits with banks	**8.94**	4.58
	- On Income-tax refunds	**2.79**	8.68
	- Others	**0.24**	-
(c)	Gain on fair valuation of preference shares investments measured at FVTPL	**-**	5.50
(d)	Gain on sale of financial instruments measured at FVTPL	**28.73**	15.90
(e)	Gain on fair valuation of financial assets measured at FVTPL	**76.12**	95.71
(f)	Rental income	**37.16**	38.72
(g)	Other non-operating income	**7.33**	12.26
		174.13	212.02

30. Changes In Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress

	₹ in Crores	2016-17 ₹ in Crores
Inventories at the end of the year :		
- Finished Goods including stock-in-trade	**606.63**	712.76
- Work-in-progress	**6.30**	5.58
	612.93	718.34
Inventories at the beginning of the year :		
- Finished Goods including stock-in-trade	**712.76**	522.95
- Work-in-progress	**5.58**	5.14
	718.34	528.09
	105.41	(190.25)

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

31. Employee Benefits Expenses

			2016-17
		₹ in Crores	₹ in Crores
(a)	Salaries, Wages and Bonus	**541.20**	567.63
(b)	Contribution to Provident and other Funds	**26.56**	25.31
(c)	Staff Welfare expenses	**18.97**	25.49
		586.73	618.43

32. Finance Costs

			2016-17
		₹ in Crores	₹ in Crores
Interest expense			
(a)	on borrowings from banks and others	**11.92**	13.13
(b)	on delayed payment of income tax	**-**	2.91
		11.92	16.04

33. Depreciation and Amortisation Expenses

			2016-17
		₹ in Crores	₹ in Crores
(a)	Depreciation on property, plant and equipment	**19.59**	19.87
(b)	Amortisation on intangible assets	**3.81**	3.41
(c)	Depreciation on investment property	**0.95**	1.17
		24.35	24.45

34. Other Expenses

			2016-17
		₹ in Crores	₹ in Crores
(a)	Consumption of Stores and Spares	**6.15**	6.75
(b)	Power and Fuel	**10.39**	14.51
(c)	Rent	**49.61**	47.91
(d)	Repairs to Buildings	**0.65**	1.18
(e)	Repairs to Plant and Machinery	**6.91**	7.62
(f)	Insurance charges	**8.12**	7.64
(g)	Rates and Taxes	**12.34**	1.89
(h)	Travelling and Conveyance	**52.09**	48.99
(i)	Payment to Auditors	**4.59**	5.70
(j)	Legal and Professional fees	**33.55**	23.59
(k)	Bad and Doubtful Debts / Advances	**19.10**	7.12
(l)	Loss on sale of Fixed Assets (net)	**0.04**	1.30
(m)	Exchange differences (net)	**10.91**	12.20
(n)	Corporate Social Responsibility (CSR)	**11.22**	10.15
(o)	Provision / loss on settlements	**(10.99)**	20.58
(p)	Outside Service charges	**73.55**	64.07
(q)	Clearing charges	**44.34**	42.94
(r)	Freight and forwarding charges	**74.99**	76.55
(s)	Commission on sales	**6.36**	9.59
(t)	Advertising	**72.08**	65.00
(u)	Printing and stationery	**17.38**	17.42
(v)	Miscellaneous expenses	**84.11**	118.89
		587.49	611.59

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

35. Exceptional Items

		₹ in Crores	2016-17 ₹ in Crores
(a)	**Exceptional Income**		
	- Profit on Surrender of Tenancy Rights	**2.00**	-
	- Profit on Sale of Property	**-**	1.10
	Less :	**2.00**	1.10
(b)	**Exceptional Expenses**		
	- Provision for Diminution in value of Investments	**1.39**	-
Exceptional Items (net)		**0.61**	1.10

36. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for year ended on 31st March, 2017 and 31st March, 2018:

	₹ in Crores	2016-17 ₹ in Crores
Profit before tax	**804.91**	720.27
Indian statutory income tax rate	**34.61%**	34.61%
Income-tax expense at India's statutory income tax rate	**278.58**	249.29
Effect of adjustments to reconcile the expected tax expense to reported income tax expense:		
Effect of exempt income	**(4.36)**	(10.50)
Effect of unused tax losses	**1.97**	4.16
Effect on non-deductible expenses	**10.15**	6.95
Effect of income which is taxed at special rates	**(35.89)**	(30.15)
Adjustment of tax relating to earlier periods	**(4.01)**	(14.02)
Effect of different tax rates in the components	**(14.18)**	(6.67)
Change in Tax rate of future period	**(0.51)**	-
Others	**(4.74)**	1.35
	227.01	200.41

37. Earnings per share :

			2016-17
(a)	Net profit after tax for the year - (₹ in Crores)	**572.40**	517.43
(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)	**17.30**	15.64

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

38. Commitments and Contingencies

Commitments :

			As at 31-3-2017
		₹ in Crores	₹ in Crores
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	**49.98**	8.59
(ii)	As per the E-Waste (Management) Rules, 2016, as amended, ('the Rules') issued by Ministry of Environment, Forest and Climate Change (MoEF & CC) Government of India, the Group has a commitment to complete the Extended Producer Responsibility (EPR) targets, calculated based on sales made in the preceding 10th year, through channelization of e-waste to an authorised dismantler/recycler. The Group has fulfilled its commitment for the financial year 2017-18. The Group expects further clarifications to evolve over time, particularly with respect to the various mechanism of fulfilling the environmental obligation. The cost of obligation, if any, for the preceding nine year sales can be estimated, once appropriate clarifications are received from the Ministry.		
	Financial Guarantee:		
	The Group has issued financial guarantees to banks on behalf of and in respect of credit facilities availed by its subsidiary and joint venture companies		
(i)	Limits (Fund and Non Fund based)	**1,481.84**	1,950.51
(ii)	Against which outstanding balance	**499.59**	899.67
	Contingent liabilities :		
	Claims against the Company not acknowledged as debts		
(i)	Sales tax / Vat matters	**103.63**	121.64
(ii)	Service tax matters	**21.95**	37.02
(iii)	Excise matters	**19.51**	17.12
(iv)	Contractual matters in the course of business	**29.03**	28.09
(v)	Guarantees for terminated contract	**301.48**	301.14
(vi)	Income tax demand	**8.87**	14.21
		484.47	519.22
(vii)	Group's share of associate's contingent liabilities	**1.29**	4.87
(viii)	Group's share of joint venture's contingent liabilities	**50.82**	31.33

39. Employee Benefits

The Group has defined benefit Gratuity, Post retirement medical benefits, Pension plans and Trust managed Provident fund plan as given below:

(i) Gratuity

Every employee who has completed five years of services, is entitled to Gratuity benefits. The Gratuity plan for Indian employees is governed by the Payment of Gratuity Act, 1972. The Gratuity plan provides lumpsum payments to vested employees at retirement, death while in employment, or termination of employment being an amount equivalent to 15 days salary for each completed year of service. The Company also provides Gratuity benefits to overseas employee in accordance with the local laws. The Gratuity plan for Indian employees is funded and for overseas employees is unfunded.

(ii) Post retirement medical benefits

Benefits under these plan are payable for actual domiciliary treatment/hospitalisation for employees and their specified relatives. The scheme is non-funded.

(iii) Pension plans

Pension plan benefit are provided to Executive Directors and their specified relatives after completion of the services with the Company or Tata Group. The scheme is non- funded.

Net cost of retirement benefits included in employee costs (contd.)

(a) Pension plans

The following table summaries the components of net benefits expenses recognised in statement of profit and loss and the funded status and amount recognised in the balance sheet for the respective plans:

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	₹ in Crores	2016-17 ₹ in Crores	**₹ in Crores**	2016-17 ₹ in Crores	**₹ in Crores**	2016-17 ₹ in Crores	**₹ in Crores**	2016-17 ₹ in Crores
Current service cost	**3.80**	3.36	**6.30**	7.44	**4.68**	1.83	**0.91**	0.54
Net interest expense	**0.18**	0.30	**1.36**	1.38	**2.54**	2.30	**1.02**	0.87
Past service cost	**0.21**	-	**-**	-	**-**	-	**-**	-
(Gains)/ Losses on Curtailment	**-**	-	**-**	-	**-**	-	**(7.20)**	-
Components of defined benefit costs recognised in profit or loss	**4.19**	3.66	**7.66**	8.82	**7.22**	4.13	**(5.27)**	1.41
Remeasurement on the net defined benefit liability:								
Return on plan assets	**(0.20)**	(2.55)	**-**	-	**-**	-	**-**	-
Actuarial (gains) / losses arising from changes in financial assumptions	**(0.50)**	3.15	**(1.36)**	(0.03)	**(0.35)**	1.99	**(0.28)**	2.68
Actuarial (gains) / losses arising from experience adjustments	**(2.75)**	(1.55)	**(1.54)**	(2.64)	**1.20**	1.70	**(0.41)**	(0.36)
Components of defined benefit costs recognised in other comprehensive income	**(3.45)**	(0.95)	**(2.90)**	(2.67)	**0.85**	3.69	**(0.69)**	2.32
	(0.74)	2.71	**4.76**	6.15	**8.07**	7.82	**(5.96)**	3.73
Change in benefit obligation								
Opening defined benefit obligation	**60.37**	56.61	**34.73**	34.88	**34.65**	28.53	**13.94**	10.78
Current service cost	**3.80**	3.36	**6.30**	7.44	**4.68**	1.83	**0.91**	0.54
Interest cost	**4.43**	4.56	**1.36**	1.38	**2.54**	2.30	**1.02**	0.87
Remeasurement (gains)/losses:								
Actuarial gains and losses arising from changes in financial assumptions	**(0.50)**	3.15	**(1.36)**	(0.03)	**(0.35)**	1.99	**(0.28)**	2.68
Actuarial gains and losses arising from experience adjustments	**(2.75)**	(1.55)	**(1.54)**	(2.64)	**1.20**	1.70	**(0.41)**	(0.36)
Past service cost	**0.21**	-	**-**	-	**-**	-	**-**	-
(Gains)/ Losses on Curtailment	**-**	-	**-**	-	**-**	-	**(7.20)**	-
Liabilities assumed on account of transfer in	**0.15**	0.27	**-**	-	**-**	-	**-**	-
Exchange differences on foreign plans	**-**	-	**(0.91)**	(0.81)	**-**	-	**-**	-
Benefits paid	**(7.97)**	(6.03)	**(8.40)**	(5.49)	**(1.90)**	(1.70)	**(0.59)**	(0.57)
Closing defined benefit obligation	**57.74**	60.37	**30.18**	34.73	**40.82**	34.65	**7.39**	13.94
Change in plan assets								
Opening fair value of plan assets	**57.89**	52.83						
Interest income	**4.25**	4.26						
Remeasurement gains / (losses):								
Return on plan assets	**0.20**	2.55						
Contributions from the employer	**6.36**	4.28						
Benefits paid	**(7.97)**	(6.03)						
Closing fair value of plan assets	**60.73**	57.89						

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 are as follows:

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
		As at 31-3-2017		As at 31-3-2017		As at 31-3-2017		As at 31-3-2017
	₹ in Crores	₹ in Crores	**₹ in Crores**	₹ in Crores	**₹ in Crores**	₹ in Crores	**₹ in Crores**	₹ in Crores
Present value of defined benefit obligation	**(57.74)**	(60.37)	**(30.18)**	(34.73)	**(40.82)**	(34.65)	**(7.39)**	(13.94)
Fair value of plan assets	**60.73**	57.89	**-**	-	**-**	-	**-**	-
Net (liability) / asset arising from defined benefit obligation	**2.99**	(2.48)	**(30.18)**	**(34.73)**	**(40.82)**	**(34.65)**	**(7.39)**	(13.94)
Contractual Liability of foreign subsidiaries	**-**	-	**(13.82)**	(13.20)	**-**	-	**-**	-
	2.99	(2.48)	**(44.00)**	(47.93)	**(40.82)**	(34.65)	**(7.39)**	(13.94)

(b) The major categories of plan assets as a percentage of total plan:

Category of investments:	Gratuity funded	
		As at 31-3-2017
Government of India securities	**29%**	46%
Corporate bonds	**63%**	46%
Special deposit scheme	**2%**	2%
Mutual funds	**2%**	2%
Others (Interest accrued, Balances with banks)	**4%**	4%
	100%	100%

(c) The principal assumptions used for the purposes of the actuarial valuations are as follows:

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
		As at 31-3-2017		As at 31-3-2017		As at 31-3-2017		As at 31-3-2017
Discount rate / Rate of return on plan assets	**7.65%-7.85%**	6.95% - 7.34%	**4.39% - 7.85%**	4.00% - 7.52%	**7.85%**	7.34%	**7.85%**	7.34%
Attrition Rate	**1.00 % - 12.00%**	1.00 % - 10.00%	**2.00%**	2.00%	**1.00%**	1.00%	**1.00%**	1.00%
Mortality Rate	**Indian Assured Lives Mortality (2006 -08)**		**Indian Assured Lives Mortality (2006 -08)**		**Indian Assured Lives Mortality (2006 -08)**		**Indian Assured Lives Mortality (2006 -08)**	
Expected rate of salary increase	**8.00%**	8.00%	**4.00% - 8.00%**	4.00% - 8.00%	**8.00%**	8.00%	**5.00%**	5.00%

A quantitative sensitivity analysis for significant assumptions are as follows:

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
		As at 31-3-2017		As at 31-3-2017		As at 31-3-2017		As at 31-3-2017
	₹ in Crores	₹ in Crores	**₹ in Crores**	₹ in Crores	**₹ in Crores**	₹ in Crores	**₹ in Crores**	₹ in Crores
Projected benefit obligations on current assumptions	**57.74**	60.37	**30.18**	34.73	**40.82**	34.66	**7.39**	13.94
+1% increase in discount rate	**(4.02)**	(4.21)	**(3.10)**	(3.64)	**(3.10)**	(2.80)	**(0.16)**	(0.30)
-1% decrease in discount rate	**4.59**	4.80	**3.69**	4.35	**3.60**	3.25	**0.21**	0.40
+1% increase in future salary	**4.54**	4.76	**3.67**	4.31	**3.56**	3.22	**0.17**	0.32
-1% decrease in future salary	**(4.05)**	(4.25)	**(3.14)**	(3.67)	**(3.13)**	(2.83)	**(0.17)**	(0.32)
+1% increase in rate of employee turnover	**(0.02)**	(0.02)	**0.12**	*	**NA**	NA	**(0.04)**	(0.08)
-1% decrease in rate of employee turnover	**0.02**	0.02	**(0.13)**	*	**NA**	NA	**0.04**	0.07

* value below ₹ 50,000/-

The above sensitivity analysis 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.

The Group expects to contribute ₹ 7 crores to the funded defined benefit plan in Financial year 2018-19.

(iv) Provident Fund

Contribution to Provident fund is made to trusts administered by the Company. In terms of guidance note issued by the Institute of Actuaries of India, the Actuary has provided a valuation of Provident fund liability based on the assumptions listed and determined that there is no shortfall as at 31st March, 2018.

The details of the fund and plan assets position are as follows:

		As at 31-3-2017
	₹ in Crores	₹ in Crores
Fair value of plan assets	**276.71**	259.07
Present value of defined obligation	**269.24**	250.77
Contribution during the year (Employee and Employer Contribution)	**26.34**	24.44

The principal assumptions used for the purposes of the actuarial valuations are as follows.

		As at 31-3-2017
	%	%
Guaranteed Interest rate	**8.55%**	8.65%
Discount Rate for the remaining term to maturity of Interest portfolio	**7.85%**	7.34%

Risk Analysis

The Group is exposed to the following Risks in the defined benefits plans :

Investment Risk: The present value of the defined benefit obligation is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan assets is below this rate, it will create a plan deficit.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by 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. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary growth risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan's liability.

40. (a) Information about Consolidated Segments:

For management purposes, the Group is organised into business units based on its products and services and has three reportable segments, as follows:

Segment - A (Electro - mechanical Projects and Services):

Electro-Mechanical Projects (MEP): Electricals, HVAC (Heating, Ventilation & Air Conditioning), Plumbing, Fire Fighting, Extra Low Voltage (ELV) and Specialized services.

Facilities Maintenance and Hard Services: Operations and Maintenance (O&M) contracts in various sectors, AMCs, Retrofits and Energy Management, etc.

Water Solutions: Water Treatment solutions for Industrial, Oil and Gas and Domestic Sewage Segments.

Segment - B (Engineering Products and Services):

Textile Machinery : Sales and Service of capital machinery for Textile Industry and sale of spares and accessories for Textile equipment.

Mining and Construction Equipment: Engaged in selling of mining and construction equipment and providing operations and maintenance services for mining and construction industry.

Segment - C (Unitary Cooling Products for Comfort and Commercial use):

Engaged in manufacturing, selling and after sales services of cooling appliances and cold storage products.

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

			2016-17
1.	**SEGMENT REVENUE**	**₹ in Crores**	₹ in Crores
	(a) Segment - A (Electro - mechanical Projects and Services)	**2,845.21**	2,655.03
	(b) Segment - B (Engineering Products and Services)	**309.93**	331.81
	(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	**3,226.09**	3,046.86
	Less : Inter segment revenue	**0.95**	0.92
	Segment Total	**6,380.28**	6,032.78
	Add : Other operating income	**47.59**	62.24
	Revenue from operations	**6,427.87**	6,095.02

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.

			2016-17
2.	**SEGMENT RESULTS**	**₹ in Crores**	₹ in Crores
	(a) Segment - A (Electro - mechanical Projects and Services)	**185.38**	84.92
	(b) Segment - B (Engineering Products and Services)	**99.22**	95.56
	(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	**474.87**	440.29
	Segment Total	**759.47**	620.77
	Less : (i) Finance costs	**11.92**	16.04
	(ii) Other unallocable expenditure net of unallocable income	**(56.75)**	(114.44)
	Profit before Exceptional items and Tax	**804.30**	719.17
	Exceptional items - unallocated	**0.61**	1.10
	Profit before Tax	**804.91**	720.27

3. SEGMENT ASSETS AND LIABILITIES

	Segment Assets		**Segment Liabilities**	
		As at 31-3-2017		As at 31-3-2017
	₹ in Crores	₹ in Crores	**₹ in Crores**	₹ in Crores
(a) Segment - A (Electro - mechanical Projects and Services)	**2,570.41**	2,388.83	**1,872.76**	1,765.07
(b) Segment - B (Engineering Products and Services)	**130.78**	126.64	**62.93**	72.27
(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	**1,367.14**	1,164.49	**1,117.21**	932.32
Segment Total	**4,068.33**	3,679.96	**3,052.90**	2,769.66
Unallocated	**3,241.32**	2,799.60	**319.80**	374.76
	7,309.65	6,479.56	**3,372.70**	3,144.42

4. OTHER INFORMATION FOR SEGMENTS

	Capital Expenditure		**Depreciation and amortisation**		**Non-Cash Expenses Other than Depreciation and amortisation**	
		2016-17		2016-17		2016-17
	₹ in Crores	₹ in Crores	**₹ in Crores**	₹ in Crores	**₹ in Crores**	₹ in Crores
(a) Segment - A (Electro - mechanical Projects and Services)	**10.22**	7.81	**9.53**	10.48	**20.57**	15.17
(b) Segment - B (Engineering Products and Services)	**0.39**	0.40	**0.61**	0.60	**-**	0.12
(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	**5.97**	3.12	**5.68**	5.26	**1.11**	1.79
Segment Total	**16.58**	11.33	**15.82**	16.34	**21.68**	17.08
Unallocated	**18.03**	14.41	**8.53**	8.11	**-**	-
	34.61	25.74	**24.35**	24.45	**21.68**	17.08

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

40. (b) Information about Consolidated Secondary Business Segments:

		2016-17
	₹ in Crores	₹ in Crores
Revenue by Geographical Market		
India	**4,997.57**	4,569.07
Middle East	**1,287.11**	1,377.18
Others	**95.60**	86.53
	6,380.28	6,032.78

Non Current Assets		2016-17
	₹ in Crores	₹ in Crores
India	**378.39**	355.08
Middle East	**10.89**	11.78
Others	**0.30**	0.42
	389.58	367.28

40. (c) Investments and share of profit / (loss) in Joint Ventures and Associates

		Investments		**Share of Profit / (Loss)**	
Segment	Company		As at 31-3-2017		As at 31-3-2017
		₹ in Crores	₹ in Crores	**₹ in Crores**	₹ in Crores
A	Universal Voltas L.L.C.	**57.81**	43.59	**9.98**	(4.61)
A	Universal Weathermaker Factory L.L.C.	**-**	3.29	**(0.14)**	(0.22)
A	Voltas Water Solutions Private Ltd.	**-**	0.05	**(0.59)**	(1.18)
A	Olayan Voltas Contracting Company Ltd.	**10.00**	1.63	**(3.30)**	(15.63)
A	Naba Diganta Water Management Ltd.	**5.00**	4.27	**0.74**	0.89
Unallocated	Voltbek Home Appliances Private Ltd.	**73.84**	-	**(5.05)**	-
Unallocated	Terrot GmbH	**9.19**	5.77	**2.16**	1.50
Unallocated	Brihat Trading Private Ltd.	*****	*	**-**	-
		155.84	58.60	**3.80**	(19.25)

* value below ₹ 50,000/-

Other Disclosure

Interest income and interest expense have not been disclosed by segment as these items are managed on a group basis.

