

Voltas Consolidated Financial Results for Q3 (2016-17)

February 14, 2017, Mumbai: The Board of Directors of Voltas Limited, the global air conditioning and engineering services provider of the Tata Group, today announced the Consolidated Financial Results (including the Consolidated Segment Report) for the quarter and nine months ended December 31, 2016. The Company adopted Indian Accounting Standards ("Ind-AS") from 1st April, 2016 and accordingly the financial results for current period and corresponding period last year have been prepared as per Ind-AS. The figures for previous period have been regrouped / restated wherever necessary in line with Ind-AS requirements.

Consolidated Results for the nine months period ended December 31, 2016:

The Consolidated Gross Sales/Income from Operations for the nine months period ended December 31, 2016 was higher by 4%, at Rs. 4011 crores as compared to Rs. 3870 crores in the corresponding period last year largely contributed by Unitary Cooling Products. Profit before tax was higher by 42%, at Rs. 470 crores as compared to Rs. 331 crores last year. Net Profit for the period was also higher at Rs. 311 crores as compared to Rs. 229 crores last year. Earnings per Share (not annualized) as at December 31, 2016 improved to Rs. 9.37 as compared to Rs. 6.88 last year (Face Value per share - Re. 1). Other Comprehensive Income recognized as per Ind-AS mainly includes notional mark-to-market gains on movement in market share price of certain strategic long term equity investments and other gains and losses. Accordingly, Total Comprehensive Income for the nine months period ended December 31, 2016 was Rs. 347 crores as compared to Rs. 237 crores last year.

Consolidated Results for the quarter ended December 31, 2016:

The short term impact of demonetization has weakened consumer and business sentiments. The Consolidated Gross Sales/Income from Operations for the quarter ended December 31, 2016 which was lower by 6% at Rs. 1194 crores as compared to Rs. 1266 crores in the corresponding quarter last year. However, Profit before tax was significantly higher by 62% at Rs. 125 crores as compared to Rs. 77 crores last year due to improved margins, tighter control on overheads and higher income from investments. Net Profit for the period was also higher by 44%, at Rs. 82 crores as compared to Rs. 57 crores last year.

Consolidated Segment Results for the quarter ended December 31, 2016:

Electro-Mechanical Projects and Services: Progress on certain new orders and general pace of execution remained slow. Accordingly, Segment Revenue for the quarter was lower at Rs. 703 crores as compared to Rs. 724 crores in the corresponding quarter last year. However, Segment Result improved to Rs. 27 crores as compared to loss of Rs. 4 crores last year, also due to positive closure of certain old projects. Order Book of the Segment stood higher at Rs. 4196 crores as compared to Rs. 3640 crores in the same quarter last year.

Engineering Products and Services: Segment Revenue and Result for the quarter were Rs. 81 crores and Rs. 20 crores as compared to Rs. 111 crores and Rs. 25 crores, respectively in the corresponding quarter last year. Segment performance in Q3 last year included a one-off transaction for sale of refurbished used loader in the Mining & Construction Equipment business. Additionally, performance of Textile Machinery business remained subdued due to various environmental and operational challenges, including demonetization.

Unitary Cooling Products for Comfort and Commercial use: The Segment had grown strongly from April 2016 to October 2016 but was negatively impacted after demonetization. There was a decline in sales by 5% and was Rs. 411 crores as compared to Rs. 431 crores in last year. As a result, Segment Results were lower at Rs. 43 crores as against Rs. 50 crores in the corresponding quarter last year. Despite severe competition, the Company maintained its leadership position in Room Air Conditioners across all regions of India with YTD market share of 21.7% at Multi-Brand outlets.

Issued by:

Ms. Asawari Sathaye (Tel: 022-66656280/1)
Senior Manager
Corporate Communications & Investor Relations

Rediffusion / Edelman
Ms. Neha Khatter (Delhi) 91-8826416555
Ms. Esha Ahuja (Mumbai) 91- 9820229225

VOLTAS LIMITED

Corporate Communications Department

Voltas House A 4th Floor Dr Babasaheb Ambedkar Road Chinchpokli Mumbai 400 033

Tel 91 22 66656280 66656281 Fax 91 22 66656288 website www.voltas.com

Corporate Identity Number L29308MH1954PLC009371

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