

Voltas Limited
Annual Report
19-20

VOLTAS
A **TATA** Enterprise



**DRIVEN BY
VALUES
INSPIRED BY THE
FUTURE**

ACROSS THE PAGES

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Investor information

CIN:	L29308MH1954PLC009371
BSE Code:	500575
NSE Symbol:	VOLTAS
Bloomberg Code:	VOLT:Natl
AGM Date:	21 August, 2020



COVER NOTE

The cover features images of our consumers who inspire us each day. They constantly drive us to explore opportunities that help us improve and move closer to our goals.

With consumer centricity at the core of our business strategy, the images on the cover resonate our brand promise of providing comfort and convenience to our consumers across the diversified industries that we operate in. The upward arrow formation captures the direction of our progress fortified by the organisational theme - Driven by Value, Inspired by The Future. Finally, accentuating the visual and thematic appeal, the subtle use of blue and green tinges across both the front and back cover, reflect our commitment towards building a trusted and healthy brand.

Please find our online version at
https://voltas.com/inv_finance



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Disclaimer: This document contains statements about expected future events and financials of Voltas Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

About this Report

At Voltas Limited, we are pleased to present our Integrated Annual Report. This is one of our principal communication documents catering to all our stakeholders. This Report contains comprehensive information on our operational and financial performance and how these influence our strategic direction, resulting in our ability to create sustainable value.

Our Approach to Reporting

Through this Report, we aspire to provide our stakeholders, an all-inclusive depiction of the organisation's value creation ability using both financial and non-financial resources. The Report provides insights of our key strategies, operating environment, material issues mitigation strategies, operating risks and opportunities, governance structure and our approach towards long-term sustainability.

Reporting Period, Scope and Boundary

The reporting period for this Integrated Report is 1 April, 2019 to 31 March, 2020. It provides an overview of our operations and business development activities. The Report, further, covers information on our business segments in India and abroad, along with associated activities that enable short, medium, and long-term value creation.

Reporting Standards and Frameworks

In this report, we have attempted to bring in more transparency and accountability through the disclosures and information provided in the initial pages of the Report, following the guiding principles of the International Integrated Reporting Council (IIRC). The other statutory reports, including the Director's Report, Management Discussion and Analysis (MD&A) section, the Corporate Governance Report and the Business Responsibility Report, are in line with the Companies Act, 2013, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the prescribed Secretarial Standards.

Management Assurance

Our Company's senior management, under supervision of the Managing Director & CEO, has reviewed the Report content. The Board members of our Company have provided the required governance oversight.

DRIVEN BY **VALUES** INSPIRED BY THE **FUTURE**

₹ 7,889
crores

Total income

₹ 744
crores

Profit before tax

₹ 521
crores

Profit after tax

Integrity | Responsibility | Excellence
| Pioneering | Unity

Five words, one emotion.

These are not just words. These are values embodying the constituents of the Tata Code of Conduct (TCOC), a guiding light for us in the conduct of our business. Every year, Voltas files an Annual Compliance Report to the Tata Group Ethics Office. We are delighted to share that the relative position in terms of process deployment/implementation maturity for business ethics at Voltas is at the highest level. As a trusted market leader, our values go hand in hand with our future aspirations.

We have a long and successful track record of growth, captured across various domestic and international geographies, delivering numerous innovative engineering solutions and products. However, we believe, this is just the beginning. Our journey of transformation as a conglomerate across businesses, people and culture, depicts our approach of taking steps today, towards a brighter tomorrow. Our growth is underpinned by several proactive measures. These steps raise our sustainability quotient, through provision of innovative, insight-driven and energy efficient solutions for a promising future.



VOLTAS AT A GLANCE

A part of the prestigious USD 113 billion conglomerate, the Tata Group, Voltas Limited is among the largest Indian air conditioning companies. We are also one of the leading engineering solutions provider and project specialists in the world.

Since our incorporation in 1954, we have been committed to offer world-class solutions and value through smart engineering to our customers and industries.

We operate in three business segments:

Unitary Products, Engineering Projects and Engineering Products & Services.

Through a 50:50 Joint Venture Company between Voltas Limited and Arçelik, we are now present in the Home Appliance segment as well.



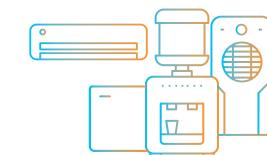
▲ A proud moment: Inauguration of the Voltas Beko factory at Sanand

BUSINESS VERTICALS



UNITARY PRODUCTS

Voltas has been synonymous with cooling products in India for over six decades. We are well known for the quality of our products, our range, extensive reach, popular advertising campaigns and sensible pricing. As market leaders in the Air Conditioners category, we have always been in the forefront of innovation in the cooling and refrigeration segment.



Product offering:

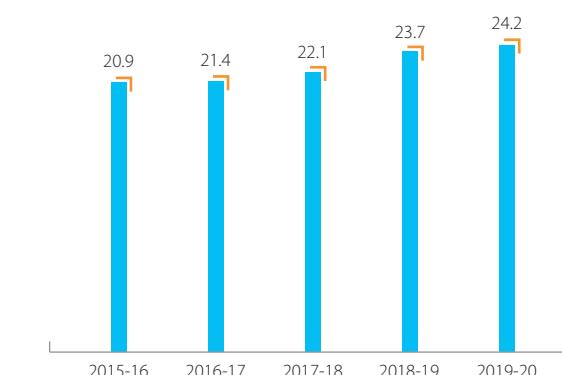
- Air Conditioners (ACs)
- Air Coolers
- Freezers
- Visi Coolers
- Water Dispensers
- Other commercial refrigeration products

2 million
Units sold

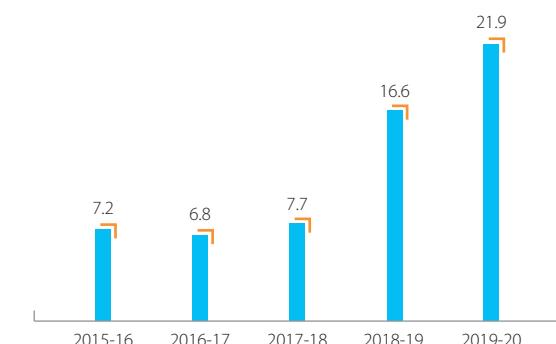
19,000+
Touch points

Market share (%)

ROOM AIR-CONDITIONERS



INVERTER AIR-CONDITIONERS



Undisputed MARKET LEADER since 2012

Fastest growing segment contributing to 52% of the overall AC sales in 2019-20



ENGINEERING PROJECTS

This business vertical operates both within the country – Domestic Projects Group (DPG), and overseas – International Operations Business Group (IOBG).



Product offering:

- As a part of our Domestic Projects Business (DPG), we offer integrated end-to-end solutions in electromechanical projects. We extend Mechanical, Electrical and Plumbing (MEP) services in the areas of infrastructure and built environment. These comprise metro stations, airports, malls, hotels, hospitals and educational institutions. Further, we also have a diversified portfolio of rural electrification (including solar) and water treatment plants across Government as well as private sectors. Voltas' (DPG) operations and maintenance team manages over 5,000 customer sites across India. The business vertical also offers retrofit solutions for HVAC systems and a range of other services like Energy Auditing, Energy Performance Indexing & Retrofitting, Remote Monitoring and control, etc.
- The International Operations Business Group of Voltas is a leading turnkey Electromechanical Solutions and Services provider. We are celebrated as the preferred MEP contractor for mid to large-size projects in various GCC countries such as UAE and Qatar. With over four decades of experience, the international projects business has completed over 130 projects across 35+ countries.



▲ Voltas Commercial Products factory in Wagholi

5,000+

Customer sites actively managed across India

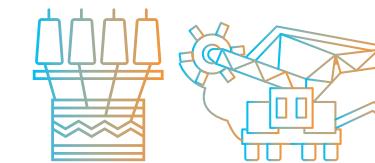
6

Countries that IOBG operated in 2019-20



ENGINEERING PRODUCTS AND SERVICES

This segment has carved a niche for itself. Embedding our passion for integrating technology with engineering solutions, we offer end-to-end production set-ups with customised functionality across the entire range of Spinning and Post Spinning machinery. Whereas, under the Mining & Construction Equipment (M&CE) segment, we offer machinery and a host of product support offerings at the right quality and prices to a plethora of national as well as international clientele.



Product offering:

- Under the Textile Machinery segment, product offerings include capital equipment, machinery, accessories, allied machinery and services for both Spinning and Post Spinning. In collaboration with a strong portfolio of 30+ global principals, Voltas is a market leader in this segment.
- Under the Mining & Construction Equipment segment, we expanded our operations in Mozambique by adding maintenance contracts. We await and are ready to seize mining-led opportunities in India, expected after some policy pronouncements.



VOLTBEK HOME APPLIANCES PRIVATE LIMITED

VoltBek is a 50:50 Joint Venture Company (JVC) between Voltas Limited and Arçelik. With this JV, Voltas entered the home appliances market, which is currently valued at over ₹ 76,400 crores. With the target of acquiring over 10% market share in our represented portion of the Home Appliance segment, Voltas Beko has been aggressive in its growth plans. The recently launched, state-of-the-art manufacturing facility at Sanand is a step in this direction.

With an annual production capacity target of 2.5 million units, this facility will leverage the global expertise of Arçelik in manufacturing and product development. It will also significantly benefit from the country-wide sales and distribution network of Voltas.



VISION

Driving value through smart engineering



MISSION

We will offer our customers, appropriate engineering solutions in the form of Products, Projects and Services of superior value in our area of expertise and experience – air conditioning, refrigeration, electro-mechanical works, water management and industrial capital equipment – so as to build and sustain market leadership.



TATA VALUES

We have embraced the five core values of the Tata Group which underpins the way we conduct our business...



Integrity

We will be fair, honest, transparent and ethical in our conduct; everything we do must stand the test of public scrutiny.



Excellence

We will be passionate about achieving the highest standards of quality, always promoting meritocracy.



Unity

We will invest in our people and partners, enable continuous learning, and build caring and collaborative relationships based on trust and mutual respect.



Responsibility

We will integrate environmental and social principles in our businesses, ensuring that what comes from the people goes back to the people many times over.



Pioneering

We will be bold and agile, courageously taking on challenges, using deep customer insight to develop innovative solutions.

AND AT VOLTAS, WE ARE DETERMINED TO BE 'SWIFT' IN EVERYTHING WE DO

OUR CULTURAL PILLARS



Smart Thinking

- ▶ Fact based analysis
- ▶ Use logic and customer insights



Winning Attitude

- ▶ Take responsibility for customers
- ▶ Seize every opportunity



Innovative

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



Teamwork

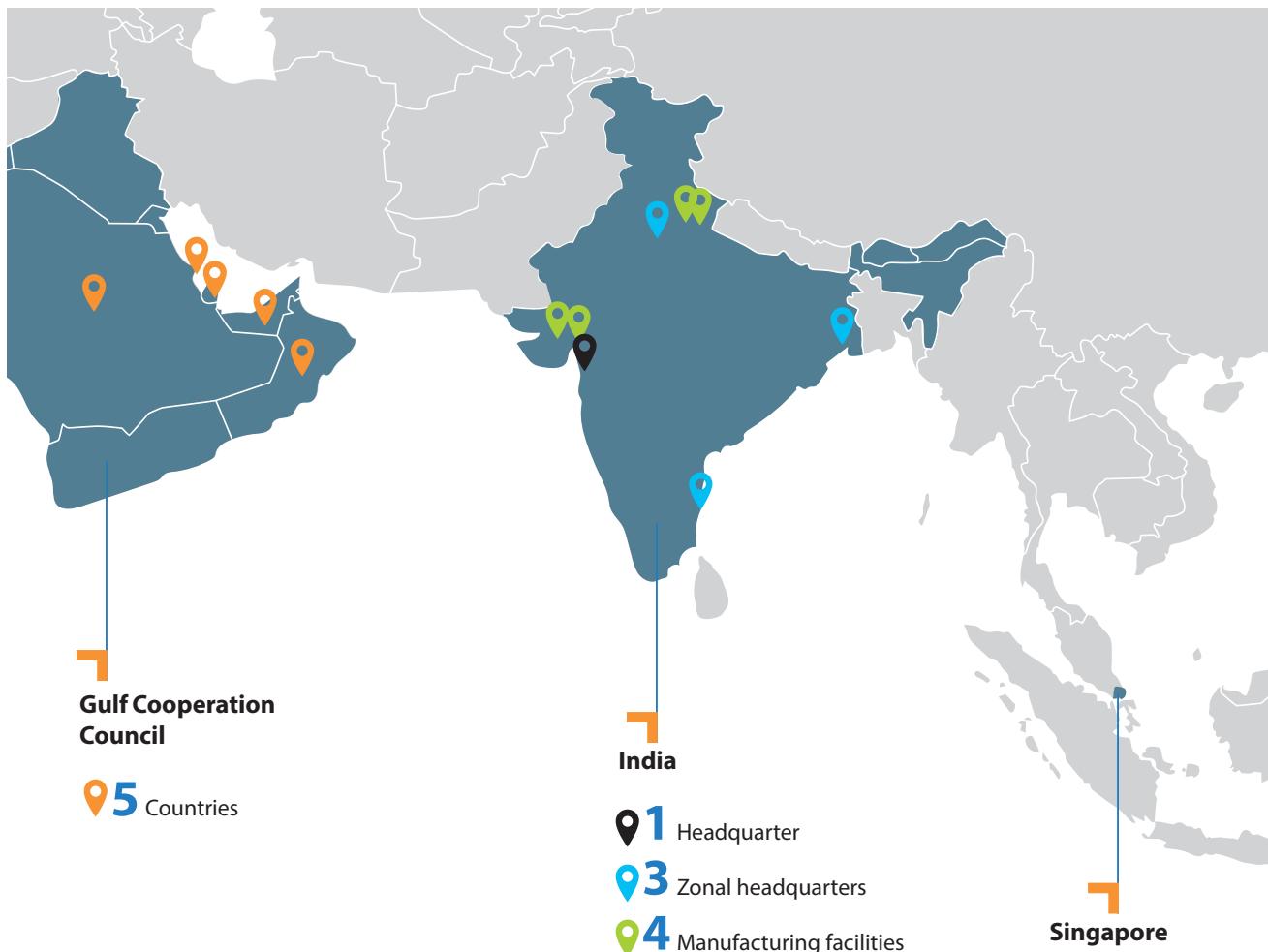
- ▶ Act, think & work together
- ▶ Always in the Company's interest



Flexible

- ▶ Adapt to every change
- ▶ Be prepared to face surprises

OUR PRESENCE



Locations in GCC and Asia

1. The UAE
2. Qatar
3. Sultanate of Oman
4. Kingdom of Bahrain
5. Kingdom of Saudi Arabia
6. India
7. Singapore

This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof.