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

41. 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)		Share of profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
					As % of consolidated net assets	Amount ₹ in Crores	As % of consolidated profit or loss	Amount ₹ in Crores	As % of consolidated other comprehensive income	Amount ₹ in Crores	As % of consolidated total comprehensive income	Amount ₹ in Crores
I		**Voltas Limited (Parent Company)**			89.98	3,513.96	86.73	501.23	96.33	157.45	88.85	658.68
II		**Subsidiaries**										
	(a)	**Indian**										
	(1)	Auto Aircon (India) Ltd.	India	100.00	(0.02)	(0.60)	0.04	0.24	-	-	0.03	0.24
	(2)	Rohini Industrial Electricals Ltd.	India	100.00	(0.99)	(38.80)	0.02	0.14	0.01	0.02	0.02	0.16
	(3)	Universal Comfort Products Ltd.	India	100.00	7.33	286.20	10.86	62.74	-	-	8.46	62.74
	(b)	**Foreign**										
	(1)	Lalbuksh Voltas Engineering Services and Trading L.L.C.	Sultanate of Oman	60.00	1.80	70.29	1.81	10.44	(0.51)	(0.83)	1.30	9.61
	(2)	Saudi Ensas Company for Engineering Services W.L.L.	Saudi Arabia	100.00	(0.09)	(3.21)	0.15	0.88	(0.24)	(0.39)	0.06	0.49
	(3)	Voltas Netherlands B.V.	The Netherlands	100.00	1.50	58.40	(0.16)	(0.90)	5.09	8.32	1.00	7.42
	(4)	Voltas Oman L.L.C.	Sultanate of Oman	65.00	0.19	7.43	0.66	3.79	(0.44)	(0.72)	0.41	3.07
	(5)	Weathermaker Ltd.	Isle of Man	100.00	0.72	28.17	0.50	2.86	0.01	0.02	0.39	2.88
	(6)	Voltas Qatar W.L.L.	Qatar	97.00	1.46	57.12	5.52	31.93	(0.04)	(0.07)	4.30	31.86
	(c)	**Minority Interests in all subsidiaries**			(0.81)	(31.74)	0.95	5.50	0.21	0.34	0.79	5.84
III		**Joint Ventures**										
	(a)	**Indian**										
	(1)	Voltas Water Solutions Private Ltd.	India	50.00	-	-	(0.10)	(0.59)	-	-	(0.08)	(0.59)
	(2)	Voltbek Home Appliances Pvt. Ltd.	India	49.00	1.89	73.84	(0.87)	(5.05)	-	-	(0.68)	(5.05)
	(b)	**Foreign**										
	(1)	Olayan Voltas Contracting Company Ltd. (Net)	Saudi Arabia	50.00	0.26	10.00	(0.57)	(3.29)	(0.09)	(0.14)	(0.46)	(3.43)
	(2)	Universal Voltas L.L.C.	United Arab Emirates	49.00	1.48	57.81	1.73	9.98	(0.20)	(0.32)	1.30	9.66
	(3)	Universal Weathermaker Factory L.L.C.	United Arab Emirates	-	-	-	(0.07)	(0.42)	0.06	0.10	(0.04)	(0.32)
IV		**Adjustments arising out of consolidation**			(5.07)	(197.85)	(7.54)	(43.55)	(1.15)	(1.89)	(6.13)	(45.44)
V		**Associates**										
	(a)	**Indian**										
		Naba Diganta Water Management Ltd.	India	26.00	0.13	5.00	0.10	0.59	-	-	0.08	0.59
	(b)	**Foreign**										
		Terrot Gmbh	Germany	20.07	0.24	9.19	0.24	1.38	0.96	1.56	0.40	2.94
					100.00	**3,905.21**	**100.00**	**577.90**	**100.00**	**163.45**	**100.00**	**741.35**

42. Related Party Disclosures

(a) List of Related Parties and Relationships

	Party	Relation
A.	Brihat Trading Private Ltd. Naba Diganta Water Management Ltd. Terrot GmbH	Associate
B.	Universal Voltas L.L.C. Olayan Voltas Contracting Company Ltd. Universal Weathermaker Factory L.L.C. Voltas Water Solutions Private Ltd. Voltbek Home Appliances Private Ltd.	Joint Venture
C.	Tata Sons Ltd. and Subsidiaries of Tata Sons Ltd.	Promoter together with its subsidiary holding more than 20%
D.	Mr. Pradeep Bakshi - Managing Director (w.e.f. 10th February, 2018), Executive Director (w.e.f. 1st September, 2017 to 9th February, 2018) Mr. Anil George - Deputy Managing Director (w.e.f. 10th February, 2018), Executive Director (w.e.f. 1st September, 2017 to 9th February, 2018) Mr. Sanjay Johri - Managing Director (upto 9th February, 2018)	Key Management Personnel
E.	Voltas Limited Provident Fund Voltas Managerial Staff Provident Fund Voltas Limited Employees' Gratuity Fund Voltas Limited Managerial Staff Gratuity Fund Voltas Limited Employees' Superannuation Scheme	Employee Benefit Funds

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

(b) Related Party Transactions

₹ in Crores

Sr. No.	Year	Transactions		Associates	Joint Ventures	Promoter	Subsidiaries & Step Down Subsidiaries of Promoters	Key Management Personnel	Employee Benefit Funds	Total
1	**2017-18**	**Purchases of stock- in- trade**	**[Refer 42(c)(1)]**	**-**	**-**	**-**	**0.11**	**-**	**-**	**0.11**
	2016-17			-	-	-	0.85	-	-	0.85
2	**2017-18**	**Sale of Products**	**[Refer 42(c)(2)]**	**-**	**-**	**-**	**52.03**	**-**	**-**	**52.03**
	2016-17			-	-	0.19	49.64	-	-	49.83
3	**2017-18**	**Service Income - Other than Management fees**	**[Refer 42(c)(3)]**	**0.21**	**3.70**	**0.10**	**78.89**	**-**	**-**	**82.90**
	2016-17			0.18	2.66	0.04	70.80	-	-	73.68
4	**2017-18**	**Service Income - Management fees on vendor bill discounting**	**[Refer 42(c)(4)]**	**-**	**-**	**-**	**0.43**	**-**	**-**	**0.43**
	2016-17			-	-	-	0.94	-	-	0.94
5	**2017-18**	**Construction contract revenue (against which billed ₹ 230.78 crores; Previous year : ₹ 42.43 crores)**	**[Refer 42(c)(5)]**	**-**	**-**	**-**	**326.06**	**-**	**-**	**326.06**
	2016-17			-	-	0.02	24.94	-	-	24.96
6	**2017-18**	**Interest Income**	**[Refer 42(c)(6)]**	**-**	**0.11**	**-**	**4.66**	**-**	**-**	**4.77**
	2016-17			-	-	-	0.47	-	-	0.47
7	**2017-18**	**Rental Income**	**[Refer 42(c)(7)]**	**-**	**0.03**	**-**	**2.09**	**-**	**-**	**2.12**
	2016-17			-	0.06	-	3.52	-	-	3.58
8	**2017-18**	**Dividend Income**	**[Refer 42(c)(8)]**	**-**	**-**	**-**	**1.52**	**-**	**-**	**1.52**
	2016-17			-	-	-	0.15	-	-	0.15
9	**2017-18**	**Commission Received / Receivable**	**[Refer 42(c)(9)]**	**0.95**	**-**	**-**	**-**	**-**	**-**	**0.95**
	2016-17			0.60	-	-	-	-	-	0.60
10	**2017-18**	**Remuneration Paid / Payable**	**[Refer 42(c)(10)]**	**-**	**-**	**-**	**-**	**12.86**	**-**	**12.86**
	2016-17			-	-	-	-	4.69	-	4.69
11	**2017-18**	**Dividend Paid**	**[Refer 42(c)(11)]**	**-**	**-**	**30.85**	**-**	**-**	**-**	**30.85**
	2016-17			-	-	22.91	-	-	-	22.91
12	**2017-18**	**Consulting Charges paid**	**[Refer 42(c)(12)]**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2016-17			-	-	0.03	-	-	-	0.03
13	**2017-18**	**Tata Brand Equity**	**[Refer 42(c)(13)]**	**-**	**-**	**8.31**	**-**	**-**	**-**	**8.31**
	2016-17			-	-	8.56	-	-	-	8.56
14	**2017-18**	**Training Expenses Paid / Payable**	**[Refer 42(c)(14)]**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2016-17			-	-	*	-	-	-	*
15	**2017-18**	**Commission Paid**	**[Refer 42(c)(15)]**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2016-17			-	-	-	0.10	-	-	0.10
16	**2017-18**	**Purchase of goods for execution of contracts**	**[Refer 42(c)(16)]**	**-**	**105.38**	**-**	**0.12**	**-**	**-**	**105.50**
	2016-17			-	9.36	-	-	-	-	9.36
17	**2017-18**	**Impairment in value of Investment**	**[Refer 42(c)(17)]**	**-**	**5.98**	**-**	**-**	**-**	**-**	**5.98**
	2016-17			-	7.11	-	-	-	-	7.11

(b) Related Party Transactions (contd.)

₹ in Crores

Sr. No.	Year	Transactions		Associates	Joint Ventures	Promoter	Subsidiaries & Step Down Subsidiaries of Promoters	Key Management Personnel	Employee Benefit Funds	Total
18	2017-18	Bad and Doubtful Debts / Advances (P&L)	[Refer 42(c)(18)]	-	0.01	-	-	-	-	0.01
	2016-17			-	-	-	-	-	-	-
19	2017-18	Other Expenses- Received/Receivable	[Refer 42(c)(19)]	-	13.30	0.24	0.47	-	-	14.01
	2016-17			-	3.82	0.22	0.38	-	-	4.42
20	2017-18	Other Expenses- Paid/Payable	[Refer 42(c)(20)]	-	1.40	0.09	16.90	-	-	18.39
	2016-17			-	0.45	2.00	22.73	-	-	25.18
21	2017-18	Purchase of property, plant and equipment	[Refer 42(c)(21)]	-	0.04	-	0.02	-	-	0.06
	2016-17			-	-	-	1.73	-	-	1.73
22	2017-18	Investments in Preference Shares	[Refer 42(c)(22)]	-	-	-	30.00	-	-	30.00
	2016-17			-	-	-	-	-	-	-
23	2017-18	Share Application Money given	[Refer 42(c)(23)]	-	13.13	-	-	-	-	13.13
	2016-17			-	-	-	-	-	-	-
24	2017-18	Sale of Investment	[Refer 42(c)(24)]	-	2.98	-	-	-	-	2.98
	2016-17			-	-	-	-	-	-	-
25	2017-18	Investments in Equity shares	[Refer 42(c)(25)]	-	79.50	-	-	-	-	79.50
	2016-17			-	1.25	-	-	-	-	1.25
26	2017-18	Security deposit received	[Refer 42(c)(26)]	-	0.01	-	5.91	-	-	5.92
	2016-17			-	0.01	-	11.37	-	-	11.38
27	2017-18	Deposit Paid	[Refer 42(c)(27)]	-	-	-	1.50	-	-	1.50
	2016-17			-	-	-	-	-	-	-
28	2017-18	Provision for Debts and Advances at year end	[Refer 42(c)(28)]	-	0.01	-	-	-	-	0.01
	2016-17			-	-	-	0.35	-	-	0.35
29	2017-18	Advance Outstanding at year end	[Refer 42(c)(29)]	-	4.15	0.09	0.16	-	-	4.40
	2016-17			-	0.10	0.05	0.06	-	-	0.21
30	2017-18	Outstanding Share Application Money at year end	[Refer 42(c)(30)]	-	13.13	-	-	-	-	13.13
	2016-17			-	-	-	-	-	-	-
31	2017-18	Debit Balance Outstanding at year end	[Refer 42(c)(31)]	0.74	-	-	66.90	-	-	67.64
	2016-17			0.03	12.36	-	43.82	-	-	56.21
32	2017-18	Credit Balance Outstanding at year end	[Refer 42(c)(32)]	-	32.85	7.75	0.39	-	-	40.99
	2016-17			-	-	8.90	0.23	-	-	9.13
33	2017-18	Guarantees Outstanding at year end	[Refer 42(c)(33)]	-	6.73	-	-	-	-	6.73
	2016-17			-	19.62	-	-	-	-	19.62
34	2017-18	Impairment in value of Investment at year end	[Refer 42(c)(34)]	-	13.09	-	-	-	-	13.09
	2016-17			-	7.11	-	-	-	-	7.11
35	2017-18	Unsecured Advances at year end	[Refer 42(c)(35)]	-	-	-	0.02	-	-	0.02
	2016-17			-	-	-	0.12	-	-	0.12
36	2017-18	Contribution to Employee Benefit Funds		-	-	-	-	-	14.73	14.73
	2016-17			-	-	-	-	-	12.11	12.11

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

(c) Details of material (more than 10% of the total related party transactions of the same type) transactions with Related Party

₹ in Crores

Name of Party		Transaction Value	Transaction Value 2016-17
1.	**Purchases of stock-in-trade**		
	Tata De Mocambique, Limitada	**0.11**	-
	Infiniti Retail Ltd.	**-**	0.26
	Tata Consultancy Services Ltd.	**-**	0.59
2.	**Sale of Products**		
	Infiniti Retail Ltd.	**48.91**	39.64
3.	**Service Income-Other than Management fees**		
	Tata Consultancy Services Ltd.	**26.33**	22.45
	Tata De Mozambique Limitada	**50.56**	36.26
	Tata Africa Holdings (SA) (Proprietary) Ltd.	**-**	9.61
4.	**Service Income - Management fees on vendor bill discounting**		
	Tata Capital Financial Services Ltd.	**0.43**	0.94
5.	**Construction contract revenue**		
	Tata Consultancy Services Ltd. (against which billed ₹ 31.04 crores; Previous year : ₹ 41.62 crores)	**33.29**	24.06
	Tata International Metals (UK) Ltd. (formerly Tata Steel International (UK) Ltd.) (against which billed ₹ 194.92 crores; Previous year : ₹ Nil)	**289.44**	-
6.	**Interest Income**		
	Tata International Ltd.	**4.65**	0.47
7.	**Rental Income**		
	Tata AIA Life Insurance Company Ltd.	**0.23**	0.23
	Tata Consultancy Services Ltd.	**1.61**	1.59
	Tata Teleservices Ltd.	**-**	1.55
8.	**Dividend Income**		
	Tata Capital Ltd.	**1.52**	-
	Tata International Ltd.	**-**	0.15
9.	**Commission Received / Receivable**		
	Terrot Gmbh	**0.95**	0.60
10.	**Remuneration Paid / Payable**		
	Mr. Pradeep Bakshi	**2.18**	-
	Mr. Anil George	**2.16**	-
	Mr. Sanjay Johri	**8.52**	4.69
11.	**Dividend Paid**		
	Tata Sons Ltd.	**30.85**	22.91
12.	**Consulting Charges paid**		
	Tata Sons Ltd.	**-**	0.03

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

(c) Details of material (more than 10% of the total related party transactions of the same type) transactions with Related Party (contd.)

₹ in Crores

Name of Party		Transaction Value	Transaction Value 2016-17
13.	**Tata Brand Equity**		-
	Tata Sons Ltd.	**8.31**	8.56
14.	**Training Expenses Paid / Payable**		
	Tata Sons Ltd.	**-**	*
15.	**Commission Paid**		
	Tata Unistore Ltd. (formerly Tata Industrial Services Ltd.)	**-**	0.10
16.	**Purchase of goods for execution of contracts**		
	Universal Voltas L.L.C.	**105.38**	9.36
17.	**Impairment in value of investments**		
	Olayan Voltas Contracting Company Ltd.	**3.13**	7.11
	Voltas Water Solutions Private Ltd.	**2.84**	-
18.	**Bad and Doubtful Debts / Advances (P&L)**		
	Voltas Water Solutions Private Ltd.	**0.01**	-
19.	**Other Expenses- Received/Receivable**		
	Voltbek Home Appliances Private Ltd.	**5.06**	-
	Universal Voltas L.L.C.	**7.38**	3.42
20.	**Other Expenses-Paid / Payable**		
	Tata Business Support Services Ltd.	**5.21**	5.13
	Tata Consultancy Services Ltd.	**7.64**	9.14
	Tata International Metals (UK) Ltd. (formerly Tata Steel International (UK) Ltd.)	**1.77**	4.95
21.	**Purchase of property, plant and equipment**		
	Infiniti Retail Ltd.	**0.02**	0.01
	Voltas Water Solutions Private Ltd.	**0.04**	-
	Tata Consultancy Services Ltd.	**-**	1.74
22.	**Investments in Preference Shares**		
	Tata Capital Ltd.	**30.00**	-
23.	**Share Application Money given**		
	Olayan Voltas Contracting Company Ltd.	**13.13**	-
24.	**Sale of Investment**		
	Universal Weathermaker Factory L.L.C.	**2.98**	-
25.	**Investments in Equity shares**		
	Voltbek Home Appliances Private Ltd.	**78.89**	-
	Voltas Water Solutions Private Ltd.	**-**	1.25
26.	**Security deposit received**		
	Tata Consultancy Services Ltd.	**3.01**	3.01
	Tata Teleservices Ltd.	**-**	8.02
	Tata Unistore Ltd. (formerly Tata Industrial Services Ltd.)	**2.50**	-

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

(c) Details of material (more than 10% of the total related party transactions of the same type) transactions with Related Party (contd.)

₹ in Crores

Name of Party		Transaction Value	Transaction Value 2016-17
27.	**Deposit Paid**		
	Tata Unistore Ltd. (formerly Tata Industrial Services Ltd.)	**1.50**	-
28.	**Provision for Debts and Advances at year end**		
	Voltas Water Solutions Private Ltd.	**0.01**	-
	Tata Consultancy Services Ltd.	**-**	0.18
	Tata Teleservices Ltd.	**-**	0.14
29.	**Advance Outstanding at year end**		
	Olayan Voltas Contracting Company Ltd.	**1.71**	-
	Voltbek Home Appliances Private Ltd.	**2.43**	-
	Voltas Water Solutions Private Ltd.	**0.01**	0.10
	Tata Sons Ltd.	**0.09**	0.05
	Tata Teleservices Ltd.	**-**	0.04
30.	**Outstanding Share Application Money at year end**		
	Olayan Voltas Contracting Company Ltd.	**13.13**	-
31.	**Debit Balance Outstanding at year end**		
	Tata Consultancy Services Ltd.	**12.55**	14.98
	Tata De Mozcambique Limitada	**31.23**	20.50
	Universal Voltas L.L.C.	**-**	11.47
	Infiniti Retail Ltd.	**6.77**	4.92
	Tata International Metals (UK) Ltd. (formerly Tata Steel International (UK) Ltd.)	**9.69**	-
32.	**Credit Balance Outstanding at year end**		
	Tata Sons Ltd.	**7.75**	8.90
	Universal Weathermaker Factory L.L.C.	**32.85**	-
33.	**Guarantees Outstanding at year end**		
	Olayan Voltas Contracting Company Ltd.	**6.73**	19.62
34.	**Impairment in value of investments at year end**		
	Olayan Voltas Contracting Company Ltd.	**10.24**	7.11
	Voltas Water Solutions Private Ltd.	**2.85**	-
35.	**Unsecured Advances at year end**		
	Tata AIA Life Insurance Company Ltd.	**0.01**	0.01
	Tata Consultancy Services Ltd.	**0.01**	0.01
	Tata Teleservices Ltd.	**-**	0.11
	* value below ₹ 50,000/-		

43. Research and Development Expenditure

			2016-17
		₹ In Crores	₹ In Crores
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centers			
(1)	**Revenue**	**4.54**	3.41
	UPBG	**1.17**	0.96
	EM&RBG	**3.37**	2.45
(2)	**Capital Expenditure**	**0.06**	0.04
	UPBG	**-**	0.03
	EM&RBG	**0.06**	0.01
Other R&D Expenditure			
(1)	**Revenue**	**0.90**	1.10
	UPBG	**0.46**	0.52
	EM&RBG	**0.44**	0.58
(2)	**Capital Expenditure**	**-**	-
	UPBG	**-**	-
	EM&RBG	**-**	-
Total R&D Expenditure			
(1)	**Revenue**	**5.44**	4.51
	UPBG	**1.63**	1.48
	EM&RBG	**3.81**	3.03
(2)	**Capital Expenditure**	**0.06**	0.04
	UPBG	**-**	0.03
	EM&RBG	**0.06**	0.01

Business Segments :

UPBG : Unitary Cooling Products for Comfort and Commercial use.

EM&RBG : Electro - Mechanical Projects and Services.

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

44. Financial Instruments

A. Financial instruments by category :

The accounting classification of each category of financial instruments, their carrying value and fair value are as below:

	₹ In Crores					As at 31-3-2017 ₹ In Crores				
	FVTPL	**FVTOCI**	**Amortised cost**	**Total Carrying value**	**Total Fair value**	FVTPL	FVTOCI	Amortised cost	Total Carrying value	Total Fair value
Financial assets										
Investments*	**1,863.37**	**601.28**	**133.10**	**2,597.75**	**2,597.75**	1,681.01	448.34	79.92	2,209.27	2,209.27
Loans	**-**	**-**	**4.82**	**4.82**	**4.82**	-	-	3.46	3.46	3.46
Trade receivables	**-**	**-**	**1,570.28**	**1,570.28**	**1,570.28**	-	-	1,454.11	1,454.11	1,454.11
Other financial assets	**0.81**	**-**	**116.20**	**117.01**	**117.01**	-	-	90.02	90.02	90.02
Cash and cash equivalents	**-**	**-**	**257.93**	**257.93**	**257.93**	-	-	313.05	313.05	313.05
Other balances with banks	**-**	**-**	**25.76**	**25.76**	**25.76**	-	-	18.38	18.38	18.38
	1,864.18	**601.28**	**2,108.09**	**4,573.55**	**4,573.55**	1,681.01	448.34	1,958.94	4,088.29	4,088.29
Financial liabilities										
Borrowings	**-**	**-**	**142.29**	**142.29**	**142.29**	-	-	170.94	170.94	170.94
Trade payables	**-**	**-**	**2,176.41**	**2,176.41**	**2,176.41**	-	-	1,994.57	1,994.57	1,994.57
Other financial liabilities	**-**	**-**	**84.65**	**84.65**	**84.65**	1.64	-	51.33	52.97	52.97
	-	**-**	**2,403.35**	**2,403.35**	**2,403.35**	1.64	-	2,216.84	2,218.48	2,218.48

* Investments also includes equity investments in associates and joint ventures which are carried at costs and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures". Hence, the same have been excluded from the above table.

