



VOLTAS

A **TATA** Enterprise

Annual Report 2015-2016

Driving Value Through
Smart Engineering



Driving Value Through Smart Engineering

It has been a rather memorable 60-plus years for Voltas. We've made significant strides in innovation and development. Delivered outstanding solutions in

engineering and cooling. Led the market and secured growth in key sectors – such as, air conditioning & refrigeration for both consumers and industries. Provided end to end textile solutions, sold and serviced mining & construction equipment, undertook large-scale infrastructure projects including stadiums, airports, metro rail, water management, rural electrification etc...

And through it all, we've retained our focus on CSR, touching the lives of the many people in our connected communities. We have targeted 100% workplace safety. And pursued an energy-saving eco-friendly agenda that's been an example to industry.

Early this year, Voltas rolled out its Vision:

Driving Value through Smart Engineering, supported by the five pillars of Voltas' values: **Smart Thinking, Winning Attitude, Innovation, Flexibility and Teamwork**. Affectionately called **SWIFT**, it's a mind-set and methodology deeply rooted in our DNA. More than ever before, smart and capable Voltasites across businesses are building on these principles. And yes, they have a clear target. They're out to create a stronger value proposition – for our shareholders, our employees, the communities around us and other stakeholders.

Following a lead from the Tata Group, to which we proudly belong, the Company has set its sights on **Profitable & Sustainable Growth**. Guiding that journey is the essential principle of symmetry and synergy. Simply put, our businesses and support services no longer work in isolated silos. Instead, they interact and transact in harmony, mirroring one another like the fragments of a kaleidoscope. Best practices are applauded, freely spread and shared towards a common goal: to offer smart best-in-class solutions built on the core of strong customer centricity.

The following pages illustrate this spirit ...



UNITARY PRODUCTS BUSINESS GROUP (UPBG)

– Smart Advertising and Smarter Products

The year has seen a number of landmark events. We've unveiled our All-Star All-Weather AC range. And, extending our strong cooling equity, we've branched out even further with the pan-India launch of Voltas Fresh Air Coolers. We now have well over 10,000 touch points with our consumers.

Our communication has been revamped to deliver greater effectiveness and consumer connect. Our advertising now has a new face - several new faces, in fact. The ingenious Mr. Murthy has been – let's say – transferred again. His place has been taken by an extended family – the Gupta & Sharma parivars, the icons for the smart new value proposition of *Run 2 ACs at the cost of 1*. We hold out the promise of energy efficiency and lower power bills that families seek, bundled along with a delightful cooling experience. Is it any wonder that the brand has comfortably held on to its No.1 market position in the face of fierce local & multinational competition?

The digital spirit has now spilled over from UPBG's products to its services as well. We've invested in a new CRM system that captures and studies end-user feedback and have added a welcome twist to the customer brand experience. A very handy Smart App that provides fingertip access to useful info and resources. And instant contact too, all while on the move - part of a drive to fulfil the hidden wish-list that every consumer has. Yes, the consumer's wish is our command, in every sense.





DOMESTIC PROJECTS GROUP (DPG)

– Smart Technologies for Speedy Service

Customer service has always been DPG's edge, but can we be even better? Being fast, responsive and cost effective is the name of the game. These were the thoughtful objectives behind a remarkable innovation - remote monitoring for predictive maintenance. At HVAC&R (Heating, Ventilation, Air conditioning & Refrigeration) installations across the country, a special transmitter wirelessly beams out vital data. Experts at distant monitoring stations keep real-time track of performance, upkeep levels, sub-par components and other vital signs. Trouble is spotted well before it could happen, and quickly averted by skilled technicians and engineers. Currently, Remote Monitoring has been set up at over 600 chiller installations across the length and breadth of our nation, with many more scheduled in the year ahead.

Remote Monitoring is yet another way for DPG to assert its presence, along with its well-known ability to deliver at scale across a range of projects and products. We continued to uphold our reputation in technology with several notable projects including a gigantic state-of-the-art convention centre in Mumbai, with work embracing 3D modelling of key electro-mechanical systems. Water treatment solutions and rural electrification are two other segments where we are demonstrating our capability to make a positive difference.





INTERNATIONAL OPERATIONS BUSINESS GROUP (IOBG)

– Smart Operating Models, Learning from the Past

The many environmental issues faced in the Middle East have provided an opportunity to reflect on the conduct of our own business. We have used our learnings to reorganize ourselves – delivering better selection of projects, sharper commercials, superior planning, good project management and timely execution. It's about extracting synergy driven through team work. It's about centralizing support services, about communicating often and well. It's about cogent leadership, being open, logical and transparent in all operations and decisions. It's about strategic thinking, fostering suitable alliances and building long lasting relationships with JV partners and like-minded Main Contractors of repute.

Systematic risk-mitigation is now routinely carried out for every prospective project, big or small. The priorities are clear. First Cash, then Profit and only thereafter, the Turnover. Prefabrication has now been optimized as IOBG's staple construction mode, ensuring cost effective, speedy execution within limited time windows. These are all valuable additions to our intrinsic capability as we await profitable project opportunities, led by mega events such as Dubai Expo 2020 and the FIFA World Cup 2022 in Qatar.





TEXTILE MACHINERY DIVISION (TMD) MINING & CONSTRUCTION EQUIPMENT DIVISION (MCED)

– Smart Partnerships and Smart Execution

If there is one thing that stands out in TMD, it's their penchant for identifying, nurturing and developing win-win business relationships. This then lies at the core of our proud and long standing 50 year plus relationship with principal partner Lakshmi Machine Works. A sales and service partnership that has grown over the years, securing an enviable market share of over 60% in spinning, despite the onslaught of multinational competition. TMD is proud to represent as many as 20 principals offering end to end products and solutions across the spectrum of Spinning and Post-spinning needs. Trusted by over 3500 end Customers, TMD continues to gain ground in front-line technologies such as compact spinning and digital printing.

Mining Equipment has faced a challenging year, with stagnant domestic activity. Undeterred, the Company made a strategic shift of focus towards overseas expansion, and has single-mindedly grown its mining service operations in Mozambique. Delivering to stringent customer expectations, Voltas' smart and capable technical team has been rewarded with additional contracts from Vale for servicing a variety of high end critical equipment, for their Moatize coal project. Meanwhile, the current impasse in domestic mining will not be indefinite and we remain cautiously optimistic about better times ahead.



BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

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

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

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

Solicitors

Messrs Mulla & Mulla and Craigie, Blunt & Caroe

Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants

Bankers**In India**

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

Overseas

Emirates NBD Bank PJSC (UAE)
Union National Bank (UAE)
HSBC Bank Middle East Limited (UAE, Qatar, Bahrain)
First Gulf Bank (UAE)
Doha Bank (Qatar)
Credit Agricole Corporate and Investment Bank
(Singapore)

Registered Office

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

Share Registrars

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

Annual General Meeting :
Monday, 29th August, 2016 at 3.00 p.m.
at Birla Matushri Sabhagar,
19, Sir Vithaldas Thackersey Marg, Mumbai 400 020.

HIGHLIGHTS

		2015-16	2014-15	2013-14	2012-13	2011-12
1. SALES AND SERVICES	₹	585868	516600	528047	556664	520829
2. OTHER INCOME	₹	14322	14752	12256	10702	10921
3. COST OF SALES AND SERVICES (incl. Excise Duty)	₹	415290	361916	389107	421960	381323
4. OPERATING, ADMINISTRATION AND OTHER EXPENSES	₹	133760	122690	119356	118631	113469
5. Staff Expenses (included in 3 & 4)	₹	(66985)	(58992)	(59469)	(63253)	(59952)
Number of Employees (including Contract Staff)	Nos.	8741	8424	9101	10191	11611
6. OPERATING PROFIT	₹	51140	46746	31840	26775	36959
7. EXCEPTIONAL INCOME/(EXPENSES)	₹	4068	4619	2154	1208	(15046)
8. PROFIT/(LOSS) BEFORE TAXATION	₹	55208	51365	33994	27983	21913
<i>Percentage to Sales</i>	%	9.4	9.9	6.4	5.0	4.2
<i>Percentage to Total Net Assets</i>	%	20.8	23.1	16.3	14.8	12.9
9. TAXATION	₹	15994	12762	9413	7276	5712
10. PROFIT/(LOSS) AFTER TAXATION	₹	39214	38603	24581	20707	16201
<i>Percentage to Sales</i>	%	6.7	7.5	4.7	3.7	3.1
<i>Percentage to Shareholders' Funds</i>	%	16.4	18.4	13.5	12.7	11.0
11. NET PROFIT / (LOSS) AFTER TAXES, MINORITY INTEREST AND SHARE OF PROFIT / (LOSS) OF ASSOCIATE	₹	38559	38434	24536	20778	16206
12. RETAINED PROFIT	₹	27360	28629	17374	14584	10053
13. DIVIDEND ON EQUITY CAPITAL	₹	8603	7445	6121	5294	5294
<i>Percentage</i>	%	260	225	185	160	160
14. FIXED ASSETS (AT COST)	₹	51175	45936	46099	45051	42446
15. DEPRECIATION	₹	28939	26589	25065	23951	21946
16. INVESTMENTS	₹	152575	109389	73204	40735	31161
17. NET CURRENT AND NON-CURRENT ASSETS	₹	85600	90154	111594	124633	116043
18. DEFERRED TAX ASSET (NET)	₹	5105	3485	2389	2218	2424
19. TOTAL NET ASSETS	₹	265516	222375	208221	188686	170128
20. SHARE CAPITAL	₹	3308	3307	3307	3307	3307
21. RESERVES AND SURPLUS	₹	236214	206900	178625	159255	144477
22. SHAREHOLDERS' FUNDS	₹	239522	210207	181932	162562	147784
<i>Equity per Share (Book Value)</i>	₹ †	*72.39	*55.59	*48.29	*44.81	*41.21
<i>Earnings per Share</i>	₹ †	*11.65	*11.62	*7.42	*6.28	*4.90
Number of Shareholders	Nos.	105465	99973	103543	116804	120098
Share Prices on Stock Exchange - High	₹ †	*360	*301	*164	*138	*189
- Low	₹ †	*211	*149	*63	*73	*72
23. BORROWINGS	₹	25995	12167	26289	26124	22344
<i>Debt/Equity Ratio</i>	%	11	6	14	16	15
<i>(Percentage to Shareholders' Funds)</i>						

* Face Value of ₹ 1 each

- Notes : 1. All amounts are Rupees in Lakhs except those marked †
 2. Figures from 2008-09 onwards are based on Consolidated Financial Statements.
 3. Previous year's figures have been regrouped / reclassified, wherever necessary.

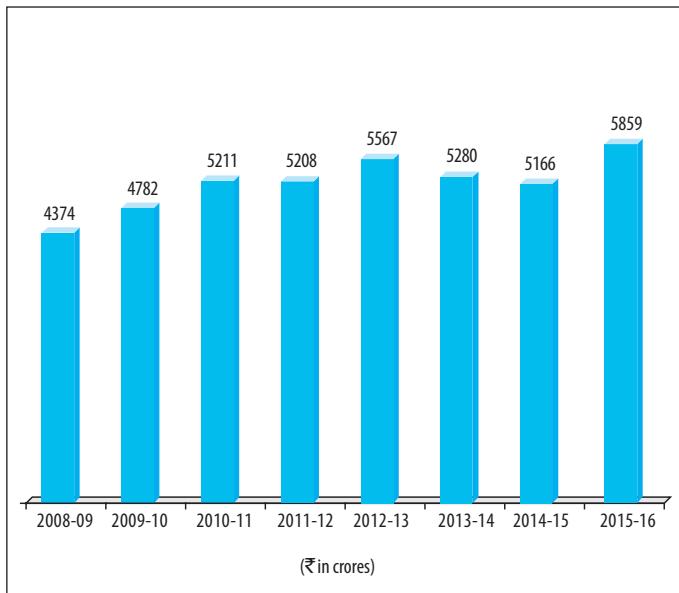
2010-11	2009-10	2008-09	2007-08	2006-07	1994-95	1984-85	1974-75	1964-65	1954-55	
521142	478183	437391	308617	245078	81089	26607	15934	4223	991	1
7303	7846	9621	4632	3071	759	150	40	5	2	2
371536	331198	321654	227671	186100	60368	21080	13856	3468	815	3
108524 (55626)	104154 (54502)	90799 (46557)	57811 (27685)	46537 (24008)	19225 (9997)	5556 (3170)	1955 (1031)	522 (363)	153 (109)	4 5
13345	9627	10657	7378	5848	10667	8147	7252	5082	2324	
48386	50677	34559	27767	15512	2255	121	163	238	25	6
4019	2502	2613	2987	6771	(78)	—	—	—	—	7
52405	53179	37172	30754	22283	2177	121	163	238	25	8
10.1	11.1	8.5	10.0	9.1	2.7	0.5	1.0	5.9	2.5	
35.0	47.5	38.3	52.5	48.1	5.0	1.1	4.6	18.3	6.5	
17246	14723	11718	9917	3675	5	—	83	141	11	9
35159	38456	25454	20837	18608	2172	121	80	97	14	10
6.7	8.0	5.8	6.8	7.6	2.7	0.5	0.5	2.3	1.4	
25.8	35.4	32.2	38.7	48.9	13.2	4.1	6.7	17.6	9.1	
35724	38099	25140	—	—	—	—	—	—	—	11
28033	30382	18946	15610	14737	997	23	5	59	6	12
6618	6618	5294	4467	3309	1158	98	75	38	8	13
200	200	160	135	100	35	10	12	15	5.5	
41005	40831	41186	28178	24493	30651	5014	1232	447	53	14
18802	18211	18385	12228	11506	10718	1580	642	82	3	15
26859	23394	15625	26793	13741	8245	512	132	67	—	16
99261	63996	56453	13813	16594	14950	6583	2859	867	336	17
1521	2024	2240	2043	2967	—	—	—	—	—	18
149844	112034	97119	58599	46289	43128	10529	3581	1299	386	19
3307	3307	3307	3307	3307	3428	978	623	255	150	20
132864	105209	75668	50525	34768	13048	2002	570	295	4	21
136171	108516	78975	53832	38075	16476	2980	1193	550	154	22
*38.43	*30.08	*22.03	*16.27	*11.50	49.5	305	191	216	1027	
*10.80	*11.51	*7.60	*6.30	*5.62	6.8	12	13	38	93	
93220	98788	119549	81371	96312	84180	45237	14395	7356	150	
*263	*190	*197	*267	*120	176	470	211	276		
*147	*46	*31	*79	*75	92	356	125	183		
13672	3517	18144	4767	8214	26652	7549	2388	749	232	23
10	3	23	9	22	162	253	200	136	151	

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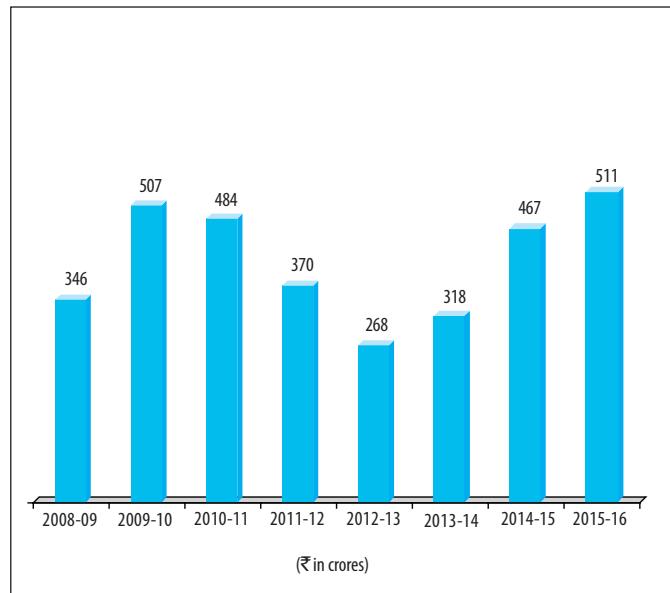
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FINANCIAL INDICATORS (CONSOLIDATED)

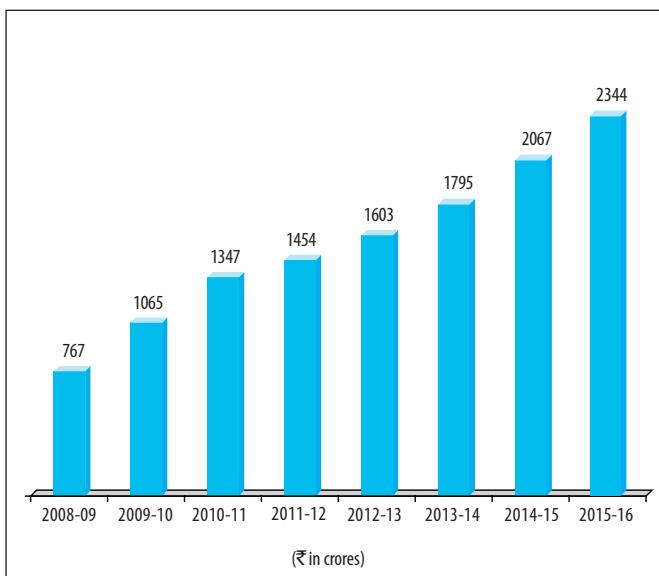
SALES AND SERVICES



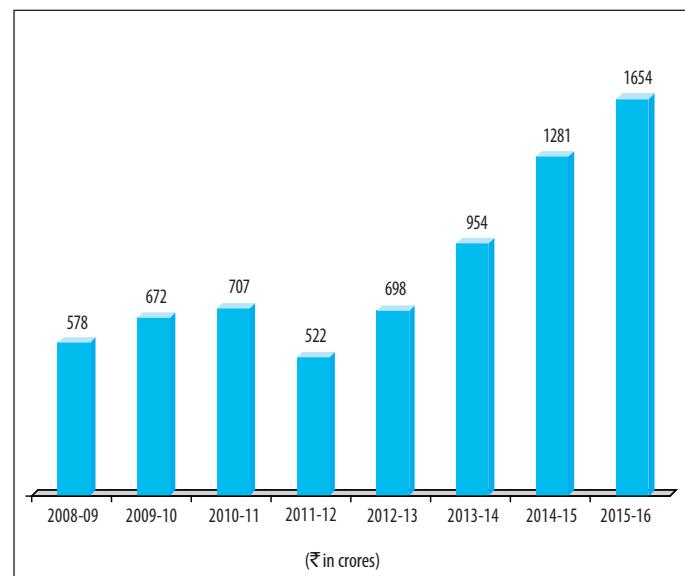
OPERATING PROFIT



NET WORTH

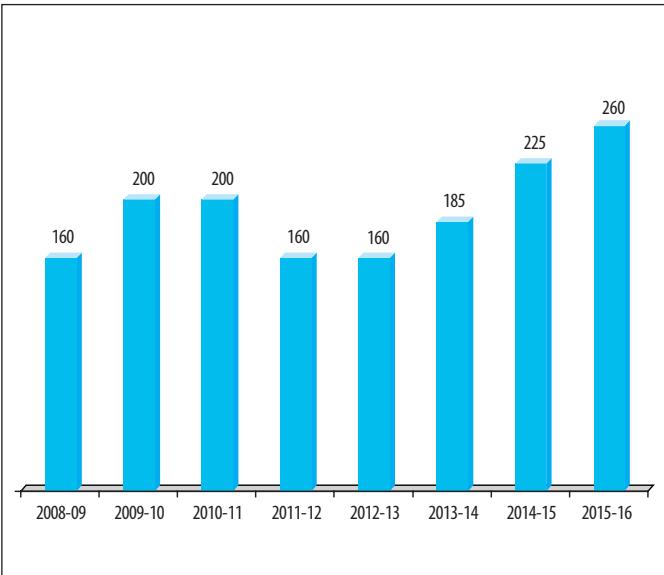


CASH AND BANK WITH LIQUID INVESTMENTS

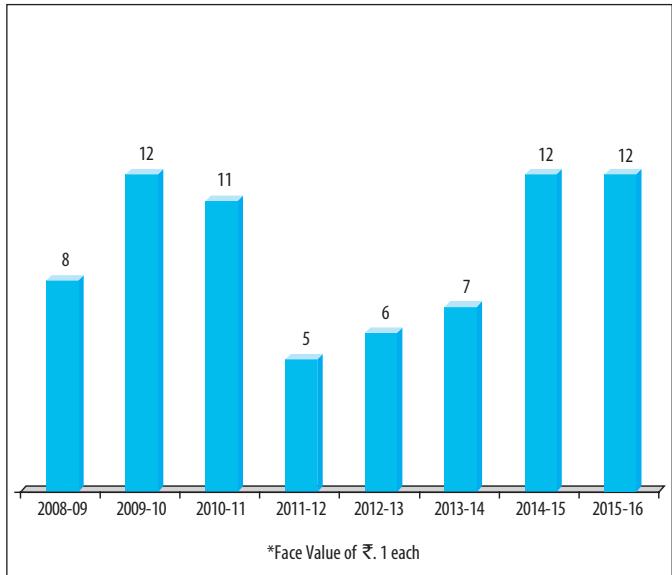


FINANCIAL INDICATORS (CONSOLIDATED)

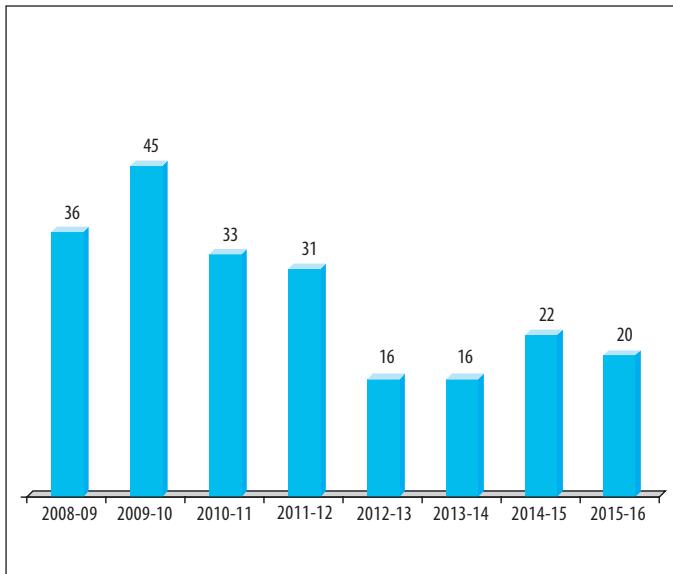
DIVIDEND % ON EQUITY CAPITAL



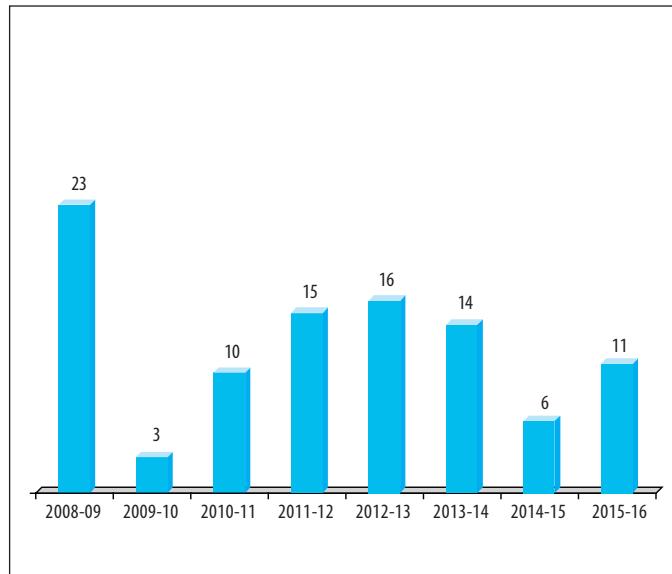
EARNINGS PER SHARE (₹)*



RETURN ON CAPITAL EMPLOYED %



DEBT / EQUITY %



REPORT OF THE BOARD OF DIRECTORS

To The Members

Your Directors present their Sixty-Second Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2016.

1. Financial Results

	₹ in crores			
	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Revenue from Operations (Gross)	5214	5191	5884*	5205*
Profit for the year after meeting all expenses but before interest, depreciation and exceptional items	462	453	554	518
Interest	8	16	15	23
Depreciation and amortization	19	22	28	28
Profit before exceptional items	435	415	511	467
Exceptional items (Net)	33	18	41	46
Profit before tax	468	433	552	513
Provision for taxation	135	104	160	127
Profit after tax	333	329	392	386
Minority Interest and Share of (Profit)/Loss of Associate	—	—	(6)	(2)
Profit after Minority Interest and Share of (Profit)/ Loss of Associate	333	329	386	384
Adding thereto:				
– Balance brought forward from the previous year	572	351	755	500
– Credit on Dividend Distribution Tax	10	6	9	2
Profit available for appropriations	915	686	1150	886
Appropriations:				
– General Reserve	20	20	31	27
– Proposed Dividend	86	74	86	74
– Dividend Distribution Tax	18	15	26	24
– Legal Reserve	—	—	2	1
– Depreciation on transition to Schedule II of the Companies Act, 2013	—	5	—	5
Leaving a balance to be carried forward	791	572	1005	755

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

REPORT OF THE BOARD OF DIRECTORS, continued

2. Reserves

An amount of ₹ 20 crores was transferred to the General Reserve out of Profit available for appropriation and ₹ 791 crores was retained in the Statement of Profit and Loss.

3. Dividend

The Company's dividend policy is based on the need to balance the twin objectives of appropriately rewarding its shareholders with dividend and of conserving resources to meet its future needs. The Directors recommend a dividend of ₹ 2.60 per equity share of ₹ 1 each (260%) for the year 2015-16 (2014-15: 225%), based on the Company's performance.

4. Operations

During the course of the year, the major points of concern for the Global economy revolved around a slowdown in the emerging markets, China's economic rebalancing, lower commodity prices and a gradual exit from the accommodative monetary conditions in the United States. The Middle East Countries, more relevant to Voltas, given its areas of operations, are currently coping with numerous challenges due to the steep correction in crude oil prices. These have in many ways led to visibly restrained and extra cautious spending in these geographies, along with generally longer payment periods, certification delays and a substantial increase in the number of commercial disputes.

On the domestic front, the Indian economy is widely anticipated to grow at 7%-7.5%, fastest amongst the large economies having overtaken China more recently, with potential for even higher growth rates. Hope of private investment and consumer sentiment revival remains, despite limited 'on the ground' movement on much talked about initiatives of the Union Government. Given the backdrop of moderate inflation (including negative WPI), the RBI offered some relief in interest rates. That said, the expectations from both the RBI and the Government are to take even more measures for creating the necessary growth enablers like moderate inflation, stable exchange rates, various policy reforms and prudent fiscal consolidation. Early resolution of gridlocks on land acquisition, enactment of GST and Labour policy would also provide a strong push to the investment climate in the country.

Overall, led by an uptick in turnover of the Projects business, the Consolidated Sales/Income from Operations was at ₹ 5884 crores as compared to ₹ 5205 crores last year. However, improved margin

realization and greater cost controls contributed to higher Profit before Exceptional items and tax at ₹ 511 crores, as compared to ₹ 467 crores last year. During the year, net exceptional gain was ₹ 41 crores as compared to ₹ 46 crores last year. Profit Before Tax was higher at ₹ 552 crores as compared to ₹ 513 crores last year. Net Profit after Minority Interest was marginally higher than last year, at ₹ 386 crores.

With inclement weather conditions especially during the peak summer months in Q1, the Room AC industry had a comparatively muted year reporting a secondary volume growth of 12% as compared to 23% last year. However, the Company's Unitary Cooling Products business, through various strategic marketing and sales promotion activities and launch of new AC models, sustained its leadership position throughout the year with an increased market share of 21.1% as compared to 20.8% last year. This was owing to products, smart advertising coupled with timely sales and marketing efforts especially during the festival months and pockets of high temperatures witnessed in spurts across India at various times over the course of the year. Having capitalized these opportunities, the business has ensured a growth in the annual profitability and volume numbers. While doing so the +400 bps gap in market share compared to the nearest competition, was maintained. The year also marked the launch of the Voltas Fresh Air Cooler range targeting the yet untapped and largely unorganized Air Cooler market. Similarly, various initiatives on Commercial Refrigeration products have yielded encouraging results with addition of new customers as well as fresh business from existing customers.

In the Domestic Projects business, even though RBI has reduced the borrowing rates, availability of capital continues to be a concern, with large parts of the private sector still waiting for public spending to take off. Activity in addressable segments of Heating Ventilation and Air Conditioning (HVAC) and Electrical, Mechanical and Plumbing (MEP) is limited with few orders being tendered, witnessing intense competition and often illogical pricing. With due focus on profitability, orders were picked up selectively in an appropriately risk mitigated manner at reasonable margins. Delays in project execution, deferment of commercial entitlements and an adversarial approach to settlements have, to some extent, subdued the performance of the Projects business. Nevertheless,

REPORT OF THE BOARD OF DIRECTORS, continued

the timely business efficiency improvement program has led to various improvements in the processes and systems leading to realization of better margins and savings in costs. Accordingly, despite environment led adversities, the business has recorded higher Revenue and Profit as compared to last year.

As mentioned earlier, the environment in the Middle East region is marked by an element of pessimism driven by the unprecedented decline of crude oil prices. Moreover, the slower pace of project execution, reluctance to officially extend project timelines, 'engineered' delay in settlement of commercial entitlements, increasing tendency to legally dispute, go to arbitration, etc. have further compounded the adverse situation. Meanwhile, with assistance from execution on some of the new overseas projects, there has been growth in turnover from international projects business. However, extension of project completion dates, acceleration costs and delays in settlement have necessitated conservative accounting in line with the requirements of Accounting Standard (AS)-7. While the Company remains focused on sensibly improving the margins and carry forward order book, considerable emphasis is also being placed on quick commercial closure and resolution of past projects.

To mitigate the environment led adversities, the international business has adopted various corrective measures to protect its commercial entitlements while chasing speedy settlement of older projects. Techno-commercial audits both, while booking of jobs and during execution of the projects, are prudently carried out including risk assessments. The business continues to pursue suitably risk mitigated projects while keeping within the established business boundaries. Prior to submitting tenders for large value projects, they are also subject to stringent scrutiny by an independent Project Review Committee. This has helped ensure that booking of new orders are at reasonable margins. Orders booked by the Projects businesses, both domestic and international during the year were ₹ 2306 crores (including LALVOL) which include ₹ 284 crores for a tunnel ventilation project in Singapore, ₹ 220 crores for MEP works of a convention center in Mumbai and ₹ 96 crores for water project in Cuttack. With this, the carry forward consolidated order book of Projects business was ₹ 3914 crores as compared to ₹ 3893 crores at the end of last year.

Despite a difficult business environment, the Engineering Products business also recorded higher

Revenue and Profit as compared to last year. The Indian textile industry continues to grapple with unfavorable market rates, intense competition, adverse fluctuation in foreign exchange rates, unsupportive foreign trade pacts and not to forget, the reduction in demand from China. Having said that, subsidy driven new project ordering activity continues, thereby leading to best order intake for the Spinning machineries in the last 5 years. While drop in utilization levels have somewhat slowed down the parts and accessories business, the operating team remains focused on capitalizing on all possible opportunities for parts and services business. The Central Government's renewed support to post spinning activities under the Amended-TUF scheme has reinforced the strategic decision to diversify into post spinning activities.

With mining activity yet to pick up in India, the revenue and profitability of Mining and Construction Equipment (M&CE) business remained under pressure. Accordingly, a significant share of the turnover and profit of M&CE is attributable to its International business. Mozambique operations continue to remain strong, with inclusion of additional heavy equipment. In domestic operations, M&CE has successfully concluded a transaction for sale of an imported and refurbished loader in the current year.

5. Finance

The overall cash position including cash and bank balances and investments in mutual funds / bonds has reached a new high of ₹ 1654 crores as compared to ₹ 1281 crores in the last year. Borrowings specific to overseas projects have increased from ₹ 122 crores in last year to ₹ 260 crores at a consolidated level as a consequence of increased activities. Despite the comfortable liquidity position, emphasis on collection of outstandings and realization of money remain a top priority across businesses.

On the business front, the Products business continues to provide much needed liquidity given the largely cash and carry model with limited credit. Unitary Cooling Products business has been able to maximize this using channel financing, cash discounts, etc. Similarly, the Engineering Products business has been able to restrict the credit to a minimum level and ensure that collections were maximized. However, difficulties do exist on collections from some mining customers due to their stretched balance sheet position, coupled with limited business opportunities in India.

REPORT OF THE BOARD OF DIRECTORS, continued

A difficult phase for the Projects businesses continues with delays in certification of bills, elongation of payment cycles and an increasing tendency to dispute variations and claims. Settlements on completed projects are also taking longer than expected thereby increasing the stress levels on the businesses. In particular, the drop in crude oil prices has increased the already tight liquidity position in the Middle East geography. Nevertheless, focus on cash flow and working capital strongly remains in place with the Projects businesses striving to take all possible efforts to recover their commercial entitlements.

6. Tata Business Excellence Model (TBEM)

The Company has focused on the findings of the TBEM Assessments carried out in the recent past and is strengthening the operational processes further. The Company and Business Unit level action plans were identified and implemented to move forward in the journey of business excellence.

In order to enhance the customer satisfaction in Service, the Company constituted a Deep Dive Diagnostic study for After-Sales-Service process of Unitary Cooling Products business. The study has identified some opportunities and is in the process of rolling out action plans for enhancing the customer experience further. At the same time, the Company has initiated continual improvement projects with the objective of improving operational efficiencies in certain key areas critical to Business Units.

To facilitate seamless Business Excellence journey, the Company continues to develop a pool of Business Excellence champions. Currently, the Company has 56 Business Excellence champions of which, 10 have contributed to External Assessment process conducted at Tata Group level. The contribution of 2 assessors, out of these 10, has been recognized at annual Business Excellence Convention.

The Company continues to develop and launch new products and service solutions to customers. Unitary Cooling Products business participates in Tata Innoverse, a Tata Group level portal, to seek inputs from other Tata Group companies to develop innovative solutions for the customers.

7. IT Initiatives

It is imperative for every organization to efficiently manage its Business Applications in a way that they remain current and have the ability to adapt to the ever-changing external environment. In 2015-16,

Voltas IT focused on the upgrade of its SAP ERP, the core Line of Business Application for the Company, including the hardware infrastructure that supports it. All SAP Servers were upgraded to the latest EHP7 version, providing enhanced features and functionality to the Organization. Subsequently, with the upgrade of the Tax Procedure in SAP to TAXINN, the Company is now ready for the implementation of GST as and when it rolls out in the country. In an effort to standardize business processes across all Voltas Group entities, SAP was rolled out in two JVs – Voltas Qatar WLL and Universal Voltas LLC.

Continuing its focus on Process, Controls and accurate Reporting, the Related Party Transactions requirements, under the Companies Act, 2013, were incorporated into the Voltas ERP system. With this, data compilation and reporting have been automated and system based alerts and checks have been implemented - thus removing all manual work and possibilities of any errors.

In its endeavour to further improve organizational efficiency and productivity, many appropriate IT-based solutions were rolled out during the year. These included V-CAS portal for HR, Admin Helpdesk, IT Asset Management, Suggestion Scheme and Quiz and Survey facility to engage deeper with employees.

To ensure high availability, performance and security of the overall IT Systems, multiple enhancements were done on the IT Infrastructure front. These included Disaster Recovery Server for Siebel CRM, Upgrade to Managed Network Switches across all locations in India and addition of Storage capacity for all server environments.

8. Environment and Safety

The Company continues to address matters related to Safety, Health and Environment (SHE) through various initiatives. A Board Committee comprising 3 Directors, including the Managing Director reviews the SHE performance. A Steering Committee comprising Corporate Management Group and other key members periodically reviews Safety performance and oversees implementation of various initiatives.

In order to ensure consistency and resilience of its Safety controls, 38 major projects were audited, with a weighted score on the TATA Group Safety Standard Compliances. This was in addition to the regular safety inspections and audit of sites and offices.

REPORT OF THE BOARD OF DIRECTORS, continued

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.

The Company's goal continues to be to achieve Zero Fatality. Voltas believes that to attain this goal, Safety Awareness is of prime importance. Accordingly, a focused approach in training was developed and the Company has achieved the following in 2015-16:

- (a) Zero Fatality – There was no fatal incident recorded.
- (b) Increased awareness –
 - 81,508 personnel were Safety trained as compared to 34,723 in last year.
 - 3 day IOSH (UK) certification programme – 204 personnel certified.
 - 100% Induction training for all personnel at project sites.
 - Increase in number of Safety Observations reported in current year by 48% as compared to last year.

Voltas was quick to respond during the Chennai floods. An Emergency Response Plan was put into action, the situation was monitored timely and relief material was provided not only to own employees and staff but also to people affected in adjoining areas. A safety inspection was conducted post the floods, before resuming operations and activities at the project sites.

The Company has improved the communication channels to capture **Safety – Health – Environment – Quality (SHEQ)** related observations, in keeping with the vision of Driving Value through Smart Engineering. To ensure uniform communication and understanding about Safety practices and knowledge sharing, the communication system has been improvised through creation of a WhatsApp group of Safety practitioners. An on-line system for capturing SHEQ observations and ensuring timely implementation of action plans to close such observations has been implemented, resulting in reduction of unsafe and adverse work conditions. The improved communication mechanisms have increased workmen engagement and reporting of Safety observations, incidents, Near misses, and other instances from the sites.

National Safety week, Road Safety week and Fire Service day was celebrated across the locations and saw healthy participation of employees and sub-contractor's staff. Safety recognition awards have also been instituted at project sites and manufacturing locations. The Company has received appreciation letters and awards in recognition of the contribution towards improving the Safety standards from: AL Futtaim Carillion, Oman for its Kempinski Project; TCS, Mihan; Tata Motors, Pune; Tata Steel, Jamshedpur; L & T, Koradi; and The Mathrubhumi.

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

9. Community Development

As part of Community Development, the Company has tried to chalk out a sustainable path in line with the needs of the community. Hence, need identification and assessment were a pre-cursor to finalizing the interventions. In 2015-16, an expert agency called LabourNet was taken on board, to conduct needs assessment and situation analysis, following which, the Company developed a framework to prioritize key community development needs. To implement the community development projects, a rigorous due diligence process was carried out to identify and review capabilities of partner organizations, select the partner organizations, and develop project objectives, approaches and strategies, to ensure timeliness/effectiveness.

Currently, six projects addressing crucial issues like safe drinking water, health and sanitation and vocational education are going live in Dadra, Thane, Mumbai and Pantnagar, respectively.

The Company is committed to work on the three sub-themes under the broader umbrella of National Importance, including Disaster Management, Swachh Bharat Abhiyaan and Affirmative Action.

Disaster Management

- Chennai Floods - The Company supported 'Bala Mandir'; a 70 year old orphanage which is home to thousands of destitute children and works tirelessly towards their rehabilitation; that was severely damaged during the Chennai floods by providing school stationery, toiletries, electrical appliances and equipment and

REPORT OF THE BOARD OF DIRECTORS, continued

investing in proper civil work. A team of over 60 Voltas volunteers participated in the flood relief activities.

- Maharashtra Drought - The Company along with its partner organizations - Samaj Vikas Sanstha (SVS) and ACWADAM (Advanced Centre for Watershed Resources Development and Management), have planned a three year intervention in 15 villages. The intervention has already taken shape in 5 villages of Omerga in Osmanabad, where the Company has ensured supply of potable drinking water. However, for a long term and sustainable intervention, the Company has initiated Participatory Ground Water Management.

Swachh Bharat Abhiyaan - The Company addresses the critical issue of comprehensive sanitation by partnering with Sulabh International organization, known for its innovative efforts towards developing viable sanitation models for urban slums. In 2015-16, Voltas supported renovation and restoration of four toilet complexes in Chinchpokli and Thane. The dilapidated state of the complexes had led to low usage of the facilities by communities around, further leading to open defecation and ill-health. Post restoration, over 15,000 users will be able to access each facility in a month.

Affirmative Action

As part of its Affirmative Action, the Company conducted eye checkup camps in Kolke village, Panvel, for the Kathkari tribes. 92 Kathkaris including adults and children attended the camp and were provided spectacles. The Company also supports a school by providing Mid-day Meal to 72 Kathkari children from Kolke village, apart from funding teacher's remuneration.

To act on its commitment to Affirmative Action, the Company has emphasized that each of its social intervention activities ensures inclusion and reaching out to people from SC and ST. Partner organizations have been communicated and suitably sensitized. Under Skill training programme, out of the 987 youth trained during the year, over 22% trainees are from the SC/ST section.

The Company also participated in DICCI exhibition held in March 2016, which aimed at showcasing the efforts to reach out to the marginalized sections and also to help them explore entrepreneurship opportunities within the Company's supply chain.

10. Corporate Social Responsibility

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

During 2015-16, the Company has spent ₹ 9.57 crores towards various CSR activities, including ₹ 2.70 crores for 2014-15.

11. Details of Subsidiary/Joint Ventures/Associate Companies

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

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

- Universal Comfort Products Limited (UCPL), a wholly owned subsidiary of the Company, engaged in the business of manufacturing air conditioners, recorded turnover of ₹ 1101 crores and net profit of ₹ 63 crores for the year ended 31st March, 2016 as compared to turnover of ₹ 1158 crores and profit of ₹ 72 crores in the last year. UCPL has recommended dividend @ 150% aggregating ₹ 41 crores approx, same like last year.
- Rohini Industrial Electricals Limited (RIEL), a wholly owned subsidiary of the Company, is engaged in undertaking turnkey electrical and instrumentation projects for industrial and commercial sectors. RIEL reported turnover of ₹ 111 crores and loss of ₹ 4 crores for 2015-16. In view of increased focus by the Government on rural electrification, RIEL expects to book good orders in this segment and is targeting a turnaround.
- Auto Aircon (India) Limited (AAIL), a wholly owned subsidiary of the Company is a dormant company, with no assets and employees. In view of certain fixed overheads, AAIL reported loss of ₹ 0.03 crore in 2015-16.