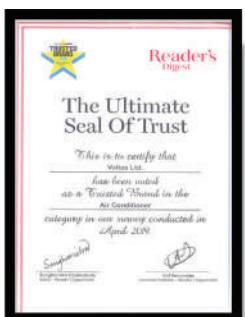
AWARDS & ACCOLADES



▲ Tata Business Excellence Awards 2019



▲ India's Most Iconic Brand by The Economic Times



▲ Trusted Brand by Readers Digest



▲ TRA Most Desired Brand



▲ Mint-EY Emerging Technology Award



▲ IndIAA (Indian Chapter of International Advertising Association) Award in the Consumer Durable category



▲ Gold Standard of Marketing Award – Effie 2020



▲ '5 Million Safe Man Hours' Certificate without any Loss Time Injury received from Dhirubai Ambani International Convention and Exhibition Centre (DAICEC)



▲ OHSSAI Annual Excellence Award



▲ DIGIXX Award for Digital Marketing



▲ Best Performance Award from HDB Financial Services 2019



▲ 'Climate Control Award 2019', Dubai



▲ 5 major honors at the Construction Week Oman Awards 2019, including 'Contractor of the Year' Award



▲ Construction Safety Award by Global Safety Summit



▲ Dossier Construction Infrastructure Awards - The EPC Contractor and Best Contractor for a Retail Project

VALUE CREATION PROCESS: BUSINESS MODEL

CAPITALS

INPUTS

Financial Capital

Financial capital includes our monetary resources, which are obtained through our business activities and from external sources. Funding mechanisms such as equity and internal accruals are the main sources of our financial capital.

Total Capital Employed	₹ 4,317 crores
Operating Working Capital	₹ 1,847 crores
Owners Funds	₹ 4,280 crores
Debt (mainly overseas operations)	₹ 218 crores

Manufactured Capital

Prudent procurement policies and state-of-the-art manufacturing capabilities enable us to produce best-in-class products at optimum cost.

Existing manufacturing locations	4
Facilities added during this year	2
Total manufacturing capacity (consumer products)	2.3 million
Total manufacturing capacity (commercial products in tonnage)	0.7 million

Intellectual Capital

Our knowledge-based intangible assets and ethos are critical to sustain and make the organisation future ready.

No. of R&D centres	4
Investment in R&D	₹ 20 crores
R&D team strength	35

Human Capital

The knowledge, skills, attitude and innovation of our employees enable us to deliver superior products and service.

Investment on employees (on skill development)	₹ 3 crores
No. of training programmes	280+ online programmes by Ivy League campuses
Employee engagement initiatives during the year (Nos.)	54
Average work experience of senior management	20+ years
Total no. of employees (India & Overseas)	8,800+

Social and Relationship Capital

Constructive interaction makes our day-to-day operations more effective, ensuring we remain socially relevant in the communities where we operate.

CSR Spend	₹ 10 crores
Customer care centres	1,218
No. of touch points	19,000+
No. of EBOs	130+

Natural Capital

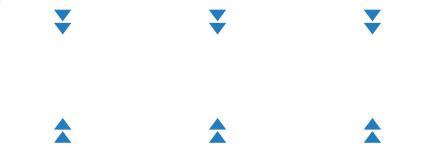
Our role as a good global corporate citizen, understanding our impact and responsibility to reduce environmental footprint.

No. of trees planted around the facilities	1,500
Investment in renewable energy (solar)	₹ 4 crores

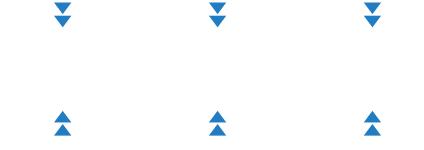
BUSINESS MODEL



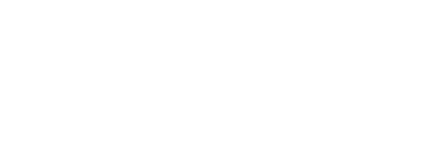
CORPORATE GOVERNANCE



BUSINESS STRATEGIES



RISKS AND OPPORTUNITIES



OUTPUTS

Financial Capital

Market Capitalisation	₹ 15,844 crores
Return on Capital Employed	18.00%
Return on Equity	13.50%
Dividend payout ratio	23%
Gross sales	₹ 7,889 crores
Profit Before Tax	₹ 744 crores
Profit After Tax	₹ 521 crores
Cash and cash equivalents	₹ 1,939 crores
Credit Ratings (ICRA)	AA+
Debt/Equity ratio	5%
EPS	₹ 15.63

Manufactured Capital

No. of units sold (consumer products)	2 million +
Sales of commercial products (tonnage)	0.2 million

Intellectual Capital

New SKUs launched	287
Total no. of 5 star SKUs	86
Leading market share	
Room AC	24.20%
Inverter AC	21.90%

Human Capital

Turnover per employee	₹ 2 crores
Total training hours	63,472 mandays
% of employees trained	84%
Lost Time Injury Frequency Rate	0.24

Social and Relationship Capital

Lives impacted through CSR interventions	4,97,203
Social media presence (no. of followers, engagement, brand mentions, tonality, etc.)	5.8 lakhs
Customer satisfaction index	70%
Grievance resolution time	24 hrs

Natural Capital

Quantum of water recycled	12,602 KL
E-waste recycled (tonnage)	6,370
Renewable energy generated (solar energy across all the offices)	15 lakh KWH

RELATED STAKEHOLDER GROUP



Customers



Investors



Business Partners



Customers



Employees



Employees



Customers



Retailers



Communities



Distributors



Customers



Employees



Communities

ALIGNED WITH UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



4 QUALITY EDUCATION



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES

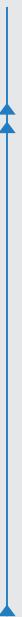


12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION

OUR QUEST FOR SUSTAINABLE PROFITABLE GROWTH



**FINANCIAL
CAPITAL**



▲ A virtual cycle of Planning, Execution, Monitoring and Control



OUR QUEST FOR SUSTAINABLE PROFITABLE GROWTH

At Voltas, we believe in maximising the return on investments by optimising costs, without compromising on the quality of the products and services that we deliver.

Despite the challenges caused by the Covid-19 pandemic and other macroeconomic factors surrounding the operations of our business, our financial performance has remained encouraging.

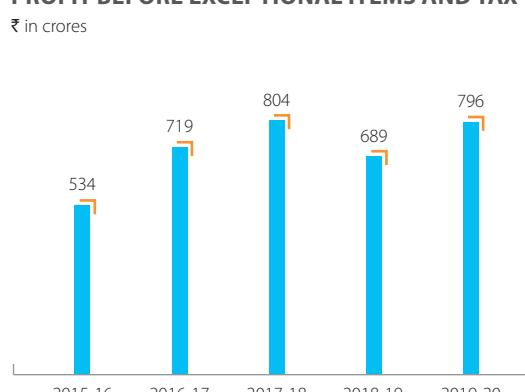
Highlights	2019-20	Growth over PY
Total income	₹ 7,889	8%
PBEIT	₹ 796	16%
Networth	₹ 4,209	₹ 198
ROCE	18%	144 bps

Exercising care across every head of expenditure, we have generated ₹ 462 crores of cash from operations, ending the financial year with cash and cash equivalents of ₹ 1,939 crores. Return on Capital Employed has improved to a healthy 18%, and even in these difficult and uncertain times, we have stayed committed to our investors, ensuring a 400% dividend in 2019-20.

During the year, we employed cash to secure two world-class manufacturing facilities - one each for Voltas Beko and Voltas Commercial Products. Furthermore, as part of the long term strategy to support the 'Make in India' initiative, we are in the process of setting up a manufacturing plant in the Southern region of India for our rapidly growing Unitary Cooling business.

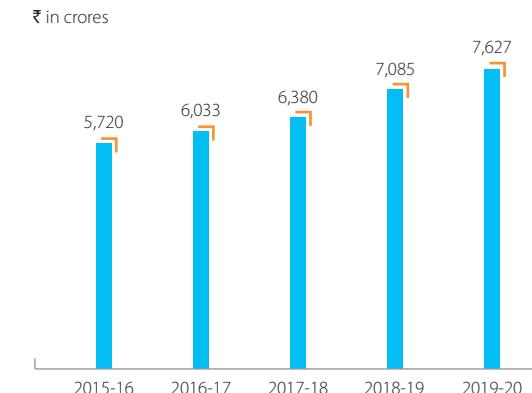
We respect money. We understand that sustaining profitable growth and expansion in the long term, is only possible with extra diligence and prudent use of our financial resources.

PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX



Consolidated Financials

SALES AND SERVICES

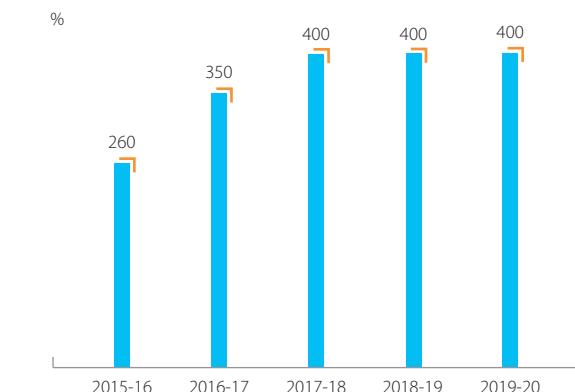


We continued to enhance our sales despite muted growth in our UCP business in March due to Covid-19 and drop in project business revenue owing to lower carry-forward order book.

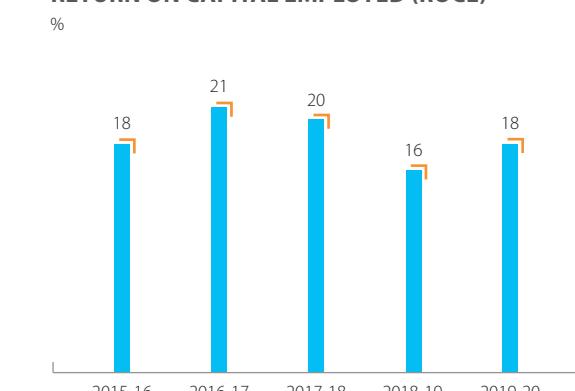
CASH AND BANK WITH LIQUID INVESTMENTS



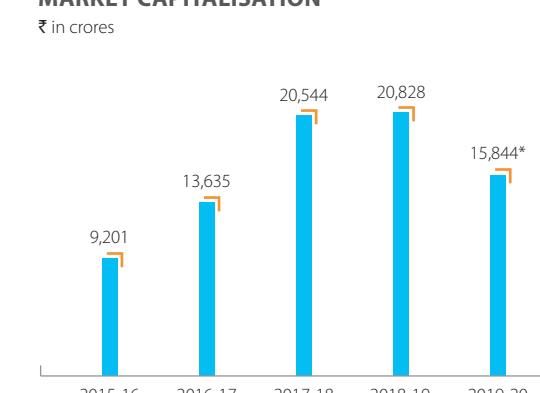
DIVIDEND ON EQUITY CAPITAL



RETURN ON CAPITAL EMPLOYED (ROCE)



MARKET CAPITALISATION



*The degrowth in market capitalisation as at 31 March, 2020, is attributed to the sharp collapse of share indices following the outbreak of Covid-19. In February 2020, Voltas has recorded a life time high of ₹ 740.50 per share - a market capitalisation of ₹ 24,500 crores.

DEBT/EQUITY



BEING OPERATIONALLY EXCELLENT IN ALL WE DO



**MANUFACTURED
CAPITAL**

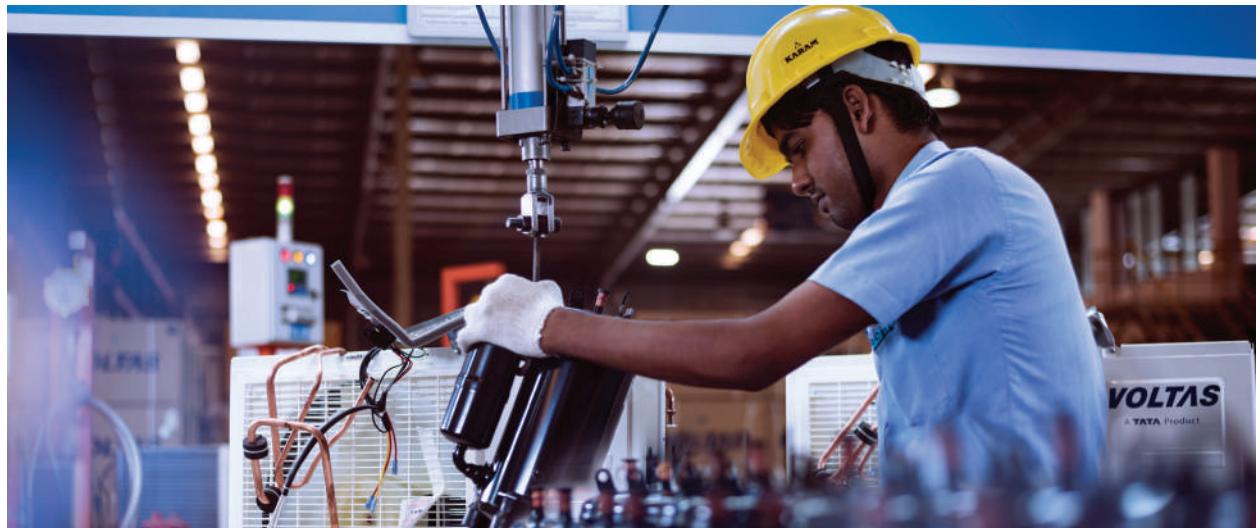


▲ Hard at work...inside the Voltas factory at Wagholia



BEING OPERATIONALLY EXCELLENT IN ALL WE DO

We are constantly looking for new ways to enhance our manufacturing capabilities. Progressive technologies, digitisation and automation combined with sustainable green initiatives are key business imperatives. Synchronised together, these help us embrace and achieve manufacturing excellence.



▲ Compressor assembly line at Pantnagar factory

Consumer-centricity forms the nucleus of our brand promise. 'Made in India' and 'Made for India' are the two philosophical beliefs that add a sense of immense pride while serving our customers. We are constantly strengthening our manufacturing capabilities, trying to build greater efficiencies into the existing network.

Our manufacturing process is suitably supported by a strong distribution and logistics network, spread across geographies, using advanced material storage and handling technologies. A dedicated in-house IT team adds value to business processes. This results in higher productivity and lower costs, by building speed, consistency, and standardisation.