The management assess that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, Trade payables, Other financial liabilities and Other financial assets carried at amortized cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

Abbreviation :

FVTPL - Fair Value Through Profit or Loss.

FVTOCI - Fair Value Through Other Comprehensive Income.

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

B. Fair value hierarchy :

The fair value measurement hierarchy of the Group's assets and liabilitiess are as follows:

	Level 1		Level 2		Level 3	
	₹ In Crores	As at 31-3-2017 ₹ In Crores	**₹ In Crores**	As at 31-3-2017 ₹ In Crores	**₹ In Crores**	As at 31-3-2017 ₹ In Crores
Financial assets						
At fair value through profit or loss						
- Investment	**1,863.37**	1,678.01	**-**	3.00	**-**	-
- Derivative financial assets	**-**	-	**0.81**	-	**-**	-
At fair value through Other Comprehensive Income						
- Investment	**411.96**	256.59	**-**	-	**189.32**	191.75
	2,275.33	1,934.60	**0.81**	3.00	**189.32**	191.75

Financial liabilities	Level 1		Level 2		Level 3	
	₹ In Crores	As at 31-3-2017 ₹ In Crores	**₹ In Crores**	As at 31-3-2017 ₹ In Crores	**₹ In Crores**	As at 31-3-2017 ₹ In Crores
At fair value through profit or loss						
- Derivative financial liabilities	**-**	-	**-**	(1.64)	**-**	-
	-	-	**-**	(1.64)	**-**	-

The Group uses the following hierarchy for determining and/or disclosing the fair value of financial instrument by valuation techniques:

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

(ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

(iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- The fair value of quoted equity investment and mutual funds are based on price quotations at the reporting date.
- The fair value of unquoted equity investments are based on Market multiple approach. Market multiple of EV/EBITDA are considered after applying suitable discounts for size, liquidity and other company specific discounts.
- The fair value of redeemable preference shares are based on observable price of securities based on transactions undertaken recently.
- The Group enters into derivative financial instruments with various counterparties, principally with banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The model incorporates various inputs including the credit quality of counter parties, foreign exchange spot and forward rates.

There were no transfers between Level 1 and 2 during the period.

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

Reconciliation of fair value measurement of unquoted equity shares classified as FVOCI assets :

	₹ in Crores
As at 1st April, 2016	154.08
Add: Fair valuation gain/(loss) recognised in OCI	37.67
Closing balance as at 31st March, 2017	191.75
Add: Fair valuation gain/(loss) recognised in OCI	(2.43)
Closing balance as at 31st March, 2018	**189.32**

45. Financial risk management objectives and policies

The Group's financial liabilities comprise borrowings, trade and other payables. The Group's financial assets include loans, trade and other receivables, cash and cash equivalents and other bank balances. The Group also holds FVTPL and FVTOCI investments.

The Group is exposed to market risk, credit risk and liquidity risk. The Board of Directors of the Group oversee the management of these financial risks through its Risk Management Committee as per Group's existing policy.

(i) 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 comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate change does not affect significantly short term borrowing, therefore the Company's exposure to the risk of changes in market interest rates relates primarily to the investment in debt mutual funds.

Given the portfolio of investments in debt mutual funds, etc. the Company has exposure to interest rate risk with respect to returns realised. It is estimated that a 25 bps change in 10 year Govt. bond yield would result in a profit and loss impact of approximately ₹ 4.66 crores (31-3-2017: ₹ 4.19 crores). This estimate is based on key assumption with respect to seamless transition of rates across debt instruments in the market and also basis the duration of debt instruments in turn held by mutual funds that the Company has invested in.

(b) Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). Foreign currency risks are managed within the approved policy parameters utilising foreign exchange forward contracts.

As at the end of the reporting period, the carrying amounts of the material foreign currency denominated monetary assets and liabilities are as follows:

Currency	**Liabilities**		**Assets**	
	₹ in Crores	As at 31-3-2017 ₹ in Crores	**₹ in Crores**	As at 31-3-2017 ₹ in Crores
AED	**228.61**	287.21	**270.12**	433.65
USD	**262.66**	108.16	**52.99**	-

Foreign currency sensitivity

The following tables demonstrate the sensitivity of outstanding foreign currency denominated monetary items to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of financial assets and liabilities:

Particulars	Effect on Profit and Loss account		Effect on Equity	
	₹ in Crores	As at 31-3-2017 ₹ in Crores	**₹ in Crores**	As at 31-3-2017 ₹ in Crores
US Dollars +5%	**(7.07)**	(1.45)	**(4.63)**	(0.95)
US Dollars -5%	**7.07**	1.45	**4.63**	0.95
AED +5%	**2.08**	7.32	**1.36**	4.79
AED -5%	**(2.08)**	(7.32)	**(1.36)**	(4.79)

Details of Derivative contracts entered by the Group and outstanding as at Balance Sheet date:

Particulars	**₹ In Crores**	As at 31-3-2017 ₹ In Crores
Forex Forward Cover (Sell)	**68.21**	148.28

The fair value of the Group's derivatives position recorded under financial assets and financial liabilities are as follows:

Particulars	Liabilities		Assets	
	₹ in Crores	As at 31-3-2017 ₹ in Crores	**₹ in Crores**	As at 31-3-2017 ₹ in Crores
Forex Forward Cover	**-**	1.64	**0.81**	-

(c) Equity price risk

The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's Board of Directors reviews and approves all equity investment decisions.

The following table summarises the sensitivity to change in the NSE index on the Group's Equity and OCI. These changes would not have an effect on the profit or loss.

	Impact on other components of equity (OCI)	
	₹ In Crores	As at 31-3-2017 ₹ In Crores
NSE Nifty 50 - increase 5%	**20.60**	12.83
NSE Nifty 50 - decrease 5%	**(20.60)**	(12.83)

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans and other financial assets. The Group only deals with parties which have good credit rating/ worthiness given by external rating agencies or based on Group's internal assessment.

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

Credit risk on receivables is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with this assessment. Moreover, given the diverse nature of the Group's businesses trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10% or more of the trade receivables in any of the years presented.

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.

For Mutual Fund Investments, counterparty risk are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for Group's mutual fund investments.

Credit risk from cash and cash equivalents and balances with banks is managed by the Group's treasury department in accordance with the Group's treasury policy.

The Credit risk on mutual fund investments, cash and cash equivalents, and other bank balances are limited as the counterparties are banks and fund houses with high-credit ratings assigned by credit rating agencies.

The carrying value of the financial assets represents the maximum credit exposure. The Group's maximum exposure to Credit risk is disclosed in Note 44 "Financial Instruments". The maximum credit exposure on financial guarantees given by the Group for various financial facilities is disclosed in Note 38 "Commitments and Contingencies"

(iii) Liquidity risk management:

Liquidity risk refers to the risk that the Group cannot meets its financial obligations. The objective of 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 summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Contractual maturities of financial liabilities (31st March, 2018)	**Less than 1 year ₹ in Crores**	**More than 1 year ₹ in Crores**	**Total ₹ in Crores**
Non-derivatives			
Borrowings	**142.29**	-	**142.29**
Trade payables	**2,172.57**	**3.84**	**2,176.41**
Other financial liabilities	**84.65**	-	**84.65**
Total Non-derivative liabilities	**2,399.51**	**3.84**	**2,403.35**
Derivatives (net settled)			
Foreign exchange forward contracts	**-**	-	**-**
Total derivative liabilities	**-**	-	**-**

Contractual maturities of financial liabilities (31st March, 2017)	Less than 1 year ₹ in Crores	More than 1 year ₹ in Crores	Total ₹ in Crores
Non-derivatives			
Borrowings	170.94	-	170.94
Trade payables	1,992.08	2.49	1,994.57
Other financial liabilities	51.33	-	51.33
Total Non-derivative liabilities	2,214.35	2.49	2,216.84
Derivatives (net settled)			
Foreign exchange forward contracts	1.64	-	1.64
Total derivative liabilities	1.64	-	1.64

46. Interest in Other Entities

(a) Subsidiaries (Direct and Indirect) :

The Group's subsidiaries as at 31st March, 2018 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
			As at 31-3-2017	
Indian Subsidiaries :				
Universal Comfort Products Ltd.	India	**100%**	100%	Manufacturing of split air conditioners.
Rohini Industrial Electricals Ltd.	India	**100%**	100%	Turnkey electrical and instrumentation projects.
Auto Aircon (India) Ltd.	India	**100%**	100%	No business activities.
Agro Foods Punjab Ltd. (under liquidation. Refer footnote)	India			
Westerwork Engineers Ltd. (under liquidation)	India			
Foreign Subsidiaries :				
Voltas Netherlands B.V. (VNBV)	The Netherlands	**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%	Manufacturing of ducts and duct accessories.
Saudi Ensas Company for Engineering Services W.L.L. (*Voltas Limited - 92% and VNBV - 8%)	Kingdom of Saudi Arabia	**100%***	100%*	Undertake EPC (Engineering, Procurement and Construction) contracts of MEP (Mechanical, Electrical and Plumbing) projects.
Lalbuksh Voltas Engineering Services and Trading L.L.C. (*Voltas Limited - 20% and VNBV - 40%)	Sultanate of Oman	**60%**	60%	Drilling, irrigation and landscaping activities and construction of water treatment plants.
Voltas Oman L.L.C. (65% through VNBV)	Sultanate of Oman	**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%**	97%	Undertake EPC (Engineering, Procurement and Construction) contracts of MEP (Mechanical, Electrical and Plumbing) projects.

Footnote :

Under a loan agreement for ₹ 0.6 crore (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 Crores**	As at 31-3-2017 ₹ In Crores
Current assets	**112.56**	115.07
Current liabilities	**50.92**	49.63
Net current assets	**61.64**	65.44
Non-current assets	**12.37**	4.25
Non-current liabilities	**3.72**	3.34
Net non-current assets	**8.65**	0.91
Net assets	**70.29**	66.35
Accumulated NCI	**28.11**	26.54

Summarised statement of profit and loss	**₹ In Crores**	As at 31-3-2017 ₹ In Crores
Revenue	**96.71**	113.14
Profit / (loss) for the year	**10.44**	12.31
Other comprehensive income	**(0.83)**	(1.27)
Total comprehensive income	**9.61**	11.04
Profit allocated to NCI	**4.18**	4.93

Summarised cash flows	**₹ In Crores**	As at 31-3-2017 ₹ In Crores
Cash flow from operating activities	**22.22**	10.72
Cash flow from investing activities	**1.87**	(1.31)
Cash flow from financing activities	**16.71**	(2.11)
	40.80	7.30

(c) Interest in associates and joint ventures:

(i) Set below are the associates and joint ventures of the Group as at 31st March, 2018 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 Crores	Carrying amount As at 31-3-2017 ₹ In Crores
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	**57.81**	43.59
Olayan Voltas Contracting Company Ltd.	Kingdom of Saudi Arabia	Execution of maintenance and construction contracts, Water and sewage installation	50%	Joint venture	Equity method	**10.00**	1.63
Voltbek Home Appliances Private Ltd.	India	White Goods business	49%	Joint venture	Equity method	**73.84**	-
Immaterial joint ventures (refer iii below)				Joint venture	Equity method	**-**	3.34
Immaterial associates (refer iii below)				Associates	Equity method	**14.19**	10.04
Total equity accounted investments						**155.84**	58.60

(ii) Summarised financial information for material joint ventures :

The table below provides 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. ₹ In Crores	Universal Voltas L.L.C. As at 31-3-2017 ₹ In Crores	Olayan Voltas Contracting Company Ltd. ₹ In Crores	Olayan Voltas Contracting Company Ltd. As at 31-3-2017 ₹ In Crores	Voltbek Home Appliances Private Ltd. ₹ In Crores	Voltbek Home Appliances Private Ltd. As at 31-3-2017 ₹ In Crores
Current assets						
- Cash and cash equivalents	**53.25**	28.31	**11.81**	1.26	**155.10**	-
- Other assets	**160.40**	157.11	**26.41**	51.41	**0.91**	-
Current liabilities						
- Trade payables	**99.77**	59.91	**17.85**	41.75	**5.40**	-
- Other liabilities	**20.56**	21.46	**5.22**	6.91	**-**	-
Net current assets	**93.32**	104.04	**15.15**	4.01	**150.61**	-
Non-current assets	**34.80**	1.91	**8.01**	0.19	**0.09**	-
Non-current liabilities						
- Other liabilities	**10.14**	10.21	**0.51**	0.94	**-**	-
Net non-current assets	**24.66**	(8.30)	**7.50**	(0.75)	**0.09**	-
Net assets	**117.98**	95.74	**22.65**	3.26	**150.70**	-

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

Reconciliation to the carrying amounts:	Universal Voltas L.L.C.		Olayan Voltas Contracting Company Ltd.		Voltbek Home Appliances Private Ltd.	
		As at 31-3-2017		As at 31-3-2017		As at 31-3-2017
	₹ In Crores	₹ In Crores	**₹ In Crores**	₹ In Crores	**₹ In Crores**	₹ In Crores
Opening net assets	**95.74**	107.47	**3.26**	34.93	**-**	-
Profit for the year	**20.38**	(9.40)	**(6.59)**	(31.26)	**(10.31)**	-
Other comprehensive income	**1.86**	(2.33)	**-**	(0.41)	**-**	-
Additional Investment during the year	**-**	-	**25.98**	-	**161.01**	-
Dividends paid	**-**	-	**-**	-	**-**	-
Closing net assets	**117.98**	95.74	**22.65**	3.26	**150.70**	-
Group's share in %	**49.00**	49.00	**50.00**	50.00	**49.00**	-
Group's share in closing net assets	**57.81**	46.91	**11.32**	1.63	**73.84**	-
Goodwill / (Capital Reserve)	**-**	(3.32)	**-**	-	**-**	-
Carrying amount (Gross)	**57.81**	43.59	**11.32**	1.63	**73.84**	-
Less : Impairment in value of Investments	**-**	-	**1.32**	-	**-**	-
Carrying amount (Net)	**57.81**	43.59	**10.00**	1.63	**73.84**	-

Summarised statement of profit and loss:	Universal Voltas L.L.C.		Olayan Voltas Contracting Company Ltd.		Voltbek Home Appliances Private Ltd.	
		As at 31-3-2017		As at 31-3-2017		As at 31-3-2017
	₹ In Crores	₹ In Crores	**₹ In Crores**	₹ In Crores	**₹ In Crores**	₹ In Crores
Revenue	**254.38**	213.37	**16.10**	30.83	**-**	-
Interest income	**0.31**	0.12	**-**	-	**0.89**	-
Depreciation and amortisation	**0.83**	0.82	**0.19**	0.20	**-**	-
Interest expense	**-**	-	**1.31**	-	**-**	-
Income tax expense	**-**	-	**0.04**	0.47	**-**	-
Profit / (Loss) for the year	**20.38**	(9.40)	**(6.59)**	(31.26)	**(10.31)**	-
Other comprehensive income	**-**	(2.33)	**-**	(0.42)	**-**	-
Total comprehensive income	**20.38**	(11.73)	**(6.59)**	(31.68)	**(10.31)**	-

(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.

		As at 31-3-2017
	₹ In Crores	₹ In Crores
Aggregate carrying amount of individually immaterial associates (Net)	**14.19**	10.04
Aggregate amount of the group's share of:		
Profit / (loss) from continuing operations	**2.89**	2.39
Other comprehensive income	**1.56**	(1.21)
Total comprehensive income	**4.45**	1.18
Aggregate carrying amount of individually immaterial joint ventures (Net)	**-**	3.35
Aggregate amount of the group's share of:		
Profit / (loss) from continuing operations	**(0.59)**	(1.40)
Other comprehensive income	**-**	-
Total comprehensive income	**(0.59)**	(1.40)
Share of profits from associates for the year	**2.89**	2.39
Share of profits from joint ventures for the year	**0.91**	(21.64)
Total share of profits from associates and joint ventures for the year	**3.80**	(19.25)

47. Aggregation of expenses disclosed in consumption of materials, cost of jobs and services and other expenses in respect of specific items are as follows (Refer Note 35) :

	Nature of expenses	Grouped Under		
		Consumption of materials, cost of jobs and services	**Other expenses**	**Total**
		₹ in Crores	**₹ in Crores**	**₹ in Crores**
(1)	Rent	**0.60**	**49.61**	**50.21**
(2)	Power and Fuel	**0.33**	**10.39**	**10.72**
(3)	Insurance charges	**1.40**	**8.12**	**9.52**
(4)	Travelling and Conveyance	**0.87**	**52.09**	**52.96**
(5)	Printing and Stationery	**0.27**	**17.38**	**17.65**
(6)	Legal and Professional charges	**0.46**	**33.55**	**34.01**
(7)	Clearing charges	**0.82**	**44.34**	**45.16**
(8)	Outside Service charges	**48.28**	**73.55**	**121.83**
(9)	Repairs to Plant and Machinery	**0.01**	**6.91**	**6.92**
(10)	Other General expenses	**3.86**	**84.11**	**87.97**

		2016-17		
	Nature of expenses	Grouped Under		
		Consumption of materials, cost of jobs and services	Other expenses	Total
		₹ in Crores	₹ in Crores	₹ in Crores
(1)	Rent	0.39	47.91	48.30
(2)	Power and Fuel	0.44	14.51	14.95
(3)	Insurance charges	1.60	7.64	9.24
(4)	Travelling and Conveyance	1.00	48.99	49.99
(5)	Printing and Stationery	0.29	17.42	17.71
(6)	Legal and Professional charges	0.23	23.59	23.82
(7)	Clearing charges	1.04	42.94	43.98
(8)	Outside Service charges	70.90	64.07	134.97
(9)	Repairs to Plant and Machinery	0.01	7.62	7.63
(10)	Other General expenses	4.65	118.89	123.54

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

48. Operating Lease : Group as a Lessee

The Group has entered into operating lease agreements for its office premises and storage locations. There are no exceptional/ restrictive covenants in the lease agreements. Lease rental expenses debited to Statement of Profit and Loss is ₹ 49.61 crores (31-3-2017 : ₹ 47.91 crores)

Minimum lease payments for non-cancellable operating lease

		₹ In Crores	As at 31-3-2017 ₹ In Crores
(a)	Not later than one year	**2.14**	5.20
(b)	Later than one year but not later than five years	**0.70**	1.16
(c)	Later than five years	**-**	0.07

Operating Lease : Group as a Lessor

The Group has entered into operating lease agreements. An amount of ₹ 37.62 crores (31-3-2017: ₹ 38.72 crores) is recognised as lease income in the Statement of Profit and Loss Account for the year ended 31st March, 2018. All leases are cancellable, thus there are nil future minimum rentals receivable under non-cancellable operating leases.

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 final dividend of ₹ 132.35 crores at ₹ 4 per share on equity shares which is subject to the approval of shareholders at the ensuing Annual General Meeting. This dividend and tax thereon has not been recognised as a liability.

(ii) Further, an amount of ₹ 20.00 crores is proposed to be transferred to General Reserve which is approved in the Board Meeting held subsequent to the year end and thus has not been recognised as transferred during the year.

51. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Dolphy D'Souza
Partner
Membership Number: 38730

Mumbai, 17th May, 2018

For and on behalf of the Board

Chairman **Noel N.Tata**
Managing Director & CEO **Pradeep Bakshi**
Deputy Managing Director **Anil George**
Executive Vice President - Finance & CFO **Abhijit Gajendragadkar**
Vice President - Taxation, Legal & Company Secretary **V. P. Malhotra**

Directors **Nani Javeri**
R. N. Mukhija
Vinayak Deshpande
D. Sarangi
Bahram N. Vakil
Anjali Bansal
Hemant Bhargava
Arun Kumar Adhikari

Mumbai, 17th May, 2018

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 March 31, 2018, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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. 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, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 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 we have obtained 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 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 March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who has expressed an unmodified opinion on those statements on May 23, 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(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 – Refer Note 38 to the 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.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per Dolphy D'Souza
Partner
Membership Number: 38730

Mumbai,
May 17, 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITORS REPORT

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" 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) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company, except for the following:

Sr. No.	Particulars of the land and building	Amount ₹ In Crores	Remarks
1.	16 Flats in Tata Colony, Lallubhai Park, Andheri (W), Mumbai 400063	0.02	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.
2.	Voltas House, 23 J N Heredia Marg, Ballard Estate, Mumbai 400001	0.01	The said building was taken on lease by Company from Bombay Port Trust. The Lease has expired on 14th June, 2017. The Company has submitted an application for renewal (in accordance with contractual right) of lease on 15th December, 2016.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2018, and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of Sections 185 and 186 of the Companies Act, 2013 have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture or service of Engineering Machinery, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, customs duty, excise duty, value added tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess on account of any disputes, are as follows:

Name of Statute	Nature of Dues	Forum where case is pending	Period to which the Amount Relates	Amount Involved (₹ in Crores)	Amount Unpaid (₹ in Crores)
The Central Excise Act, 1944	Excise Duty	Supreme Court	1983-86	0.11	0.11
		Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2009-10 to 2016-17	13.64	12.82
		Commissioners/ Adjudicating Authority	1981-82, 1983-84, 1985-86 to 1990-91, 1992-93, 1993-94, 1999-00, 2000-01, 2001-02, 2004-05, 2011-12	5.03	4.94
Finance Act, 1994 and Service Tax Laws	Service Tax	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	1999-00 to 2012-13, 2017-18	14.33	12.57
		Commissioners/ Adjudicating Authority	2003-04 to 2009-10, 2011-12, 2012-13, 2013-14, 2016-17	7.62	7.58
Sales Tax Act	(1) Value Added Tax (2) Central Sales Tax (3) Entry Tax (including penalty and interest)	Supreme Court	1993-94	0.47	0.40
		High Court	1988-89 to 1991-92, 1995-96 to 1998-99, 2001-02 to 2004-05, 2008-09	15.56	13.22
		Appellate Tribunal	1986-87, 1987-88, 1997-98, 1999-00 to 2014-15	18.14	13.67
		Commissioner of Appeals	1988-89 to 1992-93, 1994-95 to 2001-02, 2003-04, 2005-06 to 2015-16	70.50	48.41

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given by the management, the Company has not raised any money by way of public offer / debt instruments. The Company has utilized the monies raised by way of term loans for the purposes for which they were raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Dolphy D'Souza
Partner
Membership Number: 38730

Mumbai,
May 17, 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF VOLTAS LIMITED

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

We have audited the internal financial controls over financial reporting of Voltas Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone 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 the 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 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") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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.