REPORT OF THE BOARD OF DIRECTORS, continued

- Weathermaker Limited (WML), a wholly owned subsidiary of the Company engaged in manufacturing and trading of ducts, and duct accessories in Jebel Ali Free Zone, Dubai, UAE, had last year ventured into offsite pre-fabrication activity. WML had recorded significant improvement in the financial results during the year ended 31st December, 2015 on account of break through orders for pre-fabrication. During the year under review, WML recorded turnover of United Arab Emirates Dirham (AED) 16.979 million and profit of AED 1.351 million.
- Saudi Ensas Company for Engineering Services WLL (SECL), incorporated in Kingdom of Saudi Arabia (KSA), is a wholly-owned subsidiary of the Company. SECL is engaged in the business of design, installation, operation and maintenance of air conditioning and refrigeration systems and electro-mechanical projects. Despite improvement in order booking during the year, SECL reported lower turnover of Saudi Arabian Riyal (SR) 10.160 million and loss of SR 2.446 million due to delays witnessed in execution of some of the projects. With drop in oil prices, the general economic environment in KSA has become challenging. There is, therefore, some uncertainty on new order booking in the near future, which is an area of concern. SECL has an order book of SR 15 million at the beginning of 2016. In view of accumulated losses, the Net worth of SECL is eroded. The Company's investment in SECL of ₹ 28 crores has been provided for.
- Lalbuksh Voltas Engineering Services & Trading LLC (Lalvol), is a joint venture company with Lalbuksh Contracting & Trading Establishment LLC, with Voltas group shareholding at 60%. Lalvol is engaged in the business of water management, irrigation & landscaping, and drilling. During the year ended 31st December, 2015, Lalvol reported turnover of Rial Omani (RO) 8.944 million and profit of RO 0.774 million, which is a substantial improvement over last year. The order book position had also significantly improved to RO 11 million.
- Voltas Oman LLC (VOLLC), is a joint venture company with Mustafa Sultan Enterprises L.L.C., with Voltas shareholding at 65%. VOLLC is engaged in undertaking Engineering, Procurement and Construction (EPC) works for electro-mechanical projects in the Sultanate of Oman. VOLLC recorded higher turnover of RO 6.538 million and profit of RO 0.334 million during the year ended 31st December, 2015, as compared to turnover of RO 4.774 million and profit of RO 0.120 million last year. VOLLC declared a maiden dividend of RO 0.050 million for the year ended 31st December, 2015.
- Voltas Netherlands B.V. (VNBV), a wholly-owned subsidiary of the Company, is an investment company in The Netherlands. VNBV has reported profit of Euro 2.344 million for the year ended 31st March, 2016 and recommended dividend of Euro 1 million.
- Universal Voltas LLC (UV), Abu Dhabi, a joint venture of the Company is engaged in the business of electro-mechanical projects and operations & maintenance contracts. In the context of a difficult business environment, UV recorded lower turnover of AED 121.443 million and profit of AED 12.933 million for the year ended 31st December, 2015, as compared to turnover and profit of AED 183.268 million and AED 26.155 million, respectively last year. UV declared dividend of AED 7 million for the year ended 31st December, 2015.
- Universal Weathermaker Factory LLC (UWF), a joint venture company with Universal Group was engaged in manufacturing air conditioning ducts and related fixtures in Abu Dhabi, UAE. As UWF was incurring losses, without any possibility of a turnaround in near future, it was decided to discontinue the operations effective 1st October, 2015. UWF reported turnover of AED 6.663 million and loss of AED 2.083 million for the year ended 31st December, 2015.
- Olayan Voltas Contracting Company Limited (OVCC), a joint venture company with Olayan Group is engaged in the business of electro-mechanical projects in KSA. OVCC recorded turnover of Saudi Arabian Riyal (SR) 41.887 million and loss of SR 6.195 million for the year ended 31st December, 2015.
- Voltas Qatar WLL (VQ), a joint venture company is engaged in the business of undertaking EPC works for MEP contracts in Qatar. VQ recorded higher turnover of Qatar Rial (QR) 233.278 million and profit of QR 3.838 million for the year ended 31st December, 2015.

REPORT OF THE BOARD OF DIRECTORS, continued

- Voltas Water Solutions Private Limited (VWS), a joint venture company with Dow, is engaged in the business of Water and Waste Water treatment products. VWS commenced its business operations during the later portion of 2015-16 and reported turnover of ₹ 0.37 crore for the year ended 31st March, 2016. Due to certain fixed costs and start-up business expenses, VWS incurred a loss of ₹ 1.56 crores for the year under review.
- Terrot GmbH, an Associate company has reported sales of Euro 43.729 million and profit of Euro 2.222 million for the year ended 31st December, 2015. Terrot GmbH is one of the world's leading manufacturers of Knitting machines and is an important Principal of Voltas for Textile Machinery business.
- Naba Diganta Water Management Limited (NDWML) is a joint venture company with Jamshedpur Utilities and Services Company Limited (JUSCO) to provide water supply and sewerage system at Naba Diganta township, Kolkata. The Company's shareholding is 26% and balance 74% is held by JUSCO, a subsidiary of Tata Steel. NDWML has reported turnover of ₹ 8.79 crores and profit of ₹ 2.79 crores for the year ended 31st March, 2016.

12. Number of Board Meetings

During 2015-16, eight Board Meetings were held on 21st April, 2015; 21st May, 2015; 12th August, 2015; 29th September, 2015; 6th November, 2015; 15th January, 2016; 11th February, 2016 and 30th March, 2016.

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. Evaluation of Directors was done by the NRC at its meeting held on 17th May, 2016.

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

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, Committees and performance of individual Directors.

The performance of the Board as a whole, Committees and individual directors was evaluated by seeking inputs from all Directors based on certain parameters such as: Degree of fulfillment of key responsibilities; Board structure and composition; Establishment and delineation of responsibilities to various Committees; Effectiveness of Board processes, information and functioning; Board culture and dynamics and Quality of relationship between the Board and the Management. The Directors also made a self-assessment of certain parameters - Attendance, Contribution at Meetings and guidance/support extended to the Management. The feedback received from the Directors was discussed and reviewed by the Independent Directors at their annual separate Meeting and also shared with the NRC/Board. At the separate Meeting of Independent Directors, performance of Non-independent directors, including Chairman, Board as a whole 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.

15. Statutory Auditors

At the 60th Annual General Meeting (AGM) held on 1st September, 2014, the shareholders had approved the appointment of Deloitte Haskins and Sells LLP (DHS) as Statutory Auditors as well as Branch Auditors of the Company to audit the accounts of the Company for three consecutive financial years between 2014-15 and 2016-17, subject to ratification at every AGM. The approval of members is being sought for ratification of appointment of DHS as Statutory Auditors from the conclusion of the 62nd AGM till the conclusion of the 63rd AGM to be held in 2017, to examine and audit the accounts of the Company for the financial year 2016-17. The Auditors' Report does not contain any qualification, reservation or adverse remarks.

REPORT OF THE BOARD OF DIRECTORS, continued

16. Cost Auditors

The Board has appointed M/s. Sagar and Associates, Cost Accountants as the Cost Auditors for the financial year 2015-16. M/s. Sagar and Associates, Cost Accountants, have been appointed as Cost Auditors of the Company for the financial year 2016-17 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 2015-16. Their Secretarial Audit Report, in prescribed Form No. MR-3, is annexed to the Directors Report and does not contain any qualification, reservation or adverse remarks.

18. Audit Committee

The Audit Committee comprises Mr. Nani Javeri (Chairman), Mr. R. N. Mukhija and Mr. Debendranath Sarangi, in line with the requirements of Section 177 of the Companies Act, 2013. 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 Companies Act, 2013 and Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Risk Management Committee is in place comprising Mr. Nani Javeri (Chairman), Mr. R. N. Mukhija and Mr. Debendranath Sarangi. A Risk Management Committee Meeting was held on 10th July, 2015 whereat, the top 10 risks identified for the Company and various mitigation measures in respect thereof were discussed. The Management has revisited these risks and an update was presented to the Risk Management Committee at its Meeting held on 25th April, 2016.

21. Particular of employees

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

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

Non-Executive Directors	Ratio to median remuneration
Mr. Ishaat Hussain	6.78
Mr. Noel N. Tata	4.91
Mr. Nani Javeri	7.48
Mr. R. N. Mukhija	5.72
Mr. Vinayak Deshpande	3.52
Mr. Thomas Mathew T. (upto 5.5.2015)*	—
Mr. Debendranath Sarangi	3.28
Mr. Bahram N. Vakil	2.84
Ms. Anjali Bansal	1.09
Ms. Usha Sangwan (w.e.f 12.8.2015)*	—

Managing Director	Ratio to median remuneration
Mr. Sanjay Johri	75.75

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

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

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Ishaat Hussain	23
Mr. Noel N. Tata	69
Mr. Nani Javeri	29
Mr. R. N. Mukhija	8
Mr. Vinayak Deshpande	22
Mr. Thomas Mathew T. (upto 5.5.2015)*	—
Mr. Debendranath Sarangi (w.e.f. 1.9.2014)*	—
Mr. Bahram N. Vakil (w.e.f. 1.9.2014) *	—
Ms. Anjali Bansal (w.e.f. 9.3.2015) *	—
Ms. Usha Sangwan (w.e.f. 12.8.2015) *	—
Mr. Sanjay Johri (Managing Director)	32
Mr. Anil George (Chief Financial Officer)	26
Mr. V. P. Malhotra (Company Secretary)	25

* Details are not given as the concerned Directors were only for part of the year in 2014-15 and 2015-16.

REPORT OF THE BOARD OF DIRECTORS, continued

(c) **Percentage increase in the median remuneration of employees in the financial year:** 21%

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

4547 employees.

(e) **Explanation on the relationship between average increase in remuneration and Company performance:**

Profit before Tax for 2015-16 has grown from ₹ 433 crores to ₹ 468 crores, an increase of 8% against which, increase in median remuneration is 21%. The average increase in median remuneration is in line with the Remuneration guidelines of the Company.

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

Date	Closing Market Price per share (₹)	Earnings Per Share (₹)	Price Earnings Ratio	Market Capitalisation (₹ in crores)
31.3.2015	279.35	9.95	28.08	9243.27
31.3.2016	276.95	10.06	27.53	9163.85
% change	(-) 0.86	1.11	(-)1.96	(-) 0.86

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

The Company made its Initial Public Offer (IPO) in 1957. An amount of Rs 1000 invested in the IPO towards 10 shares of Rs 100 each was worth ₹ 18.69 lakhs (6750 shares of ₹ 1 each) as on 31st March, 2016, excluding dividend. After considering Rights shares offered, Bonus and Sub-division of shares from time to time, 10 shares of ₹ 100 each issued in 1957 have

(f) **Comparison of remuneration of Key Managerial Personnel against the performance of the Company:**

Aggregate remuneration of Key Managerial Personnel (KMP) in financial year 2015-16	₹ 6.49 crores
Revenue	₹ 5214 crores
Remuneration of KMPs (as % of revenue)	0.12%
Profit before Tax (PBT)	₹ 468 crores
Remuneration of KMPs (as % of PBT)	1.39%

become 6750 shares of ₹ 1 each.

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

Average increase in remuneration is 16.32% for Employees other than Managerial Personnel and 32.04% for Managerial Personnel (MD)

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

	Mr. Sanjay Johri Managing Director	Mr. Anil George Chief Financial Officer	Mr. V. P. Malhotra Company Secretary
Remuneration in 2015-16 (₹ in crores)	3.48	1.98	1.03
Revenue (₹ in crores)		5214	
Remuneration as % of revenue	0.07	0.04	0.02
Profit before Tax (PBT) (₹ in crores)		468	
Remuneration as % of PBT	0.74	0.42	0.22

REPORT OF THE BOARD OF DIRECTORS, continued

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

The Shareholders have, at the 61st AGM of the Company held on 3rd August, 2015, approved payment of commission to Non-Executive Directors upto 1% of the net profits of the Company, as computed under Section 197 of the Companies Act, 2013 for a period of five years commencing from 1st April, 2015. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board/ Committee Meetings, as well as time spent on Company related matters, other than at Meetings.

(l) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:** Not Applicable. No employee was paid remuneration in excess of highest paid Director i.e. MD.

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

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

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

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 Companies Act, 2013, 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 Companies Act, 2013 and the Company's Articles of Association, Mr. Noel N. Tata retires by rotation and being eligible, offers himself for re-appointment.

Ms. Usha Sangwan was appointed as an Additional Director, representing Life Insurance Corporation of India, with effect from 12th August, 2015. In accordance with the provisions of Section 161(1) of the Companies Act, 2013, Ms. Usha Sangwan holds office upto the date of the forthcoming Annual General Meeting and is eligible for appointment as a Director. Notice under Section 160 of the Act has been received from a member proposing her appointment as Director of the Company. The Resolution seeking approval of the members for appointment of Ms. Usha Sangwan as a Director forms part of the Notice of 62nd AGM of the Company.

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

Mr. Sanjay Johri (Managing Director), Mr. Anil George (Chief Financial Officer) and Mr. V. P. Malhotra (Company Secretary) are the Key Managerial Personnel (KMPs) of the Company, in line with the requirements of Section 203 of the Companies Act, 2013.

25. Declaration by Independent Directors

Pursuant to Section 149(7) of the Companies Act, 2013, the Company has received declarations from all Independent Directors confirming that they meet the criteria of independence as specified in Section 149(6) of the Act and Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

26. Corporate Governance

Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance form part of the Annual Report. A declaration signed by the Managing Director in regard to compliance with the Code of Conduct by the Board Members and Senior Management personnel also forms part of the Annual Report.

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

The Company had adopted a Whistle Blower Policy ("the Policy") as required under Section 177(9) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

REPORT OF THE BOARD OF DIRECTORS, continued

The Policy has been formulated with a view to provide a mechanism for directors and employees of the Company to approach the Ethics Counsellor/Chairman of the Audit Committee of the Company in case of any concern. The Whistle Blower Policy can be accessed on the Company's website at the link: <http://www.voltas.com/WBP.pdf>

28. Particulars of loans, guarantees or investments under Section 186 during 2015-16

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

29. Particulars of contracts or arrangements with related parties

All related party transactions during 2015-16 were in the ordinary course of business and satisfied the test of arm's length. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in prescribed Form No. AOC-2 as Annexure III to this Report.

30. Directors' Responsibility Statement

Based on the framework and testing of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors including audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied their recommendations consistently and made judgements and estimates that are reasonable and prudent so as to give a true and

fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;

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

31. Extract of the Annual Return

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

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

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

33. General

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

On behalf of the Board of Directors

Ishaat Hussain
Chairman

Mumbai, 17th May, 2016

ANNEXURE I**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

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

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

The CSR Policy sets out the Company's commitment and approach towards Corporate Social Responsibility of improving the quality of life of the communities it serves. Through its philosophy of Engage, Equip and Empower, which is interwoven in all the three thrust areas, i.e. Sustainable Livelihood, Community Development and Issues of National Importance, the Company endeavours to enhance employability of youth and women, work on the priority development concerns of the community and address issues of National Importance like Natural calamities, Cleaner India (Sanitation) and Affirmative Action.

The focus areas for CSR activities are:

(i) Vocational Skill Development Programs:

- (a) The economic competitiveness of a country depends on the skills of its work force. The skills and competencies of the work force, in turn, are dependent upon the quality of the country's education and training systems. Vocational education is perceived as one of the crucial elements in enhancing economic productivity. India has one of the largest technical manpower in the world. However, compared to its population, it is still insignificant and there is a tremendous scope of improvement in this area. In India, the emphasis has been on general education, with vocational education at the receiving end. This has resulted in large number of educated people remaining unemployed. This phenomenon has been recognized by Voltas and the Company is committed to treating employability and sustainable livelihood as a priority.
- (b) Vocational training program has been a key thrust area under CSR for Voltas and hence there is a greater emphasis on effective skilling program. The flagship program is already on the ground through 11 centers and 5 more centers are being set up. The strong and stable partners like TATA Strive, GMR Varalakshmi Foundation, ICICI Foundation, and Joseph Cardijn Technical School are helping the Company to ensure quality training and employability enhancement for the youth.
- (c) Voltas will also address the critical needs of the community around its areas of operation and in

locations where skill development interventions are necessary. The objective of these initiatives is to holistically address various socio-economic needs and aspirations of the community.

(ii) Education:

- (a) Voltas will undertake initiatives for imparting training to develop language skills to enhance individual employability of youth in marginalized and deprived sections of Society. These Programs will also incorporate awareness and advocacy modules on values and ethics, intended to benefit the community at large, by preparing young people to be better corporate citizens.
- (b) Supporting projects and programs for Quality Education and Development of Children from weaker sections of the society, as considered necessary.

(iii) Health:

- (a) Providing financial assistance to institutions, hospitals, charitable trusts and NGOs, including projects and programs aimed at supporting differently abled children including rehabilitation of mentally challenged people.
- (b) Providing financial assistance to institutions, hospitals, charitable trusts and NGOs pursuing projects and programs benefiting pediatric and cancer patients, people suffering from AIDS, the Blind, Deaf and Dumb.
- (c) Voltas will promote health care including preventive measures and sanitation. It will undertake programs to promote comprehensive sanitation and address availability of safe drinking water.

(iv) Disaster Relief:

Contributions towards disaster relief and rehabilitation through appropriate agencies at the right time, as and when required. In addition to the identified areas of focus mentioned above, the Company may also undertake other activities defined in Schedule VII of the Companies Act, 2013.

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

2. Composition of the CSR Committee:

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

- 3. Average net profit of the Company for last three financial years:** ₹ 348.43 crores.
- 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** ₹ 6.97 crores.
- 5. Details of CSR spend during the financial year:**
- Total amount to be spent for the financial year : ₹ 6.97 crores
 - Amount unspent, if any : ₹ 0.10 crore
 - Manner in which the amount spent during the financial year is detailed below.

Sr. No	CSR Project or Activity Identified	Sector in which the Project is Covered	Projects or Programs, Local Area or other Specify the State and District where Program of Project was undertaken	Amount spent on Projects	Amount spent on the projects or Programs Sub Heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative Expenditure upto the reporting period (₹ In Lakhs)	Amount spent: Direct or through Implementing Agency
1.	Sustainable Livelihood	Vocational Training	Mumbai, Hyderabad, Rajam, Bangalore, Coimbatore, Delhi, Indore, Bhilai, Thane, Aligarh, Jamshedpur, Kochi and Mohali	289.60	Direct Expenditure	289.60	GMR Varalakshmi Foundation; ICICI Foundation; Tata Strive; Joseph Cardijn Technical School
2.	National Importance	Disaster Relief- Flood, Drought, Swachh Bharat, Affirmative Action	Chennai, Osmanabad and Mumbai	95.75	Direct Expenditure	385.35	Bala Mandir, Chennai; Samaj Vikas Santha, Osmanabad; Sulabh International; Bethany Trust; Vision Spring Eye-camp and Shobiz Experimental Communication, Mumbai
3.	Community Development	Education and Health	Thane, Mumbai, Dadra, Pantnagar and Hyderabad	136.12	Direct/Indirect Expenditure	521.47	Light of Life Trust; Anirban Rural Welfare Society; Room to Read; Antarang Foundation; AFPRO; LabourNet, Laurus Edutech Pvt. Ltd., etc.
4.	Aid for Cancer treatment medical activities, Educational Support and Promotion of Art and Culture	Donations	Mumbai and Chennai	136.16	Direct Expenditure	657.63	Tata Memorial Centre, Mumbai; St. Jude India Child Care Centre, Mumbai; Cancer Institute, Adyar; Marg Foundation; CRY; National Centre for Performing Arts
5.	Administrative Expenses	—	Mumbai	29.56	Direct Expenditure	687.19	Administrative Expenses

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

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

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

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

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

ANNEXURE II

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

Conservation of energy:

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

- (a) For emergency lighting, a small DG of 128KW has been provided instead of running a DG of 600 KW.
- (b) Packaged air conditioner in canteen is provided with a timer to optimize its usage.
- (c) Air conditioners in the offices are provided with a timer to switch ON and OFF at a preset time to save energy.
- (d) Replaced CFL lights with LED bulbs in offices at Thane.
- (e) Balanced 400 litres and 500 litres Chest Freezers to improve power consumption.
- (f) Introduction of air bubble packing over the Visi Cooler glass in place of thermocol.

Technology absorption:

- (a) Commercialized Ductable Split air conditioners and Package air conditioners suitable for High Ambient temperature.
- (b) Commercialized BMS compatible Ductable Split air conditioners and Package air conditioners.
- (c) Enhanced range of low temperature Vapour Absorption Machines.
- (d) Enhanced range of Energy Efficient AHRI certified Variable Frequency Driven Screw Chiller Packages.

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

Research & Development:

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

- (a) In the areas of energy efficiency and HCFC Phase out:
 - (i) Development of new look high efficiency Package air conditioners with touch screen interface and refrigerant R410A.
 - (ii) Development of large capacity Duplex type Vapour Absorption Machine working on waste heat of engine exhaust gases and hot water.
 - (iii) Development of energy efficient Air-cooled chiller packages with flooded evaporator.
- (b) Products developed through in-house technology:
 - (i) Development of Air Coolers from 15 litres to 60 litres capacity.
 - (ii) Introduction of Water Coolers with built in UV system.
 - (iii) Development of 520 litres Visi Coolers.
 - (iv) Development of 15, 30, 50 and 60 litres and chip based Chocolate Coolers.

Expenditure on Research & Development:

The Company has incurred Research & Development expenditure of ₹ 440.03 lakhs (including capital expenditure of ₹ 6.31 lakhs) during 2015-16.

Foreign exchange earnings and outgo:

	₹ in Lakhs
Earnings in foreign exchange	13419.58
Expenditure in foreign currency	255.43
Value of imports on CIF basis	74089.76

ANNEURE 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 arms length transactions under third proviso thereto

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

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

The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the financial year 2015-16.

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. 38 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. 38 of Standalone financial statements.

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

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

(f) Amount paid as advances, if any:

Nil

On behalf of the Board of Directors

Ishaat Hussain
Chairman

Mumbai, 17th May, 2016

ANNEXURE IV**Form No. MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016**

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product/Service	% to total turnover of the Company
1.	Room Airconditioners	28192	33%
2.	Contract Revenue	43229	25%
3.	Commercial Refrigeration Products	28191	21%
4.	Sale of Services	NA	12%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable Section
1.	Universal Comfort Products Limited Volta House 'B', T. B. Kadam Marg, Chinchpokli, Mumbai 400 033	U29193MH2001PLC249228	Subsidiary	100%	Sec 2(87)(ii)
2.	Rohini Industrial Electricals Limited Volta House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai- 400 033	U74210MH1983PLC030705	Subsidiary	100%	Sec 2(87)(ii)
3.	Auto Aircon (India) Limited 5/4 Nagar Road, Pune, 411 014	U29192PN1995PLC012885	Subsidiary	100%	Sec 2(87)(ii)
4.	Weathermaker Limited P.O. Box 17127, Between Round About 6/7, Jebel Ali Free Zone, Dubai, U.A.E.	NA	Subsidiary	100%	Sec 2(87)(ii)
5.	Saudi Ensas Company for Engineering Services W.L.L. Masader Commercial Centre, 7th Floor, Baladiyah Street, Aziziyah District, P.O. Box 8292, Jeddah 21482, Kingdom of Saudi Arabia	NA	Subsidiary	100% *	Sec 2(87)(ii)
6.	Lalbuksh Volta 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.	Volta Oman L.L.C. 'ORIS' 3817-A, Ground Floor, Way No.4451, Behind Al Meera Hypermarket, Azaiba, P.O. Box 2263 Postal Code 112, Ruwi, Sultanate of Oman	NA	Subsidiary	65% *	Sec 2(87)(ii)
8.	Volta Netherlands B.V. Herikerbergweg, 238, Luna Arena, 1101CM, Postbus 23393, 1100DW, Amsterdam Zuidoost, The Netherlands	NA	Subsidiary	100%	Sec 2(87)(ii)
9.	Universal Weathermaker Factory L.L.C. P.O. Box 25513, C.R.No.18649, Plot No. 85/B1, ICAD-1, Mustaffah, Abu Dhabi, U.A.E	NA	Associate	49%	Sec 2(6)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable Section
10.	Universal Voltas L.L.C. P.O. Box 25513, C.R.No.18649 Universal Trading Company Building, Istqlal Street, Abu Dhabi, U.A.E	NA	Associate	49% *	Sec 2(6)
11.	Olayan Voltas Contracting Company Limited Olayan Complex, Tower B, 2nd floor, Al Ahsa Road, Al Malaz, P.O. Box 8772 Riyadh 11492, Kingdom of Saudi Arabia	NA	Associate	50%	Sec 2(6)
12.	Voltas Qatar W.L.L. P.O. Box 24706, Area - Najada 05, Grand Hamad Street No.119, Building No.54, Doha, State of Qatar	NA	Associate	49%	Sec 2(6)
13.	Naba Diganta Water Management Limited GN 11-19, Sector-V, Salt Lake, Kolkata 700 091	U93010WB2008PLC121573	Associate	26%	Sec 2(6)
14.	Voltas Water Solutions Private Limited Voltas House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai- 400 033	U74999MH2014PTC255780	Associate	50%	Sec 2(6)
15.	Terrot GmbH Paul-Gruner Str., 72b 09120, Chemnitz, Germany	N.A.	Associate	20.07%	Sec 2(6)
16.	Brihat Trading Private Limited Bank of Baroda Building Bombay Samachar Marg Mumbai 400 001	U51900MH1988PTC049926	Associate	33.33%	Sec 2(6)

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

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

- (i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2015)				No. of Shares held at the end of the year (31st March, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	0	0	0	0	0	0	0	0	0
(b) Central Government	0	0	0	0	0	0	0	0	0
(c) State Government(s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corporate	100253480	0	100253480	30.30	100253480	0	100253480	30.30	0
(e) Banks / FI	0	0	0	0	0	0	0	0	0
(f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)	100253480	0	100253480	30.30	100253480	0	100253480	30.30	0

Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2015)				No. of Shares held at the end of the year (31st March, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
(a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
(b) Other – Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corporate	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	100253480	0	100253480	30.30	100253480	0	100253480	30.30	0
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	42817891	68450	42886341	12.96	49579842	68450	49648292	15.00	2.04
(b) Banks / FI	544960	102770	647730	0.20	689879	102770	792649	0.24	0.04
(c) Central Government	0	0	0	0	807818	0	807818	0.24	0.24
(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	45630136	0	45630136	13.79	45352934	0	45352934	13.71	(0.08)
(g) FIIs	67898446	5500	67903946	20.52	43070275	5500	43075775	13.02	(7.50)
(h) FPIs	3605326	0	3605326	1.09	21301103	0	21301103	6.44	5.35
(i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	160496759	176720	160673479	48.56	160801851	176720	160978571	48.65	0.09
2. Non-Institutions									
(a) Bodies Corporate									
(i) Indian	13837205	146700	13983905	4.23	14032125	148480	14180605	4.29	0.06
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	39492736	10961781	50454517	15.25	40267866	10473730	50741596	15.34	0.09
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	664380	0	664380	0.20	244280	0	244280	0.07	(0.13)

Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2015)				No. of Shares held at the end of the year (31st March, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c) Others (specify)									
(i) Trust	2495088	580	2495668	0.75	2037882	580	2038462	0.62	(0.13)
(ii) Directors & Relatives	0	0	0	0	0	0	0	0	0
(iii) NRIs	2124688	142990	2267678	0.69	2211623	144490	2356113	0.71	0.03
(iv) Foreign Nationals	1783	0	1783	0.00	1783	0	1783	0	0
(v) Foreign Bodies	0	89850	89850	0.03	0	89850	89850	0.03	0
Sub-total (B)(2)	58615880	11341901	69957781	21.14	58795559	10857130	69652689	21.05	(0.09)
Total Public Shareholding (B)=(B)(1)+(B)(2)	219112639	11518621	230631260	69.70	219597410	11033850	230631260	69.70	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	319366119	11518621	330884740	100	319850890	11033850	330884740	100	0

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April, 2015)			Shareholding at the end of the year (as on 31st March, 2016)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Tata Sons Limited	88131780	26.64	0	88131780	26.64	0	0
2.	Tata Investment Corporation Limited	9962330	3.01	0	9962330	3.01	0	0
3.	Ewart Investments Limited	1925950	0.58	0	1925950	0.58	0	0
4.	The Tata Power Company Limited	233420	0.07	0	233420	0.07	0	0
	Total	100253480	30.30	0	100253480	30.30	0	0

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

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 1.4.2015)	100253480	30.30	100253480	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 31.3.2016)	100253480	30.30	100253480	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 (1.4.2015 to 31.3.2016)	
		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 (1.4.2015)	2,51,47,199	7.60	2,51,47,199	7.60
	Bought during the year	—	—	2,51,47,199	7.60
	Sold during the year	(2,75,123)	(0.08)	2,48,72,076	7.52
	At the end of the year (31.3.2016)	2,48,72,076	7.52	2,48,72,076	7.52
2.	Franklin Templeton Investment Funds				
	At the beginning of the year (1.4.2015)	1,16,98,872	3.54	1,16,98,872	3.54
	Bought during the year	52,50,000	1.58	1,69,48,872	5.12
	Sold during the year	(22,60,000)	(0.68)	1,46,88,872	4.44
	At the end of the year (31.3.2016)	1,46,88,872	4.44	1,46,88,872	4.44
3.	HDFC Mutual Fund (Various Accounts)				
	At the beginning of the year (1.4.2015)	1,08,93,400	3.29	1,08,93,400	3.29
	Bought during the year	63,40,900	1.92	1,72,34,300	5.21
	Sold during the year	(37,81,000)	(1.14)	1,34,53,300	4.07
	At the end of the year (31.3.2016)	1,34,53,300	4.07	1,34,53,300	4.07
4.	Government Pension Fund Global				
	At the beginning of the year (1.4.2015)	97,46,968	2.95	97,46,968	2.95
	Bought during the year	1,47,919	0.04	98,94,887	2.99
	Sold during the year	(54,28,946)	(1.64)	44,65,941	1.35
	At the end of the year (31.3.2016)	44,65,941	1.35	44,65,941	1.35
5.	Napean Trading and Investment Company Private Limited				
	At the beginning of the year (1.4.2015)	82,24,269	2.49	82,24,269	2.49
	Bought during the year	—	—	82,24,269	2.49
	Sold during the year	(82,24,269)	(2.49)	—	—
	At the end of the year (31.3.2016)	—	—	—	—
6.	Bajaj Allianz Life Insurance Company Limited				
	At the beginning of the year (1.4.2015)	60,82,842	1.84	60,82,842	1.84
	Bought during the year	37,97,253	1.15	98,80,095	2.99
	Sold during the year	(38,60,092)	(1.17)	60,20,003	1.82
	At the end of the year (31.3.2016)	60,20,003	1.82	60,20,003	1.82
7.	ICICI Prudential Mutual Fund (Various Accounts)				
	At the beginning of the year (1.4.2015)	53,29,000	1.61	53,29,000	1.61
	Bought during the year	19,04,618	0.57	72,33,618	2.18
	Sold during the year	(53,03,711)	(1.60)	19,29,907	0.58
	At the end of the year (31.3.2016)	19,29,907	0.58	19,29,907	0.58
8.	Franklin Templeton Mutual Fund (Various Accounts)				
	At the beginning of the year (1.4.2015)	52,57,007	1.59	52,57,007	1.59
	Bought during the year	55,01,835	1.66	1,07,58,842	3.25
	Sold during the year	(7,42,461)	(0.22)	1,00,16,381	3.03
	At the end of the year (31.3.2016)	1,00,16,381	3.03	1,00,16,381	3.03
9.	IDFC Mutual Fund (Various Accounts)				
	At the beginning of the year (1.4.2015)	50,80,000	1.54	50,80,000	1.54
	Bought during the year	38,81,093	1.17	89,61,093	2.71
	Sold during the year	(11,70,200)	(0.36)	77,90,893	2.35
	At the end of the year (31.3.2016)	77,90,893	2.35	77,90,893	2.35

Sl. No.	Name	Shareholding		Cumulative Shareholding during the year (1.4.2015 to 31.3.2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
10.	HDFC Standard Life Insurance Company Limited				
	At the beginning of the year (1.4.2015)	35,30,621	1.07	35,30,621	1.07
	Bought during the year	12,48,396	0.37	47,79,017	1.44
	Sold during the year	(8,52,200)	(0.25)	39,26,817	1.19
	At the end of the year (31.3.2016)	39,26,817	1.19	39,26,817	1.19
11.	SBI Mutual Fund (Various Accounts)				
	At the beginning of the year (1.4.2015)	14,44,612	0.44	14,44,612	0.44
	Bought during the year	53,54,314	1.61	67,98,926	2.05
	Sold during the year	(22,94,561)	(0.69)	45,04,365	1.36
	At the end of the year (31.3.2016)	45,04,365	1.36	4,504,365	1.36
12.	Hasham Investment and Trading Company Private Limited				
	At the beginning of the year (1.4.2015)	—	—	—	—
	Bought during the year	82,24,269	2.49	82,24,269	2.49
	Sold during the year	—	—	82,24,269	2.49
	At the end of the year (31.3.2016)	82,24,269	2.49	82,24,269	2.49

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1.4.2015)		Cumulative Shareholding during / end of the year (1.4.2015 to 31.3.2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Ishaat Hussain	0	0	0	0
2.	Mr. Sanjay Johri (MD) - KMP	0	0	0	0
3.	Mr. Noel N. Tata	0	0	0	0
4.	Mr. Nani Javeri	0	0	0	0
5.	Mr. R. N. Mukhija	0	0	0	0
6.	Mr. Vinayak Deshpande	0	0	0	0
7.	Mr. Thomas Mathew T. (upto 5.5.2015)	0	0	0	0
8.	Mr. Debendranath Sarangi	0	0	0	0
9.	Mr. Bahram N. Vakil	0	0	0	0
10.	Ms. Anjali Bansal	0	0	0	0
11.	Ms. Usha Sangwan (w.e.f. 12.8.2015)	0	0	0	0
12.	Mr. Anil George (CFO) - KMP	1000	0	1000	0
13.	Mr. V. P. Malhotra (CS) - KMP	2520	0	2520	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer / bonus/ sweat equity etc):	NIL			

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 1.4.2015)				
(i) Principal Amount	5305.83	—	—	5305.83
(ii) Interest due but not paid	—	—	—	—
(iii) Interest accrued but not due	13.49	—	—	13.49
Total (i+ii+iii)	5319.32	—	—	5319.32
Change in Indebtedness during the financial year		—	—	
(i) Addition	8915.13	—	—	8915.13
(ii) Reduction	2147.57	—	—	2147.57
Net Change	6767.56	—	—	6767.56
Indebtedness at the end of the financial year (As on 31.3.2016)		—	—	
(i) Principal Amount	11948.50	—	—	11948.50
(ii) Interest due but not paid	—	—	—	—
(iii) Interest accrued but not due	138.38	—	—	138.38
Total (i+ii+iii)	12086.88	—	—	12086.88

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

₹ in Lakhs

Sl. No.	Particulars of Remuneration	Mr. Sanjay Johri (Managing Director)
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	167.74 10.20 Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission	160.00
5.	Others, please specify – - PF, Superannuation & Medical (exempt) - Personal Accident Insurance Premia	9.79 0.51
	Total (A)	348.24
	Ceiling as per the Act (5% of Profit u/s 198 of the Companies Act, 2013)	2081.80

B. Remuneration to other directors

₹ in Lakhs

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Ishaat Hussain	Naseer Munjee	Noel N. Tata	Nani Javeri	R. N. Mukhija	Vinayak Deshpande	Thomas Mathew T.	
1.	Independent Directors								
(i)	Fees for attending Board / Committee meetings	—	—	—	6.75	5.55	—	—	4.05
(ii)	Commission	—	6.00	—	27.60	20.70	—	—	11.00
(iii)	Others, please specify	—	—	—	—	—	—	—	—
	Total (1)	—	6.00	--	34.35	26.25	—	—	15.05
2.	Other Non-Executive Directors								
(i)	Fees for attending Board/ Committee meetings	3.30	—	4.35	—	—	2.85	—	—
(ii)	Commission	27.80	—	18.20	—	—	13.30	14.40	—
(iii)	Others, please specify	—	—	—	—	—	—	—	—
	Total (2)	31.10	—	22.55	—	—	16.15	14.40	—
	Total (B) = (1+2)	31.10	6.00	22.55	34.35	26.25	16.15	14.40	13.05
	Total Managerial Remuneration (Commission)								150.00
	Overall Ceiling as per the Act for payment of commission to Non-Executive Directors (1% of Profit u/s 197 of the Companies Act, 2013)								416.36

Notes:

- (1) Commission is for the year 2014-15, paid in 2015-16.
- (2) Ceiling limits are for the year 2015-16.
- (3) Mr. Nasser Munjee and Mr. Thomas Mathew T. ceased to be Directors with effect from 31.8.2014 and 5.5.2015, respectively. While no sitting fees was paid to them during 2015-16, commission for 2014-15 was paid.
- (4) Ms. Usha Sangwan was appointed as a Director with effect from 12.8.2015.

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

₹ in Lakhs

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Anil George, CFO	Mr. V. P. Malhotra, Company Secretary	
1.	Gross salary	184.26	96.57	280.83
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	6.57	2.76	9.33
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify	Nil	Nil	Nil
5.	Others, please specify – - PF, Superannuation & Medical (exempt)	6.91	4.03	10.94
	Total	197.74	103.36	301.10

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, 2016.

Form No. MR-3**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

[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, 2016 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, 2016 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;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Other Laws applicable to the Company;

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

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

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

- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and the 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 meeting and for meaningful participation at the meeting.

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

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

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

To,
The Members
VOLTAS LIMITED

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

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

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

Place: Mumbai
Date: 25th April, 2016

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

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

Place: Mumbai
Date: 25th April, 2016

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

MANAGEMENT DISCUSSION AND ANALYSIS

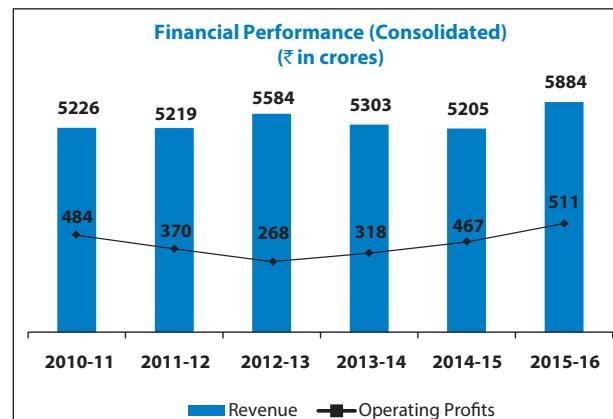
OVERVIEW

1. The various macroeconomic indicators, both on the domestic and the international front, seem to indicate that a comprehensive economic recovery still eludes us. On the domestic front, the long-anticipated recovery is yet to set-in, in spite of some encouraging signs and support from the Central Government. Two consecutive years of sub-par monsoon have delivered a significant blow to the output of both food as well as non-food crops. Policy log-jams on passing certain important bills; including GST (Goods and Services Tax), Land and Labour reforms, and Mining Act coupled with stressed capital outlays and over-leveraged balance sheets of Corporates directly impacted investments and market sentiments.

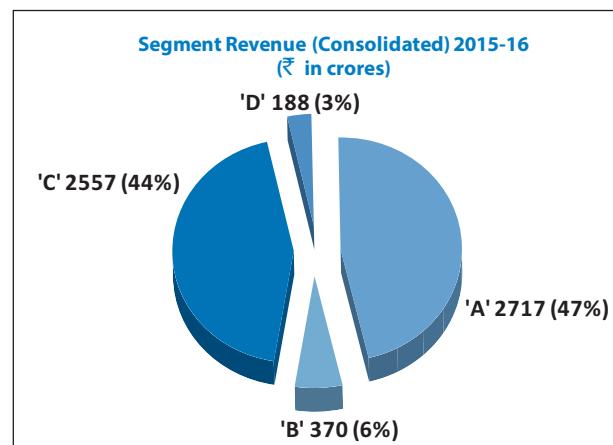
2. Some green shoots were visible as the US Labour market showed signs of a pick-up. The European Union continued to struggle with implementing an aggressive monetary policy amidst increasing strain on its fiscal position owing to the uncertainties from the migrant crisis. Identifiable vulnerabilities exist in at least three large emerging economies - China, Brazil and Saudi Arabia. China's growth is slowing down and moving towards a more sustainable growth path while Brazil continues to fight a recessionary trend. In the aftermath of the oil price decline (oil prices have dropped by more than 30% since August 2015 till March 2016), the fiscal spends in Gulf Cooperation Council (GCC) have been affected. Crude prices have only recently started firming up.

3. Against this backdrop, the Company remained resilient and continued its focus on cascading the Vision 2020 – 'Driving Value through Smart Engineering' - across its workforce. More than just words, the Vision inspires Voltasites to enhance the value proposition across the business spectrum, to do things differently and in a contemporary way, while strategically using and applying technology for enhancing value. The employees are now increasingly empowered to drive results aggressively by providing best-in-class solutions based on deep consumer insights - the year gone by is replete with multiple examples of this approach including smart products and smart advertising (seen in Unitary Cooling Products business), smart services (such as remote monitoring using digital technology) and smart thinking (synergy in International Operations driven by the One Company approach), etc. As can also be seen from the overall performance for the year, many of the corrective measures taken over the last few years have started bearing fruits, thereby resulting in an improvement on various counts, as compared to last year.