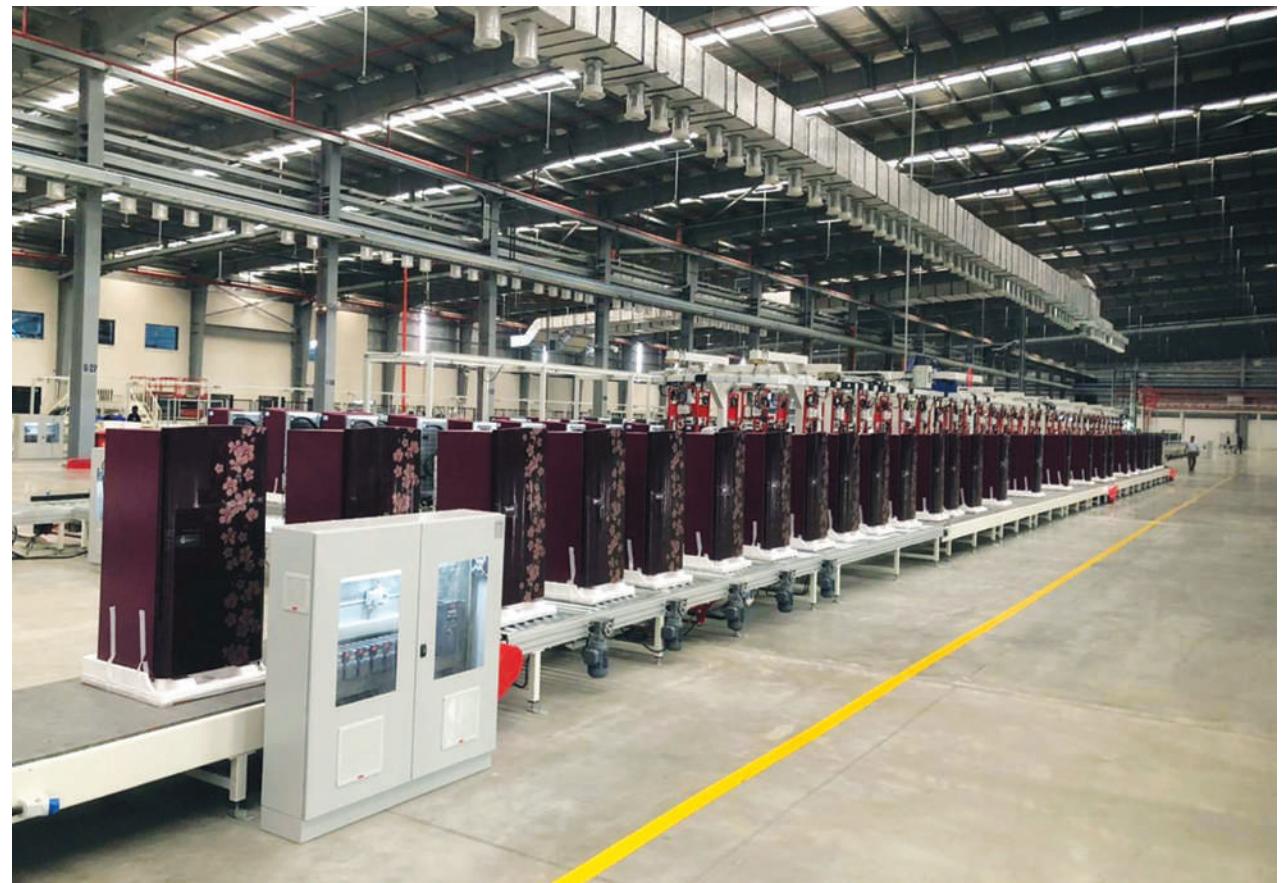
To drive our Make in India initiatives, we have been investing in strengthening our manufacturing prowess. In 2019-20, we launched two state-of-the-art, greenfield manufacturing plants for our Commercial Products Business and Home Appliances (Voltas Beko) business.

The Commercial Products facility was launched in Waghodia, Gujarat. Equipped with technologically advanced R&D

and testing facilities, the factory has been instrumental in introducing differentiated and competitive products in the market.

In collaboration with Arçelik, we commissioned a manufacturing facility in Sanand, Gujarat, to boost our production and capture a larger market share in the white goods segment. Spread across 60 acres with an annual production capacity target of 2.5 million units by 2025, the facility not only aims to increase the Voltas Beko product portfolio, but also make India an export hub for neighbouring countries. As the first white goods appliances unit in Gujarat, the factory has helped to create an OEM base for home appliances in the region along with local employment opportunities.

As part of our production processes, we continuously strive to work on value engineering of our existing capabilities to optimise the manufacturing cost without impacting quality of the product and often, enhancing functionality.



▲ Refrigerator assembly line at Voltas Beko factory in Sanand

4
Manufacturing facilities

₹ 40
crores
Investments in IT

149
No. of safety inspection
and audits



▲ Volty: Our recently introduced safety mascot



Our marquee MEP projects in 2019-20 comprise:



▲ Conference & Exhibition Centre (COEX) - Expo 2020, Dubai, UAE



▲ TECOM District Cooling Plant, Dubai, UAE



▲ Bombay House, TATA HQ, Mumbai



▲ TCS Olympus, Thane



▲ Qasr Al Hosn at Abu Dhabi, UAE



▲ Place Vendome Mall, Qatar



▲ Chennai Airport



▲ AIIMS, Nagpur

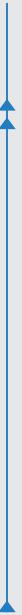


▲ Al Sahel Hotel & Resort, Bahrain



▲ 750 MW Solar Power Project in Rewa, Madhya Pradesh

BUILDING CUSTOMER DELIGHT



INTELLECTUAL CAPITAL



▲ Newly inaugurated R&D centre at Faridabad



BUILDING CUSTOMER DELIGHT

In simple terms, intellectual capital represents the intangible value of a business. It is what shapes and drives a business while moving towards the goal. This capital includes our organisational knowledge found in intangible assets such as software, procedures, protocols and R&D. Our state-of-the-art technologies combined with the intellect of our people gives us a business advantage that underpins our growth ambitions.



287

SKUs launched in 2019-20

Our intellectual capital plays an increasingly important role in compelling our growth. It is what drives innovation, powers our progress, and steers positive change across business segments. We are constantly upgrading our products and solutions to enhance our customers' experience. Technology is transforming our lives. Staying ahead of the technological curve is more important than ever now. It is imperative for us to create future-ready and innovative products to amplify customer experience and lifestyle. Our newly inaugurated Research and Development Centre, at Faridabad, with state-of-the-art test labs for room AC, air cooler, air purifiers and commercial refrigeration products is a step in this direction.

**₹ 20
crores**

Investments in R&D
during the year



▲ Remote maintenance of over 1,500 chillers from the RMC centre in Thane

IT solutions at Volta play a critical role in creating business advantage, customer delight and securing the digital environment of the organisation. We strengthened process automation, facilitated seamless integration, enhanced productivity, reduced cost and aided faster and accurate reporting. IT has been the backbone of our businesses. Our systems are connected to the last leg of our distribution network, ensuring real-time data capture.

All our divisions, subsidiaries and JVs, run on SAP ERP. These are backed by a powerful MIS, which enables us to gather and analyse information, which in turn helps us improve overall performance. The standard middleware deployed is SAP PI/PO, which ensures secure and efficient integration of SAP with other systems. Many real-time integrations have been built with banks, e-Commerce portals and service systems to facilitate secure exchange of data and elimination of manual interventions and data errors.

Backed by various IT tools, we connect with customers, franchisees and service partners through multiple digital channels even beyond our premises. This helps us in leveraging consumers' insights to offer futuristic designs, energy-efficient products, and a highly responsive after-sales service network. We are constantly studying the market environment and through consumer immersive and customer feedback programs, anticipate the unstated needs of our audience. This in turn helps us to standout in a very competitive marketplace. Going forward, IT will continue to be a priority with deployment of a number of IoT-based features in our products.

Our emphasis on IT is not a substitute for maintaining that personal touch with our customers. Our sales force continues to tirelessly travel across the length and breadth of the country, constantly interacting with our distributors and retailers.



BUILDING CUSTOMER DELIGHT

During the year, we widened our product portfolio with the launch of technologically advanced innovations that drive our commitment of creating comfort and convenience for our consumers. The new product range includes:



MAHA-ADJUSTABLE INVERTER AIR CONDITIONERS

This product has a unique value proposition of Flexible Air Conditioning that allows the user to choose from multiple tonnage options. Consumers can switch from 1.5 Ton to 1 Ton capacity or 2 Ton, depending on the ambient heat or number of people in the room. This enables optimisation of running cost.

Other features:

- ▶ Superdry Mode: Controls humidity levels in the room by quick dehumidification
- ▶ Stabiliser-Free Operations: Protects the AC from voltage fluctuations
- ▶ High Ambient Cooling: Keeps user comfortable even at 52°C

FRESH AIR COOLERS

Launched Voltas Fresh Air Coolers with Smart Humidity Controller and Turbo Air Throw, under various subcategories such as Personal, Window, Tower, and Desert Air Coolers.

- ▶ **Smart Humidity Controller:** Optimises humidity in the air
- ▶ **Pre-Soaking:** Pre-cools the Honeycomb pads before starting the fan, releasing cool and fresh air
- ▶ **Honeycomb Cooling Pads:** More durable, and provides uniform cooling without letting dirt and sediment deposit



WIDER CHOICE OF COMMERCIAL REFRIGERATION EQUIPMENT

In addition to the improvement in aesthetics in the horizontal models, we launched various commercial refrigeration products in the last one year:

- ▶ Convertible models with Galvanised Iron inner sheet
- ▶ Full glass door visicoolers
- ▶ Glass top models with LED
- ▶ New table top chocolate coolers
- ▶ FOW (Freezer on Wheels) models
- ▶ Condensing units for supermarket equipment



RO ENABLED WATER DISPENSERS

Launched compact RO option in Table top and floor standing models

Key features:

- ▶ Hot, normal and cold-water functionality
- ▶ LED indicator
- ▶ Ease of use



ECO-FRIENDLY WATER COOLERS

Key features:

- ▶ ISI mark and inbuilt RO+UV solutions
- ▶ Cooling retention
- ▶ Green refrigerant
- ▶ Faster cooling
- ▶ Aesthetic and compact design
- ▶ 5-stage filtration advantage



BUILDING CUSTOMER DELIGHT

Voltas Beko Home Appliances

5-STAR RATED WASHING MACHINES

Launched 5-star machines with superior wash quality along with minimal water consumption at attractive price points.

- ▶ Stain Expert Function: Helps remove 26 types of stains
- ▶ Prosmart Inverter Motor: Enhances washing performance while consuming less energy, brushless motor provides low friction
- ▶ Home Whiz: Internet-enabled machine which lets you connect and operate the washing machine from your smart phone



STORE FRESH TECHNOLOGY REFRIGERATOR SERIES

The StoreFresh+ technology in the Voltas Beko refrigerators enable 30 days freshness for fruits and vegetables.

- ▶ Neofrost Dual Cooling Technology: Maintains same temperature right from top to bottom of the crisper, ensuring no mixing of odors between compartments
- ▶ Active Fresh Blue Light Technology: Simulates natural lighting conditions, keeps food fresh



Engineering Products and Services

The business vertical introduced two key innovations during the year

NON-MODULAR SIDE DISCHARGE INVERTER VRF SERIES UP TO 16 HP

Key features:

- ▶ Widest range in the industry: 6-16 HP
- ▶ Can connect up to 18 number of indoor units
- ▶ Choice of indoor units available
- ▶ Superior energy efficiency
- ▶ Flexibility in installation with longer IDU and ODU distances of 120 M



OIL FREE MAGNETIC BEARING CENTRIFUGAL CHILLER

Key features:

- ▶ Highly energy efficient
- ▶ Low noise and reliable green product with compact design
- ▶ Substantial reduction in operating costs



We believe in constantly upgrading our offerings by introducing innovative products and technology. We also regularly evaluate and review processes that brings cross-functional teams on a common platform, to collaborate and identify competitive strategies.

FOSTERING A HIGH- PERFORMANCE CULTURE



HUMAN CAPITAL



▲ Inclusive and collaborative work culture

FOSTERING A HIGH-PERFORMANCE CULTURE

Our employees are our biggest asset and at the heart of everything that we stand for. We seek to foster an inspiring workplace, with an agile and high-performance culture to create an even more impactful Intellectual Capital.

At Voltas, we draw value from smart and innovative thinking, encouraging a winning attitude, continuous learning, flexibility, agility, and teamwork. The success of a high-performing organisation is largely attributed to an engaged and productive workforce. Driving this belief is Voltas' strong Performance Management System with stretched goals and rewards and recognitions.

Furthermore, ethical leadership, employee health and safety, and diversity are some strategic priorities, that help us attract, retain and engage high-calibre and high-performing employees. We are committed to build an inspiring place to work where all employees can develop and grow to achieve their full potential.

The Tata Way: Our values and purpose



Business, as I have seen it, places one great demand on you: it needs you to self-impose a framework of ethics, fairness and objectivity on yourself at all times.

~ Ratan N Tata, 2006

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As part of the Tata Group, our values and purpose are our guiding principles. As we stride towards our Vision 2025, its important that our growing teams across geographies are aligned to this common purpose that binds us all together as 'One Voltas'. Our leaders have been driving this through regular interactive and learning sessions on ethics, business excellence and more.

63,472

Mandays of training hours

280+

Training programmes

0.24

Lost Time Injuries frequency rate

20

Safety Recognition Awards and Appreciations

8,800+

Workforce



▲ Doha Marathon

BUILDING A FUTURE READY WORKFORCE

We believe that a culture of continuous learning is the way of life. At Voltas, we have undertaken several learning initiatives that propels the organisation towards its ambitious Vision 2025. We are investing in high-quality learning through diverse formats like classroom training, Voltas Virtual Campus, mobile-based learning and on-the-job assignments. Our Learning & Development (L&D) initiatives cover comprehensive Technical, Functional & Behavioural training programmes.

Our leadership development Programme is backed by strong affiliations with Ivy League and globally recognised educational institutes. We are also capitalising on industry partnerships (like LinkedIn) to facilitate learning and brand building.

Voltas has 31 Skill Development Centres spread across 14 states. Overall, 15,000 technicians have been trained, till date. Additionally, organisation policy related trainings are conducted, that include Parichay – induction program, Prevention of Sexual Harassment (POSH), Tata Code of Conduct (TCoC) and Safety, among others.



▲ Building a culture of continuous learning



FOSTERING A HIGH-PERFORMANCE CULTURE

AN INCLUSIVE WORKPLACE

We take pride in being an equal employer. We promote productivity and merit through various employee engagement initiatives.

- Multiple formal and informal methods used to determine key drivers of employee engagement
- Calendar for employee engagement, catering all levels of employees across various geographies
- Initiatives spread across a range of categories: Sports, culture, well-being and volunteering
- Educational programmes across financial, emotional, and physical well-being are conducted across all locations
- Reward & Recognition programme, Hi5, has various categories for recognition e.g. SPOT recognition, Internal SMEs, Outstanding contribution towards CSR, Best V-CAS (Voltasites Connected and Satisfied) Manager and Inspiring V-CAS Manager



▲ Cricket tournament



▲ Blood donation camp, Oman

HEALTH AND SAFETY

The health and safety of employees is an important priority. We have been focusing on increasing safety awareness among all our employees including our extended/sub-contracted workforce. Some of the initiatives undertaken during the year were:

- Conducting annual health check-ups in association with local hospitals/medical centres
- Programmes for emotional and physical wellness through engagements/workshops/communication mailers, emphasising on the importance of nutrition and diet, among others
- Telephonic Counselling Service for psychological well-being of employees, their families, and children
- Need-based training of different modules as applicable to employees across categories/type of work
- Safety survey to understand employees' views towards current safety standards

At Voltas, we are committed to provide a safe and harassment-free working environment for our employees. We conduct programs across all locations to increase awareness on gender equality, sensitivity at work place and redressal mechanism in case of complaints. This is done through face-to-face meetings and e-learning modules. Tools like the Manual on Sexual Harassment of Women at Workplace (released by the Ministry of Women and Child Development), POSH Classroom trainings and E-learning portal for employees have helped sustain a harassment-free work place.