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, 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 March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Dolphy D'Souza
Partner
Membership Number: 38730

Mumbai,
May 17, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

		Note	₹ In Crores	As at 31-3-2017 ₹ In Crores
I.	**ASSETS**			
	Non-current assets			
	(a) Property, plant and equipment	4	**152.28**	152.73
	(b) Capital work-in-progress		**3.34**	0.55
	(c) Investment property	5	**44.71**	45.66
	(d) Other intangible assets	6	**8.61**	7.82
	(e) Financial assets			
	(i) Investments	7	**2,383.93**	2,213.86
	(ii) Loans	8	**0.50**	0.72
	(iii) Other financial assets	9	**23.45**	16.62
	(f) Income tax assets (net)		**3.02**	2.62
	(g) Deferred tax assets (net)	10	**13.87**	22.08
	(h) Other non-current assets	11	**79.02**	57.86
			2,712.73	2,520.52
	Current assets			
	(a) Inventories	12	**742.30**	776.03
	(b) Financial assets			
	(i) Investments	7	**510.37**	199.54
	(ii) Trade receivables	13	**1,277.05**	1,187.97
	(iii) Cash and cash equivalents	14	**174.30**	205.65
	(iv) Other balances with banks	15	**25.66**	7.97
	(v) Loans	16	**3.39**	1.53
	(vi) Other financial assets	17	**81.49**	84.76
	(c) Other current assets	18	**948.32**	612.36
			3,762.88	3,075.81
	TOTAL ASSETS		**6,475.61**	5,596.33
II.	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity share capital	19	**33.08**	33.08
	(b) Other equity	20	**3,480.88**	2,951.74
			3,513.96	2,984.82
	Liabilities			
	Non-current liabilities			
	(a) Provisions	21	**73.32**	77.95
	(b) Other non-current liabilities	22	**0.97**	0.20
			74.29	78.15
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	23	**27.82**	69.08
	(ii) Trade payables	24	**2,114.50**	1,752.05
	(iii) Other financial liabilities	25	**84.55**	91.96
	(b) Provisions	26	**176.76**	165.53
	(c) Income tax liabilities (net)		**4.77**	40.16
	(d) Other current liabilities	27	**478.96**	414.58
			2,887.36	2,533.36
	TOTAL LIABILITIES		**2,961.65**	2,611.51
	Total Equity and Liabilities		**6,475.61**	5,596.33

The accompanying notes are forming part of the financial statements.

For and on behalf of the Board

As per our report of even date	*Chairman*	**Noel N.Tata**	*Directors* **Nani Javeri**
	Managing Director & CEO	**Pradeep Bakshi**	**R. N. Mukhija**
For **S R B C & CO LLP**	*Deputy Managing Director*	**Anil George**	**Vinayak Deshpande**
Chartered Accountants			**D. Sarangi**
ICAI Firm Registration Number: 324982E/E300003	*Executive Vice President - Finance & CFO*	**Abhijit Gajendragadkar**	**Bahram N. Vakil**
			Anjali Bansal
			Hemant Bhargava
per Dolphy D'Souza	*Vice President - Taxation, Legal & Company Secretary*	**V. P. Malhotra**	**Arun Kumar Adhikari**
Partner			
Membership Number: 38730			

Mumbai, 17th May, 2018

Mumbai, 17th May, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

		Note	₹ In Crores	Year ended 31-3-2017 ₹ In Crores
I.	**Revenue from operations**	28	**5,832.26**	5,472.58
II.	**Other Income**	29	**237.10**	267.34
III.	**Total income (I + II)**		**6,069.36**	5,739.92
IV.	**Expenses**			
	(a) Consumption of materials, cost of jobs and services		**1,764.35**	1,678.27
	(b) Purchases of stock-in-trade		**2,532.54**	2,589.12
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	**99.76**	(205.35)
	(d) Excise duty on sale of goods		**23.49**	62.22
	(e) Employee benefits expenses	31	**422.30**	406.55
	(f) Finance costs	32	**7.50**	9.66
	(g) Depreciation and amortisation expenses	33	**19.23**	18.12
	(h) Other expenses	34	**513.45**	524.30
	Total expenses (IV)		**5,382.62**	5,082.89
V.	**Profit before exceptional items and tax (III - IV)**		**686.74**	657.03
VI.	**Exceptional Items**	35	**(3.98)**	(6.01)
VII.	**Profit before tax (V + VI)**		**682.76**	651.02
	Tax Expense			
	(a) Current tax		**179.00**	179.20
	(b) Adjustment of tax relating to earlier periods		**(4.01)**	(14.34)
	(c) Deferred tax	10	**6.54**	(0.03)
VIII.	**Total tax expense**	36	**181.53**	164.83
IX.	**Net Profit for the year (VII-VIII)**		**501.23**	486.19
	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		**152.95**	95.69
	(b) Remeasurement gain / (loss) on defined benefit plans		**6.17**	(2.37)
	(c) Income tax relating to these items		**(1.67)**	(6.80)
X.	**Other Comprehensive Income [net of tax]**		**157.45**	86.52
XI.	**Total Comprehensive Income [net of tax] (IX + X)**		**658.68**	572.71
XII.	**Earnings per share:**			
	Basic and Diluted (₹) (Face value ₹ 1/- per share)	37	**15.15**	14.69

The accompanying notes are forming part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Dolphy D'Souza
Partner
Membership Number: 38730

Mumbai, 17th May, 2018

For and on behalf of the Board

Chairman **Noel N.Tata**
Managing Director & CEO **Pradeep Bakshi**
Deputy Managing Director **Anil George**
Executive Vice President - Finance & CFO **Abhijit Gajendragadkar**
Vice President - Taxation, Legal & Company Secretary **V. P. Malhotra**

Directors **Nani Javeri**
R. N. Mukhija
Vinayak Deshpande
D. Sarangi
Bahram N. Vakil
Anjali Bansal
Hemant Bhargava
Arun Kumar Adhikari

Mumbai, 17th May, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

	₹ in Crores
A. Equity share capital	
Balance as on 31st March, 2016	33.08
Changes in equity share capital	*
Balance as on 31st March, 2017	33.08
Changes in equity share capital	*
Balance as on 31st March, 2018	**33.08**

B. Other equity:

₹ in Crores

	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 31st March, 2016	1.56	1.26	6.27	1,241.83	0.01	893.43	328.27	2,472.63
Profit for the year	-	-	-	-	-	486.19	-	486.19
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(1.54)	88.06	86.52
Total comprehensive income for the year	-	-	-	-	-	484.65	88.06	572.71
Payment of dividends	-	-	-	-	-	(86.03)	-	(86.03)
Dividend Distribution Tax	-	-	-	-	-	(7.57)	-	(7.57)
Transfer to General Reserve	-	-	-	20.00	-	(20.00)	-	-
Realised gain on sale of investments transferred from Other Comprehensive Income to Retained Earnings	-	-	-	-	-	9.02	(9.02)	-
Premium on calls-in-arrears received	-	-	*	-	-	-	-	*
Balance as on 31st March, 2017	1.56	1.26	6.27	1,261.83	0.01	1,273.50	407.31	2,951.74
Profit for the year	-	-	-	-	-	501.23	-	501.23
Other comprehensive income for the year (net of tax)	-	-	-	-	-	4.06	153.39	157.45
Total comprehensive income for the year	-	-	-	-	-	505.29	153.39	658.68
Payment of dividend	-	-	-	-	-	(115.81)	-	(115.81)
Dividend Distribution Tax	-	-	-	-	-	(13.73)	-	(13.73)
Transfer to General Reserve	-	-	-	50.00	-	(50.00)	-	-
Premium on calls-in-arrears received	-	-	*	-	-	-	-	*
Balance as on 31st March, 2018	**1.56**	**1.26**	**6.27**	**1,311.83**	**0.01**	**1,599.25**	**560.70**	**3,480.88**

* value below ₹ 50,000/-

The accompanying notes are forming part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Dolphy D'Souza
Partner
Membership Number: 38730

Mumbai, 17th May, 2018

For and on behalf of the Board

Chairman **Noel N.Tata**
Managing Director & CEO **Pradeep Bakshi**
Deputy Managing Director **Anil George**

Executive Vice President - Finance & CFO **Abhijit Gajendragadkar**

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

Directors
Nani Javeri
R. N. Mukhija
Vinayak Deshpande
D. Sarangi
Bahram N. Vakil
Anjali Bansal
Hemant Bhargava
Arun Kumar Adhikari

Mumbai, 17th May, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

				2016-17
		₹ in Crores	**₹ in Crores**	₹ in Crores
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit before tax		**682.76**	651.02
	Adjustments for :			
	Depreciation and amortisation expenses	**19.23**		18.16
	Allowance for doubtful debts and advances	**(24.68)**		3.80
	Unrealised foreign exchange (gain) / loss (net)	**10.93**		(4.33)
	Impairment of investments	**5.98**		7.11
	(Gain) / loss on disposal of property, plant and equipment	**0.20**		0.09
	Finance costs	**7.50**		9.66
	Interest income	**(11.40)**		(14.00)
	Dividend income	**(65.40)**		(79.63)
	(Gain) / loss arising on financial assets measured at Fair Value through Profit or Loss (FVTPL) (net)	**(113.37)**		(123.34)
	Financial guarantee contracts	**(0.48)**		(0.48)
	Liabilities/provisions no longer required written back	**(19.29)**		(27.95)
	Rental income	**(37.55)**		(39.09)
			(228.33)	(250.00)
	Operating profit before Working Capital Changes		**454.43**	401.02
	Changes in Working Capital:			
	Adjustments for (increase) / decrease in operating assets:			
	Inventories	**33.73**		(220.77)
	Trade receivables	**(84.40)**		(118.25)
	Other financial assets	**14.89**		(6.51)
	Other non-financial assets	**(349.45)**		(42.72)
	Adjustments for increase / (decrease) in operating liabilities:			
	Trade payables	**329.83**		393.01
	Other financial liabilities	**32.10**		3.08
	Other non-financial liabilities	**65.15**		(0.17)
	Provisions	**12.77**		26.72
			54.62	34.39
	Cash generated from operations		**509.05**	435.41
	Income tax paid (net of refunds)		**(210.79)**	(145.10)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**298.26**	290.31

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (contd.)

				2016-17
		₹ in Crores	**₹ in Crores**	₹ in Crores
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of property, plant and equipment and intangible assets (including capital advances and capital work-in-progress)	**(30.74)**		(22.35)
	Proceeds from disposal of property, plant and equipment	**1.23**		2.69
	(Increase)/decrease in other bank balances (net)	**(17.39)**		(2.87)
	Purchase of investments	**(1,173.76)**		(1,868.89)
	Investment in preference shares of subsidiary	**-**		(65.00)
	Proceeds from sale of investments	**961.08**		1,737.62
	Proceeds from inter corporate deposit	**-**		25.00
	Interest received	**12.09**		18.93
	Dividend received			
	– subsidiaries	**52.81**		49.29
	– others	**5.14**		30.35
	Rent received	**37.72**		39.09
	Rental Deposits (repaid) / received	**0.43**		(1.05)
	NET CASH FLOW FROM / (USED) IN INVESTING ACTIVITIES (B)		**(151.39)**	(57.19)

	₹ in Crores	₹ in Crores	2016-17 ₹ in Crores
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity instruments of the Company (Calls-in-Arrears)	*		*
Securities Premium (Calls-in-Arrears)	*		*
Net increase / (decrease) in working capital borrowings	**(41.26)**		(50.40)
Interest paid	**(7.59)**		(10.89)
Dividends paid including taxes thereon	**(129.53)**		(93.07)
NET CASH FLOW FROM / (USED) IN FINANCING ACTIVITIES (C)		**(178.38)**	(154.36)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**(31.51)**	78.76
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**205.81**	127.05
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**174.30**	205.81
Non-cash investing and financing transaction			
Net gain arising on financial assets measured at FVTPL		**84.36**	101.94
Impairment of Investment		**5.98**	7.11
		90.34	109.05
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)		**174.30**	205.65
Effect of exchange difference on restatement of foreign currency Cash and cash equivalents		*	0.16
		174.30	205.81

* value below ₹ 50,000/-

For and on behalf of the Board

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Dolphy D'Souza
Partner
Membership Number: 38730

Mumbai, 17th May, 2018

Chairman **Noel N.Tata**
Managing Director & CEO **Pradeep Bakshi**
Deputy Managing Director **Anil George**
Executive Vice President - Finance & CFO **Abhijit Gajendragadkar**
Vice President - Taxation, Legal & Company Secretary **V. P. Malhotra**

Directors **Nani Javeri**
R. N. Mukhija
Vinayak Deshpande
D. Sarangi
Bahram N. Vakil
Anjali Bansal
Hemant Bhargava
Arun Kumar Adhikari

Mumbai, 17th May, 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

1. CORPORATE INFORMATION

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 belongs to the Tata Group of companies and was established in the year 1954. The Company is engaged 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, 2018 were approved by the Board of Directors and authorised for issue on 17th May, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION:

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 from time to time). The accounting policies adopted for preparation and presentation of financial statements have been consistently applied except for the changes in accounting policy for amendments to the standard that were issued by MCA, effective for annual period beginning from on or after 1st April, 2017.

Changes in accounting policies and disclosures:

Amendments to Ind AS 7 Statement of Cash Flows - Disclosure Initiative:

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current and the comparative period in Note 14.

The 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.

(b) 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 3A.

(c) REVENUE RECOGNITION:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. 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 GST, sales tax, value added tax, works contract and any other indirect taxes or amounts collected on behalf of the Government.

(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.

(d) FAIR VALUE MEASUREMENT:

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(e) EMPLOYEE BENEFITS:

(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:

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) 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.

Provident and Pension Fund: The eligible employees of the Company are entitled to receive benefits under provident fund schemes which are in substance, defined benefit 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. 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.

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.

(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. The Company presents the leave as a current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

(f) PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment are stated at cost less depreciation and impairment losses, if any. The cost of property, plant and equipment comprise its purchase price, including import duties and non-refundable taxes and any directly attributable cost of bringing an asset to working condition and location for its 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, 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 as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(g) INVESTMENT PROPERTY:

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on investment property has been provided as per the useful life prescribed in Schedule II to the Companies Act, 2013

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.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

(h) INTANGIBLE ASSETS:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any 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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

(i) FOREIGN CURRENCY:

The Company's financial statements are presented in INR, which is also the Company's functional currency.

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.

(j) LEASES:

Company as a lessee:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

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.

Company as a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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

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

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 carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

(m) 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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, Management estimates for 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.

(n) FINANCIAL INSTRUMENTS:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets:

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Financial assets at amortised cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit or Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss. This category generally applies to trade receivables, loans and other financial assets.

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

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the asset's contractual cash flow represents SPPI.

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss (P&L). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method

(iii) Financial assets at fair value through profit and loss (FVTPL):

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

(iv) Equity Instruments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, other than investment in Subsidiary, Associates and Joint Ventures, the Company makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

(v) Investments in subsidiaries, joint ventures and associates :

Investment in subsidiaries, joint ventures and associates are carried at cost in the financial statements.

Derecognition:

The Company derecognises a financial asset when the rights to receive cash flows from the asset have expired or it transfers the right to receive the contractual cash flow on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

Financial liabilities:

Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

(i) Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

(ii) Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss:

Financial liabilities designated upon initial recognition at fair value through Statement of Profit and Loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

(iii) Financial liabilities at amortised cost:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

(iv) Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(o) 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:

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses including impairment on inventories are recognised in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

(p) CASH AND CASH EQUIVALENTS:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(q) EARNINGS PER SHARE:

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

(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.

3A. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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 will 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.

Fair value measurement of financial instruments

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.

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable 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 guarantees)

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. Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives.

3B. RECENT ACCOUNTING PRONOUNCEMENTS:

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 - Revenue from Contracts with Customers notified on 28th March, 2018 is effective from 1st April, 2018 and will supersede all current revenue recognition requirements. While an initial assessment of the standard does not indicate a significant impact, except for the disclosure requirements, a reliable estimate of the impact can be concluded only upon completion of the ongoing evaluation process.

Amendments to Ind AS 112 - Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

The requirements of the amendment have no impact on the financial statements as there are no subsidiary, joint venture or an associate that has been classified as held for sale.

Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1st April 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1st April 2018. The Company will apply amendments when they become effective. However, since Company's current practice is in line with the clarifications issued, the Company does not expect any effect on its financial statements.

Ind AS 28 *Investments in Associates and Joint Ventures* **–** Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1st April 2018. These amendments are not applicable to the Company.

Appendix B to Ind AS 21 *Foreign Currency Transactions and Advance Consideration*

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1st April, 2018. However, the Company does not expect any significant effect on its financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

4. Property, Plant And Equipment (Owned, unless otherwise stated)

₹ In Crores

	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 31st March, 2016	28.77	149.51	110.71	65.29	24.44	4.04	(37.87)	344.89
Additions	-	3.80	3.99	5.71	2.63	-	-	16.13
Disposals	-	2.69	1.62	14.24	0.82	0.74	-	20.11
Transfers in / (out)	-	-	-	-	-	-	(18.27)	(18.27)
As at 31st March, 2017	28.77	150.62	113.08	56.76	26.25	3.30	(56.14)	322.64
Depreciation								
As at 31st March, 2016	-	32.73	82.39	48.56	16.01	2.61	(8.90)	173.40
Charge for the period	-	3.45	5.22	4.62	1.77	0.36	(1.17)	14.25
Disposals	-	1.41	1.35	13.38	0.54	0.65	-	17.33
Transfers in / (out)	-	-	-	-	-	-	(0.41)	(0.41)
As at 31st March, 2017	-	34.77	86.26	39.80	17.24	2.32	(10.48)	169.91
Net carrying amount as at 31st March, 2016	28.77	116.78	28.32	16.73	8.43	1.43	(28.97)	171.49
Net carrying amount as at 31st March, 2017	28.77	115.85	26.82	16.96	9.01	0.98	(45.66)	152.73
Gross carrying amount								
As at 31st March, 2017	28.77	150.62	113.08	56.76	26.25	3.30	(56.14)	322.64
Additions	-	0.34	4.36	9.99	1.33	0.04	-	16.06
Disposals	-	0.19	7.90	2.02	2.30	0.59	-	13.00
As at 31st March, 2018	**28.77**	**150.77**	**109.54**	**64.73**	**25.28**	**2.75**	**(56.14)**	**325.70**
Depreciation								
As at 31st March, 2017	-	34.77	86.26	39.80	17.24	2.32	(10.48)	169.91
Charge for the period	-	3.21	4.88	5.96	1.68	0.32	(0.95)	15.10
Disposals	-	0.18	7.00	1.81	2.11	0.49	-	11.59
As at 31st March, 2018	**-**	**37.80**	**84.14**	**43.95**	**16.81**	**2.15**	**(11.43)**	**173.42**
Net carrying amount as at 31st March, 2017	28.77	115.85	26.82	16.96	9.01	0.98	(45.66)	152.73
Net carrying amount as at 31st March, 2018	**28.77**	**112.97**	**25.40**	**20.78**	**8.47**	**0.60**	**(44.71)**	**152.28**

Footnote :
Buildings includes ₹ 0.0040 crore (31-3-2017: ₹ 0.0040 crore) being cost of shares and bonds in Co-operative Housing Societies.

5. Investment Property

₹ in Crores

	Freehold Land	Buildings	Total
Gross carrying amount			
As at 31st March, 2016	0.14	37.73	37.87
Transfers in / (out)	-	18.27	18.27
As at 31st March, 2017	0.14	56.00	56.14
Depreciation and Amortisation			
As at 31st March, 2016	-	8.90	8.90
Charge for the period	-	1.17	1.17
Transfers in / (out)	-	0.41	0.41
As at 31st March, 2017	-	10.48	10.48
Net carrying amount as at 31st March, 2016	0.14	28.83	28.97
Net carrying amount as at 31st March, 2017	0.14	45.52	45.66

₹ in Crores

	Freehold Land	Buildings	Total
Gross carrying amount			
As at 31st March, 2017	0.14	56.00	56.14
Transfers in / (out)	-	-	-
As at 31st March, 2018	**0.14**	**56.00**	**56.14**
Depreciation and Amortisation			
As at 31st March, 2017	-	10.48	10.48
Charge for the period	-	0.95	0.95
Transfers in / (out)	-	-	-
As at 31st March, 2018	**-**	**11.43**	**11.43**
Net carrying amount as at 31st March, 2017	0.14	45.52	45.66
Net carrying amount as at 31st March, 2018	**0.14**	**44.57**	**44.71**

Footnotes:

(1) All the above investment properties 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 Statement of Profit and Loss in relation to investment properties are as follows:

		2016-17
	₹ in Crores	₹ in Crores
Rental income	**37.55**	39.09
Direct operating expenses (including repairs and maintenance) generating rental income (net of recoveries)	**1.89**	0.98
Profit from investment properties before depreciation and indirect expenses	**35.66**	38.11
Depreciation	**0.95**	1.17
Profit arising from investment properties before indirect expenses	**34.71**	36.94

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

		As at 31-3-2017
	₹ in Crores	₹ in Crores
Land	**124.79**	114.10
Building	**663.54**	672.07
	788.33	786.17

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.