4. Revenues and Operating Profits (Profit before exceptional items) of Voltas (consolidated) for the period between financial year 2010-11 and 2015-16 are given below:



5. The business segments of Voltas (Consolidated) are:
 'A' - Electro-mechanical Projects and Services
 'B' - Engineering Products and Services
 'C' - Unitary Cooling Products for Comfort and Commercial use
 'D' - Others



ELECTRO-MECHANICAL PROJECTS AND SERVICES

Domestic Projects

6. The addressable market for the domestic projects business remained subdued. With an industry friendly government at the Center, it was widely believed that infrastructure spend will increase and projects (both new and stalled) will see traction. However, in reality, the progress was slower than expected. The pace of progress on key reforms such as GST met with some headwinds and forward movement remains hinged on the support obtained from States after the outcome of the recent local elections.

7. Meanwhile, delayed payments and stalled projects continue to strain and challenge the overall performance of this business. The Company has responded to these challenges by strengthening its competitiveness in core areas of Heating Ventilation and Air Conditioning (HVAC), energy distribution and water treatment solutions.

8. The Company continues to differentiate itself from competition through faster adoption of technology and the ability to deliver with scale across projects, products and services. Achievements in higher productivity via efficiency of service delivery through remote monitoring and predictive maintenance are examples of the same. In the air conditioning solutions space, the Company launched its new range of Air Conditioning Heating and Refrigeration Institute (AHRI) certified Variable Frequency Drive screw chillers, with capacities up to 400 TR. The Company is also executing a major convention centre in Mumbai where its responsibilities include providing 3-dimensional modelling of key electro-mechanical systems, a task made possible by the expertise of own in-house technical and design teams. In the Water treatment solutions space, the Company successfully commissioned an effluent treatment plant with zero liquid discharge for a client in the paper industry. Benefiting from Government spending on Rural Electrification, Rohini Industrial Electricals Limited (RIEL), a 100% subsidiary has also witnessed a recovery and continues to expand its services in the rural electrification segment, with multiple projects currently under way across the State of Madhya Pradesh. The total carry-forward order book of Domestic projects was ₹ 2025 crores as at 31st March, 2016.

International Projects

9. The downside risks to Middle East economies have risen sharply over the last financial year surrounded by large uncertainties, stemming primarily from the future path of oil prices and progress in the resolution of regional conflicts. Expansionary fiscal policies have become more subdued, with spend on infrastructure projects being hit the most.

10. Challenges such as the overall slow pace of project execution, delay in certification / settlement of commercial entitlements, legal disputes and even arbitrations, very much remain a part and parcel of the project business in the Middle East. Compounding the difficulty were a host of other systemic issues, mainly pertaining to timely availability of country specific visas and some other regulatory requirements. The Company has meanwhile continued to focus on the commercial closure and resolution of existing projects while strengthening its internal processes and systems, contributing to an improvement in profitability. Together with a leadership change, the business is also concentrating on smarter ways of extracting efficiencies through a 'One Company' approach for its joint ventures and subsidiaries. While building better relationships with strategic local partners, the Company continues to follow a risk-mitigated approach for evaluating

every project at the pre-bid stage. This approach is supported by a Corporate Project Review Cell, which provides the necessary assurance by engaging in independent review of tenders apart from techno-commercial audits of ongoing projects, wherever required. During 2015-16, the overseas subsidiaries / joint venture companies contributed turnover and profit of ₹ 1004 crores and ₹ 64 crores, respectively in the Consolidated financials of the Company. The total carry-forward order book of International Projects amounts to ₹ 1889 crores, which includes orders booked by joint ventures.

ENGINEERING PRODUCTS AND SERVICES

Textile Machinery

11. The Indian textile industry went through yet another turbulent year marked by drop in yarn prices, margin pressures on domestic spinning industry, weak job work rates, tight liquidity conditions and lack of clarity on Technology Upgradation Fund (TUF) scheme of Government of India (GOI) for most part of 2015-16. Additionally, with the application of service tax on export of services, the commission realized from overseas Principals was impacted.

12. Despite these adversities, the Company's Textile Machinery business was able to deliver performance on par with the previous year. Capitalizing on available opportunities especially in States with textile friendly policies, order booked during the year was highest in last 5 years. The market share for LMW manufactured spinning machinery was increased beyond 60%, notwithstanding severe competition from international players. In post-spinning business activities, the Company had a successful year for processing and finishing machinery. However, the weaving sector was subdued with limited order inflows in 2015-16.

Mining & Construction Equipment

13. For the Mining and Construction industry, the year under review continued to be challenging with slowdown in activities on the domestic front and the drop in global commodity prices. The situation on the ground led by bans in iron ore mining and cancellation of coal block allotments largely remained unchanged. The Company strategically focused on overseas expansion and persistently grew its mining machinery service operations in Mozambique. The Company also executed sale of a refurbished loader adding to the top line.

UNITARY COOLING PRODUCTS FOR COMFORT AND COMMERCIAL USE

14. Given erratic rainfall especially in the larger Northern market in Q1 (2015-16) (the peak summer season), the Company started the year on a relatively subdued note. At the same time, given the somewhat higher inventory levels across industry, there was a general increase in market competition visible via price cuts and higher sales promotion offers and schemes.

15. Voltas emerged as the leader amongst AC brands in the Brand Track survey with a Brand Equity Index of 4.05. Voltas received the National Energy Conservation Award for Manufacturers of BEE Star labeled appliances (AC) for the second time in the last 3 years. Other awards and recognitions received during the year were the prestigious Asia PAC Effie Award for Excellence in MarCom and Dun & Bradstreet's Corporate Award for 'Best Company in Consumer Durables'.

16. In this emerging digital age, the Company strengthened and enhanced the 'All Weather Smart AC' positioning with the launch of a smart app, enabling easier access for customers. The Commercial Refrigeration business witnessed growth both through retail sales as well as B2B clients favoured by the growing frozen food and beverage industry. In the water cooling domain as well, both water coolers and dispensers have done well, registering a growth of 12% each.

17. In its quest to offer affordable cooling and comfort products, the Company launched its range of 'Voltas Fresh Air Coolers' pan India during 2015-16, after a pilot test market in select Northern territories. The product portfolio offers customers a variety of 11 models to choose from, with variants such as Personal coolers, Desert coolers and Window coolers. The launch has picked up speed in the last quarter of the financial year, with further strengthening of the distribution network.

18. Various market interventions were thankfully complemented by improved demand in the festive season in Q3 and warmer weather in Q4 (2015-16), especially in Southern India. This has helped the business recoup the weather led losses of the first quarter and close the year on a positive note. Revenue and Profit of this business segment was ₹ 2557 crores and ₹ 338 crores, respectively in 2015-16. Despite intense competition, the Company sustained its No.1 market position in the AC business with market share of 21% in 2015-16 at Multi-Brand Outlets as compared to 20.8% in the previous year.

OPPORTUNITIES AND OUTLOOK

ELECTRO-MECHANICAL PROJECTS AND SERVICES

Domestic

19. While overall revival has remained muted, the Company sees opportunities in certain specific segments, primarily driven by Government investment plans. Power, Water treatment, Waste water treatment and distribution, transport and the infrastructure sectors are expected to show some signs of revival. The Company's track record of successfully executing and commissioning large scale projects with combined electro-mechanical scope, both in India and overseas, in line with global standards, enables it to be well positioned to serve the upcoming needs of sizeable infrastructure projects.

20. The Government's initiatives on creating new Smart Cities and upgradation of the infrastructure of existing cities represents an area of significant potential. A key element

of the Smart City infrastructure would be operation and maintenance of the large network of thousands of sensors. The Company's expertise at installation, testing, commissioning and operation of sensor networks across some of the world's largest building complexes and its existing infrastructure of support technicians and service partners, positions it effectively to handle the complex task of managing the maintenance of Smart City information networks.

21. In view of the increased focus by the Government on Rural Electrification, RIEL has embarked on targeting these projects in select States such as Madhya Pradesh (MP) and Rajasthan. RIEL is currently executing similar projects in MP.

International

22. Despite the declining oil prices, spend on infrastructure will get a boost especially in Dubai and Qatar owing to the EXPO 2020 and FIFA world cup 2022. Voltas remains one of the few large MEP contractors with required project qualifications and domain expertise. It has to its credit of having successfully completed the MEP works of the Qatar Handball Stadium in 2013 in record time. This is over and above the track record of successfully commissioning various iconic projects like the Burj Khalifa (Tallest building in the world), Formula One race track and Ferrari Experience theme park in UAE, several stadiums for Commonwealth games in India, etc. to name a few. The fact that Voltas continues to be a preferred contractor in the Middle East, holds the Company in good stead against competition for these mega events.

23. With the objective of increasing productivity, the Company has entered into strategic alliances with financially strong and capable partners while enhancing synergies across existing joint ventures / subsidiaries under the One Company approach. Both the Qatar and Oman operations have done reasonably well in 2015-16 and appear healthier. Employing appropriate technology, the Company has commenced use of 'Pre-Fab' as a staple construction methodology across many of its projects, resulting in improved efficiency and safety.

ENGINEERING PRODUCTS AND SERVICES

Textile Machinery

24. Announcement of the amended TUF in January 2016 has provided required clarity on the policy front. The Scheme is expected to accelerate the subsidy driven investments in processing and finishing segment of post spinning business. Similarly, release of State Textile policies are expected in Telangana and UP, while assistance from Gujarat and MP State subsidies continues for two more years. These measures are expected to provide a further impetus to order booking for spinning machinery.

25. Stability in cotton and yarn prices along with revival of industry sentiment should improve the utilization levels of spinning mills in the short term. Additionally, while 2015-16 was another difficult year for the textile industry, long term growth opportunities remain, given the Government's thrust on 'Make In India' coupled with potential for exporting garments and apparels.

Mining & Construction Equipment

26. Opportunities in the road construction sector continues to grow, with the Union Budget allocating ₹ 97,000 crores for road development. Apart from being a growth driver for sale of crushing and screening equipment, higher capacity utilization will lead to a rise in sales of spares for such equipment. Over time, a gradual revival in the market for construction equipment is anticipated.

27. The Company won additional contracts for servicing of excavators from Vale, in Mozambique, for their Moatize coal project. The business continues to scout for additional opportunities within Mozambique as well as other mineral rich African countries.

UNITARY COOLING PRODUCTS FOR COMFORT AND COMMERCIAL USE

28. Increased consumption and growth for air conditioners is expected by industry analysts based on the pace of various Government reforms, 'cash in hand' benefits of the Seventh Pay Commission, lower inflation and interest rates. After two years of drought, monsoon in India is expected to revive with predictions of above average rainfall in the coming year. At the same time, recent Budget allocations to Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) will also boost rural sector, thus aiding business in semi-urban and rural areas. Generally harsher summers as well as the intensifying Urban Heat Island (UHI) effect would be the primary drivers for the Air Conditioning and Commercial Refrigeration businesses in the years ahead. That apart, growing availability of power and rising disposable incomes remain vital drivers for longer term growth, especially in an underpenetrated market where ACs have become more of necessity rather than a luxury.

29. With growing demand for energy efficient variants and Inverter ACs, the Company has re-positioned the brand with the new 'All Star' AC campaign and customer value proposition of energy efficiency and savings. The objective is to occupy the energy efficiency space in the minds of the consumer as well as clarify the misconception of Inverter ACs. The augmented product line-up and communication is aimed at increasing the market share for these products. The new range of 'Voltas Fresh Air Coolers' with their value proposition of cool and fresh air and growing distribution reach, will pave the way for becoming one of the top players in the growing air cooler space currently catered by mainly unorganized players.

30. The Commercial Refrigeration business is witnessing increased growth in synergy with the growing dairy, chocolate and ice-cream segments of industry. This is attributed to increasing urbanization, higher disposable incomes and a growing middle class. The Company plans to further enhance the product portfolio to cater to evolving customer needs.

31. Quality of last mile service delivery is a key focus area for the Company. The Company plans to incorporate technology to enhance customer experience at each touch point along with expanding the franchisee network and imparting regular training to improve technician know-how.

32. The emerging E-commerce channel helped generate volumes during the lean season and festive period, notwithstanding pockets of predatory pricing. The recent Government guidelines restricting the quantum of online discounts reflects pragmatism and should make way for both online and offline channels to co-exist, thereby augmenting the reach of the Company's sales network.

THREATS

ELECTRO-MECHANICAL PROJECTS AND SERVICES

Domestic

33. While on one hand, the sluggish investment climate and the frequent delays of award and re-tendering of contracts pose a challenge to the Company's growth plans, on the other, commodity price fluctuations increase risk exposure. In the near and medium term, the Company is focusing on specific and appropriately risk mitigated pockets of opportunity.

34. The business environment in the projects industry in recent years has been marked by onerous commercial terms and conditions in contracts. Such conditions often result in delays in decision-making, slowing down the progress of projects, or unrealistic timeline expectations. To address this, the Company has streamlined its internal processes to enhance operating efficiencies and schedule adherence, apart from strengthening the claims management process to protect its contractual entitlements.

International

35. The continual decline in the oil prices has not only put significant pressure on balance sheets of Corporates, but has also made local Governments take a re-look at their expansionary fiscal policies. The industry thus remains exposed to the elements of tight liquidity conditions, hindering the ability / willingness to pay. The business continues to focus on speedy closure of delayed projects including recovery of receivables, guarantees, retention money, etc. While suitable emphasis is being maintained on negotiations / arbitration proceedings of certain older projects (such as Sidra), the monitoring and reduction of open exposures remain a top priority.

36. A budget reduction especially in infrastructure spends might impact payments and project timelines; while adversely affecting the business sentiments. Timely issuance of country specific visas continues to remain a challenge in the Middle East. Localization policies of Governments, requiring companies to employ larger numbers of locals, impacts both the availability of suitable talent and related costs.

ENGINEERING PRODUCTS AND SERVICES

Textile Machinery

37. Adverse changes to China's Cotton Policy and devaluation of Yuan could lead to reduction in yarn exports to China. Similarly, lack of trade pacts might constrain the textile exports from India. The possibility of further delays in disbursement of loans by banks given negative rating and perception of textile industry can delay conversion of orders into dispatches. Overall, these factors might subdue business sentiment thereby slowing down the pace of new order booking and execution.

Mining & Construction Equipment

38. Reopening of mine sites continues to be delayed due to policy and process issues, which has adversely impacted the operations of private sector mining firms in India. Decline in commodity prices globally has also been a growth deterrent.

39. Global consolidation of Mining Equipment Principals/Suppliers continues to be a major threat for the Company. Many equipment suppliers restrict the number of dealers representing them. To mitigate this risk, the Company has positioned itself as a supplier neutral service provider and continues to identify new mining sector OEMs which seek representation in the Indian market.

UNITARY COOLING PRODUCTS FOR COMFORT AND COMMERCIAL USE

40. Aggressive pricing tactics by competition to gain market share is posing a threat in some regions. Currency fluctuations in China and India also pose a threat and need close monitoring. Given the increasing number of local competitors in the Commercial Refrigeration and Air Coolers space, pricing pressure and market share are concerns that need to be dealt with via better branding, increased distribution and superior cost efficiencies.

41. Voltas, like most industry players, has manufacturing operations, situated in a remote location, enjoying various tax benefits under Government and State sponsored schemes. With the end dates for such tax holiday periods nearing as well as the possibility of GST implementation, the Company is in the process of evaluating potential alternatives as part of its longer term strategy.

FINANCIAL PERFORMANCE - STANDALONE

42. Financial performance as a measure of operational performance.

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

	₹ in crores			
	2015-16	2014-15	Change	Change %
Segment-A (Electro-mechanical Projects and Services)	1890	1837	53	3%
Segment-B (Engineering Products and Services)	370	360	10	3%
Segment-C (Unitary Cooling Products for Comfort and Commercial Use)	2903	2935	(32)	(1%)
Total	5163	5132	31	1%

Revenues in Electro-mechanical Projects and Services (Segment A) were higher by 3% as compared to the previous year. The turnover of international projects business was lower by 9% in 2015-16, due to delay in execution of projects and low carry-forward order book position. In Segment B, while revenues of Textile Machinery were better than last year, Mining and Construction business reported lower revenues owing to environment led adversities. Given inclement weather in the peak summer season, revenue of Unitary Cooling Products (Segment C) was marginally lower than last year. However, with improvement in demand in the second half of 2015-16, some of the deficit of Q1 was recouped. Despite intense competition, the Company sustained its No.1 market position during the year with better than market growth and sustained its lead over its nearest competition.

(b) **Other Income:**

	₹ in crores			
	2015-16	2014-15	Change	Change%
Other Income	165	149	16	11%

Other Income comprises rental income, dividend from investments, interest income, profit from sale of investments and foreign exchange gain/loss, if any. While Rental income was slightly lower as compared to last year, net gain on sale of investments was significantly higher due to maturity of long term FMPs. The Company had a net foreign exchange gain of ₹ 3 crores approx. in 2015-16 as compared to ₹ 7 crores gain in 2014-15.

(c) **Exceptional Items:**

	₹ in crores			
	2015-16	2014-15	Change	Change%
Exceptional Items (Net)	33	18	15	83%

Exceptional income during 2015-16 was on account of profit on sale of property and investments and reversal of provision for contingencies, partially offset by provision for diminution in value of investments in an overseas subsidiary.

(d) **Employee Benefits:**

₹ in crores

	2015-16	2014-15	Change	Change%
Employee Benefits - Expenses	415	468	(53)	(11%)

Employee Benefits expenses consists of salary, wages, commission to Managing Director, Company's contribution to Provident Fund and other funds, gratuity and staff welfare expenses. There has been an overall 11% decrease in Employee Benefits expenses during the year under review as compared to the previous year, mainly on account of demobilization of workmen, post completion of certain international projects.

(e) **Finance Costs:**

₹ in crores

	2015-16	2014-15	Change	Change%
Interest	8	16	(8)	(50%)

Finance costs largely comprise interest paid on borrowings from banks for execution of overseas projects. While the year-end borrowing position was higher as compared to last year, the average borrowings were however lower during the course of the year leading to a reduction in finance costs.

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

₹ in crores

	2015-16	2014-15	Change	Change%
Depreciation and Amortisation Expenses	19	22	(3)	(14%)

The charge for depreciation on fixed assets was lower for the year under review. Last year, it was higher due to one off adjustments owing to change in method in compliance with the requirements of Schedule II of the Companies Act, 2013.

(g) **Other General Expenses:**

₹ in crores

	2015-16	2014-15	Change	Change%
Other General Expenses	208	208	-	-

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

(h) **Profitability:**

₹ in crores

	2015-16	2014-15	Change	Change%
Profit Before Tax	468	434	34	8%
Profit After Tax (Net Profit)	333	329	4	1%

The profitability of Projects business, especially overseas projects were adversely impacted due to cost overruns, slow pace of execution, delays in certification of entitlements and

final settlements and other extraneous issues. However, the overall profitability in 2015-16 was better than last year.

43. **FINANCIAL POSITION – STANDALONE**(a) **Short Term Borrowings:**

₹ in crores

	2015-16	2014-15	Change	Change%
Short Term Borrowings	119	53	66	125%

Borrowings were primarily for execution of overseas projects. With commencement of execution on some newer projects, the overall bank borrowings have increased as compared to last year.

(b) **Investments:**

₹ in crores

	2015-16	2014-15	Change	Change%
Non-current Investments:				
- Investment in subsidiaries, joint ventures and associates	233	205	28	14%
- Other Investments	67	69	(2)	(3%)
- Investment Properties	29	26	3	12%
- FMPs/Units of Debt Mutual Funds (Growth Scheme)	761	533	228	43%
Total	1090	833	257	31%
Current Investments:				
- Units of Debt Mutual Funds (Growth Scheme)	-	60	(60)	(100%)
- Liquid Funds / Liquid Plus (Dividend)	667	407	260	64%
Total	667	467	200	43%

The Company's investment of surplus cash in Mutual Funds (Non-Current and Current) have increased by ₹ 428 crores (net) and was ₹ 1428 crores as on 31st March, 2016 as compared to ₹ 1000 crores as on 31st March, 2015. As larger portion of investments in Mutual Funds have been made in Growth Schemes and FMPs, income arising from them would be reckoned only in the year of its redemption/maturity. Investment Properties consist of office buildings in Mumbai, Chennai, Jamshedpur and other office premises let out on rent.

(c) **Inventories:**

₹ in crores

	2015-16	2014-15	Change	Change%
Raw materials, components, stores and spares	74	73	1	1%
Work-in progress (Net)	41	61	(20)	(33%)
Finished goods	53	111	(58)	(52%)
Stock-in-trade of goods (For trading)	427	447	(20)	(4%)

Due to completion of some of the overseas projects, Work-in-Progress (Net) had reduced by 33% during 2015-16. Stock of finished goods was also at a lower level in 2015-16 as compared to last year.

(d) Trade Receivables:

	₹ in crores			
	2015-16	2014-15	Change	Change%
- Current Trade Receivables (Net)	1018	1150	(132)	(11%)
- Non-Current Trade Receivables (Net)	56	48	8	17%

The reduction was primarily in Current Trade Receivables in projects businesses due to closure of many overseas projects.

(e) Cash and Cash equivalents:

	₹ in crores			
	2015-16	2014-15	Change	Change%
Cash and Bank balances	132	148	(16)	(11%)

Cash and Bank balances reduced by 11% in 2015-16 due to higher planned investments, fewer cheques on hand and payments made to suppliers / vendors.

(f) Loans and Advances:

	₹ in crores			
	2015-16	2014-15	Change	Change%
- Long Term Loans and Advances (Net)	120	135	(15)	(11%)
- Short Term Loans and Advances (Net)	143	147	(4)	(3%)
Total	263	282	(19)	(7%)

Loans and Advances consists of advance payment of taxes (Net), Capital advances, Security Deposits, advance to Customs, Port Trust / other authorities and suppliers. It also includes inter-corporate deposits to a wholly-owned subsidiary. There was an overall reduction of 7% in 2015-16.

(g) Other Assets:

	₹ in crores			
	2015-16	2014-15	Change	Change%
- Other Current Assets	491	481	10	2%
- Other Non-Current Assets	25	26	(1)	(4%)

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

(h) Liabilities and Provisions:

	₹ in crores			
	2015-16	2014-15	Change	Change%
Current liabilities	2261	2296	(35)	(2%)
Non-Current liabilities	129	112	17	15%

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. There was increase of ₹ 66 crores in short-term borrowings (as explained in point 43(a) above), but reduction in short-term trade payables. Provisions (long-term and short-term) are towards Employee Benefits – gratuity, pension, medical benefits, compensated absences, etc., and for trade guarantees, contingencies, taxation and proposed dividend, including dividend distribution tax.

FINANCIAL PERFORMANCE - CONSOLIDATED

44. Financial performance as a measure of operational performance.

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

	₹ in crores			
	2015-16	2014-15	Change	Change%
Segment-A (Electro-mechanical Projects and Services)	2717	2208	509	23%
Segment-B (Engineering Products and Services)	370	360	10	3%
Segment-C (Unitary Cooling Products for Comfort and Commercial Use)	2557	2510	47	2%
Others	188	66	122	185%
Total	5832	5144	688	13%

The Consolidated Segment Revenue for 2015-16 was higher by 13% at ₹ 5832 crores as compared to ₹ 5144 crores last year. Most of the subsidiaries and joint venture companies reported higher turnover. Lalbuksh Voltas Engineering Services and Trading LLC (Lalvol) under 'Others' segment reported turnover of ₹ 188 crores in 2015-16 as compared to ₹ 66 crores in 2014-15.

(b) Exceptional Items:

	₹ in crores			
	2015-16	2014-15	Change	Change%
Exceptional Items (Net)	41	46	(5)	(11%)

Exceptional income during 2015-16 was on account of profit on sale of property and investments and reversal of provision for contingencies, partially offset by provision for diminution in value of investments in an overseas subsidiary.

(c) Employee Benefits:

	₹ in crores			
	2015-16	2014-15	Change	Change%
Employee Benefits – Expenses	670	590	80	14%

Employee Benefits expenses consists of salary, wages, commission to Managing Director, contribution to Provident Fund and other funds, gratuity and staff welfare expenses. There was overall 14% increase in Employee Benefit expenses during 2015-16 as compared to last year, mainly on account of mobilization of workmen at new international projects in certain joint ventures.

(d) **Finance Costs:**

₹ in crores

	2015-16	2014-15	Change	Change%
Interest	15	23	(8)	(35%)

Finance costs pertain to interest paid on borrowings from banks for execution of overseas projects. While the year-end borrowing position was higher as compared to last year, average borrowings over the course of the year were lower, resulting in reduction in finance costs.

(e) **Profitability:**

₹ in crores

	2015-16	2014-15	Change	Change%
Profit Before Tax	552	514	38	7%
Profit After Tax and Minority Interest/ Share of Profit/loss of Associates	386	384	2	1%

Consolidated Profit before tax in 2015-16 was higher at ₹ 552 crores due to better performance by Projects business, including higher contribution by some of the overseas subsidiaries/joint ventures. On the domestic front, RIEL reported lower loss of ₹ 4 crores in 2015-16 (as compared to loss of ₹ 29 crores in 2014-15) and Universal Comfort Products Limited reported profit before tax of ₹ 84 crores as compared to ₹ 94 crores in the previous year.

45. FINANCIAL POSITION - CONSOLIDATED

(a) **Borrowings:**

₹ in crores

	2015-16	2014-15	Change	Change%
Long Term Borrowings	-	470	(470)	(100%)
Short Term Borrowings	260	117	143	122%

Short Term Borrowings were primarily for execution of overseas projects, including by subsidiaries/joint venture companies. With commencement of execution on some newer projects, the overall bank borrowings have increased as compared to last year.

(b) **Investments:**

₹ in crores

	2015-16	2014-15	Change	Change%
Non-current Investments	859	627	232	37%
Current Investments	667	467	200	43%
Total	1526	1094	432	39%

Current Investments include Liquid Funds (Dividend Schemes) and Debt Mutual Funds (Growth Schemes). The Non-Current Investments comprises investments in subsidiaries, joint ventures and associates, Investment Properties, other Investments and FMPs/Debt Mutual Funds (Growth Scheme). The Company's investment of surplus cash in Mutual Funds (Non-Current and Current) have increased by ₹ 428 crores (net) and was ₹ 1428 crores as on 31st March, 2016 as compared to ₹ 1000 crores as on 31st March, 2015.

(c) **Inventories:**

₹ in crores

	2015-16	2014-15	Change	Change%
Raw materials, components, stores and spares	197	184	13	7%
Work-in progress (Net)	170	99	71	72%
Finished goods	213	288	(75)	(26%)
Stock-in-trade of goods (For trading)	313	296	17	6%

Work-in-Progress (Net) including project material at sites, increased by 72% in 2015-16 as compared to last year. Inventory levels of finished goods decreased by 26% due to completion of some overseas projects and better demand for Unitary Cooling Products resulting in larger sales volumes.

(d) **Trade Receivables:**

₹ in crores

	2015-16	2014-15	Change	Change%
Current Trade Receivables (Net)	1307	1339	(32)	(2%)
Non-Current Trade Receivables (Net)	126	64	62	97%

The decrease in Current Trade Receivables is due to closure of many international projects.

(e) **Other Assets:**

₹ in crores

	2015-16	2014-15	Change	Change%
Other Current Assets (Net)	882	661	221	33%
Other Non-Current Assets (Net)	36	41	(5)	(12%)

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

(f) Liabilities and Provisions:

	₹ in crores			
	2015-16	2014-15	Change	Change%
Current liabilities (other than borrowings)	2762	2518	244	10%
Non-Current liabilities	156	130	26	20%

Current liabilities include trade payables, short-term provisions and other current liabilities. Non-Current liabilities consist of long-term provisions, trade payables and deferred tax liabilities. There was increase in trade payables. Provisions (long-term and short-term) are towards Employee Benefits – gratuity, pension, medical benefits, compensated absences, etc. and for trade guarantees, contingencies, taxation and proposed dividend, including dividend distribution tax.

LIQUIDITY AND CAPITAL RESOURCES

46. For close to a decade, the Central banks in multiple geographies have been resorting to quantitative easing in an effort to prop up their economies. During the same period, given high inflation rates, the Reserve Bank of India had maintained a tight control on liquidity by keeping the bank interest rates high. However, since January 2015, RBI has cut interest rates by 150 bps in an effort to boost growth. However, given the over stretched balance sheets of various corporates and the Non Performing Assets (NPA) situation, most banks have chosen not to transfer the full benefits of the rate cut. Consequently, the situation on the ground is yet to improve significantly.

47. Given the limited borrowings of the Company (mainly working capital finance for International Projects) as well as the continued emphasis of the Management on protecting the quality of the Balance Sheet, Cash and Bank balances with liquid investments have increased to a comfortable position of ₹ 1654 crores as on 31st March, 2016. Various external adversities have time and again emphasized the importance of cash. This is now deeply engrained in the Company's corporate DNA with policies and procedures sharply focused on cash management.

RISKS AND CONCERNs

48. The emphasis on internal controls and risk management has augmented the importance of well-established processes and systems within the Company. The Risk Management Committee comprising 3 Independent

Directors, review and monitor the top 10 risks at the Entity level. As a Corporate policy, periodic update exercises are undertaken to revisit the various risks and adopt appropriate mitigation plans. The Operational Risks are also deliberated in the long term Strategic Business Plans (SBPs) and suitable remedial/mitigation measures are taken, from time to time.

49. The sharp depreciation of the Rupee over the course of last year has once again highlighted the importance of having a well-defined forex policy along with established forex management processes. By suitably hedging the risk, the Company has ensured that the impact of the Rupee depreciation was minimized. The forex risk is closely monitored and necessary actions are promptly taken, as and when required. Similarly, commodity prices are reviewed from time to time to assess risks.

50. 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

51. The Company's Internal Audit team comprises of qualified professionals and is headed by the Chief Internal Auditor who reports to the Board Audit Committee. One of the leading firms of Chartered Accountants has been engaged as a co-sourcing partner for internal audit.

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

assurance to the Board and the Audit Committee on the design, adequacy and operating effectiveness of the internal control system. Internal Audit has carried out independent testing of operating effectiveness of internal controls during 2015-16.

53. Significant audit findings and suggestions along with the 'Action Taken Reports' are reported to the Board Audit Committee at each Meeting. The Board Audit Committee monitors and reviews the significant internal audit observations, compliance with accounting standards, risk management and control systems and profitability.

54. As a part of its continuous endeavour to enhance the effectiveness of internal audit, the Company has recently implemented an Audit Management Software.

HUMAN RESOURCES

55. The dynamic business environment in India and abroad presents several interesting challenges. The Company has taken many initiatives to ensure the availability of appropriate talent, skills and resources together with flexible operating models and an engaged workforce to achieve maximum results at optimal cost.

56. The Company has augmented its leadership and talent pipeline with a combination of lateral hires in the market together with internal movements and campus hires. To keep the young campus hires engaged and charged till they actually joined Voltas, 'V-Connect' - a form of pre-joining engagement initiative was launched. In order to maintain sustainable growth and have competitive advantage, the Company identified a 4% core talent and is currently engaged in developing them via suitable leadership positions and additional responsibilities.

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

58. Recognizing that an engaged workforce can be a competitive advantage to any company in this era of uncertainty, Voltas has recently drawn a detailed Engagement Calendar plan with 4 focus areas - Employee Family Day, Sporting events, Cultural events and Employee Volunteering

week. The Company has also launched a non-monetary engagement initiative 'High 5' which received an overwhelming response from employees. Through this initiative, the employees are encouraged to acknowledge and felicitate the contributions of fellow employees, peers and teams.

59. In the spirit of professional engagement and pragmatic business relations, the Company successfully entered into a long term wage settlement with its employees at Pantnagar Plant. Given an approach of innovative and inclusive practices, the Company enjoyed a favorable Industrial Relations climate during 2015-16.

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

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

62. The total staff strength of Voltas Limited (stand-alone) as on 31st March, 2016 was 5030, including 2455 contract staff, primarily for overseas projects. On a consolidated basis, total manpower as on 31st March, 2016 was 8741, including 5834 contract staff. The international projects business including overseas subsidiaries/joint ventures had 5139 contract staff.

CAUTIONARY STATEMENT

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

Report on Corporate Governance

1. Company's philosophy on code of governance

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

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

2. Board of Directors

(a) Composition

The present Board comprises 10 members: 9 Non-Executive Directors (NEDs) and the Managing Director. Of the 9 NEDs, 5 are Independent Directors. There are two Women Directors including, one representing Life Insurance Corporation of India. The Company has a Non-Executive Chairman and the number of Independent Directors is 50% of the total number of Directors. Except Independent Directors and the Managing Director, all other NEDs are liable to retire by rotation.

(b) Independent Directors

All the Independent Directors of the Company have confirmed that they satisfy the criteria of Independence

as indicated in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). None of the Independent Directors of the Company is a Wholetime Director of any listed Company and does not serve as an Independent Director in more than 7 listed companies. The Independent Directors are appointed for a term of five years or upto the age of retirement, as per Retirement Policy adopted by the Company, whichever is earlier. The Company has issued letter of appointment to the Independent Directors in the manner as provided in the Companies Act, 2013. The terms and conditions of their appointment have been disclosed on the website of the Company.

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

During 2015-16, a separate Meeting of Independent Directors of the Company was held on 11th February, 2016 to discuss the performance evaluation based on the self assessment of Directors, Board and also assess the quality, content and timeliness of flow of information between the Management and the Board.

The Independent Directors of the Company are familiarised with the Company's operations, business, industry and environment in which it functions and the regulatory environment applicable to it. The familiarisation programme for Directors has been

disclosed on the website of the Company [www.volatas.com](http://www.volotas.com) and the weblink is <http://www.volatas.com/FPID.PDF>

(c) Performance Evaluation

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

(d) Non-Executive Directors' compensation and disclosures

Sitting fees paid to Non-Executive Directors, including Independent Directors for attending Board/Committee Meetings are within the limits prescribed under the Companies Act, 2013 (the Act). Same amount of Sitting fees is paid to Independent and other Non-Executive Directors. The shareholders have at the 61st Annual General Meeting (AGM) held on 3rd August, 2015 passed an Ordinary Resolution and approved payment of commission to Non-Executive Directors not exceeding 1% per annum of the net profits of the Company, to be calculated in accordance with the provisions of the Act. The aforesaid Resolution was for a period of five financial years commencing from 1st April, 2015.

(e) Other provisions as to Board and Committees

During 2015-16, eight Board Meetings were held on the following dates and the gap between two consecutive Board Meetings did not exceed 120 days.

21st April, 2015; 21st May, 2015; 12th August, 2015; 29th September, 2015; 6th November, 2015; 15th January, 2016; 11th February, 2016; and 30th March, 2016.

The annual calendar of Board/Committee Meetings is agreed upon at the beginning of the year and Notice for Board Meetings and detailed agenda papers are circulated to all the Directors at least 7 days in advance to enable them to attend and take informed decisions at the Meetings.

The information as required under Regulation 17(7) of the Listing Regulations is made available to the Board. In addition, all proposals of investments, divestments

and decisions in respect of properties of the Company, execution of overseas projects and credit facilities in respect thereof are placed before the Board for its consideration and appropriate decision in the matter. The annual budgets – Revenue, Capital as well as the Divisional Budgets/Annual Operating Plans 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, 2016. A declaration to this effect, signed by the Managing Director of the Company is annexed hereto. Senior management comprises the Division/Department/ Functional Heads, General Managers and the CFOs of the respective business clusters.

(g) Category and attendance

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

Name of Directors	Category	Board Meetings Attended during 2015-16	Attendance at the last AGM held on 3rd August, 2015	Number of Directorships in other public limited companies (excluding directorship in associations, private/ Section 8/foreign companies)	Number of Committee positions held in other public companies#	
					Chairman	Member
Mr. Ishaat Hussain (Chairman) DIN:00027891	Not Independent Non-Executive	8	Yes	9	3	4
Mr. Sanjay Johri (Managing Director) DIN:00032015	Not Independent Executive	8	Yes	—	—	—
Mr. Noel N. Tata DIN:00024713	Not Independent Non-Executive	8	Yes	7	—	2
Mr. Nani Javeri DIN:02731854	Independent Non-Executive	8	Yes	3	—	4
Mr. R. N. Mukhija DIN:00001653	Independent Non-Executive	8	Yes	2	—	2
Mr. Vinayak Deshpande DIN:00036827	Not Independent Non-Executive	7	No	5	—	1
Mr. Thomas Mathew T. (upto 5.5.2015) DIN:00130282	Not Independent Non-Executive	—	NA	—	—	—
Mr. Debendranath Sarangi DIN:01408349	Independent Non-Executive	6	Yes	2	—	2
Mr. Bahram N. Vakil DIN:00283980	Independent Non-Executive	7	Yes	4	—	1
Ms. Anjali Bansal DIN:00207746	Independent Non-Executive	8	Yes	2	—	1
Ms. Usha Sangwan (w.e.f. 12.8.2015) DIN:02609263	Not Independent Non-Executive	3	NA	5	—	1

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

3. Audit Committee

(a) Composition, name of Members and Chairman

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

(b) Meetings and attendance during the year

Eight Board Audit Committee Meetings were held during the financial year 2015-16 on the following dates:

20th April, 2015; 20th May, 2015; 10th July, 2015; 11th August, 2015; 5th November, 2015, 14th January, 2016, 10th February, 2016 and 29th March, 2016.

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

Name of Members	No. of Meetings attended
Mr. Nani Javeri	8
Mr. R. N. Mukhija	7
Mr. Debendranath Sarangi	6
Mr. Thomas Mathew T.*	–

* Mr. Thomas Mathew T., ceased to be a Director and Member of Audit Committee with effect from 5th May, 2015.

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

(c) Terms of reference and role of Audit Committee

The terms of reference, powers and role of Audit Committee are in accordance with Regulation 18(3) of the Listing Regulations read with Section 177(4) of the Companies Act, 2013. The broad terms of reference includes the following:

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

- (v) Compliance with Listing Regulations and other legal requirements relating to financial statements.
- (vi) Disclosure of related party transactions.
- (vii) Qualifications/modified opinion(s) in the draft Audit Report.
- Review with the Management, the quarterly financial statements before submission to the Board for approval.
- Review with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Approve related party transactions, including any subsequent modifications thereto.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Review with the Management, performance of statutory, branch and internal auditors, adequacy of the internal control systems.
- Review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discuss with internal auditors, significant audit findings and follow up thereon.
- Review the findings of investigations by internal auditors in matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discuss with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approve the appointment of Chief Financial Officer (CFO).
- Carrying out any other function as mentioned in the terms of reference of the Audit Committee or as may be assigned by the Board of Directors.

The Board Audit Committee also reviews the following:

- (i) Management Discussion and Analysis of financial condition and results of operations;
- (ii) Related party transactions submitted by Management on quarterly basis;
- (iii) Management letters / letters of internal control weaknesses, if any, issued by the statutory auditors;
- (iv) Internal audit reports relating to internal control weaknesses, if any, including major audit observations;
- (v) Appointment, removal and terms of remuneration of Chief Internal Auditor;
- (vi) Concerns, if any, received under the Code of Conduct;

- (vii) Discussions with Cost Auditor on cost audit related matters;
- (viii) Performance of all major on-going projects in India and Abroad; and
- (ix) Financial Statements of subsidiary companies, on a quarterly basis.

In terms of the revised Insider Trading Code adopted by the Company during 2015-16, the Board Audit Committee considers the following matters:

- To provide guidance to the Compliance Officer for setting the policy and implementation of the revised 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 eight unlisted subsidiary companies, of which three are Indian subsidiaries. As defined in Regulation 16(1)(c) of Listing Regulations, none of the subsidiaries except Universal Comfort Products Limited, falls under the category of 'material subsidiary'. The financial statements of all subsidiary companies including investments made, if any, are periodically reviewed by the Board Audit Committee. The financial performance, Minutes of Board Meetings of these subsidiary companies and all significant transactions or arrangements entered into by the subsidiary companies are reviewed by the Board. Some of the Independent Directors of the Company have been appointed as Non-Executive Independent Directors of the Indian wholly-owned subsidiaries of the Company.

The Board of Directors have adopted the Policy for determining 'material' subsidiaries as specified in Listing Regulations. This Policy is uploaded on the Company's website www.voltas.com and the weblink is <http://www.voltas.com/pdms.pdf>

5. Risk Management Committee

The Risk Management Committee comprises Mr. Nani Javeri (Chairman), Mr. R. N. Mukhija and Mr. Debendranath Sarangi. During 2015-16, one

Meeting was held on 10th July, 2015. The Company has formulated a detailed Risk Management Policy to establish an effective and integrated framework for the risk management process. After discussions / deliberations and workshops at Corporate as well as Divisional level, the Company has identified top ten corporate risks along with its mitigation measures which are reviewed by the respective Businesses / Corporate and changes if any, are reported to the Board / Risk Management Committee. The Strategic Business Plan of the respective Divisions factor the risks associated with the businesses.

6.

Related Party Transactions

The Company has formulated a Policy on materiality of Related Party transactions and also on dealing with Related Party transactions (RPTs). The Audit Committee had granted omnibus approval upto certain threshold limits for RPTs during 2015-16 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. 38), there were no other related party transactions with promoters, directors, management, joint ventures/subsidiaries, etc. that had a potential conflict with the interest of the Company at large. All transactions with related parties were in the normal course of business during 2015-16. The interest of Directors, if any, in transactions are disclosed at Board Meetings and the interested Director does not participate in the discussion or vote on such transactions. The Policy on RPTs is uploaded on the Company's website www.voltas.com and the weblink is <http://www.voltas.com/rpt.pdf>

7.