Providing competitive remuneration combined with investments in talent development, safety and health of employees is the key to a productive workforce.

A PRIORITY

The Human Resources (HR) function is gearing up to help the organisation recover from the impact of Covid-19 pandemic, post lockdown with necessary speed and agility. The focus is to bring the business activities back on track to achieve our broader strategic goals. Along with the constraints, Covid-19 has unlocked several opportunities to enhance overall efficiency and approach work in innovative and digitally-enabled ways.

The interventions include:

- Re-designing the organisational structure and deploying an even more efficient manpower mix (direct and indirect) for effective span and layer
- Improving productivity through capability building
- Ensuring availability of the right equipment and technology to employees working remotely from home to maintain and upgrade productivity
- Communicating regularly with the employees to share information regarding the Government updates, safety precautions, addressing queries and keeping them engaged and motivated in these tough times
- Ensuring health and hygiene requirements are continuously met on the resumption of work
- Educating employees on social distancing, use of PPEs, and maintaining personal hygiene



▲ Skill development training programmes

CREATING ENDURING VALUE FOR ALL



**SOCIAL AND
RELATIONSHIP CAPITAL**



▲ Creating convenience and comfort for our consumers



CREATING ENDURING VALUE FOR ALL

We see social and relationship capital as the foundation of our business. It is our starting point and the perfect linkage between our business, our stakeholders and the society. Efficient management of this capital helps us identify opportunities to create and deliver value.



▲ Multi tonnage option by the Maha Adjustable Inverter AC

CUSTOMER-CENTRIC

Customers are the centre of our universe. With the help of our marketing and sales teams, we regularly engage with our clients to evaluate and understand their key requirements, expectations and changing needs. This is critical as it drives positive customer experience while securing competitive advantage for us. As an on-going part of our marketing initiative, we come up with campaigns that our customers can easily identify with. Our robust complaint management process helps us provide customer delight, supported by prompt and satisfactory solutions.

Going forward, we are leveraging high potential online platforms to sell our home appliances. This is important for nurturing new consumers who have shifted their purchasing habits to online platforms.

DISTRIBUTION NETWORK

As a part of our 'Smart Thinking' philosophy, our distribution network has grown 15 times over the last ten years, to more than 19,000 consumer touchpoints across the length and breadth of the country. This has strengthened our market leadership by bringing us closer to our customers. We are focusing on expanding our footprint through more exclusive brand outlets (EBOs) across Tier 2 & 3 cities. The Voltas and Voltas Beko brands are now available at 130+ EBOs in the country.

We also have a well-trained team of In-Shop Demonstrators (ISD) to influence consumers' choice at the retail showroom/point of sale.

130+
Number of EBO's

1,250+
Trained ISDs



▲ Product experience centre at Voltas Delhi HQ

SUPPLIERS AND PARTNERS

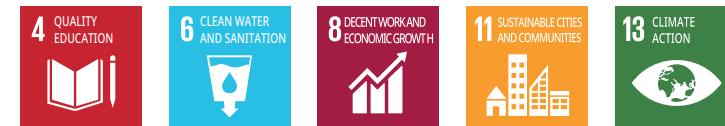
We have an extensive supply chain with high quality suppliers which ensures seamless operations. We engage and collaborate with our suppliers for knowledge enhancement, process improvements and new product applications. We consciously depute our own staff to OEM supplier factories to secure product quality.

Win-win partnerships: Constructive engagement with stakeholders is critical. We constantly engage to understand their concerns, needs and expectations which are thoughtfully incorporated into our policies and processes.



CREATING ENDURING VALUE FOR ALL

COMMITMENT TOWARDS SOCIETY



Our commitment to social responsibility permeates every level of the organisation as we seek to promote an ecosystem that encourages our communities to transform and thrive.



We strive to build a future that promises sustainable and equitable development. As a part of our 2025 vision, we are committed to create a more employable and empowered workforce through our focused programs in skilling, education, and community development.

Our employees have been playing an important role in achieving this vision. We have Employee Volunteering hours for various categories which allow them to connect more meaningfully with our communities.



▲ Beach clean up activity in TATA Volunteering Week



▲ Creche for the kids of women working at Sabala empowerment centre, Panvel, Maharashtra

₹ 10
crores
CSR spend

4.97+
lakhs
CSR beneficiaries

EDUCATION

At Voltas, education is one of the prime drivers of sustainable development and is critical for addressing the needs of the marginalised sections of the society.

Quality education interventions ensure a holistic and pleasant experience of learning for the marginalised communities. We lend a hand to institutionalising English Language Development in the Zila Parishad ecosystem and have focused our attention to three vital and interlinked aspects of education.

- Teachers Training
- Improving English Language Skills
- Inculcating Reading Habits

English Language Development Programme

138
Schools

8,934
Children

254
Teachers trained

Towards social inclusion of SC & ST families, we provide opportunities for education, employment, and entrepreneurship

28 %
Students from Affirmative Action (AA) communities



▲ Tata Volunteering Week



▲ Tata Volunteering Week



▲ Tata Volunteering Week



CREATING ENDURING VALUE FOR ALL

SKILL DEVELOPMENT

CSR at Voltas is guided by core principles of sustainability and shared value creation, which seamlessly converge into our flagship programme - Sustainable Livelihood through Skill Development.

This approach encompasses three Es: 'Engage, Equip and Empower', enabling us to build knowledge, skills, and tools for sustainable development.



VISION

We aim at creating a pool of 40,000 trained technicians by 2025. The focus will be towards expansion of the current trades to include in-shop demonstrators and home appliance technicians. We also aim to commence RPL for untrained plumbers and electricians.

Technical and Non-Technical courses

2,535

Youth trained
(Technical)

404

Youth trained
(Non-Technical)



Recognition of Prior Learning (RPL) course to upgrade skills with scientific knowledge, practice, exposure, and certification

3,014

Technicians/Operators
trained under RPL

31

RPL Centers

2,143

Youth recruited
(Technical)

85%

Placement ratio

Train the Trainer (TTT) Programmes conducted for Technical Trainers from partnering Foundations, NGOs and Industrial Training Institutes (ITIs)

202

Beneficiaries

WATER RESOURCE DEVELOPMENT AND SUSTAINABLE AGRICULTURE INITIATIVES

Volta has identified various issues of National Importance where we believe we can make a difference.

One such intervention was in the drought affected Beed district of Maharashtra. Through the Water Resource Development & Sustainable Agriculture project, 13,000 people covering 3,435 families have benefitted.

Water conservation and recharge

22

Farm ponds constructed

12

Borewells recharged



▲ Water resource augmentation through creation of farm ponds



▲ Water conservation and management project

Superior communication and good relationships with internal and external stakeholders foster a feeling of transparency and inclusivity. This results in better decision-making and helps build valuable support for advancement of organisational goals.



▲ Farmers' training for sustainable agricultural practices in Beed

STEPPING TOWARDS A LOW CARBON FUTURE



**NATURAL
CAPITAL**



▲ Water treatment and management project at Karnataka Power Corporation (KPCL) site



STEPPING TOWARDS A LOW CARBON FUTURE

Protecting and preserving our environment forms a prominent part of our commitment. We consciously take measures and put efforts towards minimising the environmental impact of our business and operations. Our approach towards environment goes beyond the need of compliance in line with the Tata heritage.

In our endeavour to consistently provide energy efficient products to our consumers, we minimise our carbon footprint without compromising product performance or customer comfort.

VOLTAS'S JOURNEY IN SHIFTING TOWARDS GREEN REFRIGERANTS

Voltas has been working closely with the Government and meeting the norms in the Residential, Light Commercial and Commercial segment well in advance of Regulation. As part of our commitment towards a sustainable future, the organisation has taken a conscious decision to phase out HCFC components across product categories.

In Room Air Conditioners & Commercial refrigeration products, refrigerant R12 and R11 were replaced by refrigerant R22 and R134 respectively, as a long term alternative. Side by side, our Research and Development team, in collaboration with certain chemical manufacturers has been exploring efficient refrigerants that result in lower CO₂ – equivalent emission reduction. This has prompted further research on the usage of L20 (a blend of R32+R125+R1234yf), a refrigerant with a lower Global Warming Potential (GWP) and zero Ozone Depletion Potential (ODP). We've also developed cost-efficient RAC models by optimising the outdoor unit with R32 refrigerant, thus improving the overall quality and performance. In 2019-20, we moved to 100% use of R32 in Room Air Conditioners. With the required investment, our Panthagar facility has now been upgraded for safe production of the new refrigerant machines. That apart, revised and relevant safety measures in product handling, logistics and after sales services have been implemented.



▲ Indira Paryavaran Bhawan - India's first net zero energy green building, New Delhi

Similar initiatives were taken in the Commercial Refrigeration products and Air Handling units as the Company switched over to Cyclopentane as the foaming agent. We have also discontinued manufacture of Centrifugal Chillers using R11 (introduced in 1996) and have instead, moved onto Screw Chillers using HCFC refrigerants.

Although the Commercial Refrigeration industry is currently in R&D stage on the usage of green refrigerants such as R600a (GWP 3)/ R290 (GWP 20) in small quantities, Voltas R&D team has already started testing the same in few models of chest freezer & visi coolers. In line with the anticipated requirement, our manufacturing site up-gradation is in the process. We have also introduced few SKUs in 100/150/200/300 litre models with R600a.

We have also re-emphasised our commitment to a greener tomorrow by installing solar power systems at our Head office in Mumbai and factory in Waghodia, with a potential to generate a total of 15 lakh KWH of renewable energy.



▲ Installation of 1563 solar panels in Voltas HQ at Chinchpokli, Mumbai

12,602
KL

Total water recycled

6,370
Tonnes

E-waste recycled

1,500

No. of trees planted in
2019-20

A sustainable world is one where conservation exceeds consumption. Growing climate change concerns and industrial consumption patterns are impacting our natural resources and environment at large. At Voltas, we endeavour to leverage our capabilities in building a framework of actions and initiatives that help reduce our impact on the environment.

RISKS AND MITIGATION

There exists a robust risk management policy and framework at Volta. It operates across Business units and at the Corporate level. Individual business units, along with the management, periodically review major risks and concerns that can impact the Company, and accordingly formulate mitigation plans. A collective and distilled view of all the inputs is subsequently used to develop a corporate risk matrix. This is then reviewed to agree on the responsibility for mitigation and thereafter, monitored at an entity level by the Risk Management Committee of the Board.

A COMPREHENSIVE RISK IDENTIFICATION PROCESS



Some of the prominent business risks and their mitigation strategies have been captured below:

Increasing competitive intensity and aggressive pricing by competition across the Consumer durable segment may impact the Company's sales and margins

Climate change causing shorter summers, which in turn, may affect the sale of cooling products and hamper channel sentiments

Political developments impinging on trade and cross border mobility, together with the imposition of higher import tariffs, may impact product availability & profitability

Short-term impact on business due to Covid-19 pandemic including:

- ▶ Economic slowdown
- ▶ Loss of business during peak season (Q1 2020-21)
- ▶ Disruption in supply chain and constraints in interstate movement
- ▶ Changes in buying trends of consumers amidst liquidity concerns
- ▶ Lower infrastructure spends by Government and Private bodies

Increased volatility in the currency may pose challenges to the operations, diluting our earnings

Risks around health and safety of employees in plants and other facilities

Exposure of sensitive data and operations due to cyber attacks

Given the multiple business challenges facing the Company, further compounded by the ongoing coronavirus pandemic, it becomes imperative to remain agile. Our business models are therefore designed for flexibility to appropriately pursue and alter the course of our actions as the situation evolves. It is equally critical to listen and work closely with all our stakeholders, be it consumers, channel partners, suppliers or employees to ensure the sustainability of the business ecosystem. In our quest for lasting brand loyalty, we will focus on assimilating changing consumer needs and proactively fortify our value proposition to meet their expectations.

We take pride in the time-tested strength of our dealer relationships and will continue to focus on sensibly expanding our reach. The progressive addition of Volta Beko products to our portfolio, further improves our attractiveness to the trade, whilst extracting cost synergies out of marketing, distribution and service spends. The recent commissioning of the refrigerator factory in Sanand, and plans to set up an additional manufacturing facility in South India for ACs will help secure our supply chain against political and trade uncertainties. The underpenetrated nature of the products we sell (e.g. ACs < 6%, Refrigerators 30%, Washing Machines 14%) provides ample runway for sustained growth into the future.

Volta remains the leading HVAC/MEP contractor in the country with a track record of successfully delivering solutions across

multiple infrastructure projects and industrial/commercial establishments. Although revenue shortfall across Government and private entities is unavoidable in the Covid situation, the longer term needs of nation-building and rapid infrastructure upgradation continues. Even in a cash constrained situation, we expect Central and State Governments to focus on select segments for capital outlay. Our diverse capabilities across metro infrastructure, rural electrification, water management, etc., positions us uniquely to take advantage of such initiatives.

With work from home gaining traction, cost-effective ways of collaborative functioning are fast becoming a reality. Rapid digitisation, well organised automation and efficient communication, both within the organisation and with external stakeholders, is a priority. At the same time, institutionalising steps to improve the safety culture and putting in place a robust protocol for following social distancing norms and sanitization practices at our manufacturing plants and project sites is going to be a key focus area.

A well-defined and continuously monitored forex policy for hedging currency exposure is in place. Our presence and earnings from the projects in the Middle East also acts as a natural hedge against exchange volatility. Meanwhile, our balance sheet with its ample cash resources is a strength in times of stress like Covid-19, and helps us plough on with longer term strategic investments and other growth imperatives.



BOARD OF DIRECTORS



Noel N. Tata
Non-Executive Chairman

C C M



Pradeep Bakshi
Managing Director & CEO

M M M M



Anil George
Deputy Managing Director
& Chief Financial Officer

M M



Vinayak Deshpande
Non-Executive Director

C C

CORPORATE MANAGEMENT TEAM



Pradeep Bakshi
Managing Director & CEO



Anil George
Deputy Managing Director
& Chief Financial Officer



Debendranath Sarangi
Independent Director

M M



Bahram N. Vakil
Independent Director

C M M



Anjali Bansal
Independent Director

M M M M



Hemant Bhargava
Non-Executive Director



Narendren Nair
Executive Vice President &
Chief Human Resources Officer



Jayant Balan
Chief Executive Officer,
Voltbok Home Appliances
Private Limited



Dinesh Singh
Vice President &
Chief Strategy Officer,
Corporate Planning



Arun Kumar Adhikari
Independent Director

M M



Zubin Dubash
Independent Director

C C

- Audit Committee
- Corporate Social Responsibility Committee
- Investment Committee
- Risk Management Committee
- Shareholders Relationship Committee
- Safety-Health-Environment Committee
- Project Committee
- Nomination and Remuneration Committee

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▲ Water management and treatment project at Uttar Pradesh Jal Nigam (UPJN) site

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC REVIEW

Global Economy

The global economy showed a weakening trend from mid of 2018, mainly on account of rising trade and geopolitical crisis which continued to linger in 2019. US-China trade war, tensions in Iran, volatile oil prices and concerns around impending Brexit were collectively shaping this economic downturn.