The Company has no restriction on the realisability of its Investment properties and no contractual obligation to purchase, construct and develop investment properties.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

6. Intangible Assets

₹ In Crores

	Manufacturing Rights & Technical Know- how	Software Costs	Total Intangible Assets
Gross carrying amount			
As at 31st March, 2016	10.31	43.00	53.31
Additions	-	2.76	2.76
Disposals	-	2.05	2.05
As at 31st March, 2017	10.31	43.71	54.02
Amortisation			
As at 31st March, 2016	10.31	35.24	45.55
Charge for the period	-	2.70	2.70
Disposals	-	2.05	2.05
As at 31st March, 2017	10.31	35.89	46.20
Net carrying amount as at 31st March, 2016	-	7.76	7.76
Net carrying amount as at 31st March, 2017	-	7.82	7.82
Gross carrying amount			
As at 31st March, 2017	10.31	43.71	54.02
Additions	-	3.99	3.99
Disposals	-	0.03	0.03
As at 31st March, 2018	**10.31**	**47.67**	**57.98**
Amortisation			
As at 31st March, 2017	10.31	35.89	46.20
Charge for the period	-	3.18	3.18
Disposals	-	0.01	0.01
As at 31st March, 2018	**10.31**	**39.06**	**49.37**
Net carrying amount as at 31st March, 2017	-	7.82	7.82
Net carrying amount as at 31st March, 2018	**-**	**8.61**	**8.61**

7. Investments

7 (i) Non- current Investments

	Currency	Face Value	No.	₹ In Crores	No.	As at 31-3-2,017 ₹ In Crores
A Investments in Subsidiaries, Joint Ventures & Associates						
(Fully paid Unquoted Equity Instruments)						
1. Investments in Subsidiary Companies (at cost unless otherwise stated):						
Weathermaker Ltd., UAE	US$	1	**4,08,441**	**3.07**	4,08,441	3.07
Voltas Netherlands B.V.	EURO	45	**13,635**	**2.65**	13,635	2.65
Universal Comfort Products Ltd.	₹	10	**2,76,42,000**	**16.95**	2,76,42,000	16.95
Lalbuksh Voltas Engineering Services and Trading, L.L.C, Muscat, Sultanate of Oman	RO	1	**50,000**	**0.08**	50,000	0.08
Agro Foods Punjab Ltd. (Refer footnote 7 (a)) (Beneficial rights transferred pending transfer of shares)	₹	100	**2,80,000**	**-**	2,80,000	-
Auto Aircon (India) Ltd.	₹	10	**1,13,00,000**	**5.65**	1,13,00,000	5.65
Westerwork Engineers Ltd. (Under Liquidation)	₹	100	**9,600**	**1.09**	9,600	1.09
Rohini Industrial Electricals Ltd.	₹	10	**18,25,782**	**152.98**	18,25,782	152.50
Saudi Ensas Company for Engineering Services W.L.L., Saudi Arabia	SR	100	**2,41,360**	**27.62**	2,41,360	27.62
Gross Investments in Subsidiary Companies				**210.09**		209.61
Less : Impairment in value of Investments (#)				**99.49**		99.49
				110.60		110.12
(#) Impairment in value of Investments pertains to :						
Auto Aircon (India) Ltd.				**5.65**		5.65
Westerwork Engineers Ltd. (Under Liquidation)				**1.09**		1.09
Rohini Industrial Electricals Ltd.				**65.13**		65.13
Saudi Ensas Company for Engineering Services W.L.L., Saudi Arabia				**27.62**		27.62
				99.49		99.49

7. Investments (contd.)

		Currency	Face Value	No.	₹ In Crores	No.	As at 31-3-2,017 ₹ In Crores
2.	**Investments in Joint Ventures (at cost unless otherwise stated):**						
	Universal Weathermaker Factory L.L.C., Abu Dhabi	AED	1000	**-**	**-**	2,695	2.98
	Voltas Water Solutions Private Ltd.	₹	10	**28,41,500**	**2.85**	22,31,500	2.23
	Olayan Voltas Contracting Company Ltd., Saudi Arabia	SR	100	**50,000**	**7.11**	50,000	7.11
	Share Application Money - Olayan Voltas				**13.13**		-
	Voltbek Home Appliances Private Ltd.	₹	10	**7,88,94,900**	**78.89**	-	-
	Gross Investments in Joint Ventures				**101.98**		12.32
	Less : Impairment in value of Investments (#)				**13.09**		7.11
					88.89		5.21
	(#) Impairment in value of Investments pertains to :						
	Voltas Water Solutions Private Ltd.				**2.85**		-
	Olayan Voltas Contracting Company Ltd., Saudi Arabia				**10.24**		7.11
					13.09		7.11
3.	**Investments in Associate Companies (at cost unless otherwise stated):**						
	Brihat Trading Private Ltd.	₹	10	**3,352**	*****	3,352	*
	Terrot GmbH, Germany	EURO	1	**2,60,900**	**1.56**	2,60,900	1.56
	Naba Diganta Water Management Ltd.	₹	10	**47,97,000**	**4.80**	47,97,000	4.80
					6.36		6.36
B	**Investments in Other Companies (Investments at Fair Value through Other Comprehensive Income)**						
1.	**Fully Paid Unquoted Equity Instruments:**						
	Lakshmi Ring Travellers (Coimbatore) Ltd.	₹	10	**1,20,000**	**42.22**	1,20,000	42.89
	Agrotech Industries Ltd.	US$	1	**3,67,500**	**-**	3,67,500	-
	Tata International Ltd. (Refer footnote 7 (b))	₹	1000	**10,000**	**5.65**	10,000	5.65
	Tata Services Ltd. (Refer footnote 7 (b))	₹	1000	**448**	**0.04**	448	0.04
	Tata Industries Ltd. (Refer footnote 7 (b))	₹	100	**13,05,720**	**20.72**	13,05,720	20.72
	Tata Projects Ltd.	₹	100	**1,35,000**	**120.69**	1,35,000	122.45
	Premium Granites Ltd.	₹	10	**4,91,220**	**-**	4,91,220	-
	OMC Computers Ltd.	₹	10	**4,04,337**	**-**	4,04,337	-
	Avco Marine S.a.S, France	EURO	10	**1,910**	**-**	1,910	-
	Voltas Employees Consumers Co-operative Society Ltd.	₹	10	**750**	*****	750	*
	Saraswat Co-operative Bank Ltd.	₹	10	**10**	**-**	10	-
	Super Bazar Co-operative Stores Ltd.	₹	10	**500**	*****	500	*
					189.32		191.75
2.	**Fully Paid Quoted Equity Instruments :**						
	Lakshmi Automatic Loom Works Ltd.	₹	10	**6,15,200**	**-**	6,15,200	-
	Tata Chemicals Ltd.	₹	10	**2,00,440**	**13.56**	2,00,440	12.00
	Lakshmi Machine Works Ltd.	₹	10	**5,79,672**	**398.41**	5,79,672	244.59
	Reliance Industries Ltd. (Refer footnote 7 (c))	₹	10	**2,640**	**-**	2,640	-
					411.97		256.59
C	**Investment in Preference Shares**						
	UNQUOTED:						
	In Subsidiaries (at amortised cost) :						
	Rohini Industrial Electricals Ltd. 0.01% Cumulative Redeemable Preference Shares	₹	100	**1,02,00,000**	**67.96**	1,27,00,000	82.44
	In Other Companies (at amortised cost)						
	Tata Capital Ltd. 6.33 % Cumulative Redeemable Preference Shares	₹	1000	**3,00,000**	**30.00**	-	-
	In Other Companies (at fair value through profit and loss)						
	Lakshmi Automatic Loom Works Ltd. 6.00% Cumulative Redeemable Preference Shares	₹	100	**-**	**-**	3,00,000	3.00
					97.96		85.44

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

7. Investments (contd.)

		Currency	Face Value	No.	₹ In Crores	No.	As at 31-3-2,017 ₹ In Crores
D	**Investment in Unquoted Mutual funds (at fair value through profit or loss)**				**1,375.73**		1,478.47
E	**Investment in Debenture/Bonds (at amortised cost)**						
	QUOTED:						
	Tata Steel Ltd. 11.50% Perpetual Bonds	₹	1000000	**292**	**29.37**	292	29.42
	Tata International Ltd. 9.3% Non Convertible Debentures	₹	1000000	**500**	**50.00**	500	50.00
	UNQUOTED:						
	Rural Electrification Corporation Ltd. :						
	6.00% Non Convertible Debentures	₹	10000	**500**	**0.50**	500	0.50
	5.25% Non Convertible Debentures	₹	10000	**500**	**0.50**	-	-
	8.01% Non Convertible Debentures	₹	1000	**50,000**	**5.42**	-	-
	7.17% Non Convertible Debentures	₹	1000000	**70**	**7.39**	-	-
	National Housing Bank 8.26% Non Convertible Debentures	₹	5000	**18,049**	**9.92**	-	-
					103.10		79.92
F	**Investment in Others :**						
	Government Securities	₹			*		*
					*		*
	Total : Non-current Investments - Net				**2,383.93**		2,213.86

Footnotes:

		Current year ₹ In Crores	As at 31-3-2,017 ₹ In Crores
(i)	Aggregate value of Quoted Investments and market value thereof	**491.34**	336.01
(ii)	Aggregate value of Unquoted Investments	**2005.17**	1984.45
(iii)	Aggregate value of impairment in value of investments	**112.58**	106.60

Abbreviations for Currencies :

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

* value below ₹ 50,000/-

Footnotes:

7 (a) Under a loan agreement for ₹ 0.60 crore (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. (ii) Current Investments

		Currency	Face Value	No.	₹ In Crores	No.	As at 31-3-2017 ₹ In Crores
A	**Investment in Preference Shares**						
	UNQUOTED:						
	Subsidiaries (at amortised cost) :						
	Rohini Industrial Electricals Ltd.						
	0.01% Cumulative Redeemable Preference Shares	₹	100	**25,00,000**	**22.73**	-	*
					22.73		*
B	**Investment in Mutual funds (at fair value through profit and loss)**						
	QUOTED:				**-**		123.92
	UNQUOTED:				**487.64**		75.62
					487.64		199.54
	Total : Current Investments				**510.37**		199.54

Footnotes:

		Current year ₹ In Crores	As at 31-3-2017 ₹ In Crores
(i)	Aggregate value of Quoted investments and market value thereof	-	123.92
(ii)	Aggregate value of Unquoted investments	510.37	75.62
(iii)	Aggregate value of impairment in value of investments	-	-

8. Loans (Non-current) (at amortised cost)

		₹ in Crores	As at 31-3-2017 ₹ in Crores
(a)	Loans to related parties (Refer footnote)		
	- Unsecured, considered good	-	-
	- Doubtful	**0.61**	0.88
		0.61	0.88
	Less: Allowance for doubtful loans	**0.61**	0.88
	Loans to related parties (net)	-	-
(b)	Loans to Employees (Unsecured, considered good)	**0.50**	0.72
		0.50	0.72

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 Crores	As at 31-3-2017 ₹ in Crores	Maximum balance during the year ₹ In Crores	Maximum balance during the year 2016-17 ₹ In Crores
Auto Aircon (India) Ltd.	Subsidiary	**0.61**	0.88	**0.61**	0.88
Total		**0.61**	0.88	**0.61**	0.88

No interest is payable for above loan and there is no repayment schedule.

9 Other Financial Assets (Non-current) (Unsecured, considered good unless otherwise stated) (at amortised cost)

		₹ in Crores	As at 31-3-2017 ₹ in Crores
(a)	Security deposits	**7.61**	3.39
(b)	Deposits with customers / others	**4.82**	4.06
(c)	Fixed deposits with remaining maturity of more than 12 months	**11.02**	9.17
(d)	Others, considered doubtful	**12.01**	34.82
	Less: Allowance for doubtful advance	**12.01**	34.82
		23.45	16.62

10. Deferred Tax

(a) The following is the analysis of deferred tax assets / (liabilities) presented in the Balance Sheet :

	₹ in Crores	As at 31-3-2017 ₹ in Crores
Deferred tax assets	**101.36**	110.22
Deferred tax liabilities	**(87.49)**	(88.14)
Deferred Tax Assets (net)	**13.87**	22.08

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

Reconciliation of deferred tax assets (net):

		As at 31-3-2017
	₹ in Crores	₹ in Crores
Opening balance	**22.08**	28.85
Tax income/(expense) during the period recognised in profit or loss	**(6.54)**	0.03
Tax income/(expense) during the period recognised in OCI	**(1.67)**	(6.80)
Closing balance	**13.87**	22.08

(b) The balance comprise temporary differences attributable to:

	As at 31-3-2017 ₹ in Crores	(Charged) / credited to statement of profit and loss ₹ in Crores	(Charged) / credited to other comprehensive income ₹ in Crores	**₹ in Crores**
Provision for employee benefits	35.83	2.15	(2.11)	**35.87**
Allowance for receivables, loans and advances	50.29	(8.14)	-	**42.15**
Provision for contingencies and claims	17.89	(9.08)	-	**8.81**
Unpaid statutory liabilities	4.79	(0.25)	-	**4.54**
Estimated loss on projects	0.27	9.17	-	**9.44**
Others	1.15	(0.60)	-	**0.55**
Deferred Tax Assets	110.22	(6.75)	(2.11)	**101.36**
Property, plant and equipment and intangible assets	(36.30)	1.21	-	**(35.09)**
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(39.70)	-	0.44	**(39.26)**
Unrealised gains on fair valuation of Mutual funds	(11.41)	(1.73)	-	**(13.14)**
Others	(0.73)	0.73	-	**-**
Deferred Tax Liabilities	(88.14)	0.21	0.44	**(87.49)**
Deferred Tax Assets (net)	22.08	(6.54)	(1.67)	**13.87**

	As at 31-3-2016 ₹ in Crores	(Charged) / credited to statement of profit and loss ₹ in Crores	(Charged) / credited to other comprehensive income ₹ in Crores	As at 31-3-2017 ₹ in Crores
Provision for employee benefits	34.32	0.68	0.83	35.83
Allowance for receivables, loans and advances	50.24	0.05	-	50.29
Provision for contingencies and claims	7.33	10.56	-	17.89
Unpaid statutory liabilities	4.74	0.05	-	4.79
Estimated loss on projects	-	0.27	-	0.27
Others	5.00	(3.85)	-	1.15
Deferred Tax Assets	101.63	7.76	0.83	110.22
Property, plant and equipment and intangible assets	(37.01)	0.71	-	(36.30)
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(32.07)	-	(7.63)	(39.70)
Unrealised gains on fair valuation of Mutual funds	(3.70)	(7.71)	-	(11.41)
Others	-	(0.73)	-	(0.73)
Deferred Tax Liabilities	(72.78)	(7.73)	(7.63)	(88.14)
Deferred Tax Assets (net)	28.85	0.03	(6.80)	22.08

11. Other Non-Current Assets
(Unsecured, considered good unless otherwise stated)

		₹ in Crores	As at 31-3-2017 ₹ in Crores
(a)	Balance with Government Authorities	**61.94**	48.47
(b)	Capital advances	**13.92**	6.03
(c)	Advance to suppliers	**1.34**	1.35
(d)	Lease prepayments	**2.73**	2.77
(e)	Others	**1.74**	1.72
	Less: Allowance for doubtful advance	**2.65**	2.48
		79.02	57.86
	Footnote :		
	Allowance for doubtful advance pertains to :		
(a)	Balance with Government Authorities	**0.82**	0.81
(b)	Advance to suppliers	**1.34**	1.35
(c)	Others	**0.49**	0.32
		2.65	2.48

12. Inventories (at lower of cost and net realisable value)

		₹ in Crores	As at 31-3-2017 ₹ in Crores
(a)	Raw materials and Components	**154.63**	88.62
(b)	Work-in-progress	**6.30**	5.17
(c)	Finished goods	**157.81**	187.35
(d)	Stock-in-trade	**423.51**	494.86
(e)	Stores and spares	**0.05**	0.03
		742.30	776.03
	Inventories includes goods-in-transit:		
(a)	Raw materials and Components	**71.97**	10.00
(b)	Finished goods	**7.85**	13.57
(c)	Stock-in-trade	**73.53**	67.48
		153.35	91.05
	Footnote :		
	The cost of inventories recognised as an expense in respect of write-down of inventory to net realisable value	**2.64**	1.02

13. Trade Receivables (Current) (at amortised cost)

	₹ in Crores	As at 31-3-2017 ₹ in Crores
Gross Trade receivables	**1,379.98**	1,295.00
Less: Allowance for doubtful debts	**102.93**	107.03
	1,277.05	1,187.97
Security details :		
Secured, considered good	**15.28**	5.44
Unsecured, considered good	**1,261.77**	1,182.53
Doubtful	**102.93**	107.03
	1,379.98	1,295.00

Footnote:

The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables. The Company follows the simplified approach for recognition of impairment loss allowance on trade receivables. The application of the simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date. ECL impairment loss allowance (or reversal) recognized during the period is recognized in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

13. Trade Receivables (Current) (at amortised cost) (Contd.)

	₹ in Crores	As at 31-3-2017 ₹ in Crores
(ii) Movement in expected credit loss allowance on trade receivables.		
Balance at the begining of the year	**107.03**	120.12
Allowances / (write back) during the year	**18.13**	(9.46)
Written of against past provision	**(22.23)**	(3.63)
Balance at the end of the year	**102.93**	107.03

(iii) Trade receivables are non interest bearing and are generally on terms of 30 to 90 days.

14. Cash and Cash equivalents

	₹ in Crores	As at 31-3-2017 ₹ in Crores
Cash on hand	**0.14**	0.80
Cheques on hand	**26.65**	29.17
Balances with banks		
- On current accounts	**147.51**	147.70
- Fixed deposits with maturity less than 3 months	*	27.98
	174.30	205.65

Footnote:
Changes in liabilities arising from financing activities:
The changes in liabilities arising from financing activities is on account of cash flow changes only and there are no non-cash changes.
* value below ₹ 50,000/-

15. Other Balances with Banks

	₹ in Crores	As at 31-3-2017 ₹ in Crores
Fixed deposits with maturity greater than 3 months	**17.26**	-
Earmarked balances - unpaid dividend accounts	**5.22**	4.91
Margin money	**3.18**	3.06
	25.66	7.97

Footnotes:
(a) At at 31st March, 2018, the Company had available ₹ 622.45 crores (31st March, 2017: ₹ 363.71 crores) of undrawn committed borrowing facilities.
(b) Margin money deposit is against bank guarantee given to Government authorities.

16. Loans (Current) (at amortised cost)

	₹ in Crores	As at 31-3-2017 ₹ in Crores
Loans to employees (Unsecured, considered good)	**3.39**	1.53
	3.39	1.53

17. Other Financial Assets (Current) (Unsecured, considered good unless otherwise stated) (at amortised cost)

	₹ in Crores	As at 31-3-2017 ₹ in Crores
(a) Security deposits	**14.46**	20.38
(b) Due from related parties (Refer Note 40)	**6.19**	18.56
(c) Interest accrued	**11.34**	12.02
(d) Fixed deposits with remaining maturity of less than12 months	**0.08**	1.05
(e) Gratuity fund (Refer Note 39)	**3.09**	-
(f) Others		
- Considered good	**46.33**	32.75
- Considered doubtful	**2.29**	-
Less: Allowance for doubtful advance	**2.29**	-
	81.49	84.76

18. Other Current Assets [Unsecured, considered good unless otherwise stated]

		₹ in Crores	As at 31-3-2017 ₹ in Crores
(a)	Balance with Government Authorities	**140.36**	31.14
(b)	Advance to suppliers	**43.41**	111.26
(c)	Amount due from customers under construction contracts (*)	**724.41**	455.62
(d)	Others		
	- Considered good	**40.14**	14.34
	- Considered doubtful	**0.13**	0.09
	Less: Allowance for doubtful advances for others	**0.13**	0.09
		948.32	612.36

* Includes project specific material procured for future activities

Footnote:

Disclosure pursuant to Ind AS 11 - "Construction Contracts" :

(i)	Contract revenue recongnised during the year	**1,579.31**	1,159.63
(ii)	Construction costs incurred plus recognised profits less recognised losses to date	**4,540.05**	3,717.46
(iii)	Recognised and included in the financial statements as amounts due:		
	- from customers under construction contracts	**724.41**	455.62
	- to customers under construction contracts	**93.66**	89.98
(iv)	Advances received for contracts in progress	**234.04**	167.76
(v)	Retention money for contracts in progress	**153.71**	134.44

19. Share capital

	₹ in Crores	As at 31-3-2017 ₹ in Crores
Authorised:		
60,00,00,000 (31-3-2017: 60,00,00,000) Equity Shares of ₹ 1/- each	**60.00**	60.00
40,00,000 (31-3-2017: 40,00,000) Preference Shares of ₹ 100/- each	**40.00**	40.00
	100.00	100.00
Issued, Subscribed and Paid up:		
33,08,84,740 (31-3-2017: 33,08,84,740) Equity Shares of ₹ 1/- each	**33.09**	33.09
Less: Calls-in-Arrears [1,28,300 shares (31-3-2017: 1,32,140 shares)] [Refer footnote 19 (d)]	**0.01**	0.01
	33.08	33.08

Footnotes:

Terms / Rights attached to Equity Shares

(a) 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 :

	Equity Shares		As at 31-3-2017	
	Numbers	₹ in Crores	Numbers	₹ in Crores
Shares outstanding at the beginning of the year	**33,08,84,740**	**33.09**	33,08,84,740	33.09
Shares outstanding at the end of the year	**33,08,84,740**	**33.09**	33,08,84,740	33.09

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

(c) Details of shareholders holding more than 5 percent shares in the Company:

Name of Shareholder	Class of Shares	**No. of Shares held**	**% of Holding**	As at 31-3-2017 No. of Shares held	As at 31-3-2017 % of Holding
Tata Sons Ltd.	Equity	**8,81,31,780**	**26.64**	8,81,31,780	26.64
Life Insurance Corporation of India	Equity	**2,27,16,849**	**6.87**	2,28,20,733	6.90
HDFC Trustee Company Ltd. (Various Accounts)	Equity	**1,78,24,000**	**5.39**	1,50,64,500	4.55

(d) As per the records of the Company, no calls remained unpaid by the Directors and Officers of the Company as on 31st March, 2018 (31-3-2017 : Nil).