Managerial Remuneration

(a) Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) comprises Mr. Bahram N. Vakil (Chairman), Mr. Nani Javeri and Ms. Anjali Bansal (Independent Directors), Mr. Ishaaq Hussain and Mr. Noel N. Tata (Non-Executive Directors). Ms. Anjali Bansal was nominated as Member of NRC effective 6th November, 2015. During 2015-16, four meetings were held on 21st April, 2015; 21st May, 2015; 15th June, 2015 and 18th December, 2015. The attendance of each member of the Committee is given below:

Name of Members	No. of Meetings attended
Mr. Bahram N. Vakil	3
Mr. Nani Javeri	4
Mr. Ishaaq Hussain	3
Mr. Noel N. Tata	4
Ms. Anjali Bansal	1

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 re-appointment of Directors.
- (iii) Devise a policy on Board diversity.
- (iv) Recommend to the Board, appointment of Key Managerial Personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this Committee).
- (v) Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors. This shall include "formulation of criteria for evaluation of Independent Directors and the Board".
- (vi) Recommend to the Board, the Remuneration Policy for Directors, Executive team or Key Managerial Personnel as well as the rest of the employees.
- (vii) On an annual basis, recommend to the Board, the remuneration payable to Directors and oversee the performance review process and remuneration of the KMP and the executive team of the Company.
- (viii) Oversee familiarisation programmes for Directors.
- (ix) Oversee the Human Resource (HR) philosophy, HR and People strategy and HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for Board, Key Managerial Personnel and executive team).
- (x) Provide guidelines for remuneration of Directors on material subsidiaries.
- (xi) Recommend to the Board on voting pattern on Resolutions for appointment and remuneration of Directors on the Boards of its material subsidiary companies.

- (xii) Performing such other duties and responsibilities as may be consistent with the provisions of the Committee Charter.

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

(b) Remuneration Policy

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

- (a) Sitting fees/commission to Directors may be paid within regulatory limits.
- (b) Overall remuneration should be reasonable and significant to attract, retain and motivate Directors aligned to the requirements of the Company.
- (c) Overall remuneration should be reflective of the size of the Company, complexity of the sector/ industry/ Company's operation and the Company's capacity to pay the remuneration.
- (d) Overall remuneration practices should be consistent with the recognized best practices.
- (e) The NRC will recommend to the Board, the quantum of commission for each Director based on the outcome of the evaluation process which also includes attendance and time spent by the Directors for Board and Committee Meetings, individual contributions made by Directors at the Meetings and other than in Meetings.

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

The remuneration of Non-Executive Directors, by way of sitting fees and commission is decided and approved by the Board of Directors based on recommendations of the NRC. The shareholders have, at the 61st 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 Companies Act, 2013 for a period of five years commencing from 1st April, 2015. Commission for 2015-16 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 2015-16 and their shareholding in the Company as on date are given below:

● Non-Executive Directors

Name of Directors	Commission for 2015-16* (₹ in Lakhs)	Sitting Fees paid in 2015-16 (₹ in Lakhs)	No. of Shares held
Mr. Ishaat Hussain	28.00	3.30	–
Mr. Noel N. Tata	21.00	4.35	–
Mr. Nani Javeri	33.00	6.75	–
Mr. R. N. Mukhija	23.00	5.55	–
Mr. Vinayak Deshpande	13.00	2.85	–
Mr. Debendranath Sarangi	17.00	4.05	–
Mr. Bahram N. Vakil	22.00	4.05	–
Ms. Anjali Bansal	15.00	3.00	–
Ms. Usha Sangwan**	3.00	0.90	–

* payable in 2016-17

** Sitting fees and Commission is payable to LIC.

The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during 2015-16, except as stated above.

● Remuneration of Managing Director

(₹ in Lakhs)

Name of Managing Director	Salary	Perquisites and allowances including contribution to PF and Superannuation Fund	Commission for 2015-16*
Mr. Sanjay Johri	72.00	117.68	200.00

* payable in 2016-17

Notes:

- (a) Mr. Sanjay Johri was re-appointed as the Managing Director for a period between 23rd April, 2015 and 9th February, 2018 and his re-appointment and remuneration was approved by the shareholders at the 61st AGM of the Company held on 3rd August, 2015. As per the terms of re-appointment of Mr. Sanjay Johri, either party is entitled to terminate the agreement by giving not less than six months notice in writing to the other party or the Company paying six months remuneration in lieu of such notice. No severance fee is payable.
- (b) The Company has not introduced any stock options for its Directors/ employees.
- (c) Mr. Sanjay Johri does not hold any Equity Shares of the Company either singly or jointly.

● 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 Not-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 amounts to the Investor Education and Protection Fund pursuant to the provisions of Section 205C of the Companies Act, 1956. Mr. Noel N. Tata, Non-Executive Director of the Company is the Chairman and Mr. Bahram N. Vakil, Independent Director is a Member of this Committee. During 2015-16, two meetings of Shareholders Relationship Committee were held on 4th November, 2015 and 18th March, 2016 which were attended by the Company Secretary. The Minutes of the Shareholders Relationship Committee Meetings are circulated and noted by the Directors at Board Meetings. Mr. Noel N. Tata attended the last AGM of the Company as Chairman of Shareholders Relationship Committee.

During 2015-16, only 7 complaints were received from SEBI/Stock Exchanges which were suitably dealt with and closed. As on 31st March, 2016, no complaints were pending. 4 transfers amounting to 12,800 shares were pending as on 31st March, 2016, which were subsequently processed.

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

9. Other Committees

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

(a) Corporate Social Responsibility Committee comprises Mr. Noel N. Tata (Chairman), Mr. Bahram N. Vakil and Mr. Sanjay Johri. A CSR Policy has been formulated by the Committee, which has been approved by the Board, to undertake CSR projects / activities. During

2015-16, three Meetings were held on 15th July, 2015, 8th December, 2015 and 3rd March, 2016, which were attended by all Committee Members.

- (b) The Board Committee comprising any two Directors is authorized to approve routine matters such as opening / closing and changes in the operation of bank accounts of the Company, to grant limited power of attorney to the officers of the Company and for authorizing executives for signing sales tax and excise forms, declarations, etc. During 2015-16, three Meetings were held on 3rd September, 2015, 17th December, 2015 and 22nd March, 2016.
- (c) The Investment Committee considers and takes appropriate decisions for deployment of surplus funds of the Company / investments in Mutual Funds. The Company has formulated an Investment Policy in consultation with the Investment Committee, which has been approved by the Board. Mr. Nani Javeri, is the Chairman of the Committee. Mr. Sanjay Johri, Managing Director and Mr. Anil George, President - Corporate Affairs and Chief Financial Officer of the Company are members of the Investment Committee. During 2015-16, two Meetings were held on 2nd November, 2015 and 28th March, 2016. Status of investments made in Mutual Funds and returns / dividends earned are reported to the Investment Committee on a monthly basis and to the Board, on quarterly basis.
- (d) The Committee of Board (COB) comprising Mr. Ishaat Hussain, Mr. Sanjay Johri and Mr. Noel N. Tata periodically meet to discuss and guide the Management on various strategic issues. During the year under review, three COB meetings were held were held on 21st April, 2015, 15th June, 2015 and 15th July, 2015.
- (e) Project Committee comprising Mr. R. N. Mukhija (Chairman), Mr. Vinayak Deshpande and Mr. Sanjay Johri review and monitor the progress and execution of projects and other related

matters. During 2015-16, three Meetings were held on 12th August, 2015; 5th January, 2016 and 25th January, 2016.

- (f) Safety-Health-Environment (S-H-E) Committee comprising Mr. R. N. Mukhija (Chairman), Mr. Vinayak Deshpande and Mr. Sanjay Johri, review and monitor the safety standards and practices followed by the Company. The Company has started safety audits by cross-functional teams at project sites. During 2015-16, two Meetings of S-H-E Committee were held on 12th August, 2015 and 25th January, 2016.

10. General Body Meetings

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

Date of AGM	Time	Special Resolution passed
59th AGM - 19th August, 2013	3.00 p.m.	None
60th AGM- 1st September, 2014	3.00 p.m.	Special Resolution authorizing the Board of Directors for creation of charge on movable and immovable properties of the Company not exceeding ₹ 500 crores
61st AGM- 3rd August, 2015	3.00 p.m.	None

During 2015-16, no Special Resolution was passed through postal ballot.

No Extraordinary General Meeting was held during the financial year 2015-16.

11. Details of Directors seeking appointment / reappointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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 AGM to be held on 29th August, 2016.

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 Board 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 2015-16.

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

- The Managing Director and President - Corporate Affairs & CFO have in accordance with Regulation 17(8) of Listing Regulations certified to the Board on matters pertaining to CEO/CFO certification during the financial year 2015-16.
- 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. An off-site Meeting of Directors with Senior Management of the Company was held on 30th March, 2016, which also included a Question and Answer session. 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 in English; Sakaal in Marathi and also displayed on the website of the Company www.voltas.com soon after its submission to the Stock Exchanges.
- Shareholding Pattern, Corporate Governance Report and financial results are uploaded on NEAPS and Listing Centre maintained by NSE and BSE, respectively.
- The financial results, official news releases and presentations, conference calls with the institutional investors or with the analysts are displayed on the Company's website www.voltas.com. Copies of Press Release are sent to the Stock Exchanges.

14. General Shareholders Information

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

Monday, 29th August, 2016 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 13th August, 2016
- (c) Second Quarter Results
 - By 14th November, 2016
- (d) Third Quarter Results
 - By 14th February, 2017
- (e) Results for the year ending 31st March, 2017
 - By 30th May, 2017

- **Date of Book closure**

Tuesday, 9th August, 2016 to Monday, 29th August, 2016 (both days inclusive).

- **Dividend Payment date**

Dividend would be paid on or after 2nd September, 2016.

- **Listing on Stock Exchange**

BSE Limited

National Stock Exchange of India Limited

The Company has paid the listing fees to BSE and NSE for the year 2016-17.

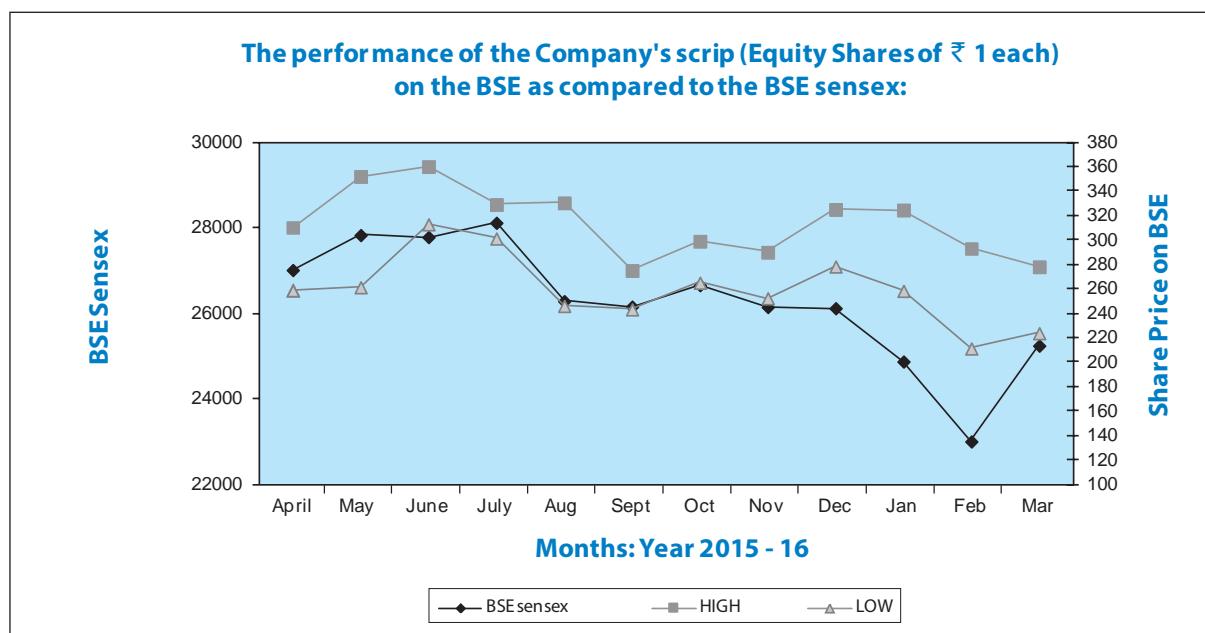
- **Stock Code**

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

● Market Information

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

Month	BSE Sensex	BSE Ltd. (BSE)				National Stock Exchange of India Ltd. (NSE)			
		High ₹	Low ₹	No. of Shares Traded	Turnover ₹ in Lakhs	High ₹	Low ₹	No. of Shares Traded	Turnover ₹ in Lakhs
2015									
April	27011	310.25	258.80	3074271	8966.66	310.30	258.25	39585796	114882.34
May	27828	352.00	261.30	5938127	18517.42	347.80	261.30	56794834	175992.20
June	27781	360.00	312.80	4913746	16559.84	359.90	313.50	55370896	186278.18
July	28115	329.00	301.20	4430797	13990.23	329.00	301.00	39430697	124487.64
August	26283	330.35	246.00	4494565	13330.96	330.40	245.70	57593197	170502.37
September	26155	275.00	243.20	3680637	9474.31	275.00	243.00	37250707	96263.71
October	26657	299.00	265.00	2162006	6088.02	299.00	266.50	30438183	85866.07
November	26146	290.00	252.25	2524500	6838.91	290.75	252.00	27342354	74469.69
December	26118	325.00	278.30	2116810	6330.21	327.00	277.50	30167425	90128.67
2016									
January	24871	324.50	258.35	1861647	5356.47	324.50	258.40	24948769	71839.32
February	23002	293.00	211.20	3610986	9046.78	292.50	211.00	39077204	94724.26
March	25242	278.00	223.70	2512963	6421.93	279.90	223.50	33019970	84029.36



- Distribution of shareholding as on 31st March, 2016**

No. of equity shares held	No. of Shareholders	No. of Shares held	% of Issued Share Capital
Upto 5000	103701	38225950	11.56
5001 to 10000	945	6700039	2.02
10001 to 20000	399	5605637	1.69
20001 to 30000	117	2891770	0.87
30001 to 40000	55	1913266	0.58
40001 to 50000	33	1509323	0.46
50001 to 100000	56	3831840	1.16
100001 and above	163	270206915	81.66
Total	105469	330884740	100.00
Physical Mode	16688	11033850	3.33
Electronic Mode	88781	319850890	96.67

- Shareholding Pattern as on 31st March, 2016**

Category	No. of Shares held	% of Issued Share Capital
Tata Group of companies	100253480	30.30
Insurance companies (Government)	31521232	9.53
Insurance companies (Others)	13831702	4.18
Mutual Funds and UTI	49648292	15.00
FII's	43075775	13.02
FPI's	21301103	6.44
Bodies Corporate	12754989	3.85
NRI's	23561113	0.71
Banks	792649	0.24
Foreign companies and Foreign National	91633	0.03
Public	55257772	16.70
Total	330884740	100.00

- Shareholders holding more than 1% Equity shares of the Company as on 31st March, 2016**

Name of Shareholder	No. of Shares held	% of Issued Share Capital
Tata Sons Limited	88131780	26.64
Life Insurance Corporation of India	24872076	7.52
Franklin Templeton Investment Funds	14688872	4.44
HDFC Mutual Fund	13453300	4.07
Franklin Templeton Mutual Fund	10016381	3.03
Tata Investment Corporation Limited	9962330	3.01
Hasham Investment and Trading Company Private Limited	8224269	2.49
IDFC Mutual Fund	7790893	2.35
Bajaj Allianz Life Insurance Company Limited	6020003	1.82
SBI Mutual Fund	4504365	1.36
Government Pension Fund Global	4465941	1.35
HDFC Standard Life Insurance Company Limited	3926817	1.19
Kuwait Investment Authority	3702981	1.12
Birla Sun Life Trustee Company Private Limited	3462692	1.05

- Registrar and Transfer Agent**

TSR Darashaw Limited

Unit : Voltas Limited

6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai 400 011.

Tel : 022-66568484

Fax : 022-66568494

e-mail : csg-unit@tsrdarashaw.com

- Share Transfer System**

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

- Dematerialisation of shares and liquidity**

96.67% of the share capital has been dematerialized as on 31st March, 2016.

- 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. Panthagar
Industrial Area, Dist. Udhampur Singh Nagar,
Rudrapur, Uttarakhand 263 145.

- Addresses for correspondence**

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

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

- Unclaimed Dividends**

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

Date of declaration of dividend	Dividend for the year	Last date for claiming unpaid dividend
10th August, 2009	2008-09	9th August, 2016
16th August, 2010	2009-10	14th August, 2017
16th August, 2011	2010-11	14th August, 2018
23rd August, 2012	2011-12	22nd August, 2019
19th August, 2013	2012-13	18th August, 2020
1st September, 2014	2013-14	31st August, 2021
3rd August, 2015	2014-15	2nd August, 2022

- Remittance of Dividend through NECS**

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

- Bank details for Electronic Shareholding**

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

- Bank details for Physical Shareholding**

In order to provide protection against fraudulent encashment of dividend warrants, the members are requested to provide, if not provided earlier, their bank Account numbers, names and addresses of the Bank, quoting Folio numbers to the Company's Registrar and Transfer Agent – TSR Darashaw Limited to incorporate the same on the dividend warrants.

- Dematerialisation of Shares**

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

- Nomination facility**

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

- Receipt of Financial Statements/other documents through Electronic mode**

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

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

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

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

I hereby declare that all the Directors and Senior Management personnel have as on 31st March, 2016 affirmed compliance of their respective Codes of Conduct adopted by the Company and confirmation to that effect has been given by each of them.

Mumbai,
17th May, 2016

Sanjay Johri
Managing Director

INDEPENDENT AUDITOR'S CERTIFICATE**TO THE MEMBERS OF VOLTAS LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by **VOLTAS LIMITED** ("the Company"), for the year ended on 31st March, 2016, as stipulated in:
 - Clause 49 [excluding Clause 49(VII)(E)] of the Listing Agreements of the Company with Stock Exchange(s) for the period from 1st April, 2015 to 30th November, 2015.
 - Clause 49(VII)(E) of the Listing Agreements of the Company with the Stock Exchange(s) for the period from 1st April, 2015 to 1st September, 2015.
 - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from 2nd September, 2015 to 31st March, 2016 and
 - Regulations 17 to 27 [excluding Regulation 23(4)] and Clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from 1st December, 2015 to 31st March, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended 31st March, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

B. P. Shroff
Partner
Membership No. 34382

Mumbai,
17th May, 2016

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Voltas Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **VOLTAS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation

and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes

evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and jointly controlled entities as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of six subsidiaries and four jointly controlled entities, whose financial statements reflect total assets of ₹ 1349.36 lakhs as at 31st March, 2016, total revenues of ₹ 74342.04 lakhs and net cash flows amounting to ₹ 548.02 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors, whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the

amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, is based solely on the reports of the other auditors.

(b) The consolidated financial statements includes the Group's share of net profit of ₹ 227.70 lakhs for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements

- have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled companies incorporated in India, none of the Directors of the Group companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a Director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report in **Annexure "A"**, which is based on the auditors' reports of the Holding company, subsidiary companies and jointly controlled companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's, subsidiary company's and jointly controlled company's incorporated in India internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and jointly controlled entities - Refer Note 27 of the consolidated financial statements.
 - (ii) The Group, its associate and jointly controlled entities have made provision, as required under applicable law or accounting standards for the material foreseeable losses, if any, for long-term contracts including derivative contracts - Refer Note 1(iii)(c) of the consolidated financial statements.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate company and jointly controlled companies incorporated in India.

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

Mumbai,
17th May, 2016

B. P. Shroff
Partner
Membership No. 34382

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

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of VOLTAS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Holding Company, its subsidiary companies and jointly controlled companies, 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 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 companies' policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and jointly controlled companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient

and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the

internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three subsidiary companies and two jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

*Mumbai,
17th May, 2016*

B. P. Shroff
Partner
Membership No. 34382

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

	Note	₹ in Lakhs	As at 31-3-2015 ₹ in Lakhs
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	2	3307.52	3307.48
(b) Reserves and surplus	3	236213.73	206899.86
		239521.25	210207.34
2. Minority Interest			
3. Non-current liabilities			
(a) Long-term borrowings	4	Nil	469.55
(b) Deferred tax liabilities (net)	5	178.49	188.16
(c) Other long-term liabilities	6	3338.94	2017.20
(d) Long-term provisions	7	12083.60	10788.29
		15601.03	13463.20
4. Current liabilities			
(a) Short-term borrowings	4	25994.84	11697.65
(b) Trade payables	8		
(i) Total outstanding dues of micro and small enterprises		807.32	562.44
(ii) Total outstanding dues of creditors other than micro and small enterprises			
		173705.99	153582.49
(c) Other current liabilities	8	72909.56	73089.83
(d) Short-term provisions	7	28754.37	24616.63
		302172.08	263549.04
TOTAL EQUITY AND LIABILITIES		559877.47	488824.69
II. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	21221.73	17919.91
(ii) Intangible assets	10	885.11	985.34
(iii) Capital work-in-progress		129.17	442.17
		22236.01	19347.42
(b) Goodwill on consolidation		7231.05	7978.03
(c) Non-current investments	11	85900.67	62690.45
(d) Deferred tax assets (net)	5	5283.60	3673.53
(e) Long-term loans and advances	12	11245.88	10928.68
(f) Other non-current assets	13	16189.38	10527.37
		148086.59	115145.48
2. Current assets			
(a) Current investments	11 A	66674.07	46698.27
(b) Inventories	14	89274.70	86706.41
(c) Trade receivables	15	130657.27	133859.61
(d) Cash and cash equivalents	16	19709.56	25163.38
(e) Short-term loans and advances	12	17312.03	15129.83
(f) Other current assets	13	88163.25	66121.71
		411790.88	373679.21
TOTAL ASSETS		559877.47	488824.69
Summary of significant accounting policies	1		
See accompanying notes forming part of the consolidated financial statements.	1-37		

For and on behalf of the Board

Chairman
Managing Director
Directors

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

President - Corporate Affairs & CFO
Vice President- Taxation, Legal &
Company Secretary
Mumbai, 17th May, 2016

Anil George

V. P. Malhotra

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

B. P. Shroff

Partner

Mumbai, 17th May, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note	₹ in Lakhs	Year ended 31-3-2015 ₹ in Lakhs
I. Revenue from operations (Gross)	17	588428.76	520479.67
Less: Excise duty		2684.78	2171.01
Net Revenue from operations		585743.98	518308.66
II. Other Income	18	11761.00	10871.90
III. Total Revenue (I + II)		597504.98	529180.56
IV. Expenses			
(a) Consumption of raw materials, cost of jobs and services	19	346598.47	288859.60
(b) Purchase of traded goods	20	67285.46	69218.88
(c) (Increase) / Decrease in finished goods, work-in-progress and stock-in-trade	21	(1278.82)	1666.16
(d) Employee benefits expenses	22	66984.79	58991.56
(e) Finance costs	23	1533.40	2325.75
(f) Depreciation and amortisation expenses	24	2781.06	2804.12
(g) Other expenses	25	62460.83	58568.68
Total Expenses (IV)		546365.19	482434.75
V. Profit before exceptional items and tax (III - IV)		51139.79	46745.81
VI. Exceptional Items	26	4067.73	4619.33
VII. Profit before tax (V + VI)		55207.52	51365.14
VIII. Tax Expense			
(1) Current tax			
(i) Current tax		17634.19	13620.21
(ii) Provision for taxation of earlier years provided / (written back)		(20.08)	(46.53)
(2) Deferred tax	5	(1619.74)	(812.05)
Total tax expense		15994.37	12761.63
IX. Profit after tax before share of profit of associates and minority interest (VII - VIII)		39213.15	38603.51
X. Share of profit / (loss) of associates		227.70	163.32
XI. Share of (profit) / loss attributable to minority interest		(882.34)	(333.14)
XII. Profit for the year attributable to the shareholders of the Company (IX + X+ XI)		38558.51	38433.69
XIII. Earnings per share:	31		
Earnings Per Share (₹) - Basic and Diluted (Face value ₹ 1 per share)		11.65	11.62
Summary of significant accounting policies	1		
See accompanying notes forming part of the consolidated financial statements.	1-37		

For and on behalf of the Board

Chairman
Managing Director
Directors

Ishaat Hussain
Sanjay Johri
N. N. Tata
Nani Javeri
R. N. Mukhija
Vinayak Deshpande
D. Sarangi
Brahram N. Vakil
Anjali Bansal
Usha Sangwan

President - Corporate Affairs & CFO
Vice President- Taxation, Legal &
Company Secretary
Mumbai, 17th May, 2016

Anil George

V. P. Malhotra

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

B. P. Shroff
Partner
Mumbai, 17th May, 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

A. CASH FLOW FROM OPERATING ACTIVITIES

	₹ in Lakhs	₹ in Lakhs	2014-15 ₹ in Lakhs
Profit before tax and minority interest in (profit) / loss		55207.52	51365.14
Adjustments for :			
Depreciation and amortisation expense	2781.06		2804.12
Provision for doubtful trade and other receivables, loans and advances	3296.89		4001.39
Net unrealised exchange (gain) / loss	(370.92)		946.39
Provision for diminution in value of investments written back	9.90		4.79
(Profit) on sale of assets (net)	(3288.50)		(23537.16)
Net (gain) on sale of investments	(3701.76)		(984.71)
Finance costs	1533.40		2325.75
Interest income	(580.93)		(474.82)
Dividend income	(3524.54)		(3787.82)
Impairment of goodwill on consolidation	751.22		Nil
Liabilities / provisions no longer required written back	(1428.58)		(1082.81)
Provision for contingencies	(71.31)		1075.23
Provision for trade guarantees	(73.74)		1415.12
	(4667.81)		(17294.53)
Operating profit before Working Capital changes		50539.71	34070.61
Changes in Working Capital :			
Adjustments for (increase) / decrease in operating assets:			
Inventories	(2568.28)		3391.99
Trade receivables	(5952.17)		3261.38
Short-term loans and advances	(2021.55)		3580.34
Long-term loans and advances	(789.31)		(351.09)
Other current assets	(22499.70)		5824.52
Other non-current assets	162.42		(2895.92)
Adjustment of translation differences on working capital	1003.96		147.04
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables	23454.82		(9236.80)
Other current liabilities	(196.73)		1934.52
Other long-term liabilities	41.54		5.86
Short-term provisions	615.66		253.89
Long-term provisions	1056.90		1455.95
	(7692.44)		7371.68
Cash generated from operations		42847.27	41442.29
Net income tax paid		(15308.30)	(10387.34)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		27538.97	31054.95
B. CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets, including capital advances and capital work-in-progress	(5206.45)		(3435.05)
Proceeds from sale of fixed assets	3442.67		23980.85
Bank balances not considered as cash and cash equivalents (net)	(113.60)		(55.60)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

	₹ in Lakhs	₹ in Lakhs	2014-15 ₹ in Lakhs
Current investments not considered as cash and cash equivalents :			
- Purchased	(152686.10)		(181943.91)
- Proceeds from sale	132998.98		198002.22
Purchase of long-term investments :			
- Associates	Nil		(8.60)
- Others	(31128.05)		(50853.63)
Proceeds from sale of long-term investments :			
- Others	11776.31		Nil
Interest received	657.03		161.84
Dividend received	3524.54		3787.82
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES (B)		(36734.67)	(10364.06)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity shares (Calls-in-Arrears)	0.04		*
(*) Includes amount below ₹ 500			
Securities Premium (Calls-in-Arrears)	0.17		0.02
Net increase / (decrease) in working capital borrowings	14297.19		(14054.10)
Net (decrease) in long term borrowings	(470.80)		(146.41)
Finance costs	(1408.96)		(2338.39)
Dividends paid	(7402.90)		(6227.15)
Dividend distribution tax	(1372.00)		(837.08)
NET CASH FLOW USED IN FINANCING ACTIVITIES (C)		3642.74	(23603.11)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(5552.96)	(2912.22)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		24340.56	27252.78
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		18787.60	24340.56
Cash and cash equivalents consist of:			
Cash and cash equivalents at the end of the year (Refer note :16 Cash and cash equivalents)	18775.85		24343.27
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	11.75		(2.71)
	18787.60		24340.56

For and on behalf of the Board

Chairman
Managing Director
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President - Corporate Affairs & CFO
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Mumbai, 17th May, 2016

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V. P. Malhotra

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

B. P. Shroff
Partner
Mumbai, 17th May, 2016

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**I. NATURE OF BUSINESS**

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

II. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relate to Voltas Limited ("the Company"), its subsidiary companies, jointly controlled entities and the Group's share of profit in its associate. The Consolidated Financial Statements have been prepared on the following basis:

- (i) The Financial Statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- (ii) Foreign subsidiaries and jointly controlled entities of the Company have been classified as "Non-Integral Foreign Operations". Revenue items of such entities are converted at the average rate prevailing during the year and Assets and Liabilities are converted at the rates prevailing at the end of the year. All resulting exchange differences have been accumulated in a Foreign Exchange Translation Reserve.
- (iii) The consolidated financial statements include the share of profit of the associate company which has been accounted for using equity method as per Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit from the associate company has been added to the cost of investments.
- (iv) Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per Accounting Standard 27- Financial Reporting of Interests in Joint Ventures. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity.
- (v) The Financial Statements of the subsidiaries and the jointly controlled entities consolidated are drawn upto the same reporting date of the Company, i.e. 31st March, 2016. The share of profit from one associate, Terrot GmbH is included in consolidated financial statements from its financial statements which are drawn upto 31st December, 2015.
- (vi) The excess of the Company's portion of equity of the subsidiaries and jointly controlled entities as at the date of its investment over the cost of its investment is treated as Capital Reserve on Consolidation. The excess of cost to the Company of its investment in subsidiaries and jointly controlled entities over the Company's portion of equity as at the date of investment is treated as Goodwill on Consolidation and is tested for impairment on annual basis.
- (vii) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be. Such Goodwill arising on consolidation is not amortised but tested for impairment.
- (viii) The financial statements for four overseas Subsidiaries (Lalbuksht Voltas Engineering Services and Trading L.L.C., Weathermaker Ltd., Saudi Ensas Company for Engineering Services W.L.L. and Voltas Oman L.L.C.) and one overseas Joint Venture company (Universal Weathermaker Factory L.L.C.) were consolidated for incremental three months to coincide with the reporting period of the Company (instead of accounting with a gap of one quarter in the past). Consequently, the current year's total income from operations and net profit after tax is higher by ₹ 10810.16 lakhs and ₹ 472.29 lakhs, respectively.
- (ix) Minority interest in the net assets of consolidated subsidiaries consists of:
 - (a) The amount of equity attributable to the minority shareholders at the date on which investment in a subsidiary companies were made; and
 - (b) The minorities' share of movements in equity since the date the parent-subsidiary relationship came into existence.
- (x) Minority interests' share of net profit / loss for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

III. The list of subsidiary companies, joint ventures and associates and the Company's holdings therein are as under:

Name of the Company	Country of Incorporation	Ownership in % either directly or through Subsidiaries	
			2014-15
Indian Subsidiaries :			
– Universal Comfort Products Ltd.	India	100.00	100.00
– Rohini Industrial Electricals Ltd.	India	100.00	100.00
– Auto Aircon (India) Ltd.	India	100.00	100.00
– Agro Foods Punjab Ltd. (under liquidation) [Refer footnote (c) below]	India	100.00	100.00
– Westerwork Engineers Ltd. (under liquidation) [Refer footnote (c) below]	India	51.00	51.00
Foreign Subsidiaries :			
– Voltas Netherlands B.V.	The Netherlands	100.00	100.00
– Weathermaker Ltd.	Isle of Man	100.00	100.00
– Saudi Ensas Company for Engineering Services W.L.L.	Saudi Arabia	100.00	100.00
– Lalbulksh Voltas Engineering Services and Trading L.L.C., Muscat	Sultanate of Oman	60.00	60.00
– Voltas Oman L.L.C.	Sultanate of Oman	65.00	65.00
Indian Joint Ventures :			
– Naba Diganta Water Management Ltd.	India	26.00	26.00
– Voltas Water Solutions Private Ltd.	India	50.00	50.00
Foreign Joint Ventures :			
– Universal Voltas L.L.C.	United Arab Emirates	49.00	49.00
– ETA-Voltas-Hitachi Plant (Jointly Controlled Operations)	United Arab Emirates	37.50	37.50
– NDIA Package 19 Project (Jointly Controlled Operations)	Qatar	77.08	77.08
– VAFE Joint Venture (under Volas Qatar W.L.L.) (Jointly Controlled Operations)	Qatar	100.00 *	100.00 *
– Voltas Qatar W.L.L. * Voting power 49%	Qatar	75.00 *	75.00 *
– Universal Weathermaker Factory L.L.C.	United Arab Emirates	49.00	49.00
– Olayan Voltas Contracting Company Ltd.	Saudi Arabia	50.00	50.00
– Agrotech Industries Ltd. (under closure) [Refer footnote (b) below]	Isle of Man	49.00	49.00
– AVCO Marine S.a.S. (under liquidation) [Refer footnote (b) below]	France	50.00	50.00
Associates :			
– Brihat Trading Private Ltd. [Refer footnote (a) below]	India	33.33	33.33
– Terrot GmbH	Germany	20.07	20.07

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)**Footnotes :**

- (a) The financial statements for the year ended 31st March, 2016 of an associate company, Brihat Trading Private Limited (BTPL) were not available for consolidation. BTPL is a dormant company and does not have material impact on the revenue, expenses, assets and liabilities of the consolidated financial statements.
- (b) The financial statements of Agrotech Industries Limited and AVCO Marine S.a.S. joint ventures have not been consolidated as they are under closure and liquidation, respectively and the investments in the books of the Company are fully provided.
- (c) The financial statements of Agro Foods Punjab Limited and Westerwork Engineers Limited, subsidiaries have not been consolidated as they are under liquidation and the investments in the books of the Company are fully provided.

1. SIGNIFICANT ACCOUNTING POLICIES**(i) BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS**

The consolidated financial statements of the Company and its subsidiaries (together the "Group") its associate and jointly controlled entities, have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 and the other relevant provisions of the Companies Act, 2013, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

The audited Financial Statements of certain foreign subsidiaries, joint ventures and associate used for the purpose of the Consolidated Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles of its Country of Incorporation or International Financial Reporting Standards (IFRS). The differences in accounting policies of the Company and its subsidiaries, joint ventures and associates are not material and there are no material transactions from 1st January, 2016 to 31st March, 2016 in respect of associate having financial year ended 31st December, 2015.

(ii) USE OF ESTIMATES

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

(iii) REVENUErecognition

- (a) Sales excludes sales tax, value added tax and works contract tax but include excise duty. Commission earned on consignment sales is accounted for as part of revenue from operations.
- (b) Revenue from sale of goods is recognised, net of trade discounts and rebates, when the substantial risks and rewards of ownership are transferred to the buyer under the terms of contract. Service revenue is recognised on rendering of services. Revenues from maintenance contracts are recognised pro-rata over the period of the contract.
- (c) Revenue from construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs based on current technical data.

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

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

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

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

(d) Long-Term Maintenance Contracts

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

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

(e) Other income

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

(iv) LEGAL RESERVE

In case of some foreign joint ventures and subsidiaries, an amount equal to 10% of the annual net profit is transferred to Legal Reserve in compliance with requirements of local laws. This reserve is not available for distribution.

(v) TANGIBLE FIXED ASSETS

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

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

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

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

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

Capital work-in-progress :

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

(vi) INTANGIBLE ASSETS

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)**(vii) IMPAIRMENT OF ASSETS**

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

(viii) DEPRECIATION / AMORTISATION

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Premium paid on Leasehold Land is amortised over the period of the lease, commencing from the date the land is put to use for commercial operations.

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

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

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

(ix) PROVISION FOR TRADE GUARANTEES / WARRANTIES

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

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

(x) PROVISIONS AND CONTINGENCIES

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

(xi) INVESTMENTS

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

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

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

(xii) INVENTORIES

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

- (b) In two subsidiaries, cost of inventories is determined on First-In-First-Out (FIFO) basis and comprises invoice value plus applicable landing charges.
- (xiii) **TAXES ON INCOME**

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the entity.

The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levied by the same governing taxation laws.

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

Deferred Tax Assets in respect of unabsorbed depreciation and carry forward of losses and items relating to capital losses are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise such losses. Other Deferred Tax Assets are recognised if there is reasonable certainty that there will be sufficient future taxable income to realise such assets. Deferred Tax Assets are reviewed at each Balance Sheet date for their realisability.
- (xiv) **FOREIGN EXCHANGE TRANSACTIONS / TRANSLATIONS**
 - (a) Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate on the date of the transaction.
 - (b) Integral foreign operations: Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate on the date of the transaction.
 - (c) Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at the year-end rate and the difference in translation and realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss. In respect of transactions covered by foreign exchange contracts, the difference between the contract rate and the spot rate on the date of the transaction is charged / (credited) to the Statement of Profit and Loss over the period of the contract.
 - (d) Foreign operations are classified as either 'integral' or 'non-integral' operations.

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.

Exchange differences arising on a monetary item that, in substance, forms part of an enterprise's net investment in a non-integral foreign operation are accumulated in the Foreign Currency Translation Reserve until the disposal of the net investment, at which time they are recognised as income or as expenses.
 - (e) Forward contracts : Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.
- (xv) **ACCOUNTING FOR VOLUNTARY RETIREMENT SCHEME**
 - (a) The cost of Voluntary Retirement Scheme / Retrenchment Compensation, including ex-gratia and additional gratuity liability arising there from, is charged to the Statement of Profit and Loss in the month of separation of employees.
 - (b) The Present Value of future payments to employees opting for Early Separation Scheme (ESS) and the additional gratuity liability arising there from are charged to the Statement of Profit and Loss in the month of separation of employees.
- (xvi) **LEASES**
 - (a) Finance Leases

Fixed assets acquired under finance leases are recognised at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the leased term at a constant periodic rate of interest on the remaining balance of the liability.

(b) Operating Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Operating lease expenses / income are recognised in the Statement of Profit and Loss on Straight Line Basis over the term of lease, representative of the time pattern of the user's benefit.

(xvii) EMPLOYEE BENEFITS**(a) Defined Contribution Plans**

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

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

(b) Defined Benefit Plans

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

(c) Compensated Absences

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

(xviii) GOVERNMENT GRANTS**(a) Government Subsidy**

Grants-in-aid received from the Government as capital subsidy in the 'Build Operate Transfer' (BOT) project is deducted from the Fixed Assets.

(b) Contribution from consumers

Connection charges received from consumers, towards installation of assets pertaining to distribution of water and treatment of sewerage, are credited to Contribution for Capital Expenditure. An amount in proportion to the depreciation charge on such assets is transferred to the Statement of Profit and Loss.