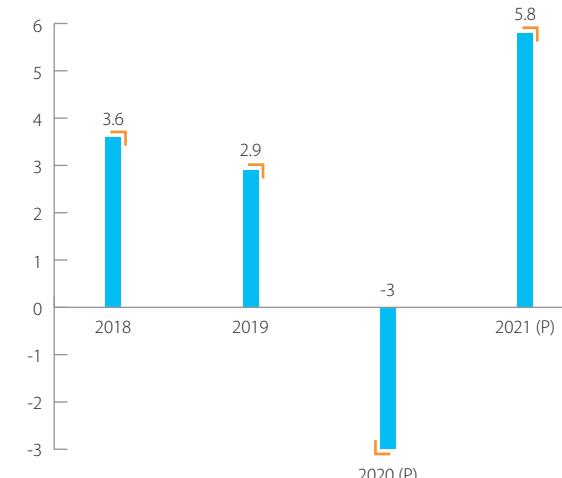
The end of 2019 was shadowed by an uncertainty which led the entire world to a stand-still in 2020. The spread of Coronavirus (Covid-19) compelled all major economies around the world to undergo a forced lockdown to reduce the impact of the pandemic on the health of their people. The lockdown had severe implications on global economic and financial stability. IMF had to revisit its forecast and has projected the world economy to contract sharply by negative 3% in 2020, which would be worse than the financial crisis in 2008–09.

Several fiscal stimulus packages have been introduced by different countries and are anticipated to boost confidence, once the effects of the pandemic and supply-side disruptions start wearing off. The global growth is estimated to pick up to 5.8% in 2021.



▲ Waghdia factory

WORLD GDP TRENDS



(Source: IMF)

Disclaimer: The World Economic Outlook Report, premised on surveys carried out by the IMF, is usually published bi-annually, in the months of April and October every year. It presents analyses of global economic developments during the near and medium-term. Hence, all the data captured in this Management Discussion and Analysis Section is as per WEO April 2020 Report. Owing to the unprecedented event of the Covid-19 pandemic, there is a possibility that IMF releases another report with amendments in the growth forecast over the earlier estimates. Hence, to maintain parity, the data presented at the full year Board meeting held on 29 May, 2020, has been showcased here.



▲ Voltas consumer product portfolio

Key overseas markets of Voltas

- ▶ Economies in the Middle East are projected to decline from a growth of 1.2% in 2019 to (-) 2.8% on account of the Covid-19 pandemic and oil prices which have plunged following the breakdown in OPEC negotiations.
- ▶ United Arab Emirates (UAE)'s GDP grew by 1.3% in 2019. It is expected to however sharply decline by 3.5% in 2020 owing to constrained oil demand and Covid-19 containment measures. Additionally, considerably reduced travel and dented industrial activity is hampering the growth.
- ▶ GDP of Qatar, after having grown at 0.1% in 2019, is expected to contract by 4.3% in 2020, largely attributed to the hit in service, retail, hospitality and tourism sectors and the effect of coronavirus on demand and investments.

(Source: IMF & World Bank)

▶ Oman registered a GDP growth of 0.5% in 2019. The growth for the year 2020 is expected to scale down by 2.8%, on the back of the oil price slide and the Covid-19 crisis.

▶ Saudi Arabia witnessed a GDP growth of 0.3% in 2019 and is projected to contract by 2.3% in 2020. This estimated decline rides on the back of a weak oil demand and extended production cuts by OPEC. Escalating geopolitical tensions are also weighing on business prospects.

▶ Mozambique's GDP is projected to slow down in 2020 to 1.1% after recording a growth of 2.2% in 2019. The weakening global demand, ongoing domestic challenges, as well as the Covid-19 crisis, impacted the growth.

Indian Economy

While the world was facing challenges on account of trade tensions, India was facing another crisis led by waning consumer demand. This was accompanied by slower credit offtake, lower capacity utilisation, drop in private capital formation and household savings rates, rise in unemployment levels, reduction in corporate earnings and a declining trend of tax collections.

The Indian economy was headed for a slower GDP growth, estimated at 4.2% in 2019 after registering a growth of 6.1% in 2018 (Source: IMF). The global economic slowdown, liquidity crunch, weakening manufacturing growth and muted consumption were some of the factors contributing to the subdued growth. Nationwide lockdown restrictions, to stem the spread of the novel coronavirus from March 2020, and further extensions beyond May 2020, is likely to impact the overall growth. Moreover, sector-specific weakness across the automobile, real estate, banking, and textile industries, amidst political tensions surrounding CAA implementation, continued to overshadow growth, causing hurdles and serious challenges.

The expected delay in recovery of business activities on account of pandemic casts uncertainty on forward economic growth. To offset these impacts and to provide support to the financial markets, the Reserve Bank of India (RBI) infused liquidity in terms of long term repo operations (LTRO's) during the lockdown period. This, additionally, allowed banks to provide a three-month moratorium on all types of loan repayments.

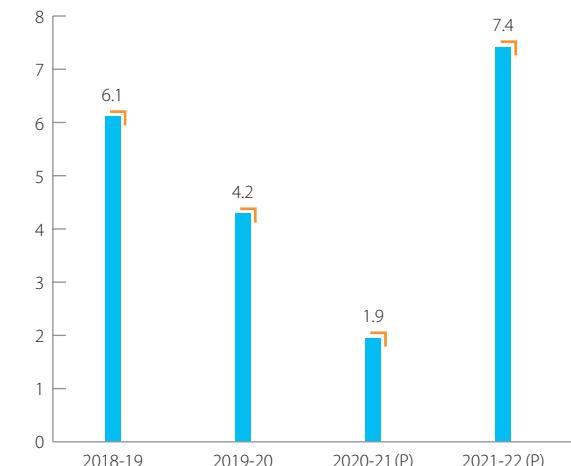
The Government also introduced several measures to boost the economy to curtail the implications of economic slowdown, which included, reducing personal and corporate taxes. To alleviate stress on the financial sector, the Government also announced various financial packages, largely targeting the weaker sections of the society and MSMEs.

Inflation, as measured by the Consumer Price Index (CPI), was pegged at 5.1% in March 2020. On the other hand, the Wholesale Price Index (WPI) fell to 1% in the same month.

(Source: Bloomberg Quint)

The Indian Rupee (INR) weakened against the US Dollar (USD), hitting an all-time low of ₹ 76.86 per US Dollar in March 2020. This event underlined the fear that the pandemic-related impact on the economy could be deep and protracted.

INDIAN GDP TRENDS



(Source: IMF)

Growth Drivers

While the view on short term growth prospects is necessarily impacted by the pandemic, private consumption is gradually estimated to recover on the back of improved rabi prospects, supporting rural incomes. Additionally, monetary transmission in terms of reduction in lending rates and financial flows to the commercial sector will spur both consumption and investment demand. Favourable demographics like growing disposable income, burgeoning middle class, accelerated urbanisation and a digital-first economy will also drive consumption, once the effects of the pandemic slowly fade off.

Outlook

Moody's Investors Service mentioned that the Indian economy was in a phase of 'deep shock' on account of the lockdown which resulted in financial stress and would not grow in current financial year. The rating agency however, estimated that the economic activity would pick up in the latter half of the financial year, resulting in growth of 2.5% in 2020-21 and a bounce back to 6.6% in 2021-22.

**Rating agency estimates that
economic activity would pick up in
the latter half of the financial year**

BUSINESS OVERVIEW

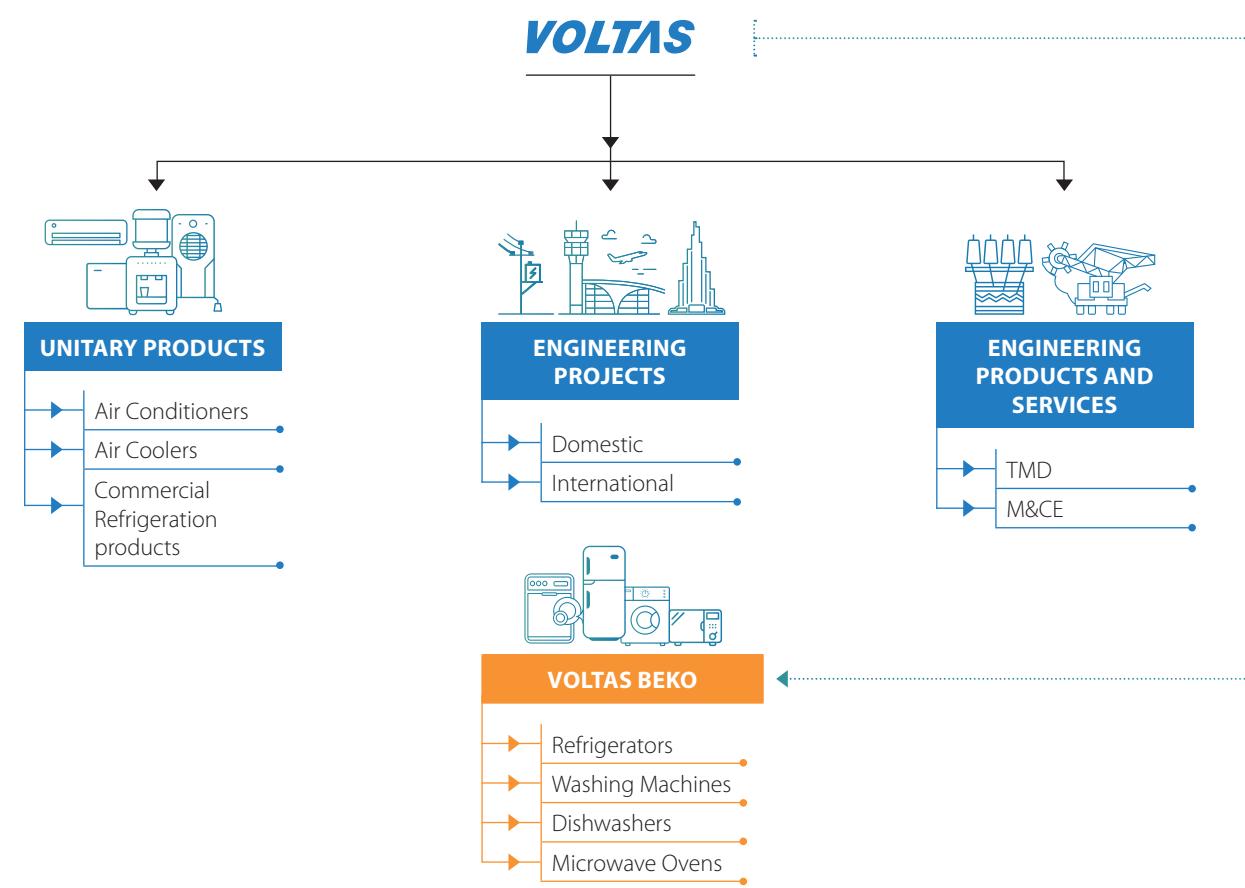
Voltas is India's No. 1 Room Air Conditioner brand with a market share of over 24%. The Company is also globally recognised as an engineering solutions provider and a project specialist. It enjoys a strong presence across India, the Middle East, South East Asia, and Africa.

The Unitary Cooling Products business offers a comprehensive range of cooling solutions including air conditioners, air coolers, water coolers, water dispensers and commercial refrigeration products. Recently, the Company also forayed into the air purifiers market. Through its 50:50 Joint Venture with a Turkish company Arçelik, Voltas entered the home appliances industry under the brand, Voltas Beko in 2018. Voltas Beko has created a

strong footprint, with the launch of its first manufacturing plant in India. The brand's product portfolio comprises Refrigerators, Washing Machines, Dishwashers and Microwave Ovens.

The Engineering Projects business provides MEP (Mechanical, Electrical and Plumbing) and HVAC (Heating, Ventilation, and Air Conditioning) solutions and has successfully implemented several landmark projects in India and overseas. The Company also closely works with the Government of India for various rural electrification programmes. The Engineering Products and Services business represents leading equipment manufacturers in Textile Machinery and Mining & Construction Equipment for sales, distribution and after sales service.

Business Structure





▲ Flexible cooling with the all new Maha-Adjustable Inverter AC range

UNITARY COOLING PRODUCTS



30%
Growth in volume

Air Conditioners

Despite being considered as the year of economic slowdown by many, 2019-20 fared well for the Air Conditioning, Air Cooler and Commercial Refrigeration industry. Voltas consistently outperformed the Room Air Conditioner market, recording a 42% growth in H1 2019-20, and around 30% growth in the overall fiscal. Several industries struggled with sales due to limited disposable income and consumption. However, Voltas was able to beat the odds by capitalising on a strong summer, supported by a wide distribution reach, highest brand equity, technologically advanced green and energy efficient products, and an enhanced after-sales-service infrastructure. The Company also invested in expanding its manufacturing facilities to increase indigenous production, and reduce the customs duty impact on its consumers. A state-of-the-art R&D centre was also opened, in order to be future ready.

Voltas led the industry in achieving a stable growth despite market challenges, supported by its strong network, both in traditional trade, organised trade and e-commerce platform. The Company has further expanded its retail footprint with over 130 Exclusive Brand Shops and, thus exceeding 19,000 consumer touchpoints. In order to increase its market share,

Voltas aligned with prominent e-commerce trade partners like Amazon, Flipkart and Tata Cliq. As a result, Voltas has a 40% share of room AC sales in the e-commerce space, the largest amongst its peers.

Further reinforcing its leadership position in the Cooling Products segment, Voltas launched its range of 'Adjustable' Inverter ACs with the unique value proposition of 'Flexible Air Conditioning' that allow users to choose from multiple tonnage options, as per the ambient heat or number of people in the room, leading to electricity consumption savings. This was supported by a clutter-breaking Adjustable AC marketing campaign, which created an industry benchmark. In addition, the Company launched attractive consumer offers, such as a five-year comprehensive warranty, life-time inverter compressor warranty, consumer financing schemes and cash-back offers. With this, the Unitary Products business was able to end the financial year (2019-20) on a positive note, by selling close to 1.45 million room air conditioners with the Inverter AC volumes, contributing close to 52% of the overall AC sales. As per latest third-party retail audit report, Voltas continues to enjoy the highest distribution reach in the industry of 50%, supported by an industry highest weighted distribution of 79%. All this led to an overall increase in YTD market share to 24.2% in 2019-20, compared to 23.7% in 2018-19. Voltas also became No. 1 in the Inverter AC category, in January 2020.



63%
Growth in volume

Air Coolers

During the year, the Air Cooler business witnessed a healthy growth of 63% over the previous year. The factors attributing to growth were management's focussed approach on the vertical, introduction of new models, expansion of sales team and distribution network, and investments towards brand building. These efforts resulted in significant increase in sales, establishing the brand as one of the market leaders eliciting a better response from trade partners. The Company implemented strategies to secure business and sales volumes during the off season, to reduce dependence on seasonal demand. The Company plans to further leverage the strong brand equity of Voltas and Tata to make inroads in the domestic market in the years to come.