20. Other Equity

	₹ in Crores	As at 31-3-2017 ₹ in Crores
(1) Capital Reserve	**1.56**	1.56
(2) Capital Redemption Reserve	**1.26**	1.26
(3) Securities Premium Account	**6.27**	6.27
(4) General Reserve	**1,311.83**	1,261.83
(5) Staff Welfare Reserve	**0.01**	0.01
(6) Equity instruments fair value through other comprehensive income	**560.70**	407.31
(7) Retained Earnings	**1,599.25**	1,273.50
	3,480.88	2,951.74

Movements in Other Equity

	₹ in Crores	As at 31-3-2017 ₹ in Crores
(1) Capital Reserve		
- As per last Balance Sheet	**1.56**	1.56
(2) Capital Redemption Reserve		
- As per last Balance Sheet	**1.26**	1.26
(3) Securities Premium Account		
- As per last Balance Sheet	**6.27**	6.27
- Received during the year	*	*
- Closing Balance	**6.27**	6.27
(4) General Reserve		
- As per last Balance Sheet	**1,261.83**	1,241.83
- Transfer from Retained Earnings	**50.00**	20.00
- Closing Balance	**1,311.83**	1,261.83
(5) Staff Welfare Reserve		
- As per last Balance Sheet	**0.01**	0.01

	₹ in Crores	As at 31-3-2017 ₹ in Crores
(6) Equity instruments fair value through other comprehensive income		
- As per last Balance Sheet	**407.31**	328.27
- Changes during the year	**153.39**	88.06
- Realised gain on sale of investments transferred from Other Comprehensive Income to Retained Earnings	**-**	(9.02)
- Closing Balance	**560.70**	407.31
(7) Retained Earnings		
(a) As per last Balance Sheet	**1,273.50**	893.43
(b) Additions :		
- Net Profit for the year	**501.23**	486.19
- Transfer from Other Comprehensive Income (Net of tax)	**4.06**	(1.54)
- Realised gain on sale of investments transferred from Other Comprehensive Income to Retained Earnings	**-**	9.02
	505.29	493.67
(c) Deductions :		
- Dividend	**115.81**	86.03
- Dividend Distribution tax	**13.73**	7.57
- Transfer to General Reserve	**50.00**	20.00
	179.54	113.60
Closing Balance	**1,599.25**	1,273.50
	3,480.88	2,951.74

* value below ₹ 50,000/-

Distribution made and proposed	₹ in Crores	As at 31-3-2017 ₹ in Crores
Cash Dividends on Equity Shares declared and paid:		
Dividend for the year ended 31st March, 2017: ₹ 3.50 per share	**115.81**	86.03
(31st March, 2016: ₹ 2.60 per share)		
Dividend Distribution Tax	**13.73**	7.57
	129.54	93.60
Proposed Dividend on Equity Shares:		
Dividend for the year ended 31st March, 2018: ₹ 4.00 per share	**132.35**	115.81
(31st March, 2017: ₹ 3.50 per share)		
Dividend Distribution Tax on proposed dividend *	**27.21**	23.58
	159.56	139.39

* Dividend Distribution Tax (DDT) before availment of any DDT credit available.

Footnotes: Nature and purpose of reserves

Capital Reserve :

Capital Reserve was created from capital surplus on sale of assets and on amalgamation of subsidiary.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

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.

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 Retained Earnings primarily represents the surplus after payment of dividend (including tax on dividend) and transfer to reserves.

21. Provisions (Non-Current)

		₹ in Crores	As at 31-3-2017 ₹ in Crores
Provision for employee benefits :			
(i)	Provision for gratuity (Refer Note 39)	**27.76**	30.77
(ii)	Pension obligations (Refer Note 39)	**38.08**	33.01
(iii)	Post retirement medical benefits (Refer Note 39)	**6.90**	13.38
(iv)	Provision for employee separation compensation	**0.58**	0.79
		73.32	77.95

22. Other Non-Current Liabilities

	₹ in Crores	As at 31-3-2017 ₹ in Crores
Unexpired service contracts	**0.97**	0.20
	0.97	0.20

23. Borrowings (at amortised cost)

		₹ in Crores	As at 31-3-2017 ₹ in Crores
Secured borrowings:			
(a)	Term loans from Banks	**15.23**	38.23
(b)	Working Capital loans from banks	**12.59**	30.85
		27.82	69.08

Footnotes:

(i) Borrowings are secured against assignment of Property, Plant & Equipment, Inventory, Book debts, Contract dues and lien on Term deposits.

(ii) Term loans are repayable within a period of 90 days.

(iii) Term loans from banks carry an average interest rate of 4.40% to 6.50% (31st March, 2017 : 4.40% to 6.50%)

(iv) Working capital loans from banks carry an average interest rate of 8.75% (31st March, 2017 : 8.75%).

24. Trade Payables

		₹ in Crores	As at 31-3-2017 ₹ in Crores
Trade payables :			
(i)	Total outstanding dues of micro and small enterprises	**35.22**	12.27
(ii)	Total outstanding dues of creditors other than micro and small enterprises	**2,079.28**	1,739.78
		2,114.50	1,752.05

Footnote:

Trade payables are non interest bearing and are normally settled on 60 days term.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

24. Trade Payables (Contd.)

	₹ in Crores	As at 31-3-2017 ₹ in Crores
(ii) Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 :		
(i) (a) Principal amount remaining unpaid to any supplier	**34.40**	11.78
(b) Interest on (i)(a) above	**0.34**	0.16
(ii) The amount of interest paid along with the principal payment made to the supplier	**0.36**	0.57
(iii) Amount of interest due and payable on delayed payments	**0.33**	0.21
(iv) Amount of further interest remaining due and payable for the earlier years	**0.04**	0.12
(v) Total outstanding dues of Micro and Small Enterprises		
- Principal	**34.40**	11.78
- Interest	**0.82**	0.49

25. Other Financial Liabilities (Current)

	₹ in Crores	As at 31-3-2017 ₹ in Crores
(a) Deposits received from customers / others	**40.63**	39.52
(b) Interest accrued but not due on borrowings	**0.06**	0.15
(c) Unpaid dividends	**5.22**	4.91
(d) Other financial liabilities	**38.64**	47.38
	84.55	91.96

26. Provisions (Current)

	₹ in Crores	As at 31-3-2017 ₹ in Crores
(a) Provision for Employee Benefits :		
(i) Provision for gratuity (Refer Note 39)	**2.21**	6.16
(ii) Pension obligations (Refer Note 39)	**2.74**	1.64
(iii) Provision for compensated absences	**31.07**	33.22
(iv) Post retirement medical benefits (Refer Note 39)	**0.49**	0.64
(v) Provision for employee separation compensation	**0.25**	0.27
(b) Provision for Trade Guarantees	**114.78**	100.03
(c) Provision for Contingencies for Tax matters	**25.22**	23.57
	176.76	165.53

Footnotes:

A. Provisions for Trade Guarantees :		
Opening balance	**100.03**	84.05
Additional provisions recognised	**104.27**	95.66
Less : Utilisation	**89.46**	79.05
Less : Reversal	**0.06**	0.63
Closing balance	**114.78**	100.03
B. Provision for Contingencies for Tax matters		
Opening balance	**23.57**	21.17
Additional provisions recognised	**3.99**	10.58
Less : Utilisation	**-**	5.00
Less : Reversal	**2.34**	3.18
Closing balance	**25.22**	23.57

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

27. Other Current Liabilities

			As at 31-3-2017
		₹ in Crores	₹ in Crores
(a)	Advances received from customers / others	**298.12**	256.09
(b)	Unexpired service contracts	**10.11**	5.10
(c)	Amount due to customers under construction contracts	**93.66**	89.98
(d)	Statutory obligations	**76.95**	63.27
(e)	Others	**0.12**	0.14
		478.96	414.58

28. Revenue from Operations

			2017-18
		₹ in Crores	₹ in Crores
(a)	Sale of products	**3,651.10**	3,692.51
(b)	Construction contract revenue	**1,579.31**	1,159.63
(c)	Sale of services	**565.76**	572.88
(d)	Other operating income :		
	(1) Unclaimed credit balances written back	**19.29**	27.95
	(2) Sale of scrap	**3.99**	8.35
	(3) Others	**12.81**	11.26
		5,832.26	5,472.58

Footnote:

Sales for the year ended 31st March, 2018 is net of Goods and Services Tax (GST). However, sales for the previous year is gross of Excise Duty. Sales, net of GST / Excise Duty for the year ended 31st March, 2018 has increased by 7.64%, in comparison to the previous year.

29. Other Income

			2017-18
		₹ in Crores	₹ in Crores
(a)	Dividend Income		
	- From investment in subsidiaries	**52.81**	49.29
	- From equity investments measured at FVTOCI	**5.14**	3.43
	- From mutual funds investments measured at FVTPL	**7.45**	26.92
(b)	Interest Income :		
	- On sundry advances, deposits, customers' balances, etc.	**0.22**	1.36
	- On deposits with banks	**8.47**	4.25
	- On Income-tax refunds	**2.66**	8.35
	- On fair valuation of financial assets	**8.24**	6.23
(c)	Gain on fair valuation of preference shares investments measured at FVTPL	**-**	5.50
(d)	Gain on sale of financial instruments measured at FVTPL	**29.01**	15.90
(e)	Gain on fair valuation of financial assets measured at FVTPL	**76.12**	95.71
(f)	Rental income	**37.55**	39.09
(g)	Other non-operating income	**9.43**	11.31
		237.10	267.34

30. Changes In Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress

	₹ in Crores	2017-18 ₹ in Crores
Inventories at the end of the year :		
- Finished Goods including stock-in-trade	**581.32**	682.21
- Work-in-progress	**6.30**	5.17
	587.62	687.38
Inventories at the beginning of the year :		
- Finished Goods including stock-in-trade	**682.21**	477.18
- Work-in-progress	**5.17**	4.85
	687.38	482.03
Net (increase) / decrease	**99.76**	(205.35)

31. Employee Benefits Expenses

	₹ in Crores	2017-18 ₹ in Crores
(a) Salaries, Wages and Bonus	**386.24**	364.18
(b) Contribution to Provident and other Funds	**22.33**	22.56
(c) Staff Welfare expenses	**13.73**	19.81
	422.30	406.55

32. Finance Costs

	₹ in Crores	2017-18 ₹ in Crores
Interest expense :		
(a) on borrowings from banks and others	**7.50**	6.76
(b) on delayed payment of income tax	**-**	2.90
	7.50	9.66

33. Depreciation and Amortisation Expenses

	₹ in Crores	2017-18 ₹ in Crores
(a) Depreciation on property, plant and equipment	**15.10**	14.25
(b) Amortisation on intangible assets	**3.18**	2.70
(c) Depreciation on investment property	**0.95**	1.17
	19.23	18.12

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

34 Other Expenses

		₹ in Crores	2016-17 ₹ in Crores
(a)	Consumption of Stores and Spares	**2.75**	3.86
(b)	Power and Fuel	**8.88**	9.52
(c)	Rent	**38.96**	34.57
(d)	Repairs to Buildings	**0.60**	0.99
(e)	Repairs to Plant and Machinery	**5.06**	5.03
(f)	Insurance charges	**4.89**	4.85
(g)	Rates and Taxes	**11.26**	1.78
(h)	Travelling and Conveyance	**42.31**	38.54
(i)	Payment to Auditors [Refer Note 34(A)]	**2.83**	3.90
(j)	Legal and Professional fees	**30.15**	21.87
(k)	Bad and Doubtful Debts / Advances	**18.31**	7.58
(l)	Loss on sale of Fixed Assets (net)	**0.20**	1.19
(m)	Exchange differences (net)	**9.70**	12.50
(n)	Corporate Social Responsibility (CSR) [Refer Note (34(B)]	**9.14**	8.45
(o)	Provision / loss on settlements	**(10.99)**	20.58
(p)	Outside Service charges	**59.29**	53.90
(q)	Clearing charges	**43.75**	42.28
(r)	Freight and forwarding charges	**71.10**	72.41
(s)	Commission on sales	**5.23**	3.64
(t)	Advertising	**71.92**	64.84
(u)	Printing and stationery	**14.43**	14.39
(v)	Miscellaneous expenses	**73.68**	97.63
		513.45	524.30

34.(A) Auditor's Remuneration

		₹ in Crores	2016-17 ₹ in Crores
(a)	To Statutory Auditor for		
	(1) Audit Fees	**1.55**	1.47
	(2) Tax Audit Fees	**0.12**	0.30
	(3) Taxation Matters	**-**	0.15
	(4) Other Services	**0.97**	1.80
	(5) Reimbursement of Expenses	**0.13**	0.12
(b)	To Secretarial Auditor for Secretarial Audit	**0.02**	0.02
(c)	To Cost Auditor for Cost Audit	**0.04**	0.04
		2.83	3.90

Footnote:
Figures of 2017-18 Includes ₹ 0.88 crore paid to the previous Auditors.

34.(B) Corporate Social Responsibility (CSR) expenses

			2016-17
		₹ in Crores	₹ in Crores
(a)	Gross amount required to be spent by the Company during the year	**9.13**	8.37
(b)	Amount spent in cash during the year on		
	- Construction / acquisition of any asset	**-**	-
	- Others	**9.14**	8.45
		9.14	8.45
(c)	Amount to be spent in cash during the year on		
	- Construction / acquisition of any asset	**-**	-
	- Others	**-**	-
		-	-

35. Exceptional Items

			2016-17
		₹ in Crores	₹ in Crores
(a)	**Exceptional Income**		
	- Profit on Surrender of Tenancy Rights	**2.00**	-
	- Profit on Sale of Property	**-**	1.10
	Less :		
(b)	**Exceptional Expenses**		
	- Impairment in value of Investments	**5.98**	7.11
	Exceptional Items (net)	**(3.98)**	(6.01)

36. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31st March, 2017 and 31st March, 2018

		2016-17
	₹ in Crores	₹ in Crores
Profit before tax	**682.76**	651.02
Indian statutory income tax rate	**34.61%**	34.61%
Income-tax expense at India's statutory income tax rate	**236.30**	225.32
Effect of adjustments to reconcile the expected tax expense to reported income tax expense:		
Effect of exempt income	**(21.10)**	(27.01)
Effect on non-deductible expenses	**9.43**	9.00
Effect of income which is taxed at special rates	**(35.89)**	(31.50)
Adjustment of tax relating to earlier periods	**(4.01)**	(14.34)
Change in tax rate of future period	**(0.51)**	-
Others	**(2.69)**	3.36
	181.53	164.83

37. Earnings per share

			2016-17
		₹ in Crores	₹ in Crores
(a)	Net profit after tax for the year - (₹ in Crores)	**501.23**	486.19
(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)	**15.15**	14.69

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

38. Commitments and Contingencies

Commitments :

	₹ in Crores	As at 31-3-2017 ₹ in Crores
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	**49.98**	8.59

(ii) As per the E-Waste (Management) Rules, 2016, as amended, ('the Rules') issued by Ministry of Environment, Forest and Climate Change (MoEF & CC) Government of India, the Company has a commitment to complete the Extended Producer Responsibility (EPR) targets, calculated based on sales made in the preceding 10th year, through channelization of e-waste to an authorised dismantler/recycler. The Company has fulfilled its commitment for the financial year 2017-18. The Company expects further clarifications to evolve overtime, particularly with respect to the various mechanism of fulfilling the environmental obligation. The cost of obligation, if any, for the preceding nine year sales can be estimated, once appropriate clarifications are received from the Ministry.

Financial Guarantee

The Company has issued financial guarantees to banks on behalf of and in respect of credit facilities availed by its subsidiary and joint venture companies

	₹ in Crores	As at 31-3-2017 ₹ in Crores
(i) Limits (Fund and Non Fund based)	**780.49**	714.56
(ii) Against which outstanding balance	**589.16**	451.99

Contingent liabilities:

	₹ in Crores	As at 31-3-2017 ₹ in Crores
Claims against the Company not acknowledged as debts		
(i) Sales tax / Vat matters	**79.45**	84.64
(ii) Service tax matters	**21.95**	37.02
(iii) Excise matters	**18.78**	17.12
(iv) Contractual matters in the course of business	**27.76**	27.04
(v) Guarantees for terminated contract	**301.48**	301.14
(vi) Income tax matters	**8.87**	14.21
	458.29	481.17

39. Employee Benefits

The Company has defined benefit Gratuity, Post retirement medical benefits, Pension plans and Trust managed Provident fund plan as given below:

(i) Gratuity

Every employee who has completed five years of services, is entitled to Gratuity benefits. The Gratuity plan for Indian employees is governed by the Payment of Gratuity Act, 1972. The Gratuity plan provides lumpsum payments to vested employees at retirement, death while in employment, or termination of employment being an amount equivalent to 15 days salary for each completed year of service. The Company also provides similar Gratuity benefits to overseas employee. The Gratuity plan for Indian employees is funded and for overseas employees is unfunded.

(ii) Post retirement medical benefits

Benefits under these plan are payable for actual domiciliary treatment/hospitalisation for employees and their specified relatives. The scheme is non-funded.

(iii) Pension plans

Pension plan benefit are provided to Executive Directors and their specified relatives after completion of the services with the Company or Tata Group. The scheme is non- funded.

(a) The following table summaries the components of net benefits expenses recognised in statement of profit or loss, other comprehensive income and the funded status and amount recognised in the balance sheet for the respective plans:

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
		2016-17		2016-17		2016-17		2016-17
	₹ in Crores	₹ in Crores	**₹ in Crores**	₹ in Crores	**₹ in Crores**	₹ in Crores	**₹ in Crores**	₹ in Crores
Current service cost	**3.76**	3.32	**6.27**	7.41	**4.68**	1.83	**0.91**	0.54
Net interest expense	**0.17**	0.30	**1.35**	1.37	**2.54**	2.30	**1.02**	0.87
Past Service Cost	**0.21**	-	**-**	-	**-**	-	**-**	-
(Gains)/ Losses on Curtailment	**-**	-	**-**	-	**-**	-	**(7.20)**	-
Components of defined benefit costs recognised in profit or loss	**4.14**	3.62	**7.62**	8.78	**7.22**	4.13	**(5.27)**	1.41
Remeasurement on the defined benefit plans:								
Return on plan assets	**(0.20)**	(2.56)	**-**	-	**-**	-	**-**	-
Actuarial (gains) / losses arising from changes in financial assumptions	**(0.48)**	3.13	**(1.36)**	-	**(0.35)**	1.99	**(0.28)**	2.68
Actuarial (gains) / losses arising from experience adjustments	**(2.74)**	(1.55)	**(1.55)**	(2.66)	**1.20**	1.70	**(0.41)**	(0.36)
Components of defined benefit costs recognised in other comprehensive income	**(3.42)**	(0.98)	**(2.91)**	(2.66)	**0.85**	3.69	**(0.69)**	2.32
	0.72	2.64	**4.71**	6.12	**8.07**	7.82	**(5.96)**	3.73
Change in benefit obligation								
Opening defined benefit obligation	**60.11**	56.39	**34.57**	34.75	**34.65**	28.53	**13.94**	10.78
Current service cost	**3.76**	3.32	**6.27**	7.41	**4.68**	1.83	**0.91**	0.54
Interest cost	**4.41**	4.55	**1.35**	1.37	**2.54**	2.30	**1.02**	0.87
Remeasurement (gains)/losses:								
Actuarial (gains)/losses arising from changes in financial assumptions	**(0.48)**	3.13	**(1.36)**	-	**(0.35)**	1.99	**(0.28)**	2.68
Actuarial (gains)/losses arising from experience adjustments	**(2.74)**	(1.55)	**(1.55)**	(2.66)	**1.20**	1.70	**(0.41)**	(0.36)
Past service cost	**0.21**	-	**-**	-	**-**	-	**-**	-
(Gains)/ Losses on Curtailment	**-**	-	**-**	-	**-**	-	**(7.20)**	-
Liabilities assumed on account of transfer in	**0.15**	0.27	**-**	-	**-**	-	**-**	-
Exchange differences on foreign plans	**-**	-	**(0.91)**	(0.80)	**-**	-	**-**	-
Benefits paid	**(7.93)**	(6.00)	**(8.40)**	(5.50)	**(1.90)**	(1.70)	**(0.59)**	(0.57)
Closing defined benefit obligation	**57.49**	60.11	**29.97**	34.57	**40.82**	34.65	**7.39**	13.94

Change in plan assets

Opening fair value of plan assets	**57.75**	52.72
Interest income	**4.24**	4.25
Remeasurement gain / (losses):		
Return on plan assets	**0.20**	2.56
Contributions from the employer	**6.32**	4.22
Benefits paid	**(7.93)**	(6.00)
Closing fair value of plan assets	**60.58**	57.75

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans are as follows:

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
		2016-17		2016-17		2016-17		2016-17
	₹ in Crores	₹ in Crores	**₹ in Crores**	₹ in Crores	**₹ in Crores**	₹ in Crores	**₹ in Crores**	₹ in Crores
Present value of funded defined benefit obligation	**(57.49)**	(60.11)	**(29.97)**	(34.57)	**(40.82)**	(34.65)	**(7.39)**	(13.94)
Fair value of plan assets	**60.58**	57.75	**-**	-	**-**	-	**-**	-
Net (liability) / asset arising from defined benefit obligation	**3.09**	(2.36)	**(29.97)**	(34.57)	**(40.82)**	(34.65)	**(7.39)**	(13.94)

(b) The major categories of plan assets as a percentage of total plan:

Category of investments:	**Gratuity funded**	
		As at 31-3-2017
Government of India securities	**29%**	46%
Corporate bonds	**63%**	46%
Special deposit scheme	**2%**	2%
Mutual funds	**2%**	2%
Others (Interest accrued, Balances with banks)	**4%**	4%
	100%	100%

(c) The principal assumptions used for the purposes of the actuarial valuations are as follows.