(xix) SEGMENT REPORTING

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

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

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

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

(xxi) CASH FLOW STATEMENT

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

(xxii) OPERATING CYCLE

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of business and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

2. Share Capital

	₹ in Lakhs	As at 31-3-2015 ₹ in Lakhs
Authorised:		
- 60,00,00,000 (31-3-2015: 60,00,00,000) Equity Shares of ₹ 1 each	6000.00	6000.00
- 40,00,000 (31-3-2015: 40,00,000) Preference Shares of ₹ 100 each	4000.00	4000.00
	10000.00	10000.00
Issued, Subscribed and Paid up:		
- 33,08,84,740 (31-3-2015: 33,08,84,740) Equity Shares of ₹ 1 each	3308.85	3308.85
Less : Calls-in-Arrears [1,33,110 shares (31-3-2015: 1,36,590 shares)]	1.33	1.37
[Refer note 2(d)]		
	3307.52	3307.48

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

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

Particulars	Equity Shares		Equity Shares		As at 31-3-2015
	Numbers	₹ in Lakhs	Numbers	₹ in Lakhs	
Shares outstanding at the beginning of the year	33,08,84,740	3308.85	33,08,84,740	3308.85	
Shares outstanding at the end of the year	33,08,84,740	3308.85	33,08,84,740	3308.85	

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

Name of Shareholder	Class of Shares	No. of Shares held	% of holding	As at 31-03-2015
		Numbers	%	
Tata Sons Limited	Equity	8,81,31,780	26.64	8,81,31,780
Life Insurance Corporation of India	Equity	2,48,72,076	7.52	2,48,72,076

2. (d) As per the records of the Company, no calls remained unpaid by the Directors and Officers of the Company as on 31st March, 2016 (31-3-2015: Nil).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

3. Reserves and Surplus

	₹ in Lakhs	As at 31-3-2015 ₹ in Lakhs
(1) Capital Reserve		
As per last Balance Sheet	<u>155.52</u>	155.52
(2) Capital Redemption Reserve		
As per last Balance Sheet	<u>125.70</u>	125.70
(3) Securities Premium Account		
As per last Balance Sheet	<u>627.30</u>	627.28
Premium on calls-in-arrears received during the year	<u>0.17</u>	0.02
Closing Balance	<u>627.47</u>	627.30
(4) Capital Reserve on Consolidation		
As per last Balance Sheet	<u>1635.68</u>	1560.85
Add : Foreign exchange fluctuations	<u>22.71</u>	74.83
Closing Balance	<u>1658.39</u>	1635.68
(5) General Reserve		
As per last Balance Sheet	<u>125891.86</u>	123096.25
Add : Foreign exchange fluctuations	<u>103.61</u>	70.61
Transfer from Statement of Profit and Loss	<u>3071.30</u>	2725.00
Closing Balance	<u>129066.77</u>	125891.86
(6) Staff Welfare Reserve		
As per last Balance Sheet	<u>1.00</u>	1.00
(7) Foreign Exchange Translation Reserve		
As per last Balance Sheet	<u>2076.51</u>	2137.36
Add / (Less) : Net translation difference on non-integral operations	<u>759.45</u>	(60.85)
Closing Balance	<u>2835.96</u>	2076.51
(8) Legal Reserve		
As per last Balance Sheet	<u>488.74</u>	452.05
Add : Foreign exchange fluctuations	<u>26.83</u>	17.29
Transfer from Statement of Profit and Loss	<u>234.66</u>	19.40
Closing Balance	<u>750.23</u>	488.74
(9) Contribution for Capital Expenditure		
As per last Balance Sheet	<u>417.51</u>	518.16
Additions during the year	<u>71.44</u>	14.14
Deduction towards depreciation for the year	<u>18.08</u>	16.30
Receivable from customer considered doubtful	<u>Nil</u>	98.49
Closing Balance	<u>470.87</u>	417.51

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

	₹ in Lakhs	As at 31-3-2015 ₹ in Lakhs
(10) Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	75480.04	49950.46
Additions :		
Profit for the current year	38558.51	38433.69
Credit on Dividend Distribution Tax	987.79	203.25
Deductions :		
Proposed Dividend	8603.00	7444.91
Dividend Distribution Tax	2595.56	2359.79
Transfer to Legal Reserve	234.66	19.40
Transfer to General Reserve	3071.30	2725.00
Depreciation on transition to Schedule II of the Companies Act, 2013 (31-3-2015: refer note 24) (net of deferred tax ₹ 284.05 lakhs)	Nil	558.26
Closing Balance	100521.82	75480.04
	236213.73	206899.86

4. Borrowings

	As at 31-3-2015				As at 31-3-2015			
	Long-term ₹ in Lakhs	Current maturities of Long-term ₹ in Lakhs	Short-term ₹ in Lakhs	Total ₹ in Lakhs	Long-term ₹ in Lakhs	Current maturities of Long-term ₹ in Lakhs	Short-term ₹ in Lakhs	Total ₹ in Lakhs
A. Secured Borrowings								
(a) Term Loans From Banks (Refer footnotes 1and 2)	Nil	37.75	Nil	37.75	37.75	39.00	Nil	76.75
(b) Repayable on Demand From Banks (Refer footnote 1)	Nil	Nil	25994.84	25994.84	Nil	Nil	11570.08	11570.08
	Nil	37.75	25994.84	26032.59	37.75	39.00	11570.08	11646.83
B. Unsecured Borrowings								
(a) Term Loans From Others (Refer footnote 3)	Nil	Nil	Nil	Nil	431.80	Nil	Nil	431.80
(b) Other Loans	Nil	Nil	Nil	Nil	Nil	Nil	127.57	127.57
	Nil	Nil	Nil	Nil	431.80	Nil	127.57	559.37
Total (A + B)	Nil	37.75	25994.84	26032.59	469.55	39.00	11697.65	12206.20

Footnotes :

1. Secured against assignment of Fixed assets, Inventory, Book debts, contract dues and lien on Term deposits.
2. The repayment schedule of Long-term Borrowings are as follows:

Repayment Schedule	₹ in Lakhs	As at 31-3-2015 ₹ in Lakhs
- Long-term borrowings (including current maturity of long term borrowings)	Quarterly installments	Nil
3. No repayment schedule is determined for unsecured long-term borrowings.		76.75

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)
5. Deferred Tax Asset / Liability
(a) Major components of Deferred Tax Liability (Net) :

	Deferred Tax Assets ₹ in Lakhs	Deferred Tax Liabilities ₹ in Lakhs	Deferred Tax Assets ₹ in Lakhs	Deferred Tax Liabilities ₹ in Lakhs
(1) On difference between book balance and tax balance of fixed assets	Nil	225.80	Nil	234.95
(2) Unpaid Statutory Liabilities	41.31	Nil	16.32	Nil
(3) Provision for Employee Benefits	6.00	Nil	30.47	Nil
	47.31	225.80	46.79	234.95
Net Timing Differences				
Deferred Tax Liability (a)		(178.49)		(188.16)
Charge / (credit) for the year (A)		(9.67)		(9.98)

(b) Major components of Deferred Tax Asset (Net) :

	Deferred Tax Assets ₹ in Lakhs	Deferred Tax Liabilities ₹ in Lakhs	Deferred Tax Assets ₹ in Lakhs	Deferred Tax Liabilities ₹ in Lakhs
(1) On difference between book balance and tax balance of fixed assets	Nil	3726.60	Nil	3336.44
(2) Voluntary Retirement Scheme	83.63	Nil	167.33	Nil
(3) Unpaid Statutory Liabilities	474.25	Nil	561.65	Nil
(4) Provision for Doubtful Debts and Advances	3910.59	Nil	2532.80	Nil
(5) Provision for Contingencies	732.59	Nil	761.50	Nil
(6) Provision for Employee Benefits	3348.84	Nil	3012.01	Nil
(7) Others	460.30	Nil	Nil	25.32
	9010.20	3726.60	7035.29	3361.76
Net Timing Differences				
Deferred Tax Asset (b)		5283.60		3673.53
Charge / (credit) for the year (B)		(1610.07)		(1086.12)
Total (A + B)		(1619.74)		(1096.10)
Tax effect on Depreciation directly adjusted against opening balance in Statement of Profit and Loss (on transition to Schedule II of the Companies Act, 2013)	Nil		284.05	
Net Charge / (credit) for the year		(1619.74)		(812.05)

6. Other Long-term liabilities
A. Trade Payables

(Due on account of goods purchased and services received)

B. Others Payables

- (1) Unexpired Service Contracts
- (2) Others

₹ in Lakhs	₹ in Lakhs
3216.26	1936.06
80.28	41.74
42.40	39.40
3338.94	2017.20

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)
7. Provisions

							As at 31-3-2015
		Long- term	Short- term	Total			
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(a) Provision for employee benefits							
(i) Provision for gratuity		4873.93	343.74	5217.67	4072.44	257.33	4329.77
(ii) Pension obligations		2695.23	157.70	2852.93	2496.17	151.41	2647.58
(iii) Provision for compensated absences		Nil	4241.73	4241.73	Nil	3739.60	3739.60
(iv) Post retirement medical benefits		1013.80	64.05	1077.85	931.78	43.22	975.00
(v) Provision for employee separation compensation		107.21	23.87	131.08	132.88	23.87	156.75
(b) Others							
(i) Provision for Trade Guarantees [Refer footnote 7 (a)]		3393.43	5408.67	8802.10	3155.02	5720.82	8875.84
(ii) Provision for other Contingencies [Refer footnote 7 (b)]		Nil	2128.92	2128.92	Nil	2200.23	2200.23
(iii) Provision for taxation (net of advance tax)		Nil	5187.13	5187.13	Nil	2675.45	2675.45
(iv) Provision for Proposed Equity dividend		Nil	8603.00	8603.00	Nil	7444.91	7444.91
(v) Provision for Dividend Distribution Tax on proposed dividend		Nil	2595.56	2595.56	Nil	2359.79	2359.79
		12083.60	28754.37	40837.97	10788.29	24616.63	35404.92

Footnotes :

		Opening Balance	Additions	Utilisation	Reversed	₹ in Lakhs Closing Balance
7.(a) Provisions for Trade Guarantees		8875.84 7460.72	7619.55 7874.62	7240.43 6000.68	452.86 458.82	8802.10 8875.84
7.(b) Provision for Contingencies						
- Contingency for Indirect Tax matters		2200.23 1125.00	356.36 1075.23	77.67 Nil	350.00 Nil	2128.92 2200.23

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

Figures in italics are for the Previous year.

8. Current Liabilities

		₹ in Lakhs	As at 31-3-2015
(A) Trade Payables			₹ in Lakhs
Due on account of goods purchased and services received			
(includes acceptances of ₹ 9712 lakhs (31-3-2015: ₹ 9397.16 lakhs)			
(i) Total outstanding dues of micro and small enterprises		807.32	562.44
(ii) Total outstanding dues of creditors other than micro and small enterprises		173705.99	153582.49
		174513.31	154144.93

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)
8. Current Liabilities (contd.)

	₹ in Lakhs	As at 31-3-2015 ₹ in Lakhs
(B) Other Current Liabilities		
(a) Current maturities of long-term debt (refer note 4)	37.75	39.00
(b) Interest accrued but not due on borrowings	138.77	14.33
(c) Payable for capital goods	24.31	101.61
(d) Unpaid dividends [refer footnote 8(a)]	440.54	398.53
(e) Advances received from customers / others	52078.21	49482.05
(f) Unexpired service contracts	626.41	1804.78
(g) Billing in excess of contract revenue	10789.53	13130.58
(h) Statutory obligations	7768.08	6663.93
(i) Other liabilities	1005.96	1455.02
	72909.56	73089.83

Footnote 8(a)

Unpaid dividends include ₹ 4.09 lakhs (31-3-2015: ₹ 3.15 lakhs) not transferred to Investor Education and Protection Fund due to pending claims.

9. Tangible assets

	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Plant and Equipments	Office and EDP Equipments	Furniture	Vehicles	Transferred to Investment property	Transferred to 'Assets held for sale'	Total Tangible Assets
Gross Block at Cost											
Cost at the beginning of the year	2877.27	568.98	13930.82	9.27	15600.86	6864.73	2538.09	1886.71	(3459.13)	(662.79)	40154.81
	2077.64	568.98	14228.32	9.27	16258.95	6783.77	2712.20	2084.32	(3017.78)	(662.79)	41042.88
Additions	Nil	Nil	3425.09	Nil	886.53	739.44	267.44	343.46	Nil	Nil	5661.96
	807.02	Nil	137.72	Nil	260.89	561.46	63.29	89.62	Nil	Nil	1914.00
Disposals	0.50	Nil	121.25	Nil	325.26	320.80	41.20	203.65	Nil	Nil	1012.66
	1.39	Nil	452.43	Nil	987.02	491.42	241.37	319.29	Nil	Nil	2492.92
Transfers in / (out)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(328.30)	662.79	334.49
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(441.35)	Nil	(441.35)
Exchange differences on consolidation	Nil	Nil	37.22	Nil	125.68	21.69	8.35	57.58	Nil	Nil	250.52
	Nil	Nil	17.21	Nil	68.04	10.92	3.97	32.06	Nil	Nil	132.20
Cost at the end of the year	2876.77	568.98	17271.88	9.27	16287.81	7305.06	2772.68	2084.10	(3787.43)	Nil	45389.12
	2877.27	568.98	13930.82	9.27	15600.86	6864.73	2538.09	1886.71	(3459.13)	(662.79)	40154.81
Depreciation											
Depreciation at the beginning of the year	Nil	51.99	3798.38	9.26	11095.01	5150.62	1700.59	1499.18	(789.40)	(280.73)	22234.90
	Nil	45.76	3542.88	9.26	10417.17	4470.31	1960.05	1546.11	(585.75)	(280.73)	21125.06
Charge for the year	Nil	6.23	541.27	Nil	837.21	579.64	196.42	223.15	(97.07)	Nil	2286.85
	Nil	6.23	406.89	Nil	1295.10	639.75	(121.55)	178.74	(97.96)	Nil	2307.20
Disposals	Nil	Nil	89.68	Nil	277.72	292.51	35.82	162.81	Nil	Nil	858.54
	Nil	Nil	242.40	Nil	895.04	439.36	216.82	255.93	Nil	Nil	2049.55
Impact of transition to Schedule II of the Companies Act, 2013 (Refer note 24)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Nil	Nil	79.46	Nil	215.54	470.60	75.39	1.32	Nil	Nil	842.31
Transfers in / (out)	Nil	Nil	Nil	Nil	Nil	Nil	(0.01)	0.01	(3.64)	280.73	277.09
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(105.69)	Nil	(105.69)
Exchange differences on consolidation	Nil	Nil	28.17	Nil	117.71	19.07	7.54	54.60	Nil	Nil	227.09
	Nil	Nil	11.55	Nil	62.24	9.32	3.52	28.94	Nil	Nil	115.57
Depreciation at the end of the year	Nil	58.22	4278.14	9.26	11772.21	5456.82	1868.72	1614.13	(890.11)	Nil	24167.39
	Nil	51.99	3798.38	9.26	11095.01	5150.62	1700.59	1499.18	(789.40)	(280.73)	22234.90
Net book value at the beginning of the year	2877.27	516.99	10132.44	0.01	4505.85	1714.11	837.50	387.53	(2669.73)	(382.06)	17919.91
	2077.64	523.22	10685.44	0.01	5841.78	2313.46	752.15	538.21	(2432.03)	(382.06)	19917.82
Net book value at the end of the year	2876.77	510.76	12993.74	0.01	4515.60	1848.24	903.96	469.97	(2897.32)	Nil	21221.73
	2877.27	516.99	10132.44	0.01	4505.85	1714.11	837.50	387.53	(2669.73)	(382.06)	17919.91

Figures in italics are for the Previous year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

Footnotes :

- (a) Buildings include ₹ 0.40 lakh (31-3-2015: ₹ 0.40 lakh) being cost of shares and bonds in Co-operative Housing Societies.
- (b) In terms of agreement dated 30th September, 1998, Company's Refrigerators manufacturing facility at Nandalur was transferred on a running business / going concern basis to Electrolux Voltas Limited (EVL) on the close of the business hours on 31st March, 1999. In respect of land for the Nandalur Plant, Deed of Conveyance is pending completion.
- (c) Investment properties comprise book value of Land of ₹ 14.19 lakhs (31-3-2015: ₹ 14.19 lakhs) and Building ₹ 2883.13 lakhs (31-3-2015: ₹ 2655.54 lakhs).
- (d) The Company had accounted the profit on transfer of development rights in respect of following properties for which agreement was executed and consideration received but for which conveyance is pending completion :-

Location	Year	₹ in Lakhs	As at 31-3-2015 ₹ in Lakhs
1. Lalbaug property	1999-2000	734.12	734.12
2. Non-Sanad land behind HRD Centre, Thane	2003-04	1735.95	1735.95
3. Pune property	2003-04	2145.53	2145.53
4. Non-Sanad land on south side of Voltas Switchgear Limited, Thane	2004-05	199.75	199.75
5. Sanad land behind HRD Centre, Thane	2004-05	305.78	305.78
6. Upvan land, Thane	2006-07	2070.00	2070.00
7. Henkel Switchgear Limited approach land at Thane	2006-07	223.40	223.40
8. Land adjoining Simtools at Thane	2007-08	919.96	919.96
9. Nala land at Thane	2009-10	238.18	238.18
10. Sanad land, HRD Centre, Thane	2014-15	1500.00	1500.00

(e) Exchange differences on consolidation above relate to the opening balances.

(f) Includes factory building of ₹ 165.76 lakhs (31-3-2015: ₹ 158.25 lakhs) (original cost) and ₹ 1.54 lakhs (31-3-2015: ₹ 1.81 lakhs) (net book value) constructed on leasehold land, the lease period being fifteen years with a renewal option.

10. Intangible Assets

	₹ in Lakhs		
	Manufacturing Rights & Technical Know-how	Software Costs	Total Intangible Assets
Gross Block at Cost			
Cost at the beginning of the year	1030.90	4307.94	5338.84
Additions	1030.90	3848.10	4879.00
Disposals	Nil	310.03	310.03
Exchange differences on consolidation	<i>Nil</i>	462.28	462.28
Cost at the end of the year	1030.90	4625.64	5656.54
	<i>1030.90</i>	4307.94	5338.84
Amortisation			
Amortisation at beginning of the year	1024.40	3329.10	4353.50
Charge for the year	1019.97	2920.49	3940.46
Disposals	6.50	408.72	415.22
Exchange differences on consolidation	<i>4.43</i>	410.83	415.26
Amortisation at the end of the year	1030.90	3740.53	4771.43
	<i>1024.40</i>	3329.10	4353.50
Net book value at the beginning of the year	6.50	978.84	985.34
Net book value at the end of the year	10.93	927.61	938.54
	<i>Nil</i>	885.11	885.11
	<i>6.50</i>	978.84	985.34

Figures in italics are for the Previous year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

11. Investments

	Currency	Face Value	No.	₹ in Lakhs	No.	As at 31-3-2015 ₹ in Lakhs
Non-current investments (at cost unless stated otherwise)						
(i) Investment Property (net of accumulated depreciation) [Refer footnote 11 (d)]				2897.32		2669.73
(ii) Investments in Equity Instruments						
1. TRADE INVESTMENTS						
Fully paid Equity Shares of						
Subsidiaries :						
UNQUOTED:						
Westerwork Engineers Ltd. (Under Liquidation) (#)	₹	100	9,600	109.29	9,600	109.29
Agro Foods Punjab Ltd. [Refer footnote 11 (a)] (Beneficial rights transferred pending transfer of shares)	₹	100	2,80,000	Nil	2,80,000	Nil
				109.29		109.29
Associates :						
Brihat Trading Private Ltd.	₹	10	3,352	0.34	3,352	0.34
Terrot GmbH, Germany [net of Capital Reserve of ₹ Nil (31-3-2015: ₹ 292.69 lakhs)] [Refer footnote 11 (c)]	EURO	1	2,60,900	547.24	2,60,900	319.54
				547.58		319.88
Others :						
UNQUOTED:						
Lakshmi Ring Travellers (Coimbatore) Ltd.	₹	10	1,20,000	3.00	1,20,000	3.00
Agrotech Industries Ltd. (#)	US\$	1	3,67,500	115.42	3,67,500	115.42
Tata International Ltd.	₹	1000	10,000	565.00	10,000	565.00
Tata Services Ltd.	₹	1000	448	4.48	448	4.48
Industrial Estates Private Ltd. (25 shares sold during the year)	₹	1000	Nil	Nil	25	0.24
Tata Industries Ltd.	₹	100	13,05,720	2071.50	13,05,720	2071.50
Tata Projects Ltd.	₹	100	1,35,000	26.25	1,35,000	26.25
Premium Granites Ltd. (#)	₹	10	4,91,220	49.77	4,91,220	49.77
OMC Computers Ltd. (#)	₹	10	4,04,337	44.37	4,04,337	44.37
Rujuvalika Investments Ltd. (1,83,333 shares sold during the year)	₹	10	Nil	Nil	1,83,333	30.00
Avco Marine S.a.S, France (#)	EURO	10	1,910	7.97	1,910	7.97
				2887.76		2918.00
QUOTED:						
Lakshmi Automatic Loom Works Ltd. (#)	₹	10	6,15,200	110.03	6,15,200	110.03
Tata Chemicals Ltd.	₹	10	2,00,440	93.91	2,00,440	93.91
Lakshmi Machine Works Ltd.	₹	10	6,00,000	600.48	6,00,000	600.48
Reliance Industries Ltd. (#) [Refer footnote 11 (b)]	₹	10	2,640	4.55	2,640	4.55
				808.97		808.97
Total Trade Investments in Equity					4353.60	4156.14

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

11. Investments (contd.)

	Currency	Face Value	No.	₹ in Lakhs	As at 31-3-2015 No. ₹ in Lakhs	
2. OTHER INVESTMENTS						
Fully paid Shares						
UNQUOTED:						
Voltas Employees Consumers Co-operative Society Ltd.	₹	10	750	0.08	750	0.08
Saraswat Co-operative Bank Ltd.	₹	10	10	**	10	**
Super Bazar Co-operative Stores Ltd.	₹	10	500	0.05	500	0.05
Total Other Investments				0.13		0.13
				4353.73		4156.27
(iii) Investments in Preference Shares						
Fully paid Preference Shares (Trade Investments)						
Others :						
UNQUOTED:						
Lakshmi Automatic Loom Works Ltd.	₹	100	5,50,000	*	5,50,000	*
6% Cumulative Redeemable Preference Shares				Nil		Nil
(iv) Investments in Government or Trust Securities						
UNQUOTED - Government Securities	₹			0.05		0.05
				0.05		0.05
(v) Investments in Debentures or Bonds						
UNQUOTED:						
Rural Electrification Corporation Ltd.	₹	10000	500	50.00	500	50.00
QUOTED:						
11.50% Tata Steel Ltd. Perpetual Bonds (#)	₹	1000000	292	2972.56	292	2972.56
				3022.56		3022.56
(vi) Investments in Mutual Funds						
UNQUOTED:						
Direct Plan - Growth:						
Axis Short Term Fund	₹	10	6,05,33,938	10128.05	Nil	Nil
Birla Sun Life Dynamic Bond Fund Retail	₹	10	1,01,34,752	2500.00	1,01,31,752	2500.00
Birla Sun Life Savings Fund	₹	100	13,20,367	3554.93	13,20,367	3554.93
Franklin India Income Builder Account - Plan A	₹	10	50,59,141	2500.00	50,59,141	2500.00
HDFC Income Fund	₹	10	76,84,623	2500.00	76,84,623	2500.00
HDFC Medium Term Opportunity Fund	₹	10	1,51,17,706	2500.00	Nil	Nil

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

11. Investments (contd.)

	Currency	Face Value	No.	₹ in Lakhs	As at 31-3-2015	
					No.	₹ in Lakhs
ICICI Prudential Banking & PSU Debt Fund	₹	10	3,82,75,823	6500.00	Nil	Nil
ICICI Prudential Income Plan	₹	10	58,75,586	2638.86	58,75,586	2638.86
ICICI Prudential Income Opportunities Fund	₹	10	1,27,89,425	2500.00	1,27,89,425	2500.00
ICICI Prudential Blended Plan B - Regular Plan	₹	10	Nil	Nil	2,28,95,214	4000.00
IDFC Corporate Bond Fund	₹	10	6,39,17,917	6500.00	Nil	Nil
IDFC Super Saver Income Fund - Medium Term Plan	₹	10	1,04,36,060	2500.00	1,04,36,060	2500.00
IDFC Super Saver Income Fund - Medium Term Plan	₹	10	Nil	Nil	1,99,60,777	4000.00
Reliance Dynamic Bond Fund	₹	10	13,70,176	2521.85	13,70,176	2521.85
Reliance Medium Term Fund	₹	10	85,84,870	2500.00	85,84,870	2500.00
Tata Dynamic Bond Fund	₹	10	1,12,95,861	2500.00	1,12,95,861	2500.00
Tata Short Term Bond Fund	₹	10	3,64,91,160	10086.36	1,73,43,390	4586.36
UTI Bond Fund	₹	10	58,43,087	2500.00	58,43,087	2500.00
UTI Floating Rate Fund	₹	1000	87,808	2001.63	87,808	2001.63
QUOTED:						
Birla Sunlife Interval Income Fund - Annual Plan V	₹	10	1,06,73,978	1162.15	1,37,77,014	1500.00
DHFL Pramerica Fixed Maturity Plan Series 57	₹	10	2,50,00,000	2500.00	2,50,00,000	2500.00
ICICI Prudential FMP Series 73 -369 Days Plan	₹	10	1,00,00,000	1000.00	1,00,00,000	1000.00
Reliance Fixed Horizon Fund XXVI - Series 6	₹	10	5,00,00,000	5000.00	5,00,00,000	5000.00
				76093.83		53303.63
Gross Non-current investments				86367.49		63152.24
Less: Provision for diminution in value (#)				466.82		461.79
Total Non-current investments including Investment Properties				85900.67		62690.45
Aggregate amount of quoted investments : Cost				13443.68		13781.53
Aggregate market value of quoted investments				33598.61		36936.54
Aggregate amount of unquoted investments : Cost				70026.49		46700.98

* Cost ₹ 1 (31-3-2015: ₹ 1)

** Cost ₹ 100 (31-3-2015: ₹ 100)

Abbreviations for Currencies :

₹ : Indian Rupees

US\$: United States Dollar

EURO : European Union Currency

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

Footnotes :

- 11 (a) Under a loan agreement for ₹ 60 lakhs (fully drawn and outstanding) entered into between Agro Foods Punjab Ltd. (AFPL) and the Punjab State Industrial Development Corporation Ltd. (PSIDC), the Company has given an undertaking to PSIDC that it will not dispose off its shares in AFPL till the monies under the said loan agreement between PSIDC and AFPL remain due and payable by AFPL to PSIDC. During 1998-99, the Company had transferred its beneficial rights in the shares of AFPL.
- 11 (b) In respect of the Company's investment in 2,640 equity shares of Reliance Industries Ltd., there is an injunction Order passed by the Court in Kanpur restraining the transfer of these shares. The share certificates are, however, in the possession of the Company. Pending disposal of the case, dividend on these shares has not been recognised.
- 11 (c) Investment in Associates (Equity Method)

	₹ in Lakhs	As at 31-3-2015 ₹ in Lakhs
Terrot GmbH, Germany		
Opening Balance [net of Capital Reserve of ₹ 292.69 lakhs (Previous Year: ₹ 292.69 lakhs)]	319.54	156.22
Add : Share of Profit during the year	227.70	163.32
Closing Balance [net of Capital Reserve of ₹ 292.69 lakhs (Previous Year: ₹ 292.69 lakhs)]	547.24	319.54
		₹ in Lakhs

11(d) Investment Property	Freehold Land	Freehold Buildings	Total Investment Property
Gross Block at Cost			
Cost at the beginning of the year	14.19	3444.94	3459.13
	14.19	3003.59	3017.78
Additions	Nil	Nil	Nil
	Nil	Nil	Nil
Transfers in / (out)	Nil	328.30	328.30
	Nil	441.35	441.35
Cost at the end of the year	14.19	3773.24	3787.43
	14.19	3444.94	3459.13
Depreciation			
Depreciation at the beginning of the year	Nil	789.40	789.40
	Nil	585.75	585.75
Charge for the year	Nil	97.07	97.07
	Nil	97.96	97.96
Transfers in / (out)	Nil	3.64	3.64
	Nil	105.69	105.69
Depreciation at the end of the year	Nil	890.11	890.11
	Nil	789.40	789.40
Net book value at the beginning of the year	14.19	2655.54	2669.73
	14.19	2417.84	2432.03
Net book value at the end of the year	14.19	2883.13	2897.32
	14.19	2655.54	2669.73

Footnote :

All the above assets are under operating lease.

Figures in italics are for the Previous year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

11. (A) Current investments (Cost or fair value whichever is less)

	Currency	Face Value	No.	₹ in Lakhs	No.	As at 31-3-2015 ₹ in Lakhs
(a) Investments in Mutual Funds						
UNQUOTED:						
Direct Plan - Dividend Reinvestment:						
Axis Short Term Fund	₹	10	2,43,24,982	2500.00	Nil	Nil
Birla Sun Life Savings Fund	₹	100	50,48,804	5063.81	Nil	Nil
Canara Robeco Savings Plus Fund	₹	10	4,88,11,768	5008.09	Nil	Nil
DHFL Pramerica Short Maturity Fund	₹	10	4,95,30,358	5186.84	Nil	Nil
HDFC Arbitrage Fund	₹	10	48,24,066	509.54	Nil	Nil
HDFC Floating Rate Income Fund - Short Term Plan	₹	10	7,41,01,099	7470.06	Nil	Nil
IDFC Arbitrage Fund	₹	10	39,54,642	509.00	Nil	Nil
Axis Treasury Advantage Fund	₹	1000	Nil	Nil	2,23,983	3500.00
DWS Ultra Short Term Fund	₹	10	Nil	Nil	5,07,05,473	5079.62
Franklin India Ultra Short Bond Fund Super Institutional Plan	₹	10	Nil	Nil	4,80,70,974	4836.52
HDFC Banking and PSU Debt Fund	₹	10	Nil	Nil	7,42,42,744	7531.85
IDFC Ultra Short Term Fund	₹	10	3,88,28,753	3904.27	3,17,47,067	3192.20
Kotak Bond (Short Term Plan)	₹	10	10,36,68,168	10599.88	Nil	Nil
Kotak Equity Arbitrage Fund (#)	₹	10	25,42,121	517.00	Nil	Nil
L&T Liquid Fund	₹	1000	2,96,546	3001.56	Nil	Nil
Reliance Arbitrage Advantage Fund (#)	₹	10	48,18,343	511.88	Nil	Nil
SBI Arbitrage Opportunities Fund	₹	10	36,76,784	508.00	Nil	Nil
SBI Ultra Short Term Debt Fund	₹	1000	10,53,654	10597.29	Nil	Nil
Sundaram Ultra Short Term Fund	₹	10	4,99,24,450	5014.36	Nil	Nil
UTI Floating Rate Fund	₹	1000	5,36,561	5777.35	Nil	Nil
Kotak Treasury Advantage Fund	₹	10	Nil	Nil	4,57,80,433	4614.58
L&T Ultra Short Term Fund	₹	10	Nil	Nil	3,72,37,236	3850.33
SBI Ultra Short Term Debt Fund	₹	1000	Nil	Nil	7,06,937	7083.40
Sundaram Income Plus Fund	₹	10	Nil	Nil	1,81,48,163	2008.95
Sundaram Money Fund	₹	10	Nil	Nil	2,47,54,431	2500.82
QUOTED:						
Sundaram Fixed Term Plan FI 383 Days - Growth	₹	10	Nil	Nil	2,50,00,000	2500.00
Gross Current investments				66678.93		46698.27
Less: Provision for diminution in value (#)				4.86		Nil
Total Current investments				66674.07		46698.27
Aggregate amount of quoted investments : Cost				Nil		2500.00
Aggregate market value of quoted investments				Nil		2500.00
Aggregate amount of unquoted investments : Cost				66678.93		44198.27

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

12. Loans and Advances

				As at 31-3-2015		
	Long-term	Short-term	Total	Long-term	Short-term	Total
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(a) Capital advances	203.44	Nil	203.44	761.72	Nil	761.72
(b) Security deposits	1002.08	1463.23	2465.31	860.31	1173.23	2033.54
(c) Advance with public bodies (Customs, Port Trust, etc.)	24.41	499.31	523.72	23.80	450.26	474.06
(d) Other loans and advances						
(1) Advance payment of taxes (Net)	3611.80	Nil	3611.80	3146.79	Nil	3146.79
(2) MAT credit entitlement	765.86	Nil	765.86	1025.01	Nil	1025.01
(3) Loans to employees	106.40	503.90	610.30	120.47	501.97	622.44
(4) Deposits with customers / others	458.77	66.37	525.14	371.07	112.66	483.73
(5) Indirect taxes recoverable	5253.72	4181.56	9435.28	4570.96	3740.62	8311.58
(6) Advance to suppliers	218.75	5797.24	6015.99	164.95	4966.64	5131.59
(7) Others (Refer note 33)	177.29	4800.42	4977.71	340.55	4345.10	4685.65
Sub-Total	10592.58	15349.49	25942.07	9739.80	13666.99	23406.79
Gross Loans and advances	11822.52	17312.03	29134.55	11385.63	15290.48	26676.11
Less : Provision for bad and doubtful loans and advances	576.64	Nil	576.64	456.95	160.65	617.60
Total Loans and advances	11245.88	17312.03	28557.91	10928.68	15129.83	26058.51
 Gross Loans and advances						
Secured, considered good	106.40	340.62	447.02	120.47	345.64	466.11
Unsecured, considered good	11139.48	16971.41	28110.89	10808.21	14784.19	25592.40
Doubtful	576.64	Nil	576.64	456.95	160.65	617.60
	11822.52	17312.03	29134.55	11385.63	15290.48	26676.11

13. Other Assets

				As at 31-3-2015		
	Non-current	Current	Total	Non-current	Current	Total
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(a) Non-current Trade Receivables						
(including trade receivables on deferred credit terms)						
Unsecured, considered good	12600.36	Nil	12600.36	6436.36	Nil	6436.36
Gross Non-current Trade Receivables	12600.36	Nil	12600.36	6436.36	Nil	6436.36
(b) Other Assets						
(1) Interest accrued on investments / deposits	Nil	440.72	440.72	Nil	516.82	516.82
(2) Contract Revenue in excess of Billing [Refer footnote 13(a)]	Nil	86319.96	86319.96	Nil	63681.34	63681.34

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)
13. Other Assets (contd.)

				As at 31-3-2015		
	Non-current	Current	Total	Non-current	Current	Total
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(3) Assets held for sale (valued at the lower of the estimated net realisable value and net book value)	Nil	Nil	Nil	Nil	382.06	382.06
(4) Others (Including restricted fixed deposits with maturity more than 12 months)	4101.84	1402.57	5504.41	4264.26	1541.49	5805.75
Total Other Assets	4101.84	88163.25	92265.09	4264.26	66121.71	70385.97
Classification of Other Assets						
(1) Unsecured, considered good	3589.02	88163.25	91752.27	4091.01	66121.71	70212.72
(2) Unsecured, considered doubtful	512.82	Nil	512.82	173.25	Nil	173.25
Total Other Assets	4101.84	88163.25	92265.09	4264.26	66121.71	70385.97
Less: Provision for bad and doubtful Assets	512.82	Nil	512.82	173.25	Nil	173.25
Net Other Assets	3589.02	88163.25	91752.27	4091.01	66121.71	70212.72
Total (a + b)	16189.38	88163.25	104352.63	10527.37	66121.71	76649.08

	₹ in Lakhs	As at 31-3-2015 ₹ in Lakhs
Footnote : 13(a)		
Disclosure under Accounting Standard - 7 on Construction Contracts		
Details of contract revenue and costs :		
(i) Contract revenue recognised during the year	219590.92	164618.62
(ii) Aggregate amount of costs incurred and net recognised profits (less recognised losses)	577587.90	453239.22
(iii) Advances received for contracts in progress	45537.99	42429.55
(iv) Retention money for contracts in progress	20534.00	15586.20
(v) The gross amount due from customers for contract work	86319.96	63681.34
(vi) The gross amount due to customers for contract work	10789.53	13130.58

14. Inventories
(Valued at lower of Cost and net realisable value)

- (a) Raw materials and Components
- (b) Work-in-progress (includes project material at site)
- (c) Finished goods
- (d) Stock-in-trade of goods acquired for trading
- (e) Stores and spares

₹ in Lakhs	As at 31-3-2015 ₹ in Lakhs
19620.88	18392.91
17030.71	9920.58
21251.37	28797.12
31284.23	29569.79
87.51	26.01
89274.70	86706.41

The above includes goods-in-transit:

- (i) Raw materials and Components
- (ii) Finished goods
- (iii) Stock-in-trade of goods acquired for trading

82.73	96.12
1394.56	1159.35
9287.16	5864.73
10764.45	7120.20

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

15. Trade Receivables

	As at 31-3-2015			As at 31-3-2015		
	Others ₹ in Lakhs	Outstanding for a period exceeding six months from the date they were due for payment ₹ in Lakhs	Total ₹ in Lakhs	Others ₹ in Lakhs	Outstanding for a period exceeding six months from the date they were due for payment ₹ in Lakhs	Total ₹ in Lakhs
Classification of Current Trade Receivables						
(1) Secured, considered good	178.53	Nil	178.53	144.69	127.59	272.28
(2) Unsecured, considered good	101899.23	28579.51	130478.74	101487.35	32099.98	133587.33
(3) Unsecured, considered doubtful	Nil	13665.92	13665.92	Nil	10667.64	10667.64
Gross Current Trade Receivables	102077.76	42245.43	144323.19	101632.04	42895.21	144527.25
Less: Provision for bad and doubtful debts	Nil	13665.92	13665.92	Nil	10667.64	10667.64
Net Current Trade Receivables	102077.76	28579.51	130657.27	101632.04	32227.57	133859.61

16. Cash and cash equivalents

	As at 31-3-2015	
	₹ in Lakhs	₹ in Lakhs
(A) Cash and cash equivalents (as per AS 3 Cash Flow Statements)		
(a) Cash in hand	193.80	193.57
(b) Cheques on hand	3656.91	3603.70
(c) Balances with banks		
(1) Current accounts	12302.80	18115.61
(2) Fixed deposits with maturity less than 3 months	2622.34	2430.39
Total Cash and cash equivalents (as per AS 3 Cash Flow Statements)	18775.85	24343.27
(B) Other Bank balances		
(a) Fixed deposits with maturity more than 3 months but less than 12 months	75.96	167.08
(b) Fixed deposits with maturity greater than 12 months	Nil	4.36
(c) Balances with banks		
(1) Earmarked balances	441.05	398.54
(2) To the extent held as margin money	416.70	250.13
Total Other Bank balances	933.71	820.11
Total Cash and cash equivalents (A+B)	19709.56	25163.38

17. Revenue from Operations and Other Operating Income

	Year ended 31-3-2015	
	₹ in Lakhs	₹ in Lakhs
(a) Sale of products	296467.13	287222.93
(b) Sale of services	69809.53	64757.98
(c) Contract revenue	219590.92	164618.62
(d) Other operating income		
(1) Unclaimed credit balances written back	1428.58	1082.81
(2) Sale of scrap	736.97	561.20
(3) Others	395.63	2236.13
Total	588428.76	520479.67

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)
18. Other Income

	₹ in Lakhs	Year ended 31-3-2015 ₹ in Lakhs
(a) Dividend Income		
(1) From non-current investments	372.56	337.29
(2) From current investments	3151.98	3450.53
(b) Interest Income		
(1) On sundry advances, deposits, customers' balances etc.	14.65	12.56
(2) On bank deposits / bonds	436.76	460.29
(3) On Income-tax refunds	129.52	0.91
(4) Others	Nil	1.06
(c) Net Gain on sale of investments	2527.83	984.71
(d) Net foreign exchange gain	288.33	703.42
(e) Rent income	3384.48	3717.17
(f) Cash discount from suppliers	327.73	503.85
(g) Other non-operating income (net of expenses directly attributable to such income)	1127.16	700.11
	11761.00	10871.90

19. Consumption of Raw Materials, Cost of Jobs and Services

	₹ in Lakhs	Year ended 31-3-2015 ₹ in Lakhs
Opening stock	18392.91	20083.86
Add : Purchases and cost of jobs, manufacture and services	347826.44	287168.65
Less: Closing stock	366219.35	307252.51
Cost of materials consumed	19620.88	18392.91
	346598.47	288859.60

20. Purchase of Traded Goods

	₹ in Lakhs	Year ended 31-3-2015 ₹ in Lakhs
	67285.46	69218.88

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

	₹ in Lakhs	Year Ended 31-3-2015 ₹ in Lakhs
Inventories at the end of the year:		
(1) Finished Goods including stock-in-trade	52535.60	58366.91
(2) Work-in-progress	17030.71	9920.58
	69566.31	68287.49
Inventories at the beginning of the year:		
(1) Finished Goods including stock-in-trade	58366.91	53881.61
(2) Work-in-progress	9920.58	16072.04
	68287.49	69953.65
Net (increase) / decrease	(1278.82)	1666.16

22. Employee Benefits Expenses

	₹ in Lakhs	Year ended 31-3-2015 ₹ in Lakhs
(a) Salaries and Wages, including Bonus	60760.74	53319.93
(b) Contribution to Provident and other Funds	1746.26	1956.10
(c) Gratuity expenses (Unfunded)	1434.47	961.85
(d) Staff Welfare expenses	3043.32	2753.68
	66984.79	58991.56

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

23. Finance Costs

	₹ in Lakhs	Year ended 31-3-2015 ₹ in Lakhs
Interest expense on :		
(1) Borrowings	1304.69	1830.29
(2) Delayed / deferred payment of taxes	228.71	495.46
	1533.40	2325.75

24. Depreciation and Amortisation Expenses

	₹ in Lakhs	Year ended 31-3-2015 ₹ in Lakhs
(a) Depreciation on Tangible assets	2286.85	2307.20
(b) Amortisation on Intangible assets	415.22	415.26
(c) Depreciation on Investment Property	97.07	97.96
	2799.14	2820.42
(d) Less: Transfer through Contribution for Capital Expenditure Reserves	18.08	16.30
	2781.06	2804.12

Effective 1st April, 2014, the Company had, realigned the depreciation policy on furniture and fixtures from Written Down Value method to Straight Line Method as well as the useful lives of all fixed assets, as per Schedule II to the Companies Act, 2013. Accordingly, the depreciation charge was higher by ₹ 340.65 lakhs for the year ended 31st March, 2015 (net of ₹ 297.14 lakhs write back of depreciation upto 31st March, 2014 on account of change in method) and an amount of ₹ 558.26 lakhs (net of deferred tax of ₹ 284.05 lakhs) representing the carrying amount of assets with revised useful lives as Nil as at 31st March, 2014 which has been adjusted against the opening balance of reserves as permitted under the Companies Act, 2013.