▲ Air Cooler Range launched in March, 2020



17%
Growth in volume

Commercial Refrigeration

Recovering from the effects of a muted market in the previous years, the Commercial Refrigeration products witnessed a double-digit growth of 17% in 2019-20, owing to a strong summer demand. Voltas' performance in this category was augmented by the availability of enhanced portfolio with new models and product categories such as Convertible Chest Freezer and Freezer on Wheels, among others. These basically catered to the evolving customer needs. All this was supported by a new focus on OEM businesses and expansion of distribution channel.



▲ Our range of Smart Commercial Refrigerators

Opportunities and Outlook

Voltas ensures its relevance to the market by continuously engaging with various stakeholders and gauging the market pulse. Owing to the ongoing lockdown, pent up consumer demand, and higher requirement of comfort and convenience products, the AC category is expected to witness growth in the latter part of the year. Even on a longer term basis, low penetration estimated at under 6%, combined with uninterrupted and better power availability across India, provides ample runway for future growth. Voltas, being the market leader, is all set to lead the industry in this direction. At the same time, the recent Government energy guidelines for Room ACs will help to increase efficiencies in product development, design and R&D. To cater to the increasing consumer demand and preference for engaging with e-commerce trade partners, Voltas has directly aligned with major e-retailers and offers differentiated products on these platforms, thereby ensuring seamless co-existence of offline and online networks.

Threats

The ongoing Covid-19 pandemic threatens to disrupt component supply chain from China and within India. The Company is closely monitoring the situation on a continuous basis to consider appropriate strategies. The Government of India's decision to enter multiple lockdowns between the months of March 2020 and May 2020, has impacted the performance of the industry. There are also medium term possibilities of hike in Customs duty of imported components and the outlook on foreign exchange remains volatile. While the Company is reasonably covered for the next year, certain alternate sources of supply would be tapped if required, apart from expanding our own manufacturing capability by setting up additional production facilities. Improved focus on value engineering, cost innovation, customer service, logistics and digital marketing will help Voltas sustain its market leadership position, in a challenging environment.

Voltas continues to remain the undisputed market leader in the AC category, with an enviable lead of over 1,000 BPS, over its closest competitor.

ENGINEERING PROJECTS



66%
Growth in order book

Domestic: Infrastructure Solutions

As one of the leading providers of integrated end-to-end solutions in electromechanical projects, the Domestic Projects Group (DPG) of Voltas continued to contribute towards nation building through its expertise in HVAC, electrical, water and wastewater treatment solutions across various industrial, infrastructure and built environment segments, covering Government as well as private sectors. Although the year witnessed subdued spends by the private and public investment sector, the business completed some landmark projects in the water management and metro rail sector. The Infrastructure Solutions business, recorded the year-end order book position at ₹ 4,789 crores and revenue (turnover) of ₹ 2,002 crores. A significant order for solar project was also secured in March 2020.

In addition, the HVAC product business continued its commitment towards the Make in India initiative by enhancing its manufacturing capacity with the launch of a state-of-the-art Commercial Products manufacturing facility in Waghodia, Gujarat. The factory houses R&D and testing facilities that are critical to bring in new and advanced technologies to the market. An example being, the launch of the UVC-based surface disinfectant solutions in the midst of the Covid-19 pandemic.

As a Tata Group company, the Domestic Projects business has left no stone unturned to partner the country in its fight against the recent pandemic. The business created Covid compliant hospital wards and testing centres. In addition, the projects team maintained pharmaceutical companies, airports and IT infrastructure to remotely manage chillers in hospitals. Voltas' Operation & Maintenance (O&M) teams have been providing real time services to the 'Essential Services' sites where customers constantly need operation, maintenance and breakdown support. The availability of all necessary software and a strong digital infrastructure ensured an easy transition to remote working and collaboration across 260 customer sites during the lockdown.



▲ Water management and treatment projects

The Remote Monitoring and Control Cell (RMC) managed by the customer care business is a clear differentiator in the industry. With the help of this predictive maintenance tool, the business currently maintains over 1,500 chillers across India. The existing IoT-based solution that is being developed will provide a remote access of equipment to provide enhanced equipment maintenance services to the customer. Apart from providing maintenance services, the business vertical also offers retrofit solutions for HVAC systems and a range of other services like Energy Auditing, Energy Performance Indexing & retrofitting, Power Quality Audits, etc. Currently, the Customer Care vertical manages over 5,000 sites across India.

To enhance the business for the future, the vertical has been prioritising on Learning and Development (L&D) and Safety. The Domestic Projects business group has in the last one year, introduced multiple digital learning infrastructure that facilitates on-boarding of engineers and training to last mile workers.

During the year under review, Voltas (DPG) was recognised through various industry awards that has established the brand as a preferred project solutions partner.

Opportunities and Outlook

The key opportunities include infrastructure projects in healthcare, Government-funded water projects (Jal Jeevan mission), industrial water projects mainly in refineries and steel; electrical distribution and solar projects. In the MEP business,

the healthcare and related industries are expected to remain in focus for the current financial year, where some momentum is expected. Under the Electrical segment, the Company's focus will largely be towards rural electrification, including system upgradation and solar generation projects. In Water projects, the state and municipal bodies continue to provide large opportunities. Water treatment projects in industries like refineries and steel, are likely to drive the demand for the water business. This said, forward project management is key, and the business will continue its emphasis on timely execution, prompt certification and receipt of physical cash.

Threats

The current financial year (2020-21) is expected to throw up more challenges. Various factors like the economic slowdown, liquidity crisis and adverse impact of lockdown due to the pandemic, disruptions in the supply chains as well as non-availability of labour are some of the challenges faced by the economy. Further, availability of limited resources in the hands of the Central and State Government is likely to affect spend on infrastructure projects in the near future. A delay is expected in the finalisation of major infrastructure projects. Margins are expected to remain under pressure while the Company focuses on cost reduction.

The initial period of lockdown has affected the business resulting into delayed job closures, work certification, and receipt of receivables. While work across many of our sites have since been allowed and have re-commenced, the remobilisation of the workforce remains a challenge. While the situation is being closely monitored on a project to project basis, delays in project execution and collection are likely to trigger some time-based provisions. However, given the subdued demand, material prices have come down and savings are expected to accrue on future project sourcing. The Company expects the market conditions to gradually start normalising and construction activities to gain traction from the second half of 2020-21.

The Domestic Project business recorded the year-end order book position at ₹ 4,789 crores and revenue of ₹ 2,002 crores.



▲ Delhi Metro Rail Corporation Project



43%
Growth in Order book

International Projects

Voltas International Operations Business Group (IOBG) is recognised as a preferred MEP contractor for mid to large-size projects in various GCC countries such as UAE, Qatar, Oman, Bahrain, etc. The business maintained its pre-eminent position in the market in 2019-20 and continued its focus on execution of ongoing projects and in adopting a judicious approach to new opportunities.

The year witnessed the Gulf Cooperation Council (GCC) countries prioritising investments in infrastructure and hospitality projects as they drove their 'away-from-oil' diversification agenda. The business was awarded key projects related to FIFA World Cup 2022 in Qatar and Expo 2020 (now postponed to 2021) in UAE. In addition, while Saudi Arabia announced new hospitality developments targeted at domestic and regional tourists, Etihad Rail and other transport infrastructure projects progressed through tenders and awards. The UAE-led initiatives reinstated their commitment towards smart cities, digital governance, e-commerce and solar power. Voltas (IOBG) continued to be committed to green buildings with net-zero targets being included in specific tenders.

The industry continued to recognise the business through multiple awards and participation in leadership forums.

During the year 2019-20, Management has exercised appropriate diligence and care in the procurement of new orders. The total order book for the International operations business as on 31 March, 2020 was ₹ 2,999 crores.

Outlook and Opportunities

Having re-established its presence in Bahrain, Voltas (IOBG) has further opportunities in sight. Saudi Arabia promises potential on specific developments for district cooling plants and MEP works. IOBG now offers waste-water treatment plants in the UAE, Qatar and Saudi Arabia in addition to a well-established presence in Oman.

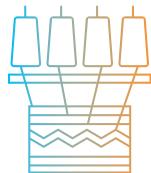


▲ Convention & Exhibition Centre (CoEx) EXPO 2020

Threats

Since all construction activities are considered as essential services in the Middle East, Covid-19 has not impacted the International Projects Business as severely as compared to other business segments. However, the pace of the execution has significantly reduced and certain mega events like the Expo 2020 have been postponed. WHO's declaration of Covid-19 as a pandemic and falling demand due to reduced economic activities coincided with supply cut disputes between oil producing countries. This caused oil prices to dive to historical lows soon after the end of 2019-20. The combination of the pandemic and low oil prices is expected to impact the GCC economies, although many of the Governments were quick to announce relief and stimulus packages. A focused effort on ensuring timely collection of payments for the ongoing projects is extremely necessary to counter the threat posed by liquidity issues for the Company's clients. This may also lead to deferral or cancellation of some planned infrastructure developments.

ENGINEERING PRODUCTS AND SERVICES



55%

Market share
in Spinning

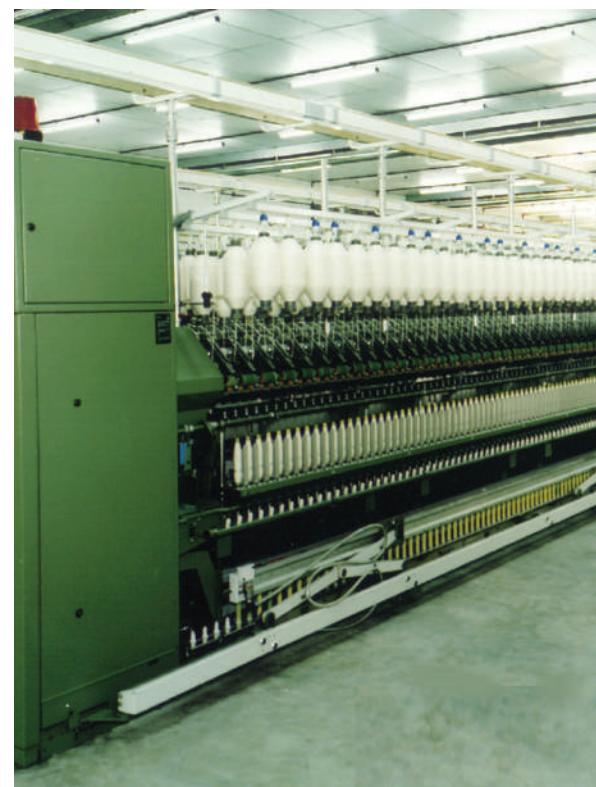
Textile Machinery

The Indian Textile Industry grappled with multiple issues in 2019-20. While the domestic market for textiles and apparels witnessed muted growth, the export of garments and apparels on the other hand, experienced negative growth. The export of yarn also declined significantly in terms of both value and volume. Hence, the domestic yarn production did not show any signs of growth despite adding spindles. This, in turn impacted growth leading to significant reduction in the capital expenditure across the industry. Further, stringent processes followed by the lending institutions for capital loans also impacted the Capex plans of the industry players.

Despite adversities, the Company tried maximising its revenue by gaining a higher market share across every product line. It stepped up the focus on its after-sales product lines in both, spinning and post-spinning verticals. During the year, the market share for spinning machinery witnessed some increase, from 52% last year to 55% in the current year. The Company's initiatives to partner with Shima Seiki - the global leaders in Flat knitting, Benninger India - leaders in continuous processing, and Runian - preferred suppliers for blanket processing, further helped manage its performance during the year.

Outlook and Opportunities

The textile and apparel exports and domestic sales are predicted to decline significantly due to the global shutdown. So, the short-term outlook indicates a difficult situation which is expected to impact both Capex and Opex of the industry players. However, the growth prospects of the industry continue to be positive from a long-term standpoint. The significant opportunities in the domestic and international markets contribute to such positive anticipation. The impact of Covid-19 has further brightened the long-term opportunities for the Indian textile players due to the anticipated possibility of shift of the importing countries from China to India. The 'Make in India' programme is expected to gain further momentum, both in classical and medical textiles.



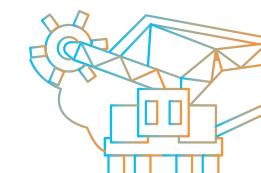
▲ LMW Ring frame LR6 AX with Auto Doffer

This will bring along good opportunities for Voltas, as the Company is favourably positioned to encash on it.

Voltas' strategy to offer both capital equipment and after sales has helped it become a 'one-stop' solution provider. The Company's comprehensive portfolio of products and solutions add weightage to its services. This strategy will help the Company weather difficulties in the short term. It will also significantly help achieve sustainable and profitable growth in the long term.

Threats

The short-term impact of Covid-19 on the textile and apparel industry is expected to be significant. Unless the recovery is faster, the impact could further stretch onto a longer period. Availability of finance has been a deterrent in the past for the textile industry. Additionally, continued delays in disbursement of loans by banks can slowdown conversion of enquiries into orders and dispatches. As the Company's Textile Machinery business is closely linked to the fortunes of the textile industry, such external factors may adversely impact the performance.



19%

Growth in revenue

Mining & Construction Equipment

A strong customer-centric focus to provide relevant and smart solutions has helped the Company garner additional contracts with existing customers. It has also helped to expand the Company's customer base in Mozambique to Jindal Africa, besides Vale.

The uncertainty surrounding the mining sector in India continues and the benefits accruing out of the commercial mining activities are yet to take off. The substantial allocation towards infrastructure projects by the Government is helping the crushing and screening business to a certain extent. However, liquidity constraints and stressed financials of the contractors limits the growth of the business.

Opportunities

Voltas continues adding further service contracts in Vale, Mozambique for the additional mining equipment fleet. The

association with Coal India, which remains unaffected during uncertainties, will continue supporting the India business. The commercial mining will further open some opportunities in the long-term. The allocation of iron ore mines in Odisha and focus on infrastructure by the Government will aid in sustaining momentum for equipment and after-sales support service for crushing and screening equipment business.

Threats

The global recession induced by Covid-19 crisis, is expected to reduce demand for both thermal and coking coal. This is expected to further influence price realisations, impacting the operational and financial strengths of Vale, Mozambique operations.

In India, the resumption of coal blocks and iron ore mines takes place in a limited manner and its profitable execution is still far away. The liquidity constraint and reallocation of mines, post successful bidding by the new owner, will delay orders of new equipment and also securing of parts for After Sales Service business. However, the business will keep focusing on the expansion of customer base across all sub-verticals. This will primarily be done by providing life cycle cost effective service solutions for the equipment fleet owned by customers.



▲ Voltas team in action with the largest hydraulic excavator of 50CuM in Africa



▲ Voltas Beko Home Appliances

VOLTBEK HOME APPLIANCES PRIVATE LIMITED (VOLTBEK)

The 50:50 Joint Venture Company (JV) between Voltas Limited and Arçelik, represents Voltas Beko, one of the fastest growing consumer durable brands in India, today. With over 10% retail reach, the recently launched business, has already created a significant footprint in the market. The brand has been capitalising on Arçelik's global expertise in manufacturing and product development coupled with Voltas' countrywide sales and distribution network, to consistently increase its market share across home appliance categories like refrigerators, washing machines, dishwashers and microwaves.