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	%	As at 31-3-2017 %	**%**	As at 31-3-2017 %	**%**	As at 31-3-2017 %	**%**	As at 31-3-2017 %
Discount rate	**7.85%**	7.34%	**4.39%**	4.00%	**7.85%**	7.34%	**7.85%**	7.34%
Attrition Rate	**1.00%**	1.00%	**2.00%**	2.00%	**1.00%**	1.00%	**1.00%**	1.00%
Mortality Rate	**Indian Assured Lives Mortality (2006 -08)**		**Indian Assured Lives Mortality (2006 -08)**		**Indian Assured Lives Mortality (2006 -08)**		**Indian Assured Lives Mortality (2006 -08)**	
Expected rate of salary increase	**8.00%**	8.00%	**4.00%**	4.00%	**8.00%**	8.00%	**5.00%**	5.00%

(d) A quantitative senstivity analysis for significant assumptions are as follow:

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	₹ in Crores	As at 31-3-2017 ₹ in Crores	**₹ in Crores**	As at 31-3-2017 ₹ in Crores	**₹ in Crores**	As at 31-3-2017 ₹ in Crores	**₹ in Crores**	As at 31-3-2017 ₹ in Crores
Projected benefit obligations on current assumptions	**57.49**	60.11	**29.97**	34.57	**40.82**	34.65	**7.39**	13.94
+1% increase in discount rate	**(4.01)**	(4.19)	**(3.08)**	(3.61)	**(3.10)**	(2.80)	**(0.16)**	(0.30)
-1% decrease in discount rate	**4.58**	4.78	**3.66**	4.33	**3.60**	3.25	**0.21**	0.40
+1% increase in future salary	**4.53**	4.74	**3.64**	4.28	**3.56**	3.22	**0.17**	0.32
-1% decrease in future salary	**(4.04)**	(4.23)	**(3.12)**	(3.65)	**(3.13)**	(2.83)	**(0.17)**	(0.32)
+1% increase in rate of employee turnover	**(0.02)**	(0.02)	**0.12**	-	**NA**	NA	**(0.04)**	(0.08)
-1% decrease in rate of employee turnover	**0.02**	0.02	**(0.13)**	-	**NA**	NA	**0.04**	0.07

The above sensitivity analysis 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.

Further, 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.

The Company expects to contribute ₹ 7 crores to the funded defined benefit plan in financial year 2018-19.

(iv) Provident Fund

Contribution to Provident Fund is made to trusts administered by the Company. In terms of guidance note issued by the Institute of Actuaries of India, the Actuary has provided a valuation of Provident fund liability based on the assumptions listed and determined that there is no shortfall as at 31st March, 2018.

The details of the fund and plan assets position are as follows:

	₹ in Crores	As at 31-3-2017 ₹ in Crores
Fair value of plan assets	**276.71**	259.07
Present value of defined obligation	**269.24**	250.77
Contribution during the year (Employee and Employer Contribution)	**26.34**	24.44

The principal assumptions used for the purposes of the actuarial valuations are as follows:

	%	As at 31-3-2017 %
Guaranteed Interest rate	**8.55%**	8.65%
Discount Rate for the remaining term to maturity of Interest portfolio	**7.85%**	7.34%

Risk Analysis

The Company is exposed to the following Risks in the defined benefits plans :

Investment Risk: The present value of the defined benefit obligation is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan assets is below this rate, it will create a plan deficit.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by 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. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary growth risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan's liability.

40. Related Party Disclosures

(a) List of Related Parties and Relationships

Party		Relation
A.	Auto Aircon (India) Ltd. Voltas Netherlands B.V. Lalbuksh Voltas Engineering Services & Trading L.L.C. Weathermaker Ltd. Saudi Ensas Company for Engineering Services W.L.L. Rohini Industrial Electricals Ltd. Universal Comfort Products Ltd. Voltas Qatar W.L.L. Voltas Oman L.L.C. Agro Foods Punjab Ltd. (Under liquidation) Westerwork Engineers Ltd. (Under liquidation)	Subsidiary
B.	Brihat Trading Private Ltd. Naba Diganta Water Management Ltd. Terrot GmbH	Associate
C.	Universal Voltas L.L.C. Olayan Voltas Contracting Company Ltd. Universal Weathermaker Factory L.L.C. Voltas Water Solutions Private Ltd. Voltbek Home Appliances Private Ltd.	Joint Venture
D.	Tata Sons Ltd. and Subsidiaries of Tata Sons Ltd.	Promoter together with its subsidiary holding more than 20%
E.	Mr. Pradeep Bakshi - Managing Director (w.e.f. 10th February, 2018), Executive Director (w.e.f. 1st September, 2017 to 9th February, 2018) Mr. Anil George - Deputy Managing Director (w.e.f. 10th February, 2018), Executive Director (w.e.f. 1st September, 2017 to 9th February, 2018) Mr. Sanjay Johri - Managing Director (upto 9th February, 2018)	Key Management Personnel
F.	Voltas Limited Provident Fund Voltas Managerial Staff Provident Fund Voltas Limited Employees' Gratuity Fund Voltas Limited Managerial Staff Gratuity Fund Voltas Limited Employees' Superannuation Scheme	Employee Benefit Funds

(b) Related Party Transactions

₹ in Crores

Sr. No.	Year	Transactions		Subsidiaries	Associates	Joint Ventures	Promoter	Subsidiaries & Step Down Subsidiaries of Promoters	Key Management Personnel	Employee Benefit Funds	Total
1	**2017-18**	**Purchases of stock-in-trade**	**[Refer 40 (c)(1)]**	**899.71**	-	-	-	**0.11**	-	-	**899.82**
	2016-17			1,094.73	-	-	-	0.85	-	-	1,095.58
2	**2017-18**	**Sale of Products**	**[Refer 40 (c)(2)]**	**274.49**	-	-	-	**52.03**	-	-	**326.52**
	2016-17			506.19	-	-	0.19	49.64	-	-	556.02
3	**2017-18**	**Service Income - Other than Management fees**	**[Refer 40 (c)(3)]**	**4.28**	**0.21**	**3.70**	**0.10**	**78.82**	-	-	**87.11**
	2016-17			0.96	0.18	2.66	0.04	70.80	-	-	74.64
4	**2017-18**	**Service Income - Management fees on vendor bill discounting**	**[Refer 40 (c)(4)]**	-	-	-	-	**0.43**	-	-	**0.43**
	2016-17			-	-	-	-	0.94	-	-	0.94
5	**2017-18**	**Construction contract revenue** (against which billed ₹ 230.78 crores; Previous year : ₹ 42.43 crores)	**[Refer 40 (c)(5)]**	-	-	-	-	**326.06**	-	-	**326.06**
	2016-17			-	-	-	0.02	24.94	-	-	24.96
6	**2017-18**	**Sale of Investment**	**[Refer 40 (c)(6)]**	-	-	**2.98**	-	-	-	-	**2.98**
	2016-17			-	-	-	-	-	-	-	-
7	**2017-18**	**Interest Income**	**[Refer 40 (c)(7)]**	-	-	**0.11**	-	**4.66**	-	-	**4.77**
	2016-17			1.05	-	-	-	0.47	-	-	1.52
8	**2017-18**	**Rental Income**	**[Refer 40 (c)(8)]**	**0.38**	-	**0.03**	-	**2.09**	-	-	**2.50**
	2016-17			0.38	-	0.06	-	3.52	-	-	3.96
9	**2017-18**	**Dividend Income**	**[Refer 40 (c)(9)]**	**52.51**	**0.30**	-	-	**1.52**	-	-	**54.33**
	2016-17			49.29	-	-	-	0.15	-	-	49.44
10	**2017-18**	**Deputation Charges received**	**[Refer 40 (c)(10)]**	-	-	-	-	-	-	-	-
	2016-17			2.07	-	-	-	-	-	-	2.07
11	**2017-18**	**Commission Received / Receivable**	**[Refer 40 (c)(11)]**	**24.91**	**0.95**	-	-	-	-	-	**25.86**
	2016-17			40.10	0.60	-	-	-	-	-	40.70
12	**2017-18**	**Bad and Doubtful Debts / Advances - Reversal (P&L)**	**[Refer 40 (c)(12)]**	**0.27**	-	-	-	-	-	-	**0.27**
	2016-17			-	-	-	-	-	-	-	-
13	**2017-18**	**Bad and Doubtful Debts / Advances (P&L)**	**[Refer 40 (c)(13)]**	-	-	**0.01**	-	-	-	-	**0.01**
	2016-17			-	-	-	-	-	-	-	-
14	**2017-18**	**Remuneration Paid / Payable**	**[Refer 40 (c)(14)]**	-	-	-	-	-	**12.86**	-	**12.86**
	2016-17			-	-	-	-	-	4.69	-	4.69
15	**2017-18**	**Dividend Paid**	**[Refer 40 (c)(15)]**	-	-	-	**30.85**	-	-	-	**30.85**
	2016-17			-	-	-	22.91	-	-	-	22.91

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

(b) Related Party Transactions (contd.)

₹ in Crores

Sr. No.	Year	Transactions		Subsidiaries	Associates	Joint Ventures	Promoter	Subsidiaries & Step Down Subsidiaries of Promoters	Key Management Personnel	Employee Benefit Funds	Total
16	**2017-18**	**Consulting Charges paid**	**[Refer 40 (c)(16)]**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2016-17			-	-	-	0.03	-	-	-	0.03
17	**2017-18**	**Tata Brand Equity**	**[Refer 40 (c)(17)]**	**-**	**-**	**-**	**8.31**	**-**	**-**	**-**	**8.31**
	2016-17			-	-	-	8.56	-	-	-	8.56
18	**2017-18**	**Traning Expenses Paid / Payable**	**[Refer 40 (c)(18)]**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2016-17			-	-	-	*	-	-	-	*
19	**2017-18**	**Commission Paid**	**[Refer 40 (c)(19)]**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2016-17			-	-	-	-	0.10	-	-	0.10
20	**2017-18**	**Services received for execution of contracts**	**[Refer 40 (c)(20)]**	**164.81**	**-**	**105.38**	**-**	**0.12**	**-**	**-**	**270.31**
	2016-17			57.22	-	9.36	-	-	-	-	66.58
21	**2017-18**	**Interest Expenses**	**[Refer 40 (c)(21)]**	**0.15**	**-**	**-**	**-**	**-**	**-**	**-**	**0.15**
	2016-17			0.24	-	-	-	-	-	-	0.24
22	**2017-18**	**Impairment in value of investment**	**[Refer 40 (c)(22)]**	**-**	**-**	**5.98**	**-**	**-**	**-**	**-**	**5.98**
	2016-17			-	-	7.11	-	-	-	-	7.11
23	**2017-18**	**Deposit Paid**	**[Refer 40 (c)(23)]**	**-**	**-**	**-**	**-**	**1.50**	**-**	**-**	**1.50**
	2016-17			-	-	-	-	-	-	-	-
24	**2017-18**	**Other Expenses- Received/Receivable**	**[Refer 40 (c)(24)]**	**94.42**	**-**	**13.30**	**0.24**	**0.47**	**-**	**-**	**108.43**
	2016-17			100.48	-	3.82	0.22	0.38	-	-	104.90
25	**2017-18**	**Other Expenses- Paid/Payable**	**[Refer 40 (c)(25)]**	**17.17**	**-**	**1.40**	**0.09**	**16.90**	**-**	**-**	**35.56**
	2016-17			13.97	-	0.45	2.00	22.70	-	2.66	41.78
26	**2017-18**	**Purchase of property, plant and equipment**	**[Refer 40 (c)(26)]**	**-**	**-**	**0.04**	**-**	**0.02**	**-**	**-**	**0.06**
	2016-17			-	-	-	-	1.66	-	-	1.66
27	**2017-18**	**Investments in Equity shares**	**[Refer 40 (c)(27)]**	**-**	**-**	**79.50**	**-**	**-**	**-**	**-**	**79.50**
	2016-17			-	-	1.25	-	-	-	-	1.25
28	**2017-18**	**Investments in Preference Shares**	**[Refer 40 (c)(28)]**	**-**	**-**	**-**	**-**	**30.00**	**-**	**-**	**30.00**
	2016-17			65.00	-	-	-	-	-	-	65.00
29	**2017-18**	**Advances given against execution of contracts**	**[Refer 40 (c)(29)]**	**0.26**	**-**	**-**	**-**	**-**	**-**	**-**	**0.26**
	2016-17			6.10	-	-	-	-	-	-	6.10
30	**2017-18**	**Security deposit received**	**[Refer 40 (c)(30)]**	**-**	**-**	**0.01**	**-**	**5.91**	**-**	**-**	**5.92**
	2016-17			-	-	0.01	-	11.37	-	-	11.38

(b) Related Party Transactions (contd.)

₹ in Crores

Sr. No.	Year	Transactions		Subsidiaries	Associates	Joint Ventures	Promoter	Subsidiaries & Step Down Subsidiaries of Promoters	Key Management Personnel	Employee Benefit Funds	Total
31	**2017-18**	**Share Application Money given**	**[Refer 40 (c)(31)]**	-	-	**13.13**	-	-	-	-	**13.13**
	2016-17			-	-	-	-	-	-	-	-
32	**2017-18**	**Provision for Debts and Advances at year end**	**[Refer 40 (c)(32)]**	**0.61**	-	**0.01**	-	-	-	-	**0.62**
	2016-17			0.88	-	-	-	0.35	-	-	1.23
33	**2017-18**	**Advance Outstanding at year end**	**[Refer 40 (c)(33)]**	**5.44**	-	**4.15**	**0.09**	**0.16**	-	-	**9.84**
	2016-17			28.34	-	0.10	0.05	0.06	-	-	28.55
34	**2017-18**	**Outstanding Share Application Money at year end**	**[Refer 40 (c)(34)]**	-	-	**13.13**	-	-	-	-	**13.13**
	2016-17			-	-	-	-	-	-	-	-
35	**2017-18**	**Debit Balance Outstanding at year end**	**[Refer 40 (c)(35)]**	**0.62**	**0.74**	-	*	**66.83**	-	-	**68.19**
	2016-17			-	0.03	12.36	-	43.82	-	-	56.21
36	**2017-18**	**Credit Balance Outstanding at year end**	**[Refer 40 (c)(36)]**	**450.96**	-	**32.85**	**7.75**	**0.30**	-	-	**491.86**
	2016-17			316.66	-	-	8.90	0.13	-	-	325.69
37	**2017-18**	**Guarantees Outstanding at year end**	**[Refer 40 (c)(37)]**	**539.31**	-	**6.73**	-	-	-	-	**546.04**
	2016-17			412.97	-	19.62	-	-	-	-	432.59
38	**2017-18**	**Impairment in value of Investments at year end**	**[Refer 40 (c)(38)]**	**99.49**	-	**13.09**	-	-	-	-	**112.58**
	2016-17			99.49	-	7.11	-	-	-	-	106.60
39	**2017-18**	**Unsecured Advances at year end**	**[Refer 40 (c)(39)]**	-	-	-	-	**0.02**	-	-	**0.02**
	2016-17			-	-	-	-	0.12	-	-	0.12
40	**2017-18**	**Contribution to Employee Benefit Funds**	**[Refer 40 (c)(40)]**	-	-	-	-	-	-	**14.73**	**14.73**
	2016-17			-	-	-	-	-	-	12.11	12.11

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

(c) Details of material (more than 10% of the total related party transactions of the same type) transactions with Related Party

₹ in Crores

	Name of Party	Transaction Value	Transaction Value 2016-17
1.	**Purchases of stock-in-trade**		
	Universal Comfort Products Ltd.	**890.66**	1,032.08
2.	**Sale of Products**		
	Universal Comfort Products Ltd.	**273.87**	505.49
	Infiniti Retail Ltd.	**48.91**	39.64
3.	**Service Income - Other than Management fees**		
	Tata Consultancy Services Ltd.	**26.33**	22.45
	Tata De Mozambique Limitada	**50.56**	36.26
	Tata Africa Holdings (SA) (Proprietary) Ltd.	**-**	9.61
4.	**Service Income - Management fees on vendor bill discounting**		
	Tata Capital Financial Services Ltd.	**0.43**	0.94
5.	**Construction contract revenue**		-
	Tata Consultancy Services Ltd. (against which billed ₹ 31.04 crores; Previous year : ₹ 41.62 crores)	**33.29**	24.06
	Tata International Metals (UK) Limited (formerly Tata Steel International (UK) Ltd.) (against which billed ₹ 194.92 crores; Previous year : ₹ Nil)	**289.44**	-
6.	**Sale of Investment**		
	Universal Weathermaker Factory L.L.C.	**2.98**	-
7.	**Interest Income**		
	Tata International Ltd.	**4.65**	0.47
	Rohini Industrial Electricals Ltd.	**-**	1.05
8.	**Rental Income**		
	Tata Consultancy Services Ltd.	**1.61**	1.59
	Tata Teleservices Ltd.	**-**	1.55
9.	**Dividend Income**		
	Voltas Netherlands B.V.	**-**	7.39
	Universal Comfort Products Ltd.	**48.37**	41.46
10.	**Deputation Charges received**		
	Universal Comfort Products Ltd.	**-**	2.07
11.	**Commission Received / Receivable**		
	Universal Comfort Products Ltd.	**24.91**	40.10
12.	**Bad and Doubtful Debts / Advances - Reversal (P&L)**		
	Auto Aircon (India) Ltd.	**0.27**	-
13.	**Bad and Doubtful Debts / Advances (P&L)**		
	Voltas Water Solutions Private Ltd.	**0.01**	-
14.	**Remuneration Paid / Payable**		
	Mr. Pradeep Bakshi	**2.18**	-
	Mr. Anil George	**2.16**	-
	Mr. Sanjay Johri	**8.52**	4.69
15.	**Dividend Paid**		
	Tata Sons Ltd.	**30.85**	22.91
16.	**Consulting Charges paid**		
	Tata Sons Ltd.	**-**	0.03

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

(c) Details of material (more than 10% of the total related party transactions of the same type) transactions with Related Party (contd.)

₹ **in Crores**

	Name of Party	**Transaction Value**	Transaction Value 2016-17
17.	**Tata Brand Equity**		
	Tata Sons Ltd.	**8.31**	8.56
18.	**Traning expenses Paid / Payable**		
	Tata Sons Ltd.	**-**	*
19.	**Commission Paid**		
	Tata Unistore Ltd. (formerly Tata Industrial Services Ltd.)	**-**	0.10
20.	**Services received for execution of contracts**		
	Universal Voltas L.L.C.	**105.38**	9.36
	Rohini Industrial Electricals Ltd.	**164.81**	57.22
21.	**Interest Expenses**		
	Rohini Industrial Electricals Ltd.	**0.15**	0.24
22.	**Impairment in value of investment**		
	Olayan Voltas Contracting Company Ltd.	**3.13**	7.11
	Voltas Water Solutions Private Ltd.	**2.85**	-
23.	**Deposit Paid**		
	Tata Unistore Ltd. (formerly Tata Industrial Services Ltd.)	**1.50**	-
24.	**Other Expenses- Received/Receivable**		
	Voltas Qatar W.L.L.	**83.49**	93.63
25.	**Other Expenses- Paid/Payable**		
	Tata Business Support Services Ltd.	**5.21**	5.13
	Tata Consultancy Services Ltd.	**7.64**	9.11
	Tata International Metals (UK) Ltd.	**1.77**	4.95
	Voltas Qatar W.L.L.	**16.23**	13.01
26.	**Purchase of property, plant and equipment**		
	Infiniti Retail Ltd.	**0.02**	0.01
	Voltas Water Solutions Private Ltd.	**0.04**	-
	Tata Consultancy Services Ltd.	**-**	1.65
27.	**Investments in Equity shares**		
	Voltbek Home Appliances Private Ltd.	**78.89**	-
	Voltas Water Solutions Private Ltd.	**0.61**	1.25
28.	**Investments in Preference Shares**		
	Tata Capital Limited	**30.00**	-
	Rohini Industrial Electricals Ltd.	**-**	65.00
29.	**Advances given against execution of contracts**		
	Rohini Industrial Electricals Ltd.	**0.26**	6.10

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

(c) Details of material (more than 10% of the total related party transactions of the same type) transactions with Related Party (contd.)