25. Other Expenses

	₹ in Lakhs	Year ended 31-3-2015 ₹ in Lakhs
(a) Consumption of Stores and Spare parts	547.60	480.53
(b) Power and Fuel	764.00	578.08
(c) Rent	5736.30	5161.14
(d) Repairs to Buildings	168.25	100.02
(e) Repairs to Plant and Machinery	878.14	808.78
(f) Insurance charges	655.86	547.55
(g) Rates and Taxes	138.44	152.42
(h) Travelling and Conveyance	5717.25	5548.91
(i) Payment to Auditors [Refer note 25(a)]	580.64	469.11
(j) Legal and Professional charges	3329.58	3876.03
(k) Bad and Doubtful Debts / Advances	3779.56	4001.39
(l) Loss on Sale of Fixed Assets (Net)	6.52	49.17
(m) Corporate Social Responsibility (CSR)	1155.48	380.83
(n) Other expenses		
(1) Forwarding charges (Net)	5681.54	4636.67
(2) Commission other than to Sole Selling Agents, Rebates and Allowances	970.00	1472.90
(3) Advertising	4785.35	4495.09
(4) Stationery, Postage, Fax and Telephone Expenses	1828.27	1846.27
(5) Provision for Diminution in value of Investments	10.12	4.79
(6) Other General Expenses	25727.93	23959.00
	62460.83	58568.68

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)**25(a) Auditors' Remuneration**

	₹ in Lakhs	Year ended 31-3-2015 ₹ in Lakhs
(a) To Statutory Auditor for		
(1) Audit Fees (including Tax Audit fees)	323.33	287.97
(2) Taxation Matters	21.00	12.28
(3) Other Services	200.74	146.15
(4) Reimbursement of Expenses	27.34	17.55
	<hr/> 572.41	<hr/> 463.95
(b) To Secretarial Auditor for Secretarial Audit	2.34	1.00
(c) To Cost Auditor for Cost Audit	5.89	4.16
	<hr/> 580.64	<hr/> 469.11

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

26. Exceptional Items

	₹ in Lakhs	Year ended 31-3-2015 ₹ in Lakhs
A. Exceptional Income		
(1) Profit on Sale of Trade Investments	1173.93	Nil
(2) Profit on Sale of Property	3295.02	23586.33
(3) Reversal of Provision for Contingencies	350.00	Nil
Sub-total : Exceptional Income	4818.95	23586.33
Less :		
B. Exceptional Expenses		
(1) Impairment of Goodwill on Consolidation	751.22	Nil
(2) Onerous Contract [Refer footnote 26(a)]	Nil	18967.00
Sub-total : Exceptional Expenses	751.22	18967.00
Exceptional Items (Net)	4067.73	4619.33

Footnote:

- 26(a) In the previous year, the Main Contractor for the Sidra Medical and Research Centre project in Qatar was terminated by the end customer (Qatar Foundation) and a new main contractor was appointed. In view of the uncertainties attached to the sub-contract, the Company had, as a matter of prudence, charged off ₹ 18967 lakhs to the Statement of Profit and Loss after evaluation of underlying assets and liabilities, and contingencies related thereto. Nevertheless, the Company continues to pursue its entitlements and has sought legal advice for the way forward.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

27. Contingent Liabilities not provided for

- (a) Claims against the Group not acknowledged as debts :

In respect of various matters aggregating ₹ 51867.03 lakhs (31-3-2015: ₹ 22857.81 lakhs), against which a provision has been made for contingencies ₹ 2116.70 lakhs (31-3-2015: ₹ 2200.23 lakhs). In respect of a contingent liability of ₹ 224.32 lakhs (31-3-2015: ₹ 1963.37 lakhs), the Company has a right to recover from third party.

	₹ in Lakhs	As at 31-3-2015 ₹ in Lakhs
Taxes, Cess and Duties (other than Income Tax)	18498.72	19968.93
Contractual matters in the course of business	2621.03	2512.95
Others	30747.28	375.93
	51867.03	22857.81

- (b) Contractual matters under arbitration : Amount indeterminate.
- (c) (i) Income tax demands decided in Group's favour by Appellate Authorities where the Department is in further appeal - ₹ 2622.91 lakhs (31-3-2015: ₹ 2752.43 lakhs).
- (ii) Income tax demands decided against the Group and where Group is in further appeal - ₹ 79.70 lakhs (31-3-2015: ₹ 251.16 lakhs).
- (d) In respect of cases / matters decided in favour of Group and where the cases are referred back to the competent authorities for reassessment of liability : Amount indeterminate.
- (e) Staff demands under adjudication : Amount indeterminate.
- (f) Liquidated damages, except to the extent provided, for delay in delivery of goods / execution of projects : Amount indeterminate.

- 28.** (a) Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹ 515.31 lakhs (31-3-2015: ₹ 3480.16 lakhs). [Tangible assets : ₹ 409.67 lakhs (31-3-2015: ₹ 3448.26 lakhs) and Intangible assets of ₹ 105.64 lakhs (31-3-2015: ₹ 31.90 lakhs)]

Advance paid against such contracts: ₹ 203.44 lakhs (31-3-2015: ₹ 755.92 lakhs).

- (b) On account of Other Commitments :

Foreign currency exposures (Refer note 30)

- 29.** In respect of guarantees aggregating ₹ 129886.34 lakhs (31-3-2015: ₹ 129497.40 lakhs) issued by Banks at the request of the Group in favour of third parties, the Company has given security by way of hypothecation of a part of tangible movable assets, trade receivables and inventories.

30. Derivative Instruments

The Company has entered into the following derivative instruments :

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

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

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

The difference between the forward contract rate and the exchange rate on the date of transaction to be charged / (credited) to the Statement of Profit and Loss is ₹ Nil (2014-15 : ₹ Nil).

Figures in italics are for the Previous year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

31. Earnings per share

Earnings per Share has been computed as under :

(1) Net Profit / (loss) after tax and minority interest for the year (₹ In lakhs)	38558.51	38433.69
(2) Weighted average number of Equity Shares Outstanding	33,08,84,740	33,08,84,740
(3) Earnings Per Share (₹) - Basic and Diluted (Face value ₹ 1/- per share)	11.65	11.62

2014-15

32. Employee benefits expenses

- (a) The Group makes contribution towards provident funds, defined benefit retirement plans, and towards superannuation fund. These funds are administered by the trustees appointed by the Group. Under the schemes, the Group is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefits.
- (b) The Group makes annual contributions to Gratuity Funds, which are funded defined benefit plans for qualifying employees. The schemes provide for lumpsum payment to vested employees at retirement, death while in employment, or on termination of employment as per the Group's Gratuity Scheme. Vesting occurs upon completion of 5 years of service.

The Group is also providing post retirement medical benefits to qualifying employees.

The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out as at 31st March, 2016. The present value of the defined benefit obligation and the related current service cost and past service cost, are measured using the projected unit credit method.

The following tables set out the position of and the amounts recognised in the Group's financial statements as at 31st March, 2016 for Defined Benefit / Contribution Plans :

Defined Benefit Plans - As per Actuarial Valuation

	Gratuity Unfunded	Gratuity Funded	Post Employment Medical Benefits	Pension Plan
				₹ in Lakhs
I. Expense recognised in the Statement of Profit and Loss				
1. Current Service Cost	765.76	312.76	47.65	172.95
	809.11	302.06	38.21	864.75
2. Interest Cost	154.68	423.89	78.00	211.81
	146.48	409.97	76.89	143.10
3. Expected return on plan assets	—	(423.54)	—	—
	—	(425.42)	—	—
4. Actuarial (Gains) / Losses	17.43	216.24	23.98	(23.09)
	(249.90)	435.99	77.56	240.50
5. Total expense	937.87	529.35	149.63	361.67
	705.69	722.60	192.66	1248.35
II. Net Liability recognised in the Balance Sheet				
1. Present value of Defined Benefit Obligation	3460.72	5661.27	1077.85	2852.93
	2894.59	5295.99	975.00	2647.58
2. Fair value of plan assets	—	(5282.86)	—	—
	—	(5290.94)	—	—
3. Net (asset) / liability	3460.72	378.41	1077.85	2852.93
	2894.59	5.05	975.00	2647.58

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

32. Employee benefits expenses (contd.)

	Gratuity Unfunded	Gratuity Funded	Post Employment Medical Benefits	Pension Plan
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
III. Change in Obligation during the year				
1. Present value of Defined Benefit Obligation at the beginning of the year	2894.59	5295.99	975.00	2647.58
	2740.53	4430.38	831.31	1547.11
2. Current Service Cost	765.76	312.76	47.65	172.95
	809.11	302.06	38.21	864.75
3. Interest Cost	154.68	423.89	78.00	211.81
	146.48	409.97	76.89	143.10
4. Actuarial (Gains) / Losses	17.43	209.25	23.98	(23.09)
	(249.90)	640.45	77.56	240.50
5. Benefits Payments	(612.35)	(580.62)	(46.78)	(156.32)
	(654.71)	(486.87)	(48.97)	(147.88)
6. Difference in exchange	240.61	—	—	—
	110.44	—	—	—
7. Present value of Defined Benefit Obligation at the end of the year	3460.72	5661.27	1077.85	2852.93
	2901.95	5295.99	975.00	2647.58
IV. Change in Assets during the year				
1. Plan assets at the beginning of the year	—	5290.94	—	—
	—	4597.23	—	—
2. Expected return on plan assets	—	423.54	—	—
	—	425.42	—	—
3. Contributions by employers	—	155.99	—	—
	—	550.70	—	—
4. Actual benefits paid	—	(580.62)	—	—
	—	(486.87)	—	—
5. Actuarial Gains / (Losses)	—	(6.99)	—	—
	—	204.46	—	—
6. Plan assets at the end of the year	—	5282.86	—	—
	—	5290.94	—	—
7. Actual return on plan assets (2+5)	—	416.55	—	—
	—	629.88	—	—
V. Amount Recognised in the Balance Sheet				
1. Opening Liability	2894.59	5.05	975.00	2647.58
	2734.24	(166.85)	831.31	1547.11
2. Expenses as above (I)	937.87	529.35	149.63	361.67
	705.69	722.60	192.66	1248.35
3. Employers Contribution	(612.35)	(155.99)	(46.78)	(156.32)
	(654.71)	(550.70)	(48.97)	(147.88)
4. Difference in exchange	240.61	—	—	—
	110.44	—	—	—
5. Closing Net Liability	3460.72	378.41	1077.85	2852.93
	2895.66	5.05	975.00	2647.58

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)
32. Employee benefits expenses (contd.)

	Gratuity Unfunded	Gratuity Funded	Post Employment Medical Benefits	Pension Plan
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
VI. Actuarial Assumptions				
1. Mortality Table (Indian Assured Lives Mortality)	2006-08	2006-08	2006-08	2006-08
	<i>2006-08</i>	<i>2006-08</i>	<i>2006-08</i>	<i>2006-08</i>
2. Discount Rate	4.00%	8.06%	8.06%	8.06%
	<i>5.25%</i>	<i>8.00%</i>	<i>8.00%</i>	<i>8.00%</i>
3. Increase in Salary / Health Care Cost / Pension	4.00%	8.00%	5.00%	8.00%
	<i>5.00%</i>	<i>8.00%</i>	<i>5.00%</i>	<i>8.00%</i>
4. Rate of Return on Plan Assets	—	8.06%	—	—
	—	<i>8.00%</i>	—	—

Figures in italics under I to VI are for the Previous year.

	Gratuity	Gratuity	
		31-3-2015	%
1. Government of India Securities	20.00	20.00	
2. Corporate Bonds	62.00	62.00	
3. Special Deposit Scheme	2.00	2.00	
4. Others	16.00	16.00	
	100.00	100.00	100.00

VIII. Effect of Change in Assumed Health Care Cost Trend Rate

	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
	One percentage point increase	One percentage point decrease	One percentage point increase	One percentage point decrease
1. Effect on the aggregate of the service cost and interest cost	143.94	137.72	128.43	122.88
2. Effect on defined benefit obligation	1102.70	1053.02	997.47	952.53
(a) The Actuarial calculations used to estimate defined benefit commitments and expenses are based on the above assumptions which if changed would affect the defined benefit commitment's size, the funding requirement and expenses.				
(b) The estimates of future salary increases, considered in the Actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.				
(c) The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc.				
(d) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.				

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

32. Employee benefits expenses (contd.)

- (e) The disclosure of Present value of defined obligation, fair value of assets, surplus / deficit of assets and experience adjustments of current year and preceding four years are as under:

	₹ in Lakhs	2014-15 ₹ in Lakhs	2013-14 ₹ in Lakhs	2012-13 ₹ in Lakhs	2011-12 ₹ in Lakhs
1. Present value of defined benefit obligation	13052.77	11820.52	9543.03	9983.54	9508.97
2. Fair value of Plan Assets	5282.86	5290.94	4597.23	4747.60	4536.01
3. (Surplus) or Deficit of the Plan	7769.91	6529.58	4945.80	5235.94	4972.96
4. Experience Adjustments					
- On Plan Assets	(6.99)	204.46	(69.10)	4.61	15.54
- On Plan Liabilities	268.35	(95.58)	(566.18)	(304.07)	(296.46)
	261.36	108.88	(635.28)	(299.46)	(280.92)

- (f) The details of the Company's Defined Benefit Plans for its employees given above are certified by the actuary and relied upon by the auditors.
- (g) Expected contribution to Defined Benefits Schemes for the next year is ₹ 800 lakhs (2014-15 : ₹ 710 lakhs).
- (h) The Company has recognised the following amounts in the Statement of Profit and Loss under the head Company's Contribution to Provident and Other Funds :

	₹ in Lakhs	2014-15 ₹ in Lakhs
- Provident Fund	928.21	847.19
- Superannuation Fund	187.85	179.93
	1116.06	1027.12

- (i) The Company has not disclosed information related to defined benefits as required under AS-15 on Employee benefits notified under the Companies Act, 2013 for foreign subsidiaries and joint ventures. However, these companies are not material in relation to the Group.

33. Related Party Disclosures

(a) List of Related Parties and Relationships

Party	Relation
A. Brihat Trading Private Ltd. Terrot GmbH	Associates
B. Universal Voltas L.L.C. Naba Diganta Water Management Ltd. Olayan Voltas Contracting Company Ltd. Universal Weathermaker Factory L.L.C. Voltas Qatar W.L.L. Voltas Water Solutions Private Ltd. AVCO Marine S.a.S. (Under liquidation) Agrotech Industries Ltd. (Under closure)	Joint Ventures
C. Tata Sons Ltd.	Promoter holding together with its subsidiary more than 20%
D. Mr. Sanjay Johri - Managing Director	Key Management Personnel

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

33. (b) Related Party Transactions

Transactions		Associates and Joint Ventures	Key Management Personnel	Promoter	₹ In Lakhs
Purchase of Goods [Refer 33 (c) (1)]		55.31	—	—	55.31
		63.40	—	—	63.40
Sale of Products [Refer 33 (c) (2)]		43.22	—	1.22	44.44
		21.91	—	—	21.91
Service Income [Refer 33 (c) (3)]		71.33	—	8.44	79.77
		74.86	—	59.37	134.23
Sale of Fixed Assets [Refer 33 (c) (4)]		29.05	—	—	29.05
		—	—	—	—
Rental Income [Refer 33 (c) (5)]		3.11	—	—	3.11
		—	—	—	—
Commission Received [Refer 33 (c) (6)]		91.00	—	—	91.00
		83.28	—	—	83.28
Other Operating Income [Refer 33 (c) (7)]		—	—	—	—
		86.42	—	—	86.42
Consulting Charges Paid [Refer 33 (c) (8)]		—	—	13.68	13.68
		—	—	9.16	9.16
Remuneration Paid / Payable [Refer 33 (c) (9)]		—	389.67	—	389.67
		—	304.86	—	304.86
Dividend Paid [Refer 33 (c) (10)]		—	—	1982.97	1982.97
		—	—	1630.44	1630.44
Tata Brand Equity [Refer 33 (c) (11)]		—	—	717.43	717.43
		—	—	673.00	673.00
Other Expenses - Received / Receivable [Refer 33 (c) (12)]		9114.05	—	—	9114.05
		967.47	—	—	967.47
Other Expenses -Paid / Payable [Refer 33 (c) (13)]		1276.24	—	22.45	1298.69
		734.76	—	35.83	770.59
Deposit Received [Refer 33 (c) (14)]		0.69	—	—	0.69
		—	—	—	—
Debit Balance Outstanding at year end [Refer 33 (c) (15)]		486.26	—	—	486.26
		591.94	—	—	591.94
Credit Balance Outstanding at year end [Refer 33 (c) (16)]		53.04	—	756.65	809.69
		71.49	—	671.11	742.60

Figures in Italics are for the Previous year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

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

₹ in Lakhs

Name of Party	Transaction Value	Transaction Value 2014-15
1. Purchase of Goods		
Universal Weathermaker Factory L.L.C.	51.82	63.40
2. Sale of Products		
Voltas Qatar W.L.L.	42.89	21.91
3. Service Income		
Universal Volta L.L.C.	60.87	—
Voltas Qatar W.L.L.	—	26.21
Tata Sons Ltd.	8.44	59.37
Universal Weathermaker Factory L.L.C.	—	26.54
Olayan Volta Contracting Company Ltd.	—	18.42
4. Sale of Fixed Assets		
Voltas Qatar W.L.L.	29.05	—
5. Rental Income		
Voltas Water Solutions Private Ltd.	3.11	—
6. Commission Received		
Terrot GmbH	91.00	83.27
7. Other Operating Income		
Universal Volta L.L.C.	—	86.42
8. Consulting Charges Paid		
Tata Sons Ltd.	13.68	9.16
9. Remuneration Paid / Payable		
Mr. Sanjay Johri	389.67	304.86
10. Dividend Paid		
Tata Sons Ltd.	1982.97	1630.44
11. Tata Brand Equity		
Tata Sons Ltd.	717.43	673.00
12. Other Expenses -Received / Receivable		
Voltas Qatar W.L.L.	8821.34	873.03
13. Other Expenses -Paid / Payable		
Voltas Qatar W.L.L.	1275.88	734.76
14. Deposit Received		
Voltas Water Solutions Private Ltd.	0.69	—

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)**33. (c) Details of material (more than 10% of the total related party transactions of the same type) transactions with Related Party (contd.)**

Name of Party	₹ in Lakhs	Transaction Value 2014-15
15. Debit Balance Outstanding at year end		
Voltas Qatar W.L.L.	238.58	190.14
Universal Voltas L.L.C.	92.43	210.53
Olayan Voltas Contracting Company Ltd.	90.63	45.02
Naba Diganta Water Management Ltd.	59.00	137.91
16. Credit Balance Outstanding at year end		
Tata Sons Ltd.	756.65	671.11

34. (A) Information about Consolidated Segments

	₹ in Lakhs	2014-15
1. SEGMENT REVENUE		
(a) Segment - A (Electro - mechanical Projects and Services)	271714.81	220852.96
(b) Segment - B (Engineering Products and Services)	37018.69	36006.35
(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	255663.00	251049.40
(d) Others	18845.34	6612.02
Less : Inter segment revenue	59.04	92.21
Net Sales / Income from Operations	583182.80	514428.52
Add : Other operating income	2561.18	3880.14
Net Revenue from Operations (as per Statement of Profit and Loss)	585743.98	518308.66
2. SEGMENT RESULTS		
(a) Segment - A (Electro - mechanical Projects and Services)	3740.69	(16686.61)
(b) Segment - B (Engineering Products and Services)	11273.68	10810.73
(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	33820.82	34913.06
(d) Others	1832.20	703.29
Segment Total	50667.39	29740.47
Less : (i) Interest Paid	1533.40	2325.75
(ii) Other unallocable expenditure net of unallocable income	(6073.53)	(23950.42)
Profit before Tax	55207.52	51365.14

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

34. (A) Information about Consolidated Segments (contd.)

3. SEGMENT ASSETS AND LIABILITIES

	Segment Assets		Segment Liabilities	
			As at 31-3-2015	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(a) Segment - A (Electro - mechanical Projects and Services)	239808.19	205228.83	171849.30	152585.43
(b) Segment - B (Engineering Products and Services)	14465.54	13399.66	6493.87	6719.72
(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	92533.87	105822.71	76139.52	76820.09
(d) Others	14637.78	5696.48	8910.22	2691.20
Segment Total	361445.38	330147.68	263392.91	238816.44
Unallocated	198432.09	158677.01	54380.20	38195.80
	559877.47	<u>488824.69</u>	317773.11	<u>277012.24</u>

4. OTHER INFORMATION FOR SEGMENTS

	Capital Expenditure		Depreciation and Amortisation		Non-Cash Expenses Other than Depreciation and Amortisation	
			2014-15		2014-15	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(a) Segment - A (Electro - mechanical Projects and Services)	1024.80	1593.53	1126.98	1008.95	5740.30	3088.81
(b) Segment - B (Engineering Products and Services)	17.60	28.30	87.64	183.77	716.85	193.91
(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	510.34	163.91	551.86	622.67	413.56	1036.31
(d) Others	466.16	112.71	236.87	177.03	162.14	13.44
Segment Total	2018.90	1898.45	2003.35	1992.42	7032.85	4332.47
Unallocated	3953.09	477.83	777.71	811.70	Nil	Nil
	5971.99	<u>2376.28</u>	2781.06	<u>2804.12</u>	7032.85	<u>4332.47</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

34. (B) Information about Consolidated Secondary Business Segments

	₹ in Lakhs	2014-15 ₹ in Lakhs
Revenue by Geographical Market		
India	402418.21	386445.99
Middle East	172218.71	115808.70
Others	8545.88	12173.83
Total	583182.80	514428.52
Capital Expenditure		
India	870.71	1306.55
Middle East	1111.25	590.50
Others	36.94	1.40
Total	2018.90	1898.45
Carrying Amount of Segment Assets		
India	210658.66	219638.44
Middle East	147982.01	106908.61
Others	2804.71	3600.63
Total	361445.38	330147.68

35. The Group has consolidated the accounts of the following Joint Ventures as on 31st March, 2016 and its percentage holding is given below :

Name of the Joint Venture	Country of Incorporation	% Holding
Universal Voltas L.L.C.	United Arab Emirates	49.00
Naba Diganta Water Management Ltd.	India	26.00
Voltas Water Solutions Private Ltd.	India	50.00
Universal Weathermaker Factory L.L.C.	United Arab Emirates	49.00
Voltas Qatar W.L.L.	Qatar	75.00
Olayan Voltas Contracting Company Ltd.	Saudi Arabia	50.00

The proportionate share of assets, liabilities, income and expenditure of the above joint venture companies / operations included in these consolidated financial statements are given below:

	₹ in Lakhs	2014-15 ₹ in Lakhs
ASSETS		
Net Block (including Capital WIP)	1394.21	1472.01
Current Assets	44696.98	28983.62
Non-Current Assets	3575.21	929.60
LIABILITIES		
Reserves and Surplus	8846.36	8190.08
Current Liabilities	39679.69	20559.95
Non-Current Liabilities	1140.34	835.17

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

- 35. The Group has consolidated the accounts of the following Joint Ventures as on 31st March, 2016 and its percentage holding is given below : (contd.)**

	₹ in Lakhs	2014-15 ₹ in Lakhs
INCOME		
Revenue from Operations	60903.90	23006.53
Other Income	41.26	24.85
EXPENSES		
Cost of Sales, Services and Expenses	58078.68	20852.52
Depreciation	342.72	163.23
Interest	190.56	132.51
TAXES		
CONTINGENT LIABILITIES	164.65	42.55
CAPITAL COMMITMENTS	16812.86	16960.97
	Nil	8331.68

- 36. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013**

Name of the Company	Net consolidated assets, i.e., total assets minus total liabilities		Share of consolidated profit or loss	
	As at 31-3-2016		Year ended 31-3-2016	
	%	₹ in Lakhs	%	₹ in Lakhs
I. Voltas Limited (Parent Company)	86.79	207874.16	86.33	33288.91
II. Subsidiaries				
(a) Indian				
(1) Auto Aircon (India) Ltd.	(0.04)	(84.15)	(0.01)	(3.59)
(2) Rohini Industrial Electricals Ltd.	(0.56)	(1332.88)	(1.14)	(438.26)
(3) Universal Comfort Products Ltd.	7.56	18116.39	16.44	6339.86
(b) Foreign				
(1) Lalbuksheh Voltas Engineering Services and Trading L.L.C., Sultanate of Oman	2.27	5426.50	4.22	1628.11
(2) Saudi Ennas Company for Engineering Services W.L.L., Saudi Arabia	(0.17)	(411.44)	(1.27)	(489.78)
(3) Voltas Netherlands B.V., The Netherlands	2.60	6221.04	4.34	1671.88
(4) Voltas Oman L.L.C., Sultanate of Oman	0.46	1092.43	2.07	798.70
(5) Weathermaker Ltd., Isle of Man	0.99	2365.46	0.92	352.89
(c) Minority Interests in all subsidiaries	(1.08)	(2583.11)	(2.29)	(882.34)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

- 36. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 (contd.)**

Name of the Company	Net consolidated assets, i.e., total assets minus total liabilities		Share of consolidated profit or loss	
	As at 31-3-2016	₹ in Lakhs	Year ended 31-3-2016	₹ in Lakhs
	%		%	
III. Joint Ventures				
(a) Indian				
(1) Naba Diganta Water Management Ltd.	0.34	808.45	0.15	57.99
(2) Voltas Water Solutions Private Ltd.	Nil	(2.50)	(0.20)	(77.61)
(b) Foreign				
(1) Olayan Voltas Contracting Company Ltd., Saudi Arabia	0.73	1746.59	(1.41)	(541.83)
(2) Universal Voltas L.L.C., United Arab Emirates	2.20	5265.97	2.94	1132.39
(3) Universal Weathermaker Factory L.L.C., United Arab Emirates	0.15	370.06	(0.46)	(176.66)
(4) Voltas Qatar W.L.L., Qatar	1.09	2603.04	4.68	1806.42
IV. Adjustments arising out of consolidation	(3.55)	(8502.00)	(15.91)	(6136.27)
V. Associates				
(a) Foreign				
(1) Terrot GmbH	0.23	547.24	0.59	227.70
Total	100.00	239521.25	100.00	38558.51

Refer note 1 (III) of significant accounting policies for the list of subsidiaries, associates and joint ventures, which have not been consolidated in the consolidated financial statements.

- 37. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.**

For and on behalf of the Board

*Chairman
Managing Director
Directors*

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

President - Corporate Affairs & CFO

Anil George

*Vice President- Taxation, Legal &
Company Secretary
Mumbai, 17th May, 2016*

V. P. Malhotra

INDEPENDENT AUDITORS' REPORT

To the Members of Voltas Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **VOLTAS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 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 and the Order under Section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair

view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the Directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a Director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure "A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 financial statements - Refer Notes 28(b) to 28(g) of the standalone 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 - Refer Note 1-A(iii)(c) of the standalone financial statements.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **Annexure "B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

B. P. Shroff
Partner
Membership No. 34382

Mumbai,
17th May, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal

and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of VOLTAS LIMITED ("the Company") as of 31st March, 2016 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Mumbai,
17th May, 2016

B. P. Shroff
Partner
Membership No. 34382

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under '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) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed / assignment agreement / share certificates / re-development agreement / property taxes receipts / certified true copy of sale deed by sub-registrar / investigation report by solicitors provided to us, we report that, the title deeds comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the

balance sheet date except for four immovable properties which are in the name of erstwhile companies that have since been amalgamated with the Company and the following.

Particulars of the land and building	Amount ₹ in Lakhs	Remarks
16 flats in Tata Colony, Lallubhai Park, Andheri (W), Mumbai – 400063.	2.06	The said flats were allotted to the Company by way of common agreement entered into by the Company with other Tata Group companies. The title deeds are held by Tata Services Ltd. on behalf of all allottees.

In respect of immovable properties of land that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments, and providing guarantees and securities, as applicable except in respect of advances of ₹ 87.68 lakhs given to Auto Aircon (India) Ltd., dormant wholly owned subsidiary company, where no interest is payable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and there are no unclaimed deposits outstanding during / as at the year end. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Act are not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are

of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on 31st March, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in Lakhs)	Amount Unpaid (₹ in Lakhs)
The Central Excise Act, 1944	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2010-2015	1134.22	1134.22
		Commissioners / Adjudicating Authority	1982-1991, 1992-1994, 1999-2001, 2004-2005, 2009-2012, 2013-2014	560.33	540.51
Finance Act, 1994 and Service Tax Laws	Service Tax	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	1998-2010	932.09	802.38
		Commissioners/ Adjudicating Authority	1998-2014	2863.20	2732.91
Sales Tax / VAT/ CST, Entry Tax	Sales Tax, VAT, CST and Entry Tax (including Penalty and Interest)	Supreme Court	1993-1994	46.55	39.55
		High Court	1988-1992, 1995-2005 , 2008- 2009	2868.33	2509.05
		Appellate Tribunals	1987-1988, 1997- 1998, 1999-2003, 2004-2011, 2013-2015	1150.83	722.38
		Commissioner (Appeals)	1990-1991, 1992-1993, 1994-1997, 1998-2015	5306.48	4073.24
		Deputy Commissioner (Appeals)	1996-2001, 2005-2006, 2009-2014	1563.42	646.69
		Assessing Authority	1987-1993, 1994-1995, 1996-1997, 1999-2001, 2013-2015	275.15	179.68

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 Order is not applicable to the Company.
 - (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
 - (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
 - (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
 - (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
 - (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 188 and 177 of the Act,
- where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable Accounting Standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company.
 - (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence the provisions of Section 192 of the Act are not applicable.
 - (xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

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

Mumbai,
17th May, 2016

B. P. Shroff
Partner
Membership No. 34382

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note	₹ in Lakhs	As at 31-3-2015 ₹ in Lakhs
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	2	3307.52	3307.48
(b) Reserves and surplus	3	204566.64	180644.14
		207874.16	183951.62
2. Non-current liabilities			
(a) Other long-term liabilities	4	2634.63	1871.45
(b) Long-term provisions	5	10313.79	9341.78
		12948.42	11213.23
3. Current liabilities			
(a) Short-term borrowings	6	11948.50	5305.83
(b) Trade payables	7	4604.58	471.81
(i) Total outstanding dues of micro and small enterprises		135889.88	145167.47
(ii) Total outstanding dues of creditors other than micro and small enterprises		47404.56	56450.10
(c) Other current liabilities	7	26268.42	22215.85
(d) Short-term provisions	5	226115.94	229611.06
		446938.52	424775.91
TOTAL EQUITY AND LIABILITIES			
II. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	17428.83	14743.97
(ii) Intangible assets	9	776.04	831.88
(iii) Capital work-in-progress		108.77	442.17
		18313.64	16018.02
(b) Non-current investments	10	98743.87	75701.79
(c) Deferred tax assets (net)	11	5283.60	3673.53
(d) Long-term loans and advances	12	12002.19	13487.23
(e) Other non-current assets	13	8076.60	7474.27
		142419.90	116354.84
2. Current assets			
(a) Current investments	10	66674.07	46698.27
(b) Inventories	14	59443.68	69148.82
(c) Trade receivables	15	101792.22	114957.64
(d) Cash and cash equivalents	16	13231.44	14839.21
(e) Short-term loans and advances	12	14267.73	14691.42
(f) Other current assets	13	49109.48	48085.71
		304518.62	308421.07
TOTAL ASSETS		446938.52	424775.91
Summary of significant accounting policies	1-A		
See accompanying notes forming part of the financial statements.	1-41		

For and on behalf of the Board

Chairman
Managing Director
Directors

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

President - Corporate Affairs & CFO
Vice President- Taxation, Legal &
Company Secretary
Mumbai, 17th May, 2016

Anil George

V. P. Malhotra

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

B. P. Shroff

Partner

Mumbai, 17th May, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note	₹ in Lakhs	Year ended 31-3-2015
			₹ in Lakhs
I. Revenue from operations (Gross)	17	521432.87	519065.87
Less: Excise duty		2684.78	2171.01
Net Revenue from operations		518748.09	516894.86
II. Other Income	18	16508.96	14911.44
III. Total Revenue (I + II)		535257.05	531806.30
IV. Expenses			
(a) Consumption of raw materials, cost of jobs and services	19	176178.08	161980.81
(b) Purchase of traded goods	20	210496.83	226011.29
(c) (Increase) / Decrease in finished goods, work-in-progress and stock-in-trade	21	9769.88	1481.53
(d) Employee benefits expenses	22	41461.96	46785.37
(e) Finance costs	23	806.46	1625.22
(f) Depreciation and amortisation expenses	24	1913.83	2245.45
(g) Other expenses	25	51089.26	50142.54
Total Expenses (IV)		491716.30	490272.21
V. Profit before exceptional items and tax (III - IV)		43540.75	41534.09
VI. Exceptional Items	26	3275.81	1818.33
VII. Profit before tax (V + VI)		46816.56	43352.42
VIII. Tax Expense			
(1) Current tax			
(i) Current tax		15157.82	11254.44
(ii) Provision for taxation of earlier years written back		(20.10)	(20.38)
(2) Deferred tax	11	(1610.07)	(805.12)
Total tax expense		13527.65	10428.94
IX. Profit after tax (VII - VIII)		33288.91	32923.48
X. Earnings per share :	31		
Earnings Per Share (₹) - Basic and Diluted (Face value ₹ 1 per share)		10.06	9.95
Summary of significant accounting policies	1-A		
See accompanying notes forming part of the financial statements.	1-41		

For and on behalf of the Board

Chairman
Managing Director
Directors

Ishaat Hussain
Sanjay Johri
N. N. Tata
Nani Javeri
R. N. Mukhija
Vinayak Deshpande
D. Sarangi
Brahram N. Vakil
Anjali Bansal
Usha Sangwan

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

B. P. Shroff
Partner
Mumbai, 17th May, 2016

President - Corporate Affairs & CFO
Vice President- Taxation, Legal &
Company Secretary
Mumbai, 17th May, 2016

Anil George
V. P. Malhotra

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

A. CASH FLOW FROM OPERATING ACTIVITIES

	₹ in Lakhs	₹ in Lakhs	2014-15 ₹ in Lakhs
Profit before Tax	46816.56	43352.42	
Adjustments for :			
Depreciation and amortisation expenses	1913.83	2245.45	
Provision for doubtful trade and other receivables, loans and advances	2614.14	2813.98	
Net unrealised exchange (gain) / loss	(370.92)	946.39	
Provision for diminution in value of investments	2753.94	2805.79	
(Profit) / loss on sale / write off of assets	(3283.85)	(23418.73)	
Net (gain) on sale of investments	(3701.76)	(984.71)	
Finance costs	806.46	1625.22	
Interest income	(765.37)	(629.59)	
Dividend income	(8376.72)	(7819.15)	
Liabilities / provisions no longer required written back	(1349.31)	(977.75)	
Provision for contingencies	(83.53)	1075.23	
Provision for trade guarantees	184.65	759.48	
	(9658.44)	(21558.39)	
Operating profit before Working Capital changes	37158.12	21794.03	
Changes in Working Capital:			
Adjustments for (increase) / decrease in operating assets :			
Inventories	9705.14	2383.85	
Trade receivables	8832.35	(5372.56)	
Short-term loans and advances	423.68	2612.03	
Long-term loans and advances	(362.59)	(330.97)	
Other current assets	(1189.97)	11925.88	
Other non-current assets	(127.76)	(2175.04)	
Adjustments for increase / (decrease) in operating liabilities :			
Trade payables	(2693.21)	(1338.55)	
Other current liabilities	(9212.44)	(908.98)	
Other long-term liabilities	38.53	3.18	
Short-term provisions	345.13	173.54	
Long-term provisions	733.60	1342.20	
	6492.46	8314.58	
Cash generated from operations	43650.58	30108.61	
Net income tax paid	(12888.46)	(8013.90)	
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	30762.12	22094.71	

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

	₹ in Lakhs	₹ in Lakhs	2014-15 ₹ in Lakhs
B. CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets, including capital advances and capital work-in-progress	(3637.40)		(2797.61)
Proceeds from sale of fixed assets	3421.46		23837.54
Bank balances not considered as cash and cash equivalents (net)	(97.51)		(54.78)
Current investments not considered as cash and cash equivalents :			
- Purchased	(152686.10)		(181943.91)
- Proceeds from sale	132998.98		198002.22
Purchase of long-term investments :			
- Associates	Nil		(8.60)
- Joint ventures	(59.55)		(38.60)
- Others	(31128.05)		(50853.63)
Proceeds from sale of long-term investments :			
- Others	11776.31		Nil
Loans / advances realised :			
- Subsidiaries	2.10		Nil
Interest received	549.51		151.37
Dividend received :			
- Subsidiaries	4852.18		4031.33
- Others	3524.54		3787.82
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES (B)	(30483.53)		(5886.85)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from issue of equity shares (Calls-in-Arrears)
 (*) includes amount below ₹ 500

Securities Premium (Calls-in-Arrears)

0.04

*

Net increase / (decrease) in working capital borrowings

6642.67

(14031.80)

Finance costs

(681.57)

(1636.59)

Dividends paid

(7402.90)

(6079.00)

Dividend distribution tax

(527.82)

(367.31)

NET CASH FLOW USED IN FINANCING ACTIVITIES (C)

(1969.41)

(22114.68)

NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)

(1690.82)

(5906.82)

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR

14424.57

20331.39

CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR

12733.75

14424.57

Cash and cash equivalents consist of :

Cash and cash equivalents at the end of the year (Refer note :16
 Cash and cash equivalents)

12722.00

14427.28

Effect of exchange differences on restatement of foreign currency Cash and cash
 equivalents

11.75

(2.71)

12733.75

14424.57

For and on behalf of the Board

Chairman
 Managing Director
 Directors

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

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

B. P. Shroff

Partner

Mumbai, 17th May, 2016

President - Corporate Affairs & CFO
 Vice President- Taxation, Legal &
 Company Secretary
 Mumbai, 17th May, 2016

Anil George

V. P. Malhotra

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1. NATURE OF BUSINESS

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

1A. SIGNIFICANT ACCOUNTING POLICIES

(i) BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 and the other relevant provisions of the Companies Act, 2013, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(ii) USE OF ESTIMATES

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

(iii) REVENUErecognition

- (a) Sales excludes sales tax, value added tax and works contract tax but includes excise duty. Commission earned on consignment sales is accounted for as part of revenue from operations.
- (b) Revenue from sale of goods is recognised, net of trade discounts and rebates, when the substantial risks and rewards of ownership are transferred to the buyer under the terms of contract. Service revenue is recognised on rendering of services. Revenues from maintenance contracts are recognised pro-rata over the period of the contract.
- (c) Revenue from construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs based on current technical data.

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

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

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

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

(d) Long-term maintenance contracts

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

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

(e) Other income

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

(iv) JOINT VENTURES

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

(v) TANGIBLE FIXED ASSETS

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

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

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

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

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

Capital work-in-progress :

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

(vi) INTANGIBLE ASSETS

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

(vii) IMPAIRMENT OF ASSETS

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

(viii) DEPRECIATION / AMORTISATION

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Premium paid on Leasehold Land is amortised over the period of the lease, commencing from the date the land is put to use for commercial operations.

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

(ix) PROVISION FOR TRADE GUARANTEES / WARRANTIES

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

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

(x) PROVISIONS AND CONTINGENCIES

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

(xi) INVESTMENTS

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

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

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

(xii) INVENTORIES

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

(xiii) TAXES ON INCOME

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

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

(xiv) FOREIGN EXCHANGE TRANSACTIONS / TRANSLATIONS

- (a) Company: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate on the date of the transaction.
- (b) Integral foreign operations: Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate on the date of the transaction.
- (c) Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at the year-end rate and the difference in translation and realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss. In respect of transactions covered by foreign exchange contracts, the difference between the contract rate and the spot rate on the date of the transaction is charged / (credited) to the Statement of Profit and Loss over the period of the contract.
- (d) Foreign operations are classified as either 'integral' or 'non-integral' operations.

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.

Exchange differences arising on a monetary item that, in substance, forms part of an enterprise's net investment in a non-integral foreign operation are accumulated in the Foreign Currency Translation Reserve until the disposal of the net investment, at which time they are recognised as income or as expenses.

- (e) Forward contracts: Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

(xv) ACCOUNTING FOR VOLUNTARY RETIREMENT SCHEME

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

(xvi) LEASES

(a) Finance Leases

Fixed assets acquired under finance leases are recognised at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the leased term at a constant periodic rate of interest on the remaining balance of the liability.

(b) Operating Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Operating lease expenses / income are recognised in the Statement of Profit and Loss on Straight Line Basis over the term of lease, representative of the time pattern of the user's benefit.

(xvii) EMPLOYEE BENEFITS

(a) Defined Contribution Plans

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

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

(b) **Defined Benefit Plans**

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

(c) **Compensated Absences**

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

(xviii) **SEGMENT REPORTING**

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

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

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

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

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

(xx) **CASH FLOW STATEMENT**

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

(xxi) **OPERATING CYCLE**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of business and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

2. Share Capital		As at 31-3-2015
	₹ in Lakhs	₹ in Lakhs
Authorised:		
- 60,00,00,000 (31-3-2015: 60,00,00,000) Equity Shares of ₹ 1 each	6000.00	6000.00
- 40,00,000 (31-3-2015: 40,00,000) Preference Shares of ₹ 100 each	4000.00	4000.00
	10000.00	10000.00
Issued, Subscribed and Paid up:		
- 33,08,84,740 (31-3-2015: 33,08,84,740) Equity Shares of ₹ 1 each	3308.85	3308.85
Less: Calls-in-Arrears [1,33,110 shares (31-3-2015: 1,36,590 shares)] [Refer note 2(d)]	1.33	1.37
	3307.52	3307.48

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

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

Particulars	Equity Shares		Equity Shares		As at 31-3-2015
	Numbers	₹ in Lakhs	Numbers	₹ in Lakhs	
Shares outstanding at the beginning of the year	33,08,84,740	3308.85	33,08,84,740	3308.85	
Shares outstanding at the end of the year	33,08,84,740	3308.85	33,08,84,740	3308.85	

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

Name of Shareholder	Class of Shares	No. of Shares held	% of holding	No. of Shares held	% of holding	As at 31-3-2015
Tata Sons Limited	Equity	8,81,31,780	26.64	8,81,31,780	26.64	
Life Insurance Corporation of India	Equity	2,48,72,076	7.52	2,48,72,076	7.52	

2. (d) As per the records of the Company, no calls remained unpaid by the Directors and Officers of the Company as on 31st March, 2016 (31-3-2015 : Nil).