Voltas Beko (VB), has from the very beginning, adopted a design thinking strategy that keeps the consumer at the centre of all innovations. Backed with a consumer research study across 7,000 families at the time of launching the brand, Voltas Beko has always focused on 'Made for India' products. From introducing the revolutionary 'Stain Expert Wash Program' that removes 26 tough stains in the front load washing machines to ensuring food stays fresh for up to 30 days in refrigerators with the help of ActiveFresh Blue Light, the brand has been extremely customer-centric not just in product development, but also across its consumer engagement campaigns.

Taking this commitment a step further, Voltas Beko commenced its first manufacturing facility in India, in January, 2020. With the new state-of-the-art facility in Sanand, Gujarat, the brand aims to increase its product portfolio. This has resulted in Voltas Beko venturing into the Direct Cool Refrigerators segment which accounts for around 80% of the refrigerator market by volume. While the new factory will primarily cater to the needs of the Indian market, it could also export consumer durables to neighbouring countries in the Asia-Pacific region, North Africa and other geographies that need similar products.

**Voltas Beko
has adopted a
'design thinking'
strategy that
keeps the
consumer at
the centre of all
innovations.**

1 million units
manufacturing
capacity

With a target of acquiring over 10% of the market share across represented categories by 2025 and be recognised as a market leader, Voltas Beko is aligning its business and marketing strategy to cater to the rising demand for consumer durables in metros as well as Tier 2 & 3 markets. In the year 2019-20, within a short span of 18 months of the launch, the brand has achieved a market share of close to 2% in the Washing Machine and Refrigerator category. The brand has been expanding its footprint through exclusive brand outlets (EBOs). There are currently over 130 EBOs across the country.

All marketing and product development strategies are focused towards building products that are technologically advanced and competitively priced. This year, the Voltas Beko product range has been further enhanced with the introduction of 52 models across all product categories.

Additionally, the indigenous production of Frost-Free refrigerators is also planned to commence from Diwali season in the current financial year (2020-21) and around 21 models are proposed to be launched in this category. The brand also aims to attain a leadership position in the dishwasher product category by the end of this financial year.

Taking forward Voltas' commitment towards integrating energy efficiency across all of its offering, Voltas Beko has also been focusing on energy efficient product innovations brought to consumers in India at an affordable price. The business is also making efforts to ensure there is minimum wastage of plastic, leading to reduced environment pollution owing to e-waste. To ensure proper management of resources, Voltas Beko aims to incorporate recycled plastic in products at 20% by 2025, and 40% by 2030.

**MAKE IN INDIA,
MADE FOR INDIA**
**The manufacturing
facility in Sanand
was set up within
a span of 14 months**



▲ Voltas Beko Dishwasher

Opportunities

The Consumer Durables industry is expected to experience a significant growth in the rural markets as increasing number of people opt for branded white goods. The Government's emphasis on rural electrification will also increase demand for durables like refrigerators. This coupled with rising disposable incomes and easy access to credit will give people the ability to purchase appliances like microwaves and washing machines. Low penetration levels for refrigerators and washing machines at 30% and 14%, respectively, indicates the substantial potential for future growth in India.

In the post-lockdown period, the business expects an increase in consumer durables such as dishwashers, refrigerators, washing machines, etc. specially being purchased through e-commerce. Equipped with the required digital infrastructure, Voltas Beko is well prepared to align itself to this shift in consumer behaviour.

Threats

The Consumer Durable industry in India is one of most competitive spaces globally, where each key product category has more than 10 brands operating in the market. This makes the market extremely cluttered with few strong players cornering over 75% of the market size. However, having taken the brand Voltas to market leadership fighting international players with deep pockets, we remain confident of battling this challenge once again for Voltas Beko.

FINANCIAL PERFORMANCE: CONSOLIDATED
Financial performance as a measure of operational performance:
(A) GROSS SALES/INCOME FROM OPERATIONS (Segment Revenues)

	2019-20	2018-19	Change	₹ in crores Change%
Segment-A (Unitary Cooling Products)	4,049	3,154	895	28
Segment-B (Engineering Projects)	3,246	3,619	(373)	(10)
Segment-C (Engineering Products)	332	312	20	6
Total	7,627	7,085	542	8

The consolidated segment revenue for 2019-20 was higher by 8% at ₹ 7,627 crores as compared to ₹ 7,085 crores last year, owing to strong performance rendered by Segment A.

(B) EXCEPTIONAL ITEMS

	2019-20	2018-19	Change	₹ in crores Change%
Exceptional items	(51)	(12)	(39)	(>100)

Exceptional items in 2019-20 represents Voluntary Retirement Schemes (VRS) announced by the Company during the year.

Net Exceptional loss during 2018-19 was primarily on account of provision for contract assets due to delays in certification arising out of liquidation filing by a joint venture partner of a main contractor.

(C) EMPLOYEE BENEFITS EXPENSE

	2019-20	2018-19	Change	₹ in crores Change%
Employee benefits expense	672	642	30	5

Employee benefits expense comprise salary, wages, and commission to Directors and Company's contribution to Provident Fund and other funds, gratuity and staff welfare expenses. There has been an overall 5% increase in employee benefits expense during the year as compared to the previous year, due to annual increments to the employees. Further, staff count was also increased in Unitary Cooling Products business to support growth.

(D) FINANCE COSTS

	2019-20	2018-19	Change	₹ in crores Change%
Interest	21	33	(12)	(36)

Finance costs pertain to interest paid on borrowings from banks for execution of overseas projects. Reduction in cost reflects repayment of project specific bank credit facilities made during the year.

(E) PROFITABILITY

	2019-20	2018-19	Change	₹ in crores Change%
Profit before tax	744	677	67	10
Profit after tax	521	514	7	1

Consolidated Profit before Tax in 2019-20 at ₹ 744 crores was higher due to better performance by Unitary Cooling Products business which, to certain extent, was off-set by slowdown in the Project businesses.

Financial Position: Consolidated
(A) BORROWINGS (non-current and current)

	2019-20	2018-19	Change	₹ in crores Change%
Borrowings	218	315	(97)	(31)

Borrowings represent working capital facilities availed for execution of projects and financial lease obligation on adoption of Ind-AS 116. Reduction in borrowings was due to repayment of the bank credit facilities, including by the subsidiaries.

(B) INVESTMENTS

	2019-20	2018-19	Change	₹ in crores Change%
Non-current investments	1,823	1,150	673	59
Current investments	520	1,236	(716)	(58)
Total	2,343	2,386	(43)	(2)

Investments include liquid funds (dividend schemes), debt mutual funds (growth schemes), investment in bonds, preference shares and strategic equity instruments in Tata Group companies and in joint ventures and associates.

(C) INVENTORIES

	2019-20	2018-19	Change	₹ in crores Change%
Raw materials, components, stores and spares	274	198	76	38
Work-in-progress (net)	7	13	(6)	(46)
Finished goods	196	223	(27)	(12)
Stock-in-trade of goods (for trading)	992	657	335	51
Total	1,469	1,091	378	35

Inventories at the year-end were higher, primarily in Unitary Cooling Products business in preparedness for ensuing summer peak season and also due to the nationwide lockdown, imposing restrictions on transportation.

(D) TRADE RECEIVABLES

	2019-20	2018-19	Change	₹ in crores Change%
Current trade receivables (net)	1,827	1,803	24	1
Non-current trade receivables (net)	6	30	(24)	(80)

Trade receivables of Projects business have increased depicting the liquidity constraints in the business. However, the increase was partially offset by reduction in trade receivables of Unitary Cooling Products business.

(E) OTHER ASSETS

	2019-20	2018-19	Change	₹ in crores Change%
Other current financial assets	136	86	50	58
Other non-current financial assets	91	74	17	23
Contract assets	899	785	114	15
Other current assets	417	314	103	33
Other non-current assets	118	99	19	19

Other financial assets (current and non-current) comprise security deposits, deposits with customer and fixed deposits. Other assets (current and non-current) primarily includes balance with Government authorities and capital advance. Contract assets represent contract revenues recognised in Projects business, in excess of certified bills. In the Projects business, revenues are recognised on the basis of percentage completion method, in line with the accounting standards.

(F) LIABILITIES AND PROVISIONS

	2019-20	2018-19	Change	₹ in crores Change%
Current liabilities	3,732	3,285	447	14
Non-current liabilities	108	92	16	17

Current liabilities include contract liabilities, borrowings, trade payables, short-term provisions, income tax liabilities and other current liabilities.

Non-current liabilities consist of long-term provisions, trade payables and deferred tax liabilities. Provisions (long-term and short-term) are towards employee benefits – gratuity, pension, medical benefits, compensated absences, trade guarantees and contingencies, among others.

FINANCIAL PERFORMANCE: STANDALONE
Financial performance as a measure of operational performance:

(A) GROSS SALES/INCOME FROM OPERATIONS (Segment Revenues)

	2019-20	2018-19	Change	₹ in crores Change%
Segment-A (Unitary Cooling Products)	4,201	3,206	995	31
Segment-B (Engineering Projects)	2,791	3,140	(349)	(11)
Segment-C (Engineering Products)	332	312	20	6
Total	7,324	6,658	666	10

Total revenue for 2019-20 was higher by 10% at ₹ 7,324 crores as compared to ₹ 6,658 crores last year on account of higher turnover by Unitary Cooling Products business (Segment A).

(B) OTHER INCOME

	2019-20	2018-19	Change	₹ in crores Change%
Other income	299	263	36	14

Other income comprises rental income, dividend from investments, interest income and profit from sale of investments.

(C) EXCEPTIONAL ITEMS

	2019-20	2018-19	Change	₹ in crores Change%
Exceptional items	(55)	26	(81)	(>100)

Exceptional items during 2019-20 comprise provisions made for diminution in value of investments in joint venture/associate companies and Voluntary Retirement Schemes.

Exceptional Items during 2018-19 was on account of reversal of provision for diminution in value of investment in a subsidiary company.

(D) EMPLOYEE BENEFITS EXPENSE

	2019-20	2018-19	Change	₹ in crores Change%
Employee benefits expense	516	489	27	6

Employee benefits expense comprise salary, wages, commission to Directors, Company's contribution to Provident Fund and other funds gratuity and staff welfare expenses. There has been an overall 5% increase in employee benefits expense during the year under review as compared to the previous year, due to annual increments to the employees. Further, staff count was also increased in Unitary Cooling Products business to support growth.

(E) FINANCE COSTS

	2019-20	2018-19	Change	₹ in crores Change%
Interest	9	23	(14)	(61)

Finance costs decreased as compared to previous year due to repayment of overseas project related bank borrowings.

(F) DEPRECIATION AND AMORTISATION EXPENSES

	2019-20	2018-19	Change	₹ in crores Change%
Depreciation and Amortisation Expenses	27	20	7	35

The charge for depreciation on fixed assets was higher for the year 2019-20 as compared to the previous year as it also included depreciation on Right to Use Asset as per Ind AS 116.

(G) OTHER EXPENSES

	2019-20	2018-19	Change	₹ in crores Change%
Other expenses	624	579	45	8

Other expenses include repairs and maintenance, travel and communication costs, service maintenance charges, other selling expenses, external services/contract labour charges, subscriptions, e-auction charges, C&F charges, moving and shifting expenses, staff selection expenses, brand equity expenses and commission paid to Non-Executive Directors.

(H) PROFITABILITY

	2019-20	2018-19	Change	₹ in crores Change%
Profit before tax	761	631	130	21
Profit after tax	570	464	106	23

Profit before tax for the year was higher due to better performance by Unitary Cooling Products business while slow pace of execution and other factors led to drop in the profitability of Projects business.

Financial Position: Standalone

(A) BORROWINGS (current and non-current)

	2019-20	2018-19	Change	₹ in crores Change%
Borrowings	88	114	(26)	(23)

Borrowings were primarily for execution of overseas projects, which were lower due to re-payments made during the year.

(B) INVESTMENTS

	2019-20	2018-19	Change	₹ in crores Change%
Non-current investments	2,138	1,390	748	54
Current investments	520	1,236	(716)	(58)

The Company's Non-current investments comprise investment in subsidiaries, joint ventures, associates and investment in mutual funds, bonds and preference shares. Current investment comprise investment in Mutual Funds and Bonds/Debentures. During the year, the Company has made additional investments of ₹138 crores in Voltbek Home Appliances Private Limited, the joint venture company for Consumer Durable business.

(C) INVENTORIES

	2019-20	2018-19	Change	₹ in crores Change%
Raw materials, components, stores and spares	211	142	69	49
Work-in-progress (net)	7	13	(6)	(46)
Finished goods	161	192	(31)	(16)
Stock-in-trade of goods (for trading)	992	657	335	51

Inventories were at higher levels as compared to last year due to the building up of inventory for peak season by Unitary Cooling Products business and also on account of the Covid-19 lockdown, imposing restrictions on transportation.

(D) TRADE RECEIVABLES

	2019-20	2018-19	Change	₹ in crores Change%
Trade receivables	1,429	1,395	34	2

Trade receivables were higher by 2% as compared to the previous year, mainly in Projects businesses.

(E) CASH AND CASH EQUIVALENTS

	2019-20	2018-19	Change	₹ in crores Change%
Cash and cash equivalents	182	227	(45)	(20)

Cash and bank balance at the year-end stood at ₹182 crores.

(F) OTHER ASSETS

	2019-20	2018-19	Change	₹ in crores Change%
Other current financial assets	142	121	21	17
Contract assets	768	676	92	14
Other non-current financial assets	83	67	16	24
Other current assets	376	226	150	66
Other non-current assets	107	85	22	26

Other financial assets (current and non-current) mainly comprise security deposit and fixed deposit with maturity of more than 12 months. Other assets (current and non-current) comprise balance with government authorities, capital advance and advance to suppliers. Contract assets are contract revenues recognised as being in excess of the certified bills. Revenues in Projects business are recognised on the basis of percentage completion method, in line with the relevant accounting standards.

