

**VOLTAS CONSOLIDATED FINANCIAL RESULTS FOR 2013-14**

May 29, 2014 Mumbai: The Board of Directors of Voltas Limited, a global air conditioning and engineering services provider of the Tata Group have today announced the Consolidated Audited Financial Results and Segment Report for the year ended March 31, 2014.

Quarter ended 31st March, 2014:

The consolidated Sales/Income from operations for the quarter ended 31st March, 2014 was Rs.1450 crores as compared to Rs.1592 crores in the corresponding quarter last year. Operating Profit for the quarter was significantly higher by 58% at Rs.123 crores as compared to Rs.78 crores in the corresponding quarter last year. Profit before tax (after exceptional items) was Rs. 140 crores for the current quarter as compared to Rs.14 crores in the corresponding quarter last year which also included a charge of Rs. 96 crores towards the Onerous contract. At the same time, exceptional income (net) in the current quarter was Rs. 17 crores as compared to Rs. 32 crores in the corresponding quarter last year. Net Profit after Minority interest for the current quarter was at Rs.100 crores as compared to Rs.9 crores in the corresponding quarter last year.

Year Ended 31st March, 2014:

The consolidated Sales/Income from operations for the year 2013-14 was lower by 5% at Rs 5244 crores as compared to Rs 5514 crores in the previous year primarily due to the Project Businesses. However, due to impressive performance of the Products businesses, Operating profit was higher by 19% at Rs. 318 crores for the year under review as compared to Rs. 268 crores last year. Profit before tax was Rs 340 crores and Net Profit (after Minority Interest) was Rs 246 crores as compared to Rs 280 crores and Rs 208 crores, respectively in the previous year. Though PBT of 2012-13 at Rs. 280 crores was after considering charge of Rs. 96 crores towards the Onerous contract, it also included exceptional income (net) of Rs. 108 crores. During the current year (2013-14), exceptional income (net) was Rs. 22 crores only.



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The Board has recommended dividend of Rs 1.85 per share of Re. 1/- each (185%) for the year ended 31st March, 2014, including special diamond jubilee dividend of 25%.

Electro-Mechanical Projects and Services:

Segment's revenue was lower at Rs.2692 crores as compared to Rs.3200 crores last year. Moreover, result of this segment, was significantly impacted due to performance of overseas Projects business, resulting in a loss of Rs.39 crores as compared to profit of Rs.51 crores last year.

As earlier reported execution of certain on-going overseas projects was delayed, which have now resulted in further extension of the completion dates and caused certain contractual disputes. Consequently, there have been cost overruns which have been accounted for in line with the requirements of AS-7 though claims for additional revenue and extension of time have been raised. The Company had in the previous years, due to significant upward revision in the total estimated costs to complete a major project in Qatar, Sidra Medical and Research Centre Hospital (Onerous contract) accounted for the cost overruns in accordance with AS-7 and in line with the revised completion schedule, including the integrated testing and commissioning. While additional costs to come for the extended completion date along with possible enhancement of revenue from variations/claims have been estimated based on the current technical data, uncertainties in the process of approval of variations and complexities in nature of the project continue. The final completion schedule and other terms are yet to be finalized between the Main Contractor and the end Customer, which may modify the Company's current estimates and entitlements. Nevertheless, the Company is pursuing its entitlements vigorously.

Domestic Project Business:

The Domestic projects business also had its share of challenges primarily on account of external factors which has impacted its turnover. However, due to tight control on costs and various measures to improve margins, the overall profitability has improved.

The Order Book of the Electro-Mechanical Projects and Services Segment stood at Rs.3612 crores as at 31st March, 2014 as compared to Rs.3719 crores as at the end of the previous year.



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Engineering Products and Services:

Both Textile Machinery and Mining & Construction businesses have performed better than last year due to new offerings and customer-centric approach. However, as mining activities continue to remain frozen (banned) in many States, the performance of Mining & Construction business in India remains impacted. At the same time, as a consequence of consolidation of global mining companies, the Company has transferred its dealership rights for certain products to incumbent dealers, resulting into a one-time exceptional income from assignment of long term maintenance contracts. Similarly, certain cost provisions earlier made have been reversed as they are no longer required as the contracts are nearing completion. Revenues and Results of this segment were at Rs.448 crores and Rs.125 crores as compared to Rs.431 crores and Rs.84 crores, respectively, last year.

Unitary Cooling Products for Comfort and Commercial use:

Despite intense competition and unfavourable climatic conditions, Voltas sustained its No.1 market position in the Unitary Cooling Products business during the whole of 2013-14. With growth in sales volumes in 2013-14 exceeding the overall industry growth, the Segment's Revenue increased by 12% and was Rs.2052 crores as compared to Rs.1836 crores last year. Profit was also significantly higher by 52% at Rs.252 crores as compared to Rs.166 crores last year, due to improving margin realization, better product mix and savings in costs.

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