₹ in Crores

	Name of Party	Transaction Value	Transaction Value 2016-17
30.	**Security deposit received**		
	Tata Consultancy Services Ltd.	**3.01**	3.01
	Tata Teleservices Ltd.	**-**	8.02
	Tata Unistore Ltd. (formerly Tata Industrial Services Ltd.)	**2.50**	-
31.	**Share Application Money given**		
	Olayan Voltas Contracting Company Ltd.	**13.13**	-
32.	**Provision for Debts and Advances at year end**		
	Auto Aircon (India) Ltd.	**0.61**	0.88
	Tata Consultancy Services Ltd.	**-**	0.18
33.	**Advance Outstanding at year end**		
	Rohini Industrial Electricals Ltd.	**0.26**	10.98
	Voltas Qatar W.L.L.	**0.66**	13.93
	Voltas Oman L.L.C.	**3.19**	1.89
	Olayan Voltas Contracting Company Ltd.	**1.71**	-
	Voltbek Home Appliances Private Ltd.	**2.43**	-
34.	**Outstanding Share Application Money at year end**		
	Olayan Voltas Contracting Company Ltd.	**13.13**	-
35.	**Debit Balance Outstanding at year end**		
	Tata Consultancy Services Ltd.	**12.55**	14.98
	Tata De Mozambique Limitada	**31.23**	20.50
	Tata International Metals (UK) Limited (formerly Tata Steel International (UK) Ltd.)	**9.69**	-
	Universal Voltas L.L.C.	**-**	11.47
36.	**Credit Balance Outstanding at year end**		
	Rohini Industrial Electricals Ltd.	**84.38**	6.70
	Universal Comfort Products Ltd.	**357.98**	305.97
37.	**Guarantees Outstanding at year end**		
	Rohini Industrial Electricals Ltd.	**136.01**	66.67
	Voltas Netherlands B.V.	**403.30**	346.30
	Olayan Voltas Contracting Company Ltd.	**6.73**	19.62
38.	**Impairment in value of Investments at year end**		
	Rohini Industrial Electricals Ltd.	**65.13**	65.13
	Saudi Ensas Company for Engineering Services W.L.L.	**27.62**	27.62
	Olayan Voltas Contracting Company Ltd.	**10.24**	7.11
39.	**Unsecured Advances at year end**		
	Tata Teleservices Ltd.	**-**	0.11

* value below ₹ 50,000/-

41. Research and Development Expenditure

		₹ in Crores	2016-17 ₹ in Crores
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centers			
(1)	**Revenue**	**4.54**	3.41
	UPBG	**1.17**	0.96
	EM&RBG	**3.37**	2.45
(2)	**Capital Expenditure**	**0.06**	0.04
	UPBG	-	0.03
	EM&RBG	**0.06**	0.01
Other R&D Expenditure			
(1)	**Revenue**	**0.90**	1.10
	UPBG	**0.46**	0.52
	EM&RBG	**0.44**	0.58
(2)	**Capital Expenditure**	**-**	-
	UPBG	-	-
	EM&RBG	**-**	-
Total R&D Expenditure			
(1)	**Revenue**	**5.44**	4.51
	UPBG	**1.63**	1.48
	EM&RBG	**3.81**	3.03
(2)	**Capital Expenditure**	**0.06**	0.04
	UPBG	**-**	0.03
	EM&RBG	**0.06**	0.01

Business Segments :

UPBG : Unitary Cooling Products for Comfort and Commercial use

EM&RBG : Electro - Mechanical Projects and Services

42. Financial Instruments

A. Financial instruments by category:

The accounting classification of each category of financial instruments, their carrying value and fair value are as below:

	₹ in Crores					As at 31-3- 2017 ₹ in Crores				
	FVTPL	**FVTOCI**	**Amortised cost**	**Total Carrying value**	**Total Fair value**	FVTPL	FVTOCI	Amortised cost	Total Carrying value	Total Fair value
Financial assets										
Investments*	**1,863.37**	**601.29**	**223.79**	**2,688.45**	**2,688.45**	1,681.01	448.34	162.36	2,291.71	2,291.71
Loans	**-**	**-**	**3.89**	**3.89**	**3.89**	-	-	2.25	2.25	2.25
Trade receivables	**-**	**-**	**1,277.05**	**1,277.05**	**1,277.05**	-	-	1,187.97	1,187.97	1,187.97
Other financial assets	**0.81**	**-**	**104.13**	**104.94**	**104.94**	-	-	101.38	101.38	101.38
Cash and cash equivalents	**-**	**-**	**174.30**	**174.30**	**174.30**	-	-	205.65	205.65	205.65
Other balances with banks	**-**	**-**	**25.66**	**25.66**	**25.66**			7.97	7.97	7.97
	1,864.18	**601.29**	**1,808.82**	**4,274.29**	**4,274.29**	1,681.01	448.34	1,667.58	3,796.93	3,796.93
Financial liabilities										
Borrowings	**-**	**-**	**27.82**	**27.82**	**27.82**	-	-	69.08	69.08	69.08
Trade payables	**-**	**-**	**2,114.50**	**2,114.50**	**2,114.50**	-	-	1,752.05	1,752.05	1,752.05
Other financial liabilities	**-**	**-**	**84.55**	**84.55**	**84.55**	1.64	-	90.32	91.96	91.96
	-	**-**	**2,226.87**	**2,226.87**	**2,226.87**	1.64	-	1,911.45	1,913.09	1,913.09

* Investment also includes equity investments in subsidiaries, associates and joint ventures which are carried at costs and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures". Hence, the same have been excluded from the above table.

The management assess that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, Trade payables, Other financial liabilities and Other financial assets carried at amortized cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

Abbreviations :

FVTPL - Fair Value Through Profit or Loss. FVTOCI - Fair Value Through Other Comprehensive Income.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

B. Fair value hierarchy :

The fair value measurement hierarchy of the Company's assets and liabilities are as follows:

	Level 1		**Level 2**		**Level 3**	
	₹ In Crores	As at 31-3-2017 ₹ In Crores	**₹ In Crores**	As at 31-3-2017 ₹ In Crores	**₹ In Crores**	As at 31-3-2017 ₹ In Crores
Financial assets						
At fair value through profit or loss						
- Investment	**1,863.37**	1,678.01	**-**	3.00	**-**	-
- Derivative financial assets	**-**	-	**0.81**	-	**-**	-
At fair value through Other Comprehensive Income						
- Investment	**411.97**	256.59	**-**	-	**189.32**	191.75
TOTAL	**2,275.34**	1,934.60	**0.81**	3.00	**189.32**	191.75

	Level 1		Level 2		Level 3	
	₹ In Crores	As at 31-3-2017 ₹ In Crores	**₹ In Crores**	As at 31-3-2017 ₹ In Crores	**₹ In Crores**	As at 31-3-2017 ₹ In Crores
Financial liabilities						
At fair value through profit or loss						
- Derivative financial liabilities	**-**	-	**-**	(1.64)	**-**	-
TOTAL	**-**	-	**-**	(1.64)	**-**	-

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instrument by valuation techniques:

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

(ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

(iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- The fair value of quoted equity investment and mutual funds are based on price quotations at the reporting date.
- The fair value of unquoted equity investments are based on Market multiple approach. Market multiple of EV/EBITDA are considered after applying suitable discounts for size, liquidity and other company specific discounts.
- The fair value of redeemable preference shares are based on observable price of securities based on transactions undertaken recently.
- The Company enters into derivative financial instruments with various counterparties, principally with banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The model incorporates various inputs including the credit quality of counter parties, foreign exchange spot and forward rates.

There were no transfers between Level 1 and 2 during the period.

C. Reconciliation of fair value measurement of unquoted equity shares classified as FVOCI assets :

	₹ in Crores
As at 1st April, 2016	154.08
Add: Fair valuation gain/(loss) recognised in OCI	37.67
Closing balance as at 31st March, 2017	191.75
Add: Fair valuation gain/(loss) recognised in OCI	(2.43)
Closing balance as at 31st March, 2018	**189.32**

43. Aggregation of expenses disclosed in consumption of materials, cost of jobs and services and other expenses in respect of specific items are as follows (Refer Note 34) :

	Nature of expenses	**Grouped under**		
		Consumption of materials, cost of jobs and services	**Other expenses**	**Total**
		₹ in Crores	**₹ in Crores**	**₹ in Crores**
1	Rent	**0.59**	**38.96**	**39.55**
2	Power and Fuel	**0.33**	**8.88**	**9.21**
3	Insurance charges	**1.40**	**4.89**	**6.29**
4	Travelling and Conveyance	**0.86**	**42.31**	**43.17**
5	Printing and Stationery	**0.27**	**14.43**	**14.70**
6	Legal and Professional charges	**0.46**	**30.15**	**30.61**
7	Clearing charges	**0.82**	**43.75**	**44.57**
8	Outside Service charges	**45.95**	**59.29**	**105.24**
9	Repairs to Plant and Machinery	**0.01**	**5.06**	**5.07**
10	Other General expenses	**3.86**	**73.68**	**77.54**

	Nature of expenses	2016-17 Grouped under		
		Consumption of materials, cost of jobs and services	Other expenses	Total
		₹ in Crores	₹ in Crores	₹ in Crores
1	Rent	0.39	34.57	34.96
2	Power and Fuel	0.44	9.52	9.96
3	Insurance charges	1.60	4.85	6.45
4	Travelling and Conveyance	0.99	38.54	39.53
5	Printing and Stationery	0.27	14.39	14.66
6	Legal and Professional charges	0.21	21.87	22.08
7	Clearing charges	1.04	42.28	43.32
8	Outside Service charges	69.43	53.90	123.33
9	Repairs to Plant and Machinery	0.01	5.03	5.04
10	Other General expenses	4.26	97.63	101.89

44. Financial risk management objectives and policies

The Company's financial liabilities comprise borrowings, trade and other payables. The Company's financial assets include loans, trade and other receivables, cash and cash equivalents and other bank balances. The Company also holds FVTPL and FVTOCI investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors of the Company oversee the management of these financial risks through its Risk Management Committee as per Company's existing policy.

(i) 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 comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate change does not affect significantly short term borrowing, therefore the Company's exposure to the risk of changes in market interest rates relates primarily to the investment in debt mutual funds.

Given the portfolio of investments in debt mutual funds, etc. the Company has exposure to interest rate risk with respect to returns realised. It is estimated that a 25 bps change in 10 year Govt. bond yield would result in a profit and loss impact of approximately ₹ 4.66 crores (31-3-2017: ₹ 4.19 crores). This estimate is based on key assumption with respect to seamless transition of rates across debt instrument in the market and also basis the duration of debt instruments in turn held by mutual funds that the Company has invested in.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). Foreign currency risks are managed within the approved policy parameters utilising foreign exchange forward contracts.

As at the end of the reporting period, the carrying amounts of the material foreign currency denominated monetary assets and liabilities are as follows:

Currency	**Liabilities**		**Assets**	
	₹ in Crores	As at 31-3-2017 ₹ in Crores	**₹ in Crores**	As at 31-3-2017 ₹ in Crores
AED	**237.21**	287.21	**270.12**	433.65
USD	**262.66**	108.16	**52.99**	-

Foreign currency sensitivity

The following tables demonstrate the sensitivity of outstanding foreign currency denominated monetary items to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of financial assets and liabilities:

Particulars	**Effect on Profit and Loss account**		**Effect on Equity**	
	₹ in Crores	As at 31-3-2017 ₹ in Crores	**₹ in Crores**	As at 31-3-2017 ₹ in Crores
US Dollars +5%	**(7.07)**	(1.45)	**(4.63)**	(0.95)
US Dollars -5%	**7.07**	1.45	**4.63**	0.95
AED +5%	**1.65**	7.32	**1.08**	4.79
AED -5%	**(1.65)**	(7.32)	**(1.08)**	(4.79)

Details of Derivative contracts entered by the Company and outstanding as at Balance Sheet date

Particulars	**₹ in Crores**	As at 31-3-2017 ₹ in Crores
Forward contracts - (USD/INR)	**68.21**	148.28

The fair value of the Company's derivatives position recorded under financial assets and financial liabilities are as follows:

Particulars	**Liabilities**		**Assets**	
	₹ in Crores	As at 31-3-2017 ₹ in Crores	**₹ in Crores**	As at 31-3-2017 ₹ in Crores
Forex Forward Cover	**-**	1.64	**0.81**	-

(c) Equity price risk

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's Board of Directors reviews and approves all equity investment decisions.

The following table summarises the sensitivity to change in the NSE index on the Company's Equity and OCI. These changes would not have an effect on profit or loss.

	Impact on other components of equity (OCI)	
		As at 31-3-2017
	₹ in Crores	₹ in Crores
NSE Nifty 50 - increase 5%	**20.60**	12.83
NSE Nifty 50 - decrease 5%	**(20.60)**	(12.83)

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans and other financial assets. The Company only deals with parties which have good credit rating/ worthiness given by external rating agencies or based on Company's internal assessment.

Credit risk on receivables is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with this assessment. Moreover, given the diverse nature of the Company's businesses, trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10% or more of the trade receivables in any of the years presented.

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.

For Mutual Fund Investments, counterparty risk are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for Company's mutual fund investments.

Credit risk from cash and cash equivalents and balances with banks is managed by the Company's treasury department in accordance with the Company's treasury policy.

The Credit risk on mutual fund investments, cash and cash equivalents, and other bank balances are limited as the counterparties are banks and fund houses with high-credit ratings assigned by credit rating agencies.

The carrying value of the financial assets represents the maximum credit exposure. The Company's maximum exposure to Credit risk is disclosed in Note 42 "Financial Instruments". The maximum credit exposure on financial guarantees given by the Company for various financial facilities is disclosed in Note 38 "Commitments and Contingencies."

(iii) Liquidity risk management:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of 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 summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Contractual maturities of financial liabilities (31st March, 2018)	**Less than 1 year ₹ in Crores**	**More than 1 year ₹ in Crores**	**Total ₹ in Crores**
Non-derivatives			
Borrowings	27.82	-	27.82
Trade payables	2,114.50	-	2,114.50
Other financial liabilities	84.55	-	84.55
Total Non-derivative liabilities	**2,226.87**	**-**	**2,226.87**
Derivatives (net settled)			
Foreign exchange forward contracts	-	-	-
Total derivative liabilities	**-**	**-**	**-**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

Contractual maturities of financial liabilities (31st March, 2017)	Less than 1 year ₹ in Crores	More than 1 year ₹ in Crores	Total ₹ in Crores
Non-derivatives			
Borrowings	69.08	-	69.08
Trade payables	1,752.05	-	1,752.05
Other financial liabilities	90.32	-	90.32
Total non- derivative liabilities	1,911.45	-	1,911.45
Derivatives (net settled)			
Foreign exchange forward contracts	1.64	-	1.64
Total derivative liabilities	1.64	-	1.64

45. Operating Lease : Company as a Lessee

The Company has entered into operating lease agreements for its office premises and storage locations. There are no exceptional/ restrictive covenants in the lease agreements. Lease rental expenses debited to Statement of Profit and Loss is ₹ 38.96 crores (31-3-2017 : ₹ 34.57 crores)

Minimum lease payments for non-cancellable operating lease

		₹ in Crores	As at 31-3-2017 ₹ in Crores
(a)	Not later than one year	1.27	3.16
(b)	Later than one year but not later than five years	0.30	0.72
(c)	Later than five years	-	-

Operating Lease : Company as a Lessor

The Company has entered into operating lease agreements. An amount of ₹ 37.55 crores (31-3-2017: ₹ 39.09 crores) is recognised as lease income in the statement of profit & loss account for the year ended 31st March, 2018. All lease are cancellable, thus there are no future minimum rentals receivable under non-cancellable operating leases.

46. Capital Management

The capital structure of the Company consists of net debt and total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Company's Risk Management Committee reviews the capital structure of the Company considering the cost of capital and the risks associated with each class of capital.

47. Events occurring after Balance Sheet:

(i) The Directors have recommended final dividend of ₹ 132.35 crores at ₹ 4 per share on equity shares which is subject to the approval of shareholders at the ensuing Annual General Meeting. This dividend and tax thereon has not been recognised as a liability.

(ii) Further, an amount of ₹ 20.00 crores is proposed to be transferred to General Reserve which is approved in the Board Meeting held subsequent to the year end and thus has not been recognised as transferred during the year.

48. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.

For and on behalf of the Board

As per our report of even date	*Chairman*	**Noel N.Tata**	*Directors*	**Nani Javeri**
	Managing Director & CEO	**Pradeep Bakshi**		**R. N. Mukhija**
For **S R B C & CO LLP**	*Deputy Managing Director*	**Anil George**		**Vinayak Deshpande**
Chartered Accountants				**D. Sarangi**
ICAI Firm Registration Number: 324982E/E300003	*Executive Vice President - Finance & CFO*	**Abhijit Gajendragadkar**		**Bahram N. Vakil**
				Anjali Bansal
				Hemant Bhargava
per Dolphy D'Souza	*Vice President - Taxation, Legal & Company Secretary*	**V. P. Malhotra**		**Arun Kumar Adhikari**
Partner				
Membership Number: 38730				
Mumbai, 17th May, 2018				*Mumbai, 17th May, 2018*

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	31-3-2018	31-3-2018	31-3-2018	31-3-2018	31-3-2018	31-3-2018	31-3-2018	31-3-2018	31-3-2018
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	-	-	-	₹ 17.68	₹ 17.32	₹ 168.70	₹ 168.70	₹ 17.84	₹ 80.66
		₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
4	Capital	27.64	1.83	11.30	2.65	45.29	4.22	8.43	1.78	4.99
5	Reserves & Surplus (Other Equity)	258.56	(40.62)	(11.90)	25.52	(48.50)	66.07	(1.00)	55.34	53.41
6	Total Assets (excluding investments)	467.38	170.37	0.01	34.76	15.83	124.93	167.40	406.22	12.90
7	Total Liabilities (excluding 4 & 5 above)	181.18	209.16	0.61	6.59	19.04	54.64	159.97	349.10	0.16
8	Investments	-	-	-	-	-	-	-	-	45.66
9	Turnover (gross) / Total Income[4]	1,115.42	172.85	-	33.57	18.43	96.71	170.81	357.52	3.02
10	Profit / (loss) before Taxation	97.17	2.18	0.24	2.86	0.92	12.36	4.05	35.42	(0.97)
11	Provision for Taxation	34.43	2.04	-	-	0.04	1.91	0.26	3.48	-
12	Profit / (loss) after Taxation	62.74	0.14	0.24	2.86	0.88	10.44	3.79	31.92	(0.97)
13	Proposed Dividend	48.37	-	-	5.30	-	3.79	-	-	-
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 Board of Directors of VQWLL, it is subsidiary of Voltas Limited.
4. VNBV has only dividend income.

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. upto 2-9-2017**	Universal Voltas L.L.C.	Olayan Voltas Contracting Company Limited	Naba Diganta Water Management Limited	Voltas Water Solutions Private Limited	Voltbek Home Appliances 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	18-8-2017	13-5-2014	21-8-2012
2	Latest Audited Balance Sheet Date	2-9-2017	31-3-2018	31-3-2018	31-3-2018	31-3-2018	31-3-2018	31-12-2017	31-3-2018
3	Shares of Associate/Joint Ventures held by the Company on the year end								
	(i) Number	-	-	50,000	47,97,000	28,41,500	7,88,94,900	2,60,900	3,352
	(ii) Amount of Investment in Associates/ Joint Ventures (₹ in crores)	-	-	20.24#	4.80	2.84	78.89	1.56	***
	(iii) Extent of Holding %	-	49%*	50%	26%	50%	49%	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 crores)	-	56.92	11.32	5.00	0.08	73.84	12.12	Not Material
7	Profit / (loss) for the year								
	(i) Considered in Consolidation (₹ in crores)	(0.14)	9.98	(3.29)	0.74	(0.59)	(5.05)	2.16	Not Material
	(ii) Not considered in consolidation (₹ in crores)	-	-	-	-	-	-	-	Not Material

* Share Capital is held by Voltas Netherlands B. V., a wholly owned subsidiary.

** As the Company had sold its entire investment in Universal Weathermaker Factory L.L.C., it ceased to be a joint venture company of Voltas w.e.f. 2nd September, 2017.

*** Value below ₹ 50,000/-.

Includes ₹ 13.13 crores towards share application money.

For and on behalf of the Board

Chairman	**Noel N.Tata**	*Directors*	**Nani Javeri**
Managing Director & CEO	**Pradeep Bakshi**		**R. N. Mukhija**
Deputy Managing Director	**Anil George**		**Vinayak Deshpande**
			D. Sarangi
Executive Vice President - Finance & CFO	**Abhijit Gajendragadkar**		**Bahram N. Vakil**
			Anjali Bansal
Vice President - Taxation, Legal & Company Secretary	**V. P. Malhotra**		**Hemant Bhargava**
			Arun Kumar Adhikari

Mumbai, 17th May, 2018

Notes

Notes

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Registered Office: Voltas Ltd, Voltas House A, Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai - 400033, Phone: 022-66656333. Delhi Office: Voltas Ltd, A-43, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi: 110044. Phone: 011-66505550. Voltas Ltd. adheres to the E-Waste (Management & handling) Rules 2011 notified by the Ministry of Environment and Forests, Government of India. This product has been manufactured with high quality parts and materials which can be reused and are suitable for recycling. Do not dispose of the waste product with normal domestic and other wastes at the end of its service life. For more information on Voltas E-Waste and exchange policy please contact Voltas Toll No 1860-599-4555. Average AC (excluding Centralized AC) life under E Waste Management rules - 2016 Guidelines is 10 years. EEE Code is CCEW4. *Voltas Two Stage Steady Cool Compressor is a variable speed Inverter Compressor which gives Steady Cooling & Steady Savings. Savings pertain to savings generated in electricity consumption, over a period of time, as per standard test lab results which compare Voltas 5 Star Inverter AC to Voltas 2 Star Fixed Speed AC. The actual performance may vary. Actual Products might differ from the one shown above. For standard warranty terms refer to the user manual or visit www.myvoltas.com. For product registration SMS <WTA> to 9289525321 or call 1860 599 4555 or visit www.myvoltas.com. **100% Copper is available in select models only. This is a limited period offer. ## As per industry reports. Features available in select models only.

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