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

3. Reserves and Surplus

	₹ in Lakhs	As at 31-3-2015
	₹ in Lakhs	
(1) Capital Reserve		
As per last Balance Sheet	155.52	155.52
(2) Capital Redemption Reserve		
As per last Balance Sheet	125.70	125.70
(3) Securities Premium Account		
As per last Balance Sheet	627.30	627.28
Premium on calls-in-arrears received during the year	0.17	0.02
Closing Balance	627.47	627.30
(4) General Reserve		
As per last Balance Sheet	122182.83	120182.83
Transfer from Statement of Profit and Loss	2000.00	2000.00
Closing Balance	124182.83	122182.83
(5) Staff Welfare Reserve		
As per last Balance Sheet	1.00	1.00
(6) Foreign Exchange Translation Reserve		
As per last Balance Sheet	349.12	282.63
Add : Effect of foreign exchange rate variations during the year on net investment in non-integral operations	Nil	66.49
Closing Balance	349.12	349.12
(7) Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	57202.67	35112.48
Add :		
Profit for the current year	33288.91	32923.48
Credit on Dividend Distribution Tax	987.79	673.02
Sub-total Additions :	34276.70	33596.50
Deductions :		
Proposed Dividend	8603.00	7444.91
Dividend Distribution Tax	1751.37	1515.61
Transfer to General Reserve	2000.00	2000.00
Depreciation on transition to Schedule II of the Companies Act, 2013 (refer note 24) (31-3-2015 : net of deferred tax ₹ 281 lakhs)	Nil	545.79
Sub-total Deductions :	12354.37	11506.31
Closing Balance	79125.00	57202.67
	204566.64	180644.14

4. Other long-term Liabilities

A. Trade Payables	2554.36	1829.71
(Due on account of goods purchased and services received)		
B. Other Payables		
- Unexpired Service Contracts	80.27	41.74
	2634.63	1871.45

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

5. Provisions

		₹ in Lakhs			As at 31-3-2015 ₹ in Lakhs		
		Long-term	Short-term	Total	Long-term	Short-term	Total
(a) Provision for employee benefits							
(i) Provision for gratuity		3104.12	343.74	3447.86	2625.93	257.12	2883.05
(ii) Pension obligations		2695.23	157.70	2852.93	2496.17	151.41	2647.58
(iii) Provision for compensated absences		Nil	3246.75	3246.75	Nil	3015.36	3015.36
(iv) Post retirement medical benefits		1013.80	64.05	1077.85	931.78	43.22	975.00
(v) Provision for employee separation compensation		107.21	23.87	131.08	132.88	23.87	156.75
(b) Others							
(i) Provision for Trade Guarantees [Refer footnote 5 (a)]		3393.43	5011.42	8404.85	3155.02	5065.18	8220.20
(ii) Provision for other Contingencies [Refer footnote 5 (b)]							
- Contingency for Indirect Tax matters		Nil	2116.70	2116.70	Nil	2200.23	2200.23
(iii) Provision for taxation (net of advance tax)		Nil	4949.82	4949.82	Nil	2498.94	2498.94
(iv) Provision for Proposed Equity dividend		Nil	8603.00	8603.00	Nil	7444.91	7444.91
(v) Provision for Dividend Distribution Tax on proposed dividend		Nil	1751.37	1751.37	Nil	1515.61	1515.61
		10313.79	26268.42	36582.21	9341.78	22215.85	31557.63

Footnotes :

		Opening Balance	Additions	Utilisation	Reversed	₹ in Lakhs
						Closing Balance
5. (a) Provision for Trade Guarantees		8220.20 7460.72	7619.55 7663.32	6982.05 6445.02	452.85 458.82	8404.85 8220.20
5. (b) Provision for Contingencies						
- Contingency for Indirect Tax matters		2200.23 1125.00	344.14 1075.23	77.67 Nil	350.00 Nil	2116.70 2200.23

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

Figures in italics are for the Previous year.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

6. Short-term Borrowings

Secured Borrowings

Repayable on demand from Banks (Refer footnote)

₹ in Lakhs	As at 31-3-2015 ₹ in Lakhs
11948.50	5305.83
11948.50	5305.83

Footnote :

Secured against assignment of inventory, book debts, contract dues and lien on term deposits.

7. Current Liabilities

(A) Trade Payables

Due on account of goods purchased and services received
[includes acceptances of ₹ 8261.11 lakhs (31-3-2015 : ₹ 9397.16 lakhs)]

- (i) Total outstanding dues of micro and small enterprises [Refer footnote 7(A)] **4604.58**
- (ii) Total outstanding dues of creditors other than micro and small enterprises **135889.88**

₹ in Lakhs	As at 31-3-2015 ₹ in Lakhs
4604.58	471.81
135889.88	145167.47
140494.46	145639.28

(B) Other Current Liabilities

- (a) Interest accrued but not due on borrowings **138.38**
- (b) Unpaid dividends [Refer footnote 7(B)] **440.54**
- (c) Advances received from customers / others **28074.26**
- (d) Unexpired service contracts **626.41**
- (e) Billing in excess of contract revenue **9688.08**
- (f) Statutory obligations **7480.02**
- (g) Other liabilities **956.87**

47404.56	56450.10
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Footnote 7(A)

Disclosures under Section 22 of the Micro, Small and Medium Enterprises

Development Act, 2006 :

- (i) (a) Principal amount remaining unpaid to any supplier **4534.81**
- (b) Interest on (i)(a) above **10.36**
- (ii) The amount of interest paid along with the principal payment made to the supplier beyond the appointed date **54.82**
- (iii) Amount of interest due and payable on delayed payments **41.67**
- (iv) Amount of further interest remaining due and payable for the earlier years **17.74**
- (v) Total outstanding dues of Micro, Small and Medium Enterprises
 - Principal **4534.81**
 - Interest **69.77**

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

Footnote 7(B)

Unpaid dividends include ₹ 4.09 lakhs (31-3-2015 : ₹ 3.15 lakhs) not transferred to Investor Education and Protection Fund due to pending claims.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

8. Tangible Assets

	Freehold Land	Leasehold Land	Buildings	Plant and Equipments	Office and EDP Equipments	Furniture and fixtures	Vehicles	Transferred to Investment property	Transferred to 'Assets held for sale'	₹ in Lakhs Total Tangible Assets
Gross Block at Cost										
Cost at the beginning of the year	2877.27	312.73	12004.34	10772.60	6221.07	2250.24	511.88	(3459.13)	(662.79)	30828.21
	2077.64	312.73	12349.77	11416.70	6223.61	2434.26	706.29	(3017.78)	(662.79)	31840.43
Additions	<i>Nil</i>	<i>Nil</i>	3066.20	398.93	576.55	225.76	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	4267.44
	801.02	<i>Nil</i>	71.29	111.23	483.65	37.80	4.37	<i>Nil</i>	<i>Nil</i>	1509.36
Disposals	0.50	<i>Nil</i>	119.08	100.68	268.38	31.76	107.83	<i>Nil</i>	<i>Nil</i>	628.23
	1.39	<i>Nil</i>	416.72	755.33	486.19	221.82	198.78	<i>Nil</i>	<i>Nil</i>	2080.23
Transfers in / (out)	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	(328.30)	662.79	334.49
	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	(441.35)	<i>Nil</i>	(441.35)
Cost at the end of the year	2876.77	312.73	14951.46	11070.85	6529.24	2444.24	404.05	(3787.43)	<i>Nil</i>	34801.91
	2877.27	312.73	12004.34	10772.60	6221.07	2250.24	511.88	(3459.13)	(662.79)	30828.21
Depreciation										
Depreciation at the beginning of the year	<i>Nil</i>	29.41	3026.67	7712.33	4633.63	1473.33	279.00	(789.40)	(280.73)	16084.24
	<i>Nil</i>	25.99	2876.92	7096.34	4031.98	1742.87	348.13	(585.75)	(280.73)	15255.69
Charge for the year	<i>Nil</i>	3.42	333.53	593.64	463.52	154.58	50.79	(97.07)	<i>Nil</i>	1502.41
	<i>Nil</i>	3.42	302.43	1066.85	574.66	(147.58)	67.36	(97.96)	<i>Nil</i>	1769.18
Disposals	<i>Nil</i>	<i>Nil</i>	87.51	66.59	241.54	26.45	68.57	<i>Nil</i>	<i>Nil</i>	490.66
	<i>Nil</i>	<i>Nil</i>	226.78	664.12	436.06	197.29	137.48	<i>Nil</i>	<i>Nil</i>	1661.73
Impact of transition to Schedule II of the Companies Act, 2013 (Refer note 24)	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
	<i>Nil</i>	<i>Nil</i>	74.10	213.26	463.05	75.39	0.99	<i>Nil</i>	<i>Nil</i>	826.79
Transfers in / (out)	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	(3.64)	280.73	277.09
	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	(105.69)	<i>Nil</i>	(105.69)
Depreciation at the end of the year	Nil	32.83	3272.69	8239.38	4855.61	1601.46	261.22	(890.11)	<i>Nil</i>	17373.08
	<i>Nil</i>	29.41	3026.67	7712.33	4633.63	1473.33	279.00	(789.40)	(280.73)	16084.24
Net book value at the beginning of the year	2877.27	283.32	8977.67	3060.27	1587.44	776.91	232.88	(2669.73)	(382.06)	14743.97
	2077.64	286.74	9472.85	4320.36	2191.63	691.45	358.16	(2432.03)	(382.06)	16584.74
Net book value at the end of the year	2876.77	279.90	11678.77	2831.47	1673.63	842.78	142.83	(2897.32)	<i>Nil</i>	17428.83
	2877.27	283.32	8977.67	3060.27	1587.44	776.91	232.88	(2669.73)	(382.06)	14743.97

Figures in italics are for the Previous year.

Footnotes :

- (a) Buildings include ₹ 0.40 lakh (31-3-2015: ₹ 0.40 lakh) being cost of shares and bonds in Co-operative Housing Societies.
- (b) In terms of agreement dated 30th September, 1998, Company's Refrigerators manufacturing facility at Nandalur was transferred on a running business / going concern basis to Electrolux Voltas Limited (EVL) on the close of the business hours on 31st March, 1999. In respect of land for the Nandalur Plant, Deed of Conveyance is pending completion.
- (c) Investment properties comprise book value of Land ₹ 14.19 lakhs (31-3-2015: ₹ 14.19 lakhs) and Building ₹ 2883.13 lakhs (31-3-2015: ₹ 2655.54 lakhs).
- (d) The Company had accounted the profit on transfer of development rights in respect of following properties for which agreement was executed and consideration received but for which conveyance is pending completion :-

Location	Year	As at 31-3-2015		Location	Year	₹ in Lakhs	As at 31-3-2015 ₹ in Lakhs
		₹ in Lakhs	₹ in Lakhs				
1. Lalbaug property	1999-2000	734.12	734.12	5. Sanad land behind HRD Centre, Thane	2004-05	305.78	305.78
2. Non-Sanad land behind HRD Centre, Thane	2003-04	1735.95	1735.95	6. Upvan land, Thane	2006-07	2070.00	2070.00
3. Pune property	2003-04	2145.53	2145.53	7. Henkel Switchgear Limited approach land at Thane	2006-07	223.40	223.40
4. Non-Sanad land on south side of Voltas Switchgear Limited, Thane	2004-05	199.75	199.75	8. Land adjoining Simtools at Thane	2007-08	919.96	919.96
				9. Nala land at Thane	2009-10	238.18	238.18
				10. Sanad land, HRD Centre, Thane	2014-15	1500.00	1500.00

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

9. Intangible Assets

	Manufacturing Rights & Technical Know-how	Software Costs	₹ in Lakhs Total Intangible Assets
Gross Block at Cost			
Cost at the beginning of the year	1030.90	4042.80	5073.70
Additions	1030.90	3719.03	4749.93
Disposals	<i>Nil</i>	258.55	258.55
	<i>Nil</i>	326.76	326.76
	<i>Nil</i>	0.94	0.94
	<i>Nil</i>	2.99	2.99
Cost at the end of the year	1030.90	4300.41	5331.31
	<u>1030.90</u>	<u>4042.80</u>	<u>5073.70</u>
Amortisation			
Amortisation at the beginning of the year	1024.40	3217.42	4241.82
Charge for the year	1019.97	2846.21	3866.18
Disposals	6.50	307.85	314.35
	4.43	373.88	378.31
	<i>Nil</i>	0.90	0.90
	<i>Nil</i>	2.67	2.67
Amortisation at the end of the year	1030.90	3524.37	4555.27
	<u>1024.40</u>	<u>3217.42</u>	<u>4241.82</u>
Net book value at the beginning of the year	6.50	825.38	831.88
	<u>6.50</u>	<u>825.38</u>	<u>831.75</u>
Net book value at the end of the year	Nil	776.04	776.04
	<u>Nil</u>	<u>825.38</u>	<u>831.88</u>

Figures in italics are for the Previous year.

10. Investments

	Currency	Face Value	No.	₹ in Lakhs	As at 31-3-2015	No. ₹ in Lakhs
(A) Non-current investments at cost unless stated otherwise						
(i) Investment Property (net of accumulated depreciation) [Refer footnote 10 (c)]				2897.32		2669.73
(ii) Investments in Equity Instruments						
1. TRADE INVESTMENTS						
Fully paid Equity Shares of						
Subsidiaries :						
UNQUOTED:						
Auto Aircon (India) Ltd. (#)	₹	10	1,13,00,000	565.00	1,13,00,000	565.00
Agro Foods Punjab Ltd. [Refer footnote 10 (a)]	₹	100	2,80,000	Nil	2,80,000	Nil
(Beneficial rights transferred pending transfer of shares)						
Westerwork Engineers Ltd. (Under Liquidation) (#)	₹	100	9,600	109.29	9,600	109.29
Weathermaker Ltd., UAE	US\$	1	4,08,441	307.20	4,08,441	307.20
Voltas Netherlands B. V. (Formerly known as VIL Overseas Enterprises B.V.)	EURO	45.38	13,635	265.21	13,635	265.21
Universal Comfort Products Ltd.	₹	10	2,76,42,000	1694.91	2,76,42,000	1694.91

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

10. Investments (contd.)

	Currency	Face Value	No.	₹ in Lakhs	As at 31-3-2015	
					No.	₹ in Lakhs
Rohini Industrial Electricals Ltd. (#)	₹	10	18,25,782	9685.11	18,25,782	9685.11
Saudi Ensas Company for Engineering Services W.L.L., Saudi Arabia (#) (2,25,500 shares allotted during the year)	SR	100	2,41,360	2761.95	15,860	17.90
Lalbuks Voltas Engineering Services and Trading, L.L.C., Muscat, Sultanate of Oman	RO	1	50,000	8.14	50,000	8.14
				15396.81		12652.76
Joint Ventures :						
UNQUOTED:						
Naba Diganta Water Management Ltd.	₹	10	47,97,000	479.70	47,97,000	479.70
Olayan Voltas Contracting Company Ltd., Saudi Arabia	SR	100	50,000	710.70	50,000	710.70
Universal Weathermaker Factory L.L.C., Abu Dhabi	AED	1000	2,695	298.09	2,695	298.09
Voltas Water Solutions Private Ltd. (5,95,500 shares allotted during the year)	₹	10	9,81,500	98.15	3,86,000	38.60
				1586.64		1527.09
Associates:						
UNQUOTED:						
Brihat Trading Private Ltd.	₹	10	3,352	0.34	3,352	0.34
Terrot GmbH, Germany	EURO	1	2,60,900	156.22	2,60,900	156.22
				156.56		156.56
Others :						
UNQUOTED:						
Lakshmi Ring Travellers (Coimbatore) Ltd.	₹	10	1,20,000	3.00	1,20,000	3.00
Agrotech Industries Ltd. (#)	US\$	1	3,67,500	115.42	3,67,500	115.42
Tata International Ltd.	₹	1000	10,000	565.00	10,000	565.00
Tata Services Ltd.	₹	1000	448	4.48	448	4.48
Industrial Estates Private Ltd. (25 shares sold during the year)	₹	1000	Nil	Nil	25	0.24
Tata Industries Ltd.	₹	100	13,05,720	2071.50	13,05,720	2071.50
Tata Projects Ltd.	₹	100	1,35,000	26.25	1,35,000	26.25
Premium Granites Ltd. (#)	₹	10	4,91,220	49.77	4,91,220	49.77
OMC Computers Ltd. (#)	₹	10	4,04,337	44.37	4,04,337	44.37
Rujuvalika Investments Ltd. (1,83,333 shares sold during the year)	₹	10	Nil	Nil	1,83,333	30.00
Avco Marine S.a.S, France (#)	EURO	10	1,910	7.97	1,910	7.97
				2887.76		2918.00
QUOTED:						
Lakshmi Automatic Loom Works Ltd. (#)	₹	10	6,15,200	110.03	6,15,200	110.03
Tata Chemicals Ltd.	₹	10	2,00,440	93.91	2,00,440	93.91
Lakshmi Machine Works Ltd.	₹	10	6,00,000	600.48	6,00,000	600.48
Reliance Industries Ltd. (#) [Refer footnote 10 (b)]	₹	10	2,640	4.55	2,640	4.55
				808.97		808.97
Total Trade Investments in Equity				20836.74		18063.38

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

10. Investments (contd.)

	Currency	Face Value	No.	₹ in Lakhs	As at 31-3-2015 No. ₹ in Lakhs	
2. OTHER INVESTMENTS						
Fully paid Shares						
UNQUOTED:						
Voltas Employees Consumers Co-operative Society Ltd.	₹	10	750	0.08	750	0.08
Saraswat Co-operative Bank Ltd.	₹	10	10	**	10	**
Super Bazar Co-operative Stores Ltd.	₹	10	500	0.05	500	0.05
Total Other Investments				0.13		0.13
				20836.87		18063.51
(iii) Investments in Preference Shares						
Fully paid Preference Shares (Trade Investments)						
Subsidiaries:						
UNQUOTED:						
Rohini Industrial Electricals Ltd. (#)	₹	100	62,00,000	6200.00	62,00,000	6200.00
0.01% Cumulative Redeemable Preference Shares						
Others :						
UNQUOTED:						
Lakshmi Automatic Loom Works Ltd.	₹	100	5,50,000	*	5,50,000	*
6% Cumulative Redeemable Preference Shares				6200.00		6200.00
(iv) Investments in Government or Trust Securities						
UNQUOTED - Government Securities	₹			0.05		0.05
				0.05		0.05
(v) Investments in Debentures or Bonds						
UNQUOTED:						
Rural Electrification Corporation Ltd.	₹	10000	500	50.00	500	50.00
QUOTED:						
11.50% Tata Steel Ltd. Perpetual Bonds (#)	₹	1000000	292	2972.56	292	2972.56
				3022.56		3022.56
(vi) Investments in Mutual Funds						
UNQUOTED:						
Direct Plan - Growth:						
Axis Short Term Fund	₹	10	6,05,33,938	10128.05	Nil	Nil
Birla Sun Life Dynamic Bond Fund Retail	₹	10	1,01,34,752	2500.00	1,01,31,752	2500.00
Birla Sun Life Savings Fund	₹	100	13,20,367	3554.93	13,20,367	3554.93
Franklin India Income Builder Account - Plan A	₹	10	50,59,141	2500.00	50,59,141	2500.00
HDFC Income Fund	₹	10	76,84,623	2500.00	76,84,623	2500.00
HDFC Medium Term Opportunity Fund	₹	10	1,51,17,706	2500.00	Nil	Nil
ICICI Prudential Banking & PSU Debt Fund	₹	10	3,82,75,823	6500.00	Nil	Nil
ICICI Prudential Income Plan	₹	10	58,75,586	2638.86	58,75,586	2638.86
ICICI Prudential Income Opportunities Fund	₹	10	1,27,89,425	2500.00	1,27,89,425	2500.00

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)**10. Investments (contd.)**

	Currency	Face Value	No.	₹ in Lakhs	As at 31-3-2015	
					No.	₹ in Lakhs
ICICI Prudential Blended Plan B - Regular Plan	₹	10	Nil	Nil	2,28,95,214	4000.00
IDFC Corporate Bond Fund	₹	10	6,39,17,917	6500.00	Nil	Nil
IDFC Super Saver Income Fund - Medium Term Plan	₹	10	1,04,36,060	2500.00	1,04,36,060	2500.00
IDFC Super Saver Income Fund - Medium Term Plan	₹	10	Nil	Nil	1,99,60,777	4000.00
Reliance Dynamic Bond Fund	₹	10	13,70,176	2521.85	13,70,176	2521.85
Reliance Medium Term Fund	₹	10	85,84,870	2500.00	85,84,870	2500.00
Tata Dynamic Bond Fund	₹	10	1,12,95,861	2500.00	1,12,95,861	2500.00
Tata Short Term Bond Fund	₹	10	3,64,91,160	10086.36	1,73,43,390	4586.36
UTI Bond Fund	₹	10	58,43,087	2500.00	58,43,087	2500.00
UTI Floating Rate Fund	₹	1000	87,808	2001.63	87,808	2001.63
QUOTED:						
Birla Sunlife Interval Income Fund - Annual Plan V	₹	10	1,06,73,978	1162.15	1,37,77,014	1500.00
DHFL Pramerica Fixed Maturity Plan Series 57	₹	10	2,50,00,000	2500.00	2,50,00,000	2500.00
ICICI Prudential FMP Series 73 -369 Days Plan	₹	10	1,00,00,000	1000.00	1,00,00,000	1000.00
Reliance Fixed Horizon Fund XXVI - Series 6	₹	10	5,00,00,000	5000.00	5,00,00,000	5000.00
				<u>76093.83</u>		<u>53303.63</u>
Gross Non-current investments				109050.63		83259.48
Less: Provision for diminution in value (#) (refer note below)				10306.76		7557.69
(A) Total Non-current Investments including Investment Properties				98743.87		75701.79
Note : Includes ₹ 1201.89 lakhs (Previous Year: Nil) provision on share application money transferred of Saudi Ensas Company for Engineering Services W.L.L. against which shares have been allotted in the current year.						
Aggregate amount of quoted investments : Cost				13443.68		13781.53
Aggregate market value of quoted investments				33598.61		36936.54
Aggregate amount of unquoted investments : Cost				92709.63		66808.22

* Cost ₹ 1 (31-3-2015: ₹ 1) ** Cost ₹ 100 (31-3-2015: ₹ 100)

Abbreviations for currencies :

₹ : Indian Rupees

AED : United Arab Emirates Dirhams

RO : Omani Riyal

US\$: United States Dollar

SR : Saudi Riyal

EURO : European Union Currency

Footnotes :

10. (a) Under a loan agreement for ₹ 60 lakhs (fully drawn and outstanding) entered into between Agro Foods Punjab Ltd. (AFPL) and the Punjab State Industrial Development Corporation Ltd. (PSIDC), the Company has given an undertaking to PSIDC that it will not dispose off its shares in AFPL till the monies under the said loan agreement between PSIDC and AFPL remain due and payable by AFPL to PSIDC. During 1998-99, the Company had transferred its beneficial rights in the shares of AFPL.
10. (b) In respect of the Company's investment in 2,640 equity shares of Reliance Industries Ltd., there is an Injunction Order passed by the Court in Kanpur restraining the transfer of these shares. The share certificates are, however, in the possession of the Company. Pending disposal of the case, dividend on these shares has not been recognised.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

10. Investments (contd.)

₹ in Lakhs

10(c) Investment Property

Gross Block at Cost

Cost at the beginning of the year

Freehold Land**Buildings****Total**

14.19 3444.94 3459.13

14.19 3003.59 3017.78

Additions

Nil **Nil** **Nil***Nil* *Nil* *Nil*

Transfers in / (out)

Nil **328.30** **328.30***Nil* 441.35 441.35**Cost at the end of the year**

14.19 3773.24 3787.43

14.19 3444.94 3459.13

Depreciation

Depreciation at the beginning of the year

Nil **789.40** **789.40***Nil* 585.75 585.75

Charge for the year

Nil **97.07** **97.07***Nil* 97.96 97.96

Transfers in / (out)

Nil **3.64** **3.64***Nil* 105.69 105.69**Depreciation at the end of the year****Nil** **890.11** **890.11***Nil* 789.40 789.40

Net book value at the beginning of the year

14.19 **2655.54** **2669.73**

14.19 2417.84 2432.03

Net book value at the end of the year**14.19** **2883.13** **2897.32**

14.19 2655.54 2669.73

Footnote:

All the above assets are under operating lease.

Figures in italics are for the previous year.

	Currency	Face Value	No.	₹ in Lakhs	As at 31-3-2015	No.	₹ in Lakhs
(B) Current Investments (Cost or fair value whichever is less)							
Investments in Mutual Funds							
UNQUOTED:							
Direct Plan - Dividend Reinvestment:							
Axis Short Term Fund	₹	10	2,43,24,982	2500.00		Nil	Nil
Birla Sun Life Savings Fund	₹	100	50,48,804	5063.81		Nil	Nil
Canara Robeco Savings Plus Fund	₹	10	4,88,11,768	5008.09		Nil	Nil
DHFL Pramerica Short Maturity Fund	₹	10	4,95,30,358	5186.84		Nil	Nil
HDFC Arbitrage Fund	₹	10	48,24,066	509.54		Nil	Nil
HDFC Floating Rate Income Fund - Short Term Plan	₹	10	7,41,01,099	7470.06		Nil	Nil
IDFC Arbitrage Fund	₹	10	39,54,642	509.00		Nil	Nil
Axis Treasury Advantage Fund	₹	1000	Nil	Nil	2,23,983	3500.00	
DWS Ultra Short Term Fund	₹	10	Nil	Nil	5,07,05,473	5079.62	
Franklin India Ultra Short Bond Fund Super Institutional Plan	₹	10	Nil	Nil	4,80,70,974	4836.52	
HDFC Banking and PSU Debt Fund	₹	10	Nil	Nil	7,42,42,744	7531.85	
IDFC Ultra Short Term Fund	₹	10	3,88,28,753	3904.27	3,17,47,067	3192.20	
Kotak Bond (Short Term Plan)	₹	10	10,36,68,168	10599.88		Nil	Nil
Kotak Equity Arbitrage Fund (#)	₹	10	25,42,121	517.00		Nil	Nil

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)
10. Investments (contd.)
(B) Current Investments (Cost or fair value whichever is less) (contd.)

	Currency	Face Value	No.	₹ in Lakhs	No.	As at 31-3-2015 ₹ in Lakhs
L&T Liquid Fund	₹	1000	2,96,546	3001.56	Nil	Nil
Reliance Arbitrage Advantage Fund (#)	₹	10	48,18,343	511.88	Nil	Nil
SBI Arbitrage Opportunities Fund	₹	10	36,76,784	508.00	Nil	Nil
SBI Ultra Short Term Debt Fund	₹	1000	10,53,654	10597.29	Nil	Nil
Sundaram Ultra Short Term Fund	₹	10	4,99,24,450	5014.36	Nil	Nil
UTI Floating Rate Fund	₹	1000	5,36,561	5777.35	Nil	Nil
Kotak Treasury Advantage Fund	₹	10	Nil	Nil	4,57,80,433	4614.58
L&T Ultra Short Term Fund	₹	10	Nil	Nil	3,72,37,236	3850.33
SBI Ultra Short Term Debt Fund	₹	1000	Nil	Nil	7,06,937	7083.40
Sundaram Income Plus Fund	₹	10	Nil	Nil	1,81,48,163	2008.95
Sundaram Money Fund	₹	10	Nil	Nil	2,47,54,431	2500.82
QUOTED:						
Sundaram Fixed Term Plan FI 383 Days - Growth	₹	10	Nil	2,50,00,000	2500.00	
Gross current investments				66678.93		46698.27
Less: Provision for diminution in value (#)				4.86		Nil
(B) Total current investments				66674.07		46698.27
Aggregate amount of quoted investments : Cost				Nil		2500.00
Aggregate market value of quoted investments				Nil		2500.00
Aggregate amount of unquoted investments : Cost				66678.93		44198.27

11. Deferred Tax Assets (Net)

	₹ in Lakhs	₹ in Lakhs	As at 31-3-2015 ₹ in Lakhs	As at 31-3-2015 ₹ in Lakhs
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
(1) On difference between book balance and tax balance of fixed assets	Nil	3726.60	Nil	3336.44
(2) Voluntary Retirement Scheme	83.63	Nil	167.33	Nil
(3) Unpaid Statutory Liabilities	474.25	Nil	561.65	Nil
(4) Provision for Doubtful Debts and Advances	3910.59	Nil	2532.80	Nil
(5) Provision for Contingencies	732.59	Nil	761.50	Nil
(6) Provision for Employee Benefits	3348.84	Nil	3012.01	Nil
(7) Others	460.30	Nil	Nil	25.32
	9010.20	3726.60	7035.29	3361.76
Net Timing Differences				
Deferred tax assets (Net)			3673.53	
Difference			(1086.12)	
Tax effect on Depreciation directly adjusted against opening balance in statement of profit and loss (on transition to Schedule II of the Companies Act, 2013)		Nil	281.00	
Charge / (credit) for the year		(1610.07)	(805.12)	

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

12. Loans and Advances

	₹ in Lakhs			As at 31-3-2015 ₹ in Lakhs		
	Long-term	Short-term	Total	Long-term	Short-term	Total
(a) Capital advances	203.44	Nil	203.44	758.63	Nil	758.63
(b) Security deposits	897.11	1455.52	2352.63	833.65	1139.11	1972.76
(c) Advance with public bodies (Customs, Port Trust, etc.)	23.80	498.25	522.05	23.80	448.18	471.98
(d) Share application money	Nil	Nil	Nil	2744.05	Nil	2744.05
(e) Loans and advances to related parties (refer footnote 12(a) and note 38)	2587.68	Nil	2587.68	2589.78	Nil	2589.78
(f) Other loans and advances						
(1) Advance payment of taxes (Net)	3172.26	Nil	3172.26	2970.64	Nil	2970.64
(2) Loans to employees	106.40	340.62	447.02	120.47	345.64	466.11
(3) Deposits with customers / others	414.73	Nil	414.73	371.07	Nil	371.07
(4) Indirect taxes recoverable	4760.05	3088.98	7849.03	4265.60	3265.17	7530.77
(5) Advance to suppliers	134.57	3047.09	3181.66	164.95	3774.87	3939.82
(6) Others (Refer note 38)	146.02	5837.27	5983.29	340.55	5718.45	6059.00
Sub-Total	8734.03	12313.96	21047.99	8233.28	13104.13	21337.41
Gross Loans and advances	12446.06	14267.73	26713.79	15183.19	14691.42	29874.61
Less: Provision for bad and doubtful loans and advances						
(a) Share application money	Nil	Nil	Nil	1201.89	Nil	1201.89
(b) Loans and advances to related parties	87.68	Nil	87.68	89.78	Nil	89.78
(c) Other loans and advances / deposits	356.19	Nil	356.19	404.29	Nil	404.29
Total provision for bad and doubtful loans and advances	443.87	Nil	443.87	1695.96	Nil	1695.96
Total Loans and advances	12002.19	14267.73	26269.92	13487.23	14691.42	28178.65
Gross Loans and advances						
Secured, considered good	106.40	340.62	447.02	120.47	345.64	466.11
Unsecured, considered good	11895.79	13927.11	25822.90	13366.76	14345.78	27712.54
Doubtful	443.87	Nil	443.87	1695.96	Nil	1695.96
	12446.06	14267.73	26713.79	15183.19	14691.42	29874.61

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

12. Loan and Advances (contd.)

- (a) Loans and advances in nature of loans given to Subsidiaries in view of Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of the Related Party	Relation	₹ in Lakhs	As at	Maximum balance during the year	
			31-3-2015	₹ in Lakhs	As at 31-3-2015
(a) Auto Aircon (India) Ltd. (*)	Subsidiary	87.68	84.93	87.68	84.93
(b) Saudi Ensas Company for Engineering Services W.L.L.	Subsidiary	Nil	4.85	4.85	4.85
(c) Rohini Industrial Electricals Ltd. (#)	Subsidiary	2500.00	2500.00	2500.00	2500.00
		2587.68	2589.78	2592.53	2589.78

* Loans and Advances shown in (a) above has no repayment schedule and no interest is payable.

Loans and Advances shown in (c) above has no repayment schedule.

13. Other Assets

	₹ in Lakhs			As at 31-3-2015 ₹ in Lakhs		
	Non-current	Current	Total	Non-current	Current	Total
(a) Non-current Trade Receivables						
(including trade receivables on deferred credit terms)						
Unsecured, considered good	5640.25	Nil	5640.25	4826.11	Nil	4826.11
Gross Non-current Trade Receivables	5640.25	Nil	5640.25	4826.11	Nil	4826.11

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)
13. Other Assets (contd.)

		₹ in Lakhs			As at 31-3-2015 ₹ in Lakhs			
		Non-current	Current	Total	Non-	Current	Total	
					current			
(b) Other Assets								
(1) Interest accrued on investments / deposits / loan (refer footnote 2)		Nil	1694.64	1694.64		Nil	1478.78	1478.78
(2) Contract Revenue in excess of Billing (refer footnote 1)		Nil	46055.00	46055.00		Nil	45408.07	45408.07
(3) Assets held for sale (valued at the lower of the estimated net realisable value and net book value)		Nil	Nil	Nil		Nil	382.06	382.06
(4) Others (Including restricted fixed deposits with maturity more than 12 months)		2949.17	1359.84	4309.01	2821.41	816.80	3638.21	
Total Other Assets		2949.17	49109.48	52058.65	2821.41	48085.71	50907.12	
Classification of Other Assets								
(1) Unsecured, considered good		2436.35	49109.48	51545.83	2648.16	48085.71	50733.87	
(2) Unsecured, considered doubtful		512.82	Nil	512.82	173.25	Nil	173.25	
Total Other Assets		2949.17	49109.48	52058.65	2821.41	48085.71	50907.12	
Less: Provision for bad and doubtful Assets		512.82	Nil	512.82	173.25	Nil	173.25	
Net Other Assets		2436.35	49109.48	51545.83	2648.16	48085.71	50733.87	
Total (a + b)		8076.60	49109.48	57186.08	7474.27	48085.71	55559.98	

Footnotes :

1. Disclosure under Accounting Standard - 7 on Construction Contracts

Details of contract revenue and costs :	₹ in Lakhs	As at 31-3-2015 ₹ in Lakhs
(i) Contract revenue recognised during the year	130561.40	127451.33
(ii) Aggregate amount of costs incurred and net recognised profits (less recognised losses)	386887.29	334421.02
(iii) Advances received for contracts in progress	16958.57	23011.21
(iv) Retention money for contracts in progress	11148.19	10668.43
(v) The gross amount due from customers for contract work	46055.00	45408.07
(vi) The gross amount due to customers for contract work	9688.08	12440.80

2. Interest accrued on loan includes ₹ 1257.70 lakhs (31-3-2015 : ₹ 1032.70 lakhs) due from a subsidiary.

14. Inventories

(Valued at lower of Cost and net realisable value)

	₹ in Lakhs	As at 31-3-2015 ₹ in Lakhs
(a) Raw materials and Components	7318.21	7293.98
(b) Work-in-progress [includes project material at site ₹ 3876.12 lakhs (31.3.2015 : ₹ 5684.37 lakhs)]	4131.44	6085.37
(c) Finished goods	5264.08	11077.55
(d) Stock-in-trade of goods acquired for trading	42680.31	44682.79
(e) Stores and spares	49.64	9.13
	59443.68	69148.82
The above includes goods-in-transit:		
(i) Raw materials and Components	82.73	65.01
(ii) Finished goods	1394.56	1159.35
(iii) Stock-in-trade of goods acquired for trading	9287.16	5864.73
	10764.45	7089.09

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)
15. Trade Receivables

	₹ in Lakhs			As at 31-3-2015 ₹ in Lakhs		
	Others	Outstanding for a period exceeding six months from the date they were due for payment	Total	Others	Outstanding for a period exceeding six months from the date they were due for payment	Total
Current Trade Receivables						
Classification of Current Trade Receivables						
(1) Secured, considered good	156.17	Nil	156.17	132.05	Nil	132.05
(2) Unsecured, considered good	77380.51	24255.54	101636.05	89128.74	25696.85	114825.59
(3) Unsecured, considered doubtful	Nil	10342.33	10342.33	Nil	6815.67	6815.67
Gross Current Trade Receivables	77536.68	34597.87	112134.55	89260.79	32512.52	121773.31
Less: Provision for bad and doubtful debts	Nil	10342.33	10342.33	Nil	6815.67	6815.67
Net Current Trade Receivables	77536.68	24255.54	101792.22	89260.79	25696.85	114957.64

16. Cash and cash equivalents

	₹ in Lakhs			As at 31-3-2015 ₹ in Lakhs	
	(A)	Cash and cash equivalents (as per AS 3 Cash Flow Statements)			
(a) Cash in hand			136.96	156.18	
(b) Cheques on hand			3656.91	3603.70	
(c) Balances with banks					
(1) Current accounts			8928.00	10667.28	
(2) Fixed deposits with maturity less than 3 months			0.13	0.12	
Total Cash and cash equivalents (as per AS 3 Cash Flow Statements)			12722.00	14427.28	
 (B) Other Bank balances					
(a) Balances with banks					
(1) Earmarked balances			441.05	398.54	
(2) To the extent held as margin money			68.39	13.39	
Total Other Bank balances			509.44	411.93	
Total Cash and cash equivalents (A+B)			13231.44	14839.21	

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

17. Revenue from Operations and Other Operating Income

	₹ in Lakhs	Year ended 31-3-2015 ₹ in Lakhs
(a) Sale of products (Refer footnote)	326970.98	328348.02
(b) Sale of services	61471.17	59578.66
(c) Contract revenue	130561.40	127451.33
(d) Other operating income		
(1) Unclaimed credit balances written back	1349.31	977.75
(2) Sale of scrap	580.20	399.17
(3) Others	499.81	2310.94
	521432.87	519065.87
Footnote :		
Sale of products comprises of :		
(a) Room Airconditioners including condensing units	171020.05	173412.57
(b) Others	155950.93	154935.45
	326970.98	328348.02

18. Other Income

	₹ in Lakhs	Year ended 31-3-2015 ₹ in Lakhs
(a) Dividend Income		
(1) From investment in subsidiaries	4852.18	4031.33
(2) From non-current investments	372.56	337.29
(3) From current investments	3151.98	3450.53
(b) Interest Income [Refer footnote 18(a)]		
(1) On sundry advances, deposits, customers' balances, etc.	264.04	262.56
(2) On bank deposits / bonds	373.12	367.03
(3) On Income-tax refunds	128.21	Nil
(c) Net Gain on sale of investments	2527.83	984.71
(d) Net foreign exchange gain	257.51	652.77
(e) Rent income	3424.17	3754.75
(f) Cash discount from suppliers	231.10	492.35
(g) Other non-operating income (net of expenses directly attributable to such income)	926.26	578.12
	16508.96	14911.44

Footnote :

18(a) Interest income includes interest from

Subsidiary	250.00	250.00
	250.00	250.00

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

19. Consumption of Raw Materials, Cost of Jobs and Services

	₹ in Lakhs	Year ended 31-3-2015 ₹ in Lakhs
Opening stock	7293.98	8177.46
Add: Purchases and cost of jobs, manufacture and services	176202.31	161097.33
	183496.29	169274.79
Less: Closing stock	7318.21	7293.98
Cost of material consumed	176178.08	161980.81
Material consumed comprises:		
(1) Steel / Ferrous Metals	6103.57	6540.94
(2) Non - Ferrous Metals	4645.49	4804.69
(3) Compressors	9927.83	10923.54
(4) Others (Items individually not exceeding 10% of total)	14905.53	15977.83
Sub-total :	35582.42	38247.00
(5) Cost of jobs and services	140595.66	123733.81
	176178.08	161980.81

	Value ₹ in Lakhs	%	Value ₹ in Lakhs	%
Imported	9875.97	27.76	10771.03	28.16
Indigenous	25706.45	72.24	27475.97	71.84
	35582.42	100.00	38247.00	100.00

20. Purchase of Traded Goods

	₹ in Lakhs	Year ended 31-3-2015 ₹ in Lakhs
(a) Room Airconditioners including condensing units	127652.93	144068.76
(b) Compressors	30861.75	33591.07
(c) Indoor Units	25355.26	29017.49
(d) Others	26626.89	19333.97
	210496.83	226011.29

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

	₹ in Lakhs	Year ended 31-3-2015 ₹ in Lakhs
Inventories at the end of the year:		
(1) Finished Goods including stock-in-trade	47944.39	55760.34
(2) Work-in-progress	4131.44	6085.37
	52075.83	61845.71
Inventories at the beginning of the year:		
(1) Finished Goods including stock-in-trade	55760.34	50108.41
(2) Work-in-progress	6085.37	13218.83
	61845.71	63327.24
Net (increase) / decrease	9769.88	1481.53

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)
22. Employee Benefits Expenses

- (a) Salaries and Wages, including Bonus
- (b) Contribution to Provident and other Funds
- (c) Gratuity expenses (Unfunded)
- (d) Staff Welfare expenses

₹ in Lakhs	Year ended 31-3-2015 ₹ in Lakhs
36789.08	41942.97
1716.86	1932.98
936.02	699.45
2020.00	2209.97
41461.96	46785.37

23. Finance Costs

Interest expense on :

- (1) Borrowings
- (2) Delayed / deferred payment of taxes

₹ in Lakhs	Year ended 31-3-2015 ₹ in Lakhs
578.58	1135.79
227.88	489.43
806.46	1625.22

24. Depreciation and Amortisation Expenses

- (a) Depreciation on Tangible assets (Refer note 8)
- (b) Amortisation on Intangible assets (Refer note 9)
- (c) Depreciation on Investment Property [Refer note 10(c)]

₹ in Lakhs	Year ended 31-3-2015 ₹ in Lakhs
1502.41	1769.18
314.35	378.31
97.07	97.96
1913.83	2245.45

Effective 1st April, 2014, the Company had, realigned the depreciation policy on furniture and fixtures from Written Down Value method to Straight Line Method as well as the useful lives of all fixed assets, as per Schedule II to the Companies Act, 2013. Accordingly, the depreciation charge was higher by ₹ 318.28 lakhs for the year ended 31st March, 2015 (net of ₹ 297.14 lakhs write back of depreciation upto 31st March, 2014 on account of change in method) and an amount of ₹ 545.79 lakhs (net of deferred tax of ₹ 281 lakhs) representing the carrying amount of assets with revised useful lives as Nil as at 31st March, 2014 which has been adjusted against the opening balance of reserves as permitted under the Companies Act, 2013.

25. Other Expenses

- (a) Consumption of Stores and Spare parts
- (b) Power and Fuel
- (c) Rent
- (d) Repairs to Buildings
- (e) Repairs to Plant and Machinery
- (f) Insurance charges
- (g) Rates and Taxes
- (h) Travelling and Conveyance
- (i) Payment to Auditors (Refer note 25(a))
- (j) Legal and Professional charges
- (k) Bad and Doubtful Debts / Advances
- (l) Loss on Sale of Fixed Assets (Net)
- (m) Corporate Social Responsibility (CSR)
- (n) Other expenses
 - (1) Forwarding charges (Net)
 - (2) Commission other than to Sole Selling Agents, Rebates and Allowances
 - (3) Advertising
 - (4) Stationery, Postage, Fax and Telephone Expenses
 - (5) Provision for Diminution in value of Investments
 - (6) Other General Expenses

₹ in Lakhs	Year ended 31-3-2015 ₹ in Lakhs
380.33	361.73
321.14	364.18
3884.78	3956.42
132.65	76.87
511.22	536.06
339.70	366.85
122.10	143.45
4013.08	4573.27
372.11	260.43
3003.94	3555.03
3830.83	2813.98
11.17	167.60
957.19	330.83
5309.88	4377.21
903.41	1433.25
4752.65	4482.52
1417.85	1577.44
10.12	4.79
20815.11	20760.63
51089.26	50142.54

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)**25(a). Auditors' Remuneration**

	₹ in Lakhs	Year ended 31-3-2015 ₹ in Lakhs
(a) To Statutory Auditor for		
(1) Audit Fees	146.50	112.00
(2) Tax Audit Fees	30.00	26.00
(3) Taxation Matters	11.00	5.50
(4) Other Services	168.92	104.10
(5) Reimbursement of Expenses	10.01	7.67
	366.43	255.27
(b) To Secretarial Auditor for Secretarial Audit	1.50	1.00
(c) To Cost Auditor for Cost Audit	4.18	4.16
	372.11	260.43

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

26. Exceptional Items

	₹ in Lakhs	Year ended 31-3-2015 ₹ in Lakhs
A. Exceptional Income		
(1) Profit on Sale of Trade Investments	1173.93	Nil
(2) Profit on Sale of Property	3295.02	23586.33
(3) Reversal of Provision for Contingencies	350.00	Nil
Sub-total : Exceptional Income	4818.95	23586.33
Less :		
B. Exceptional Expenses		
(1) Provision for Diminution in value of Investments of Subsidiary	1543.14	2801.00
(2) Onerous Contract [Refer footnote 26(a)]	Nil	18967.00
Sub-total : Exceptional Expenses	1543.14	21768.00
Exceptional Items (Net)	3275.81	1818.33

Footnote :

- 26(a) In the previous year, the Main Contractor for the Sidra Medical and Research Centre project in Qatar was terminated by the end customer (Qatar Foundation) and a new main contractor was appointed. In view of the uncertainties attached to the sub-contract, the Company had, as a matter of prudence, charged off ₹ 18967 lakhs to the Statement of Profit and Loss after evaluation of underlying assets and liabilities, and contingencies related thereto. Nevertheless, the Company continues to pursue its entitlements and has sought legal advice for the way forward.

27. (a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 515.31 lakhs (31-3-2015: ₹ 3157.84 lakhs), [Tangible assets : ₹ 409.67 lakhs (31-3-2015: ₹ 3125.94 lakhs) and Intangible assets of ₹ 105.64 lakhs (31-3-2015: ₹ 31.90 lakhs)]. Advance paid against such contracts: ₹ 203.44 lakhs (31-3-2015: ₹ 752.83 lakhs).
- (b) On account of Other Commitments :
- (i) Foreign currency exposures (Refer note 30)

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

28. Contingent liabilities not provided for

- (a) Guarantees on behalf of other companies :

Limits ₹ 30554.80 lakhs (31-3-2015 : ₹ 23782.26 lakhs) against which amount outstanding was ₹ 16527.90 lakhs (31-3-2015 : ₹ 19648.87 lakhs).

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

NAME OF THE COMPANY	Limit sanctioned	₹ in Lakhs Limit utilised
Weathermaker Ltd.	1265.60	72.32
Universal Weathermaker Factory L.L.C.	1151.70	Nil
Olayan Voltas Contracting Company Ltd.	6637.50	2984.88
Rohini Industrial Electricals Ltd.	21500.00	13470.70
	30554.80	16527.90

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

In respect of various matters aggregating ₹ 49220.58 lakhs (31-3-2015 : ₹ 19422.37 lakhs), net of tax ₹ 32185.34 lakhs (31-3-2015 : ₹ 12700.29 lakhs) against which a provision has been made for contingencies ₹ 2116.70 lakhs (31-3-2015 : ₹ 2200.23 lakhs). In respect of a contingent liability of ₹ 224.32 lakhs (31-3-2015 : ₹ 1963.37 lakhs), the Company has a right to recover from third party.

	₹ in Lakhs	2014-15 ₹ in Lakhs
Taxes, Cess and Duties (other than Income Tax)	15962.28	16613.91
Contractual matters in the course of business	2512.95	2512.95
Others	30745.35	295.51
	49220.58	19422.37

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

- (d) Income tax demands :

In respect of matters decided in Company's favour by appellate authorities where the department is in further appeal : ₹ 2622.91 lakhs (31-3-2015 : ₹ 2752.43 lakhs).

In respect of matters decided against the Company and where Company has appealed : ₹ Nil (31-3-2015 : ₹ Nil).

- (e) In respect of cases / matters decided in favour of Company and where the cases are referred back to the competent authorities for reassessment of liability : Amount indeterminate.

- (f) Staff demands under adjudication : Amount indeterminate.

- (g) Liquidated damages, except to the extent provided, for delay in delivery of goods / execution of projects : Amount indeterminate.

- 29.** In respect of guarantees aggregating ₹ 101705.26 lakhs (31-3-2015 : ₹ 97542.09 lakhs) issued by Banks at the request of the Company in favour of third parties, the Company has given security by way of hypothecation of a part of tangible movable assets, trade receivables and inventories.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)**30. Derivative Instruments**

The Company has entered into the following derivative instruments :

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

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

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

Figures in italics are for the Previous year.

The difference between the forward contract rate and the exchange rate on the date of transaction to be charged / (credited) to the Statement of Profit and Loss is ₹ Nil (2014-15 : ₹ Nil).

- (b) The year end foreign currency exposures (estimated in US \$) that have not been hedged by a derivative instrument or otherwise are given below :
- (i) Amounts receivable in foreign currency on account of the following :

	₹ in Lakhs	US \$ in Lakhs
Export of goods and services	6512.31 4463.05	98.16 71.25
Overseas Operations	68874.76 83595.12	1040.11 1338.03

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

	₹ in Lakhs	US \$ in Lakhs
Import of goods and services	12014.26 14961.08	181.09 238.84
Overseas Operations	64491.71 72115.67	974.76 1153.34

Figures in italics are for the Previous year.

31. Earnings per share

Earnings per Share has been computed as under :

(1) Profit / (loss) after tax for the year - (₹ In lakhs)	33288.91	2014-15 32923.48
(2) Weighted average number of Equity Shares Outstanding	33,08,84,740	33,08,84,740
(3) Earnings Per Share (₹) Basic and Diluted (Face value ₹ 1/- per share)	10.06	9.95

32. Remittance in foreign currencies for dividends

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by / on behalf of non-resident shareholders. The particulars of dividends paid to non-resident shareholders are as under :

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

32. Remittance in foreign currencies for dividends (contd.)

	₹ in Lakhs	2014-15 ₹ in Lakhs
(i) Number of non-resident shareholders	2,043	2,039
(ii) Number of Equity shares held by them	22,43,084	25,40,997
(iii) Gross amount of dividend (₹)	5046939	4700844
(iv) Year ended to which the dividend related	March-2015	March-2014

33. Earnings in foreign exchange received in India

	₹ in Lakhs	2014-15 ₹ in Lakhs
(a) F.O.B. Value of Exports (including amounts invoiced against work-in-progress)	3318.13	2879.35
(b) Service Commission (On Cash basis)	1025.46	1161.06
(c) Other Income	5098.32	5350.98
(d) Foreign Projects Profit (on accrual basis) at Branch Level	3271.79	Nil
(e) Dividend	705.88	1267.13

34. Expenditure (subject to deduction of tax wherever applicable) in foreign currency from India

	₹ in Lakhs	2014-15 ₹ in Lakhs
(a) Royalty	32.08	52.78
(b) Other matters	223.36	546.23

35. Value of Imports on C.I.F. basis

	₹ in Lakhs	2014-15 ₹ in Lakhs
(a) Raw Materials	2034.92	1586.49
(b) Finished Goods	19311.61	19391.00
(c) Components and Spares	52729.70	52771.57
(d) Capital Goods	13.53	1.46

36. Employee benefits expenses

- (a) The Company makes contribution towards provident funds, defined benefit retirement plans, and towards superannuation fund. These funds are administered by the trustees appointed by the Company. Under the schemes, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefits.
- (b) The Company makes annual contributions to Gratuity Funds, which are funded defined benefit plans for qualifying employees. The schemes provide for lumpsum payment to vested employees at retirement, death while in employment, or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of 5 years of service.

The Company is also providing post retirement medical benefits to qualifying employees.

The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out as at 31st March, 2016. The present value of the defined benefit obligation and the related current service cost and past service cost, are measured using the projected unit credit method.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)**36. Employee benefits expenses (contd.)**

The following tables set out the position of and the amounts recognised in the Company's financial statements as at 31st March, 2016 for Defined Benefit / Contribution Plans :

Defined Benefit Plans - As per Actuarial Valuation

	Gratuity Unfunded	Gratuity Funded	Post Employment Medical Benefits	Pension Plan
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
I. Expense recognised in the Statement of Profit and Loss				
1. Current Service Cost	763.50 807.06	309.15 299.33	47.65 38.21	172.95 864.75
2. Interest Cost	153.76 145.33	422.15 408.41	78.00 76.89	211.81 143.10
3. Expected return on plan assets	— —	(422.61) (424.40)	— —	— —
4. Actuarial (Gains) / Losses	18.76 (252.94)	217.93 434.48	23.98 77.56	(23.09) 240.50
5. Total expense	936.02 699.45	526.62 717.82	149.63 192.66	361.67 1248.35
II. Net Liability recognised in the Balance Sheet				
1. Present value of Defined Benefit Obligation	3447.86 2883.04	5639.10 5276.88	1077.85 975.00	2852.93 2647.58
2. Fair value of plan assets	— —	(5271.56) (5282.68)	— —	— —
3. Net (asset) / liability	3447.86 2883.04	367.54 (5.80)	1077.85 975.00	2852.93 2647.58
III. Change in Obligation during the year				
1. Present value of Defined Benefit Obligation at the beginning of the year	2883.04 2727.86	5276.88 4415.22	975.00 831.31	2647.58 1547.11
2. Current Service Cost	763.50 807.06	309.15 299.33	47.65 38.21	172.95 864.75
3. Interest Cost	153.76 145.33	422.15 408.41	78.00 76.89	211.81 143.10
4. Actuarial (Gains) / Losses	18.76 (252.94)	210.99 639.01	23.98 77.56	(23.09) 240.50
5. Benefits Payments	(611.81) (654.71)	(580.07) (485.09)	(46.78) (48.97)	(156.32) (147.88)
6. Difference in exchange	240.61 110.44	— —	— —	— —
7. Present value of Defined Benefit Obligation at the end of the year	3447.86 2883.04	5639.10 5276.88	1077.85 975.00	2852.93 2647.58

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

36. Employee benefits expenses (contd.)

	Gratuity Unfunded	Gratuity Funded	Post Employment Medical Benefits	Pension Plan	
				₹ in Lakhs	₹ in Lakhs
IV. Change in Assets during the year					
1.	Plan assets at the beginning of the year	—	5282.68	—	—
		—	4588.12	—	—
2.	Expected return on plan assets	—	422.61	—	—
		—	424.40	—	—
3.	Contributions by employers	—	153.28	—	—
		—	550.72	—	—
4.	Actual benefits paid	—	(580.07)	—	—
		—	(485.09)	—	—
5.	Actuarial Gains / (Losses)	—	(6.94)	—	—
		—	204.53	—	—
6.	Plan assets at the end of the year	—	5271.56	—	—
		—	5282.68	—	—
7.	Actual return on plan assets (2+5)	—	415.67	—	—
		—	628.93	—	—
V. Amount Recognised in the Balance Sheet					
1.	Opening Liability	2883.04	(5.80)	975.00	2647.58
		2727.86	(172.90)	831.31	1547.11
2.	Expenses as above (I)	936.02	526.62	149.63	361.67
		699.45	717.82	192.66	1248.35
3.	Employers Contribution	(611.81)	(153.28)	(46.78)	(156.32)
		(654.71)	(550.72)	(48.97)	(147.88)
4.	Difference in exchange	240.61	—	—	—
		110.44	—	—	—
5.	Closing Net Liability	3447.86	367.54	1077.85	2852.93
		2883.04	(5.80)	975.00	2647.58
VI. Actuarial Assumptions					
1.	Mortality Table (Indian Assured Lives Mortality)	2006-08	2006-08	2006-08	2006-08
		2006-08	2006-08	2006-08	2006-08
2.	Discount Rate	4.00%	8.06%	8.06%	8.06%
		5.25%	8.00%	8.00%	8.00%
3.	Increase in Salary / Health Care Cost / Pension	4.00%	8.00%	5.00%	8.00%
		5.00%	8.00%	5.00%	8.00%
4.	Rate of Return on Plan Assets	—	8.06%	—	—
		—	8.00%	—	—

Figures in italics under I to VI are for the Previous year.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)
36. Employee benefits expenses (contd.)
VII. Categories of plan assets as a percentage of the fair value of total plan assets

	Gratuity	31-3-2015 Gratuity
	%	%
1. Government of India Securities	20.00	20.00
2. Corporate Bonds	62.00	62.00
3. Special Deposit Scheme	2.00	2.00
4. Others	16.00	16.00
	100.00	100.00

VIII. Effect of Change in Assumed Health Care Cost Trend Rate

	₹ in Lakhs	₹ in Lakhs	2014-15	
	One percentage point increase	One percentage point decrease	₹ in Lakhs	₹ in Lakhs
1. Effect on the aggregate of the service cost and interest cost	143.94	137.72	128.43	122.88
2. Effect on defined benefit obligation	1102.70	1053.02	997.47	952.53
(a) The Actuarial calculations used to estimate defined benefit commitments and expenses are based on the above assumptions which if changed would affect the defined benefit commitment's size, the funding requirement and expenses.				
(b) The estimates of future salary increases, considered in the Actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.				
(c) The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc.				
(d) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.				
(e) The disclosure of Present value of defined obligation, fair value of assets, surplus/deficit of assets and experience adjustments of current year and preceding four years are as under:				

	₹ in Lakhs	2014-15	2013-14	2012-13	2011-12
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Present value of defined benefit obligation	13017.74	11782.50	9521.48	9960.62	9473.11
Fair value of Plan Assets	5271.56	5282.68	4588.12	4744.25	4507.86
(Surplus) or Deficit of the Plan	7746.18	6499.82	4933.36	5216.37	4965.25
Experience Adjustments					
- On Plan Assets	(6.94)	204.54	(68.33)	8.58	15.46
- On Plan Liabilities	270.25	(96.40)	(563.62)	(305.57)	(217.78)
	263.31	108.14	(631.95)	(296.99)	(202.32)

- (f) The details of the Company's Defined Benefit Plans for its employees given above are certified by the actuary and relied upon by the auditors.
- (g) Expected contribution to Defined Benefits Schemes for the next year is ₹ 800 lakhs (2014-15 : ₹ 700 lakhs).
- (h) The Company has recognised the following amounts in the Statement of Profit and Loss under the head Company's Contribution to Provident and Other Funds :

	₹ in Lakhs	2014-15	
	₹ in Lakhs	₹ in Lakhs	
Provident Fund	909.20	828.86	
Superannuation Fund	187.85	179.93	
	1097.05	1008.79	

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

37. Segmental Reporting

Segment information has been presented in the Consolidated Financial Statements as permitted by Accounting Standard (AS-17) on Segment Reporting, specified under Section 133 of the Companies Act, 2013.

38. Related Party Disclosures

(a) List of Related Parties and Relationships

Party	Relation	
A.	Auto Aircon (India) Ltd . Volta Netherland B.V. Lalbuksh Volta 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. Volta Oman L.L.C. Agro Foods Punjab Ltd. (Under liquidation) Westerwork Engineers Ltd. (Under liquidation)	Subsidiaries
B.	Brihat Trading Private Ltd. Terrot GmbH	Associates
C.	Universal Volta L.L.C. Naba Diganta Water Management Ltd. Olayan Volta Contracting Company Ltd. Universal Weathermaker Factory L.L.C. Volta Qatar W.L.L. Volta Water Solutions Private Ltd. AVCO Marine S.a.S. (Under liquidation) Agrotech Industries Ltd. (Under closure)	Joint Ventures
D.	Tata Sons Ltd.	Promoter holding together with its subsidiary more than 20%
E.	Mr. Sanjay Johri - Managing Director	Key Management Personnel

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

38. (b) Related Party Transactions

Transactions		Subsidiaries	Associates and Joint Ventures	Key Management Personnel	Promoter	₹ in Lakhs Total
Purchase of Goods	[Refer 38 (c) (1)]	100014.22	115.57	—	—	100129.79
		100416.86	122.19	—	—	100539.05
Sale of Products	[Refer 38 (c) (2)]	54305.46	188.05	—	1.22	54494.73
		59106.13	87.63	—	—	59193.76
Service Income	[Refer 38 (c) (3)]	108.97	148.48	—	8.44	265.89
		201.40	196.88	—	59.37	457.65
Sale of Fixed Assets	[Refer 38 (c) (4)]	0.76	57.69	—	—	58.45
		—	—	—	—	—
Interest Income	[Refer 38 (c) (5)]	250.00	—	—	—	250.00
		250.00	—	—	—	250.00
Rental Income	[Refer 38 (c) (6)]	38.60	3.11	—	—	41.71
		38.05	—	—	—	38.05
Dividend Income	[Refer 38 (c) (7)]	4852.18	—	—	—	4852.18
		4031.33	—	—	—	4031.33
Provision / Write off of Debts and Advances - Reversal	[Refer 38 (c) (8)]	0.98	—	—	—	0.98
		—	—	—	—	—
Commission Received	[Refer 38 (c) (9)]	1589.18	91.00	—	—	1680.18
		1455.22	83.28	—	—	1538.50
Other Operating Income	[Refer 38 (c) (10)]	—	—	—	—	—
		—	169.46	—	—	169.46
Provision for Debts and Advances	[Refer 38 (c) (11)]	2.75	—	—	—	2.75
		—	—	—	—	—
Remuneration Paid / Payable	[Refer 38 (c) (12)]	—	—	389.67	—	389.67
		—	—	304.86	—	304.86
Dividend Paid	[Refer 38 (c) (13)]	—	—	—	1982.97	1982.97
		—	—	—	1630.44	1630.44
Provision for Diminution in Value of Investment	[Refer 38 (c) (14)]	2744.05	—	—	—	2744.05
		—	—	—	—	—
Consulting Charges Paid	[Refer 38 (c) (15)]	—	—	—	13.68	13.68
		—	—	—	9.16	9.16
Tata Brand Equity	[Refer 38 (c) (16)]	—	—	—	717.43	717.43
		—	—	—	673.00	673.00
Interest Expenses	[Refer 38 (c) (17)]	26.07	—	—	—	26.07
		—	—	—	—	—
Other Expenses - Received/Receivable	[Refer 38 (c) (18)]	591.92	9120.42	—	—	9712.34
		1210.21	3587.80	—	—	4798.01
Other Expenses - Paid/Payable	[Refer 38 (c) (19)]	54.25	1276.24	—	22.45	1352.94
		14.99	734.76	—	35.83	785.58
Purchase of Fixed Assets	[Refer 38 (c) (20)]	—	—	—	—	—
		0.83	—	—	—	0.83

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)
38. (b) Related Party Transactions (contd.)

Transactions		Subsidiaries	Associates and Joint Ventures	Key Management Personnel	Promoter	₹ in Lakhs
Investments	[Refer 38 (c) (21)]	2744.05	59.55	—	—	2803.60
		—	38.60	—	—	38.60
Advances Given	[Refer 38 (c) (22)]	1087.10	—	—	—	1087.10
		1246.94	—	—	—	1246.94
Deposit Received	[Refer 38 (c) (23)]	—	1.38	—	—	1.38
		—	—	—	—	—
Write back of provision for Share Application Money	[Refer 38 (c) (24)]	1201.89	—	—	—	1201.89
		—	—	—	—	—
Provision for Debts and Advances due at year end	[Refer 38 (c) (25)]	87.68	—	—	—	87.68
		1286.83	—	—	—	1286.83
Advance Outstanding at year end	[Refer 38 (c) (26)]	87.68	—	—	—	87.68
		89.78	—	—	—	89.78
Advance Share Application Money at year end	[Refer 38 (c) (27)]	—	—	—	—	—
		2744.05	—	—	—	2744.05
Debit Balance Outstanding at year end	[Refer 38 (c) (28)]	77.85	1648.86	—	—	1726.71
		1642.63	1590.55	—	—	3233.18
Credit Balance Outstanding at year end	[Refer 38 (c) (29)]	16831.89	104.00	—	756.65	17692.54
		18716.76	122.37	—	671.11	19510.24
Intercorporate Deposits at year end	[Refer 38 (c) (30)]	2500.00	—	—	—	2500.00
		2500.00	—	—	—	2500.00

Figures in italics are for the Previous year.

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

	Name of Party	Transaction Value	Transaction Value 2014-15
1. Purchase of Goods	Universal Comfort Products Ltd. Rohini Industrial Electricals Ltd.	88960.85 10191.07	97820.92 —
2. Sale of Products	Universal Comfort Products Ltd.	54303.48	59106.07
3. Service Income	Universal Voltas L.L.C. Voltas Qatar W.L.L. Voltas Oman L.L.C. Universal Weathermaker Factory L.L.C. Tata Sons Ltd.	119.36 — 89.90 — —	— 104.87 201.40 51.47 59.37
4. Sale of Fixed Assets	Voltas Qatar W.L.L.	57.69	—

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

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

	Name of Party	Transaction Value	₹ in Lakhs Transaction Value 2014-15
5. Interest Income	Rohini Industrial Electricals Ltd.	250.00	250.00
6. Rental Income	Rohini Industrial Electricals Ltd.	33.47	33.95
	Universal Comfort Products Ltd.	5.13	4.10
7. Dividend Income	Voltas Netherlands B.V.	705.88	1195.92
	Universal Comfort Products Ltd.	4146.30	2764.20
8. Provision / Write off of Debts and Advances - Reversal	Saudi Ensas Company for Engineering Services W.L.L.	0.98	—
9. Commission Received	Universal Comfort Products Ltd.	1589.18	1455.22
10. Other Operating Income	Universal Voltas L.L.C.	—	169.46
11. Provision for Debts and Advances	Auto Aircon (India) Ltd.	2.75	—
12. Remuneration Paid / Payable	Mr. Sanjay Johri	389.67	304.86
13. Dividend Paid	Tata Sons Ltd.	1982.97	1630.44
14. Provision for Diminution in Value of Investment	Saudi Ensas Company for Engineering Services W.L.L.	2744.05	—
15. Consulting Charges Paid	Tata Sons Ltd.	13.68	9.16
16. Tata Brand Equity	Tata Sons Ltd.	717.43	673.00
17. Interest Expenses	Rohini Industrial Electricals Ltd.	26.07	—
18. Other Expenses -Received / Receivable	Rohini Industrial Electricals Ltd.	—	1018.51
	Voltas Qatar W.L.L.	8821.34	3492.11
19. Other Expenses -Paid / Payable	Voltas Qatar W.L.L.	1275.88	734.76
20. Purchase of Fixed Assets	Universal Comfort Products Ltd.	—	0.83

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

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

	Name of Party	Transaction Value	Transaction Value 2014-15
21.	Investments		
	Saudi Ensas Company for Engineering Services W.L.L.	2744.05	—
	Voltas Water Solutions Private Ltd.	—	38.60
22.	Advances Given		
	Rohini Industrial Electricals Ltd.	1084.35	1246.94
23.	Deposit Received		
	Voltas Water Solutions Private Ltd.	1.38	—
24.	Write back of provision for Share Application Money		
	Saudi Ensas Company for Engineering Services W.L.L.	1201.89	—
25.	Provision for Debts and Advances due at year end		
	Auto Aircon (India) Ltd.	87.68	—
	Saudi Ensas Company for Engineering Services W.L.L.	—	1201.89
26.	Advance Outstanding at year end		
	Auto Aircon (India) Ltd.	87.68	84.93
27.	Advance Share Application Money at year end		
	Saudi Ensas Company for Engineering Services W.L.L.	—	2744.05
28.	Debit Balance Outstanding at year end		
	Olayan Voltas Contracting Company Ltd.	181.26	—
	Naba Diganta Water Management Ltd.	79.73	—
	Universal Voltas L.L.C.	181.37	289.57
	Voltas Qatar W.L.L.	1198.33	1012.01
	Rohini Industrial Electricals Ltd.	—	1508.37
29.	Credit Balance Outstanding at year end		
	Universal Comfort Products Ltd.	15372.12	18134.06
30.	Intercorporate Deposits at year end		
	Rohini Industrial Electricals Ltd.	2500.00	2500.00

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

39. In compliance with the Accounting Standard 27- 'Financial Reporting of interest in joint Ventures' (AS 27) as specified under Section 133 of the Companies Act, 2013, the Company has interests in the following jointly controlled entities and operations:

(i) Jointly controlled entities (JCE)

Particulars			As at 31st March, 2016				Year ended 31st March 2016	
Name of the Joint Venture/ Operations	Country of Incorporation	% of Holding	Assets	Liabilities	Contingent Liabilities	Capital Commitment	Income	Expenses
Universal Weathermaker Factory L.L.C.	United Arab Emirates	49.00	534.55 881.44	164.49 352.79	Nil Nil	Nil Nil	598.44 840.22	775.10 900.12
Universal Voltas L.L.C.	United Arab Emirates	49.00	9988.41 9700.83	4722.44 4072.06	3512.79 3834.97	Nil 8331.68	10962.36 13497.10	9829.97 11617.58
Olayan Voltas Contracting Company Ltd.	Kingdom of Saudi Arabia	50.00	5142.74 3727.46	3396.15 1552.47	1009.77 Nil	Nil Nil	4594.56 3419.93	5136.40 3613.09
Voltas Qatar W.L.L.	Qatar	75.00	36874.59 17062.99	34271.55 16080.81	4373.45 7209.66	Nil Nil	45169.26 5627.00	43362.84 5387.08
Naba Diganta Water Management Ltd.	India	26.00	1185.27 1248.83	376.82 551.72	79.70 251.15	Nil Nil	241.03 207.88	183.04 170.60
Voltas Water Solutions Private Ltd. (Incorporated on 1st July, 2014)	India	50.00	36.56 29.87	39.06 14.32	Nil Nil	Nil Nil	18.50 Nil	96.10 23.04

Figures in italics are for the Previous year.

(ii) Jointly controlled operations (JCO)

Particulars			As at 31st March, 2016		
Name of the Joint Venture/Operations	Country of Incorporation	% of Holding	Contingent Liabilities	Capital Commitment	
NDIA Package 19 Project	Qatar	77.08	Nil Nil	Nil Nil	
Sidra Medical & Research Centre Project	Qatar	51.08	Nil Nil	Nil Nil	
ETA-Voltas-Hitachi Plant	United Arab Emirates	37.50	Nil Nil	Nil Nil	
VAFE Joint Venture (Under Voltas Qatar W.L.L.)	Qatar	100.00	7837.15 5665.18	Nil Nil	

Figures in italics are for the Previous year.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)

40. Research and development expenditure

	₹ in Lakhs	2014-15 ₹ in Lakhs
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centers (eligible for weighted deduction)		
(1) Revenue	322.21	245.14
UPBG	114.99	84.20
EM&RBG	207.22	160.94
(2) Capital Expenditure	Nil	1.71
UPBG	Nil	0.59
EM&RBG	Nil	1.12
Other R&D Expenditure		
(1) Revenue	111.51	119.17
UPBG	65.08	89.27
EM&RBG	46.43	29.90
(2) Capital Expenditure	6.31	9.94
UPBG	Nil	Nil
EM&RBG	6.31	9.94
Total R&D Expenditure		
(1) Revenue	433.72	364.31
UPBG	180.07	173.47
EM&RBG	253.65	190.84
(2) Capital Expenditure	6.31	11.65
UPBG	Nil	0.59
EM&RBG	6.31	11.06

The approval is effective 1st April, 2012. The eligible R&D revenue expenditure is ₹ 322.21 lakhs and ₹ 245.14 lakhs for the year ended 31st March, 2016 and 31st March, 2015, respectively. The eligible R&D capital expenditure is ₹ Nil and ₹ 1.71 lakhs for the year ended 31st March, 2016 and 31st March, 2015, respectively.

- 41.** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.

For and on behalf of the Board

*Chairman
Managing Director
Directors*

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

President - Corporate Affairs & CFO

Anil George
*Vice President- Taxation, Legal &
Company Secretary
Mumbai, 17th May, 2016*

V. P. Malhotra

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of 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 W.L.L. (Saudi Ensas)	Labuksh Voltas Engineering Services & Trading L.L.C. (LALVOL)	Voltas Oman L.L.C. (VOLLC)	Voltas Netherlands B.V. (VNBV)
1	Reporting period	31-3-2016	31-3-2016	31-3-2016	31-3-2016	31-3-2016	31-3-2016	31-3-2016	31-3-2016
2	(i) Reporting currency (ii) Exchange rate as on the last date of the relevant financial year	INR —	INR —	INR —	AED ₹ 18.08	SR ₹ 17.70	RO ₹ 172.34	RO ₹ 172.34	EURO ₹ 74.97
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
3	Capital	2764.20	6382.58	1130.00	271.20	4628.55	430.85	861.70	463.86
4	Reserves & Surplus	15352.21	(7715.47)	(1214.15)	2094.26	(5039.99)	4995.65	230.73	5757.18
5	Total Assets	37544.94	14153.78	34.79	3190.49	2184.04	14553.27	22652.98	1990.61
6	Total Liabilities	19428.53	15486.67	118.94	825.03	2595.48	9126.77	21560.56	13.51
7	Investments	—	—	—	—	—	—	—	4243.94
8	Turnover (gross) / Income	110167.06	11131.19	—	3793.84	2858.41	19277.10	16980.28	1944.41
9	Profit before Taxation	8371.75	(438.26)	(3.59)	349.37	(500.96)	1877.09	740.98	1757.44
10	Provision for Taxation	2031.89	—	—	Nil	0.14	219.06	57.14	Nil
11	Profit after Taxation	6339.86	(438.26)	(3.59)	349.37	(501.11)	1658.03	683.84	1757.44
12	Proposed Dividend	4146.30	—	—	Nil	Nil	Nil	86.17	749.70
13	% of Shareholding	100%	100%	100%	100%	100% *	100% *	60% **	100% ***

* 8% shares held by VN BV; ** 40% shares held by VN BV; *** 65% shares held by VN BV.

Notes :

- The reporting period of WML, Saudi Ensas, LALVOL and VOLLC is considered for 15 months period ended 31st March, 2016.
- Foreign currency figures of WML, Saudi Ensas, LALVOL, VOLLC and VN BV have been converted into Indian Rupees on the basis of appropriate exchange rates as on Reporting period.
- Abbreviation for foreign currencies - AED: United Arab Emirates Dirhams; SR: Saudi Riyal; RO: Omani Rial and Euro: European Union Currency.

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Name of Associates / Joint Ventures	Universal Weathermaker Factory L.L.C.	Universal Voltas L.L.C.	Olayan Voltas Contracting Company Limited	Voltas Qatar W.L.L.	Naba Diganta Water Management Limited	Volta Solutions Private Limited	Terrot GmbH	Brihat Trading Private Limited
1	Latest Audited Balance Sheet Date	31-03-2016	31-03-2016	31-03-2016	31-03-2016	31-03-2016	31-03-2016	31-12-2015	31-03-2016
2	Shares of Associate / Joint Ventures held by the Company on the year end								
(i)	Number	2,695	—	50,000	—	47,97,000	9,81,500	2,60,900	3,352
(ii)	Amount of Investment in Associates / Joint Ventures (₹ in lakhs)	298.09	—	710.70	—	479.70	98.15	156.22	0.34
(iii)	Extent of Holding %	49%	49%*	50%	49%*	26%	50%	20.07%	33.21%
3	Description of how there is significant influence								
4	Reason why the associate/joint venture is not consolidated								
5	Networth attributable to Shareholding as per latest Audited Balance Sheet (₹ in lakhs)	370.06	5265.97	1746.59	2603.04	808.45	(2.50)	547.24	Not Material
6	Profit / (Loss) for the year	(176.66)**	1132.39	(541.83)	1806.42	57.99	(77.61)	227.70	Not Material
(i)	Considered in Consolidation (₹ in lakhs)	—	—	—	—	—	—	—	Not Material
(ii)	Not Considered in Consolidation (₹ in lakhs)	—	—	—	—	—	—	—	Not Material

* Share Capital is held by Voltas Netherlands B.V., a wholly owned subsidiary.

** For 15 months period ended 31st March, 2016.

For and on behalf of the Board

Chairman
Managing Director
Directors

Ishaat Hussain
Sanjay Johri
N.N. Iata
Nani Javeri,
R.N. Mukhija
Vinayak Deshpande

D. Sarangi
Bahram N. Vakil
Anjali Bansal
Usha Sangwan
Anil George

President - Corporate Affairs & CFO
Vice President- Taxation, Legal &
Company Secretary
Mumbai, 17th May, 2016
V. P. Malhotra

To

TSR Darashaw Limited

Unit: Voltas Limited

6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai 400 011.

Updation of Shareholder Information

I/We request you to record the following information against our Folio No.:

General Information:

Folio No.:	
Name of the first named Shareholder:	
PAN:*	
CIN/Registration No.:* (applicable to Corporate Shareholders)	
Tel. No. with STD Code:	
Mobile No.:	
Email Id:	

* Self attested copy of the document(s) enclosed

Bank Details:

IFSC: (11 digit)	MICR: (9 digit)
Bank A/c Type:	Bank A/c No.:*
Name of the Bank:	
Bank Branch Address:	

*A blank cancelled cheque is enclosed to enable verification of bank details

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/we would not hold the Company/ RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained by you till I/we hold the securities under the above mentioned Folio No.

Place:

Date:

Signature of Sole/ First holder

Notes

Notes

A TATA Product

VOLTAS

BRING HOME ALL STAR SAVINGS.

PRESENTING
THE ALL-NEW
VOLTAS ALL STAR AC.



0%

FINANCE
THROUGH NBFCs*

10%
CASH
BACK

ON HDFC BANK
CREDIT CARDS**

100%
WARRANTY***

100%
COPPER



#	Category	Room Heat Load	AC Running Duration	Energy Consumption	Scope of running ACs
1	Voltas All Star AC	2 KW	8 Hours	4.2 KWHr	2
2	Conventional AC	2 KW	8 Hours	9.1 KWHr	1

Presenting the all-new Voltas All Star AC, a new benchmark in savings. While conventional ACs work on the principle of cutting off again and again, which causes more load on the compressor and a higher consumption of electricity, the new All Star AC with its unique Steady Cool Compressor optimises electricity consumption by giving steady cooling at a set temperature. Moreover, the All Star AC range comes with an attractive 0% finance scheme and a limited period offer of 10% cash back on HDFC Bank Credit Cards.

VOLTAS  STAR

Voltas 24x7 Customer Service - 1800 425 4555 (Toll Free).
For product registration SMS <WTA> to 9289525321,
Visit us at www.voltasac.com. Buy only genuine Voltas stabilizers.

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Voltas AC

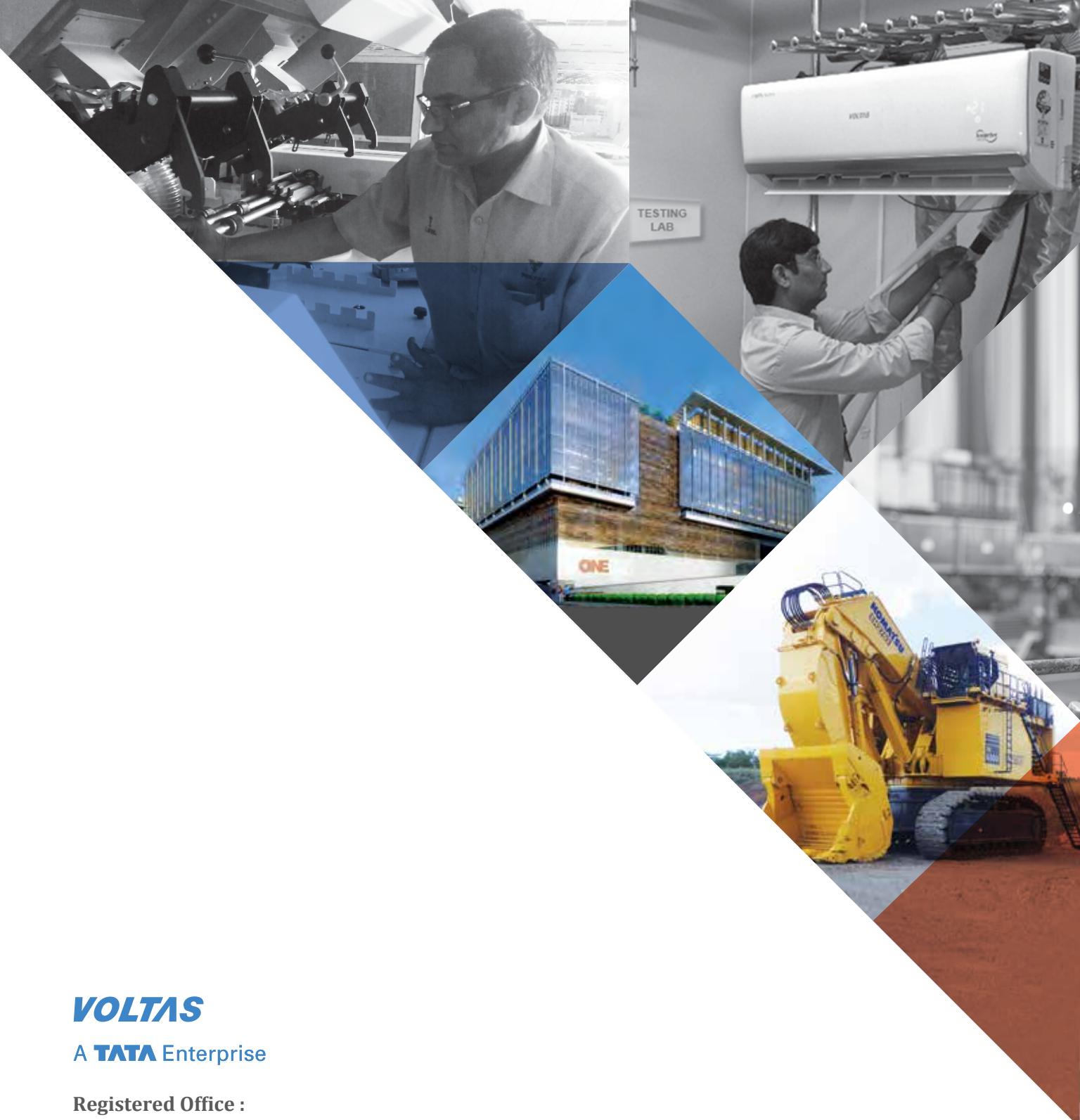
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We understand your world

Registered Office - Voltas Ltd., Voltas House A, Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai - 400033, Phone: 022-66656333 Delhi Office- Voltas Ltd., A-43, 1st Floor, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi - 110044. Phone: 011-66505550. Voltas adheres to the E-Waste (Management & Handling) Rules 2011, notified by the Ministry of Environment and Forest, Government of India. For more information on E-Waste & Exchange Policy, please contact our E-Waste partner at 1800-419-3283. Actual Products might differ from the one shown above. All Offers valid till stocks last and are subject to change without prior notice by Voltas at its sole discretion. Offers valid on selected models. *Offer valid on Voltas All Star AC models. **Offer valid on Voltas All Star AC models. ***Offer valid on Voltas All Star AC models. ****Offer valid on Voltas All Star AC models. *****Offer valid on Voltas All Star AC models. The offer is applicable at select outlets on transactions done on HDFC Credit Card through Pine Labs machines under 'Voltas Brand EMI' option only. Offer not valid on corporate business & commercial credit cards. Cash Back to be posted after 90 days from transaction date. Cash Back amount will get printed for eligible card holders on the charge slip. Customer to immediately check with merchant if cash back is not mentioned on the charge slip. Customer will not be eligible for cash back if the same is not mentioned on charge slip. 100% Copper is available in select models only.



VOLTAS

A **TATA** Enterprise

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

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E-mail : shareservices@voltas.com

Website : www.voltas.com

CIN : L29308MH1954PLC009371