(G) LIABILITIES AND PROVISIONS

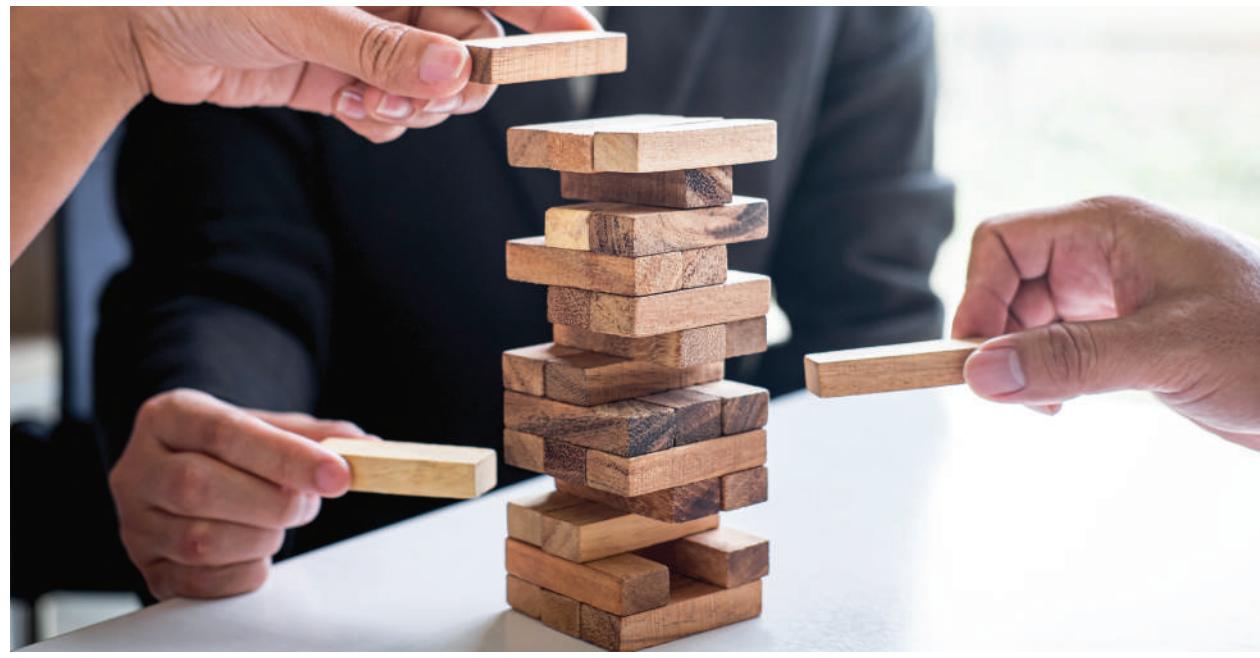
	2019-20	2018-19	Change	₹ in crores Change%
Current liabilities	3,476	3,003	473	16
Non-current liabilities	86	74	12	16

Current liabilities comprise contract liabilities, short-term borrowings, trade payables, short-term provisions, income tax liabilities and other current liabilities. Non-current liabilities consist of long-term provisions and trade payables. The increase in current liabilities was due to an increase in short-term trade payables.

RISKS AND CONCERNs

There exists a robust risk management policy and framework at Voltas, which operates across all Business Units (BUs) and at the Corporate level. The BUs along with the management, periodically review the major risks and concerns which could impact their business and accordingly formulate mitigation plans. A collective view of all the inputs is further used to develop a corporate risk matrix. This is then reviewed and monitored at an entity level by the Risk Management Committee of the Board.

Refer to the narrative section for more details



▲ Ensuring Adequacy and Reliability

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has a robust internal control framework in place, designed to provide a reasonable assurance with regard to maintaining of proper accounting records for ensuring reliability of financial reporting, monitoring of operations and compliance with applicable laws and regulations. It has documented policies and procedures covering all financial and operating functions.

The Company's internal audit team comprises qualified professionals and is headed by the Chief Internal Auditor, who reports to the Board Audit Committee. In addition, the Company continues to co-partner and engage with a reputed external firm for carrying out internal audits. Internal audit provides assurance to the Board and the Audit Committee on the design, adequacy and operating effectiveness of the internal control system.

Audits are conducted based on an annual risk-based internal audit plan which is approved by the Board Audit Committee. The scope and coverage of audits include review and reporting on key process risks, adherence to operating guidelines and statutory compliances. The annual audit plan and internal audit reports are shared with the Statutory Auditors. The Board Audit Committee regularly reviews significant internal audit findings and closure of all agreed actions and progress of audit plan. The Committee monitors the adequacy and reliability of financial reporting, internal control and risk management systems.

Internal audit also carries out independent testing of operating effectiveness of internal controls. Based on the assessment carried out and evaluations of the results of the assessment, the Board of Directors is of the opinion that the Company had an adequate Internal Financial Controls system that operated effectively as at 31 March, 2020.

HUMAN RESOURCES (HR)

Voltas, as an organisation, draws its values from a culture of high performance and motivation to excel. It stresses on innovative thinking, flexible attitude, agile response and sturdy teamwork. The success of a high-performing organisation can largely be attributed to an engaged and productive workforce. The performance culture of the Company is driven by a strong Performance Management System with stretched goals backed by appropriate rewards and recognitions.

Organisation design	Span and layer productivity, Resource optimisation, Key partnerships
Capacity building	Leadership development, Customised training, Succession planning and Strategic hiring
Employee engagement	Engaged workforce, Engagement activities calendar, Engagement survey
Total rewards	Competitive pay, High performance culture, Wellness policies and benefits
Simplification and digitisation	Policies, Social media, Employee life cycle management policies and benefits
Employer branding	University relations, Social media presence
Sustainability CSR	Livelihood education, Employability, Affirmative action, Environmental sustainability

Refer to the narrative section for more details

Cautionary Statement

Statements in the Management Discussion and Analysis section, 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.

Highlights

Sr No.		2019-20	2018-19	2017-18	2016-17	2015-16
1.	SALES AND SERVICES	₹ 7,627	₹ 7,085	₹ 6,380	₹ 6,033	₹ 5,720
2.	OTHER INCOME (INCLUDING OTHER OPERATING INCOME)	₹ 262	₹ 226	₹ 222	₹ 274	₹ 164
3.	COST OF SALES AND SERVICES (incl. Excise Duty)	₹ 5,555	₹ 5,262	₹ 4,591	₹ 4,298	₹ 4,114
4.	OPERATING, ADMINISTRATION AND OTHER EXPENSES	₹ 1,470	₹ 1,307	₹ 1,210	₹ 1,271	₹ 1,242
5.	Staff Expenses (included in 3 & 4)	₹ (672)	₹ (642)	₹ (587)	₹ (618)	₹ (635)
	Number of Employees (including Contract Staff)	Nos. 8,821	8,261	8,118	8,429	8,741
6.	OPERATING PROFIT	₹ 795	₹ 689	₹ 804	₹ 719	₹ 534
7.	EXCEPTIONAL INCOME/(EXPENSES)	₹ (51)	₹ (12)	₹ 1	₹ 1	₹ 29
8.	PROFIT BEFORE TAXATION	₹ 744	₹ 677	₹ 805	₹ 720	₹ 563
	Percentage to Sales and Services	% 9.8	9.6	12.6	11.9	9.8
	Percentage to Total Net Assets	% 16.5	15.3	19.9	20.7	18.3
9.	TAXATION	₹ 223	₹ 163	₹ 227	₹ 200	₹ 170
10.	PROFIT AFTER TAXATION	₹ 521	₹ 514	₹ 578	₹ 520	₹ 393
	Percentage to Sales and Services	% 6.8	7.3	9.1	8.6	6.9
	Percentage to Shareholders' Funds	% 12.2	12.5	14.8	15.7	14.0
11.	PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	₹ 517	₹ 508	₹ 572	₹ 517	₹ 387
12.	RETAINED PROFIT	₹ 372	₹ 353	₹ 437	₹ 414	₹ 309
13.	DIVIDEND ON EQUITY CAPITAL	₹ 132	₹ 132	₹ 132	₹ 116	₹ 86
	Percentage	% 400	400	400	350	260
14.	PROPERTY, PLANT AND EQUIPMENT INCLUDING OTHER INTANGIBLE ASSETS (AT COST)	₹ 550	₹ 518	₹ 470	₹ 460	₹ 484
15.	DEPRECIATION	₹ 300	₹ 294	₹ 290	₹ 278	₹ 280
16.	INVESTMENTS	₹ 2,343	₹ 2,386	₹ 2,754	₹ 2,268	₹ 1,946
17.	NET CURRENT AND NON-CURRENT ASSETS	₹ 1,234	₹ 1,716	₹ 1,108	₹ 1,008	₹ 901
18.	DEFERRED TAX ASSET (NET)	₹ 71	₹ 99	₹ 5	₹ 20	₹ 31
19.	TOTAL NET ASSETS	₹ 4,498	₹ 4,425	₹ 4,047	₹ 3,478	₹ 3,082
20.	SHARE CAPITAL	₹ 33	₹ 33	₹ 33	₹ 33	₹ 33
21.	OTHER EQUITY	₹ 4,247	₹ 4,077	₹ 3,872	₹ 3,274	₹ 2,778
22.	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	₹ 4,280	₹ 4,110	₹ 3,905	₹ 3,307	₹ 2,811
	Equity per Share (Book Value)	₹ † *127.20	₹ *121.21	₹ *117.88	₹ *99.93	₹ *84.96
	Earnings per Share	₹ † *15.63	₹ *15.35	₹ *17.30	₹ *15.64	₹ *11.70
	Number of Shareholders	Nos. 1,25,527	1,19,915	1,07,457	1,08,646	1,05,465
	Share Prices on Stock Exchange - High	₹ † *741	₹ *665	₹ *675	₹ *425	₹ *360
	- Low	₹ † *449	₹ *471	₹ *401	₹ *267	₹ *211
23.	BORROWINGS	₹ 218	₹ 315	₹ 142	₹ 171	₹ 271
	Debt/Equity Ratio	% 5	8	4	5	10
	(Percentage to Shareholders' Funds)					

2014-15	2013-14	2012-13	2011-12	2010-11	1994-95	1984-85	1974-75	1964-65	1954-55	Sr No.
5,166	5,280	5,567	5,208	5,211	811	266	159	42	10	1
148	123	107	109	73	8	2	**	**	**	2
3,619	3,891	4,220	3,813	3,715	604	211	138	35	8	3
1,227	1,194	1,186	1,135	1,085	192	56	19	5	2	4
(590)	(595)	(633)	(600)	(556)	(100)	(32)	(10)	(4)	(1)	5
8,424	9,101	10,191	11,611	13,345	10,667	8,147	7,252	5,082	2,324	
468	318	268	369	484	23	1	2	2	**	6
46	22	12	(150)	40	(1)	—	—	—	—	7
514	340	280	219	524	22	1	2	2	**	8
9.9	6.4	5.0	4.2	10.1	2.7	0.5	1.0	5.9	2.5	
23.1	16.3	14.8	12.9	35.0	5.0	1.1	4.6	18.3	6.5	
128	94	73	57	172	**	—	1	1	**	9
386	246	207	162	352	22	1	1	1	**	10
7.5	4.7	3.7	3.1	6.7	2.7	0.5	0.5	2.3	1.4	
18.4	13.5	12.7	11.0	25.8	13.2	4.1	6.7	17.6	9.1	
384	245	207	162	357	—	—	—	—	—	11
286	174	146	101	280	10	**	**	1	**	12
74	61	53	53	66	12	1	1	**	**	13
225	185	160	160	200	35	10	12	15	5.5	
459	461	451	424	410	307	50	12	4	1	14
266	251	240	219	188	107	16	6	1	**	15
1,094	732	407	312	269	82	5	1	1	—	16
902	1,116	1,247	1,160	994	149	66	29	9	3	17
35	24	22	24	15	—	—	—	—	—	18
2,224	2,082	1,887	1,701	1,500	431	105	36	13	4	19
33	33	33	33	33	34	10	6	3	2	20
2,069	1,786	1,593	1,445	1,329	131	20	6	3	**	21
2,102	1,819	1,626	1,478	1,362	165	30	12	6	2	22
*55.59	*48.29	*44.81	*41.21	*38.43	50	305	191	216	1,027	
*11.62	*7.42	*6.28	*4.90	*10.80	7	12	13	38	93	
99,973	1,03,543	1,16,804	1,20,098	93,220	84,180	45,237	14,395	7,356	150	
*301	*164	*138	*189	*263	176	470	211	276		
*149	*63	*73	*72	*147	92	356	125	183		
122	263	261	223	138	266	75	24	7	2	23
6	14	16	15	10	162	253	200	136	151	

Notes :

- All amounts are Rupees in crores except those marked †
- Figures from 2010-11 onwards are based on Consolidated Financial Statements.
- Previous year's figures have been regrouped / reclassified, wherever necessary.
- Figures for 2015-16 onwards are as per Ind AS. The figures for preceding years are as per old IGAAP.
- Operating profit from 2015-16 onwards includes share of profit / (loss) of joint ventures and associates.
- *Face Value of ₹ 1 each. (Shares of ₹ 100 each split into Shares of ₹ 10 each in 1990 and thereafter, into Shares of ₹ 1 each in 2006).
- ** denotes value below ₹ 50 Lakhs

Report of the Board of Directors

To the Members

Your Directors present their Sixty-Sixth Annual Report and the Audited Statement of Accounts for the year ended 31 March, 2020.

1. FINANCIAL RESULTS

	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19
Total Income	7,889	7,310	7,656	6,956
Profit for the year after meeting all expenses but before interest, depreciation and exceptional items	917	798	852	648
Interest	21	33	9	23
Depreciation and amortization	32	24	27	20
Profit before exceptional items	864	741	816	605
Share of Profit/(Loss) of Joint Ventures and Associates	(69)	(52)	--	--
Exceptional items (Net)	(51)	(12)	(55)	26
Profit before tax	744	677	761	631
Tax expenses	223	163	191	166
Profit after tax	521	514	570	465
Other Comprehensive Income (Net)	(190)	(24)	(210)	(36)
Total Comprehensive Income	331	490	360	429

₹ in crores

2. Operations

The beginning of the year witnessed a series of global headwinds, starting from rising trade barriers and the spill-over effects of the US-China trade war to early uncertainty around Brexit, tensions in Iran and the attack on Saudi Arabia's oil facility. In India, sector-specific weakness in automobile, real estate, banking and textile, amidst political tension and unrest following the implementation of the Citizenship (Amendment) Act, 2019 continued to overshadow growth.

Q4 began with even greater challenges - escalated global pressures given the unrest between US-Iran and the rapid spread of coronavirus (COVID-19). In an unprecedented way, the pandemic continues to affect global health, economic and financial stability, resulting in the International Monetary Fund (IMF) revising World growth in 2020 sharply downward into the negative territory. At the same time, global lockdown brought into being, a hitherto unimaginable situation of Oil futures being traded at negative, posing challenges to many Oil rich economies.

Voltas achieved sales increase of around 50% in the Unitary Cooling Products business for the first 11 months of the year and was moving ahead for a much better

performance for the financial year 2019-20. Unfortunately, the lockdown commenced before seasonal sales in March 2020 could accelerate, adversely affecting primary dispatches and resulting in a substantial loss of revenue. Nonetheless, the Unitary Cooling Products Business delivered an impressive full year revenue growth of 30% over the previous year, accompanied by a smart expansion in profitability – segment margin for the year improved by some 230 bps, extracting benefits from input cost efficiencies and improved mix, helping to register an impressive bottom line. Even more satisfying is the fact that Voltas was able to improve the YTD market share to 24.2%, consolidating a lead of over 1000 bps over the nearest competitor.

We are also happy to report that Voltas has achieved a leadership position in the fast growing Inverter Air conditioner segment, overtaking its nearest competitor in the months of January and February. Inverters now account for as much as 64% of Split ACs sold and around 52% of all ACs. Sharper focus on customer centric innovation, expansion of distribution channel (currently at over 19,000 touch points), and a balanced supply chain are yielding desired outcomes.

Meanwhile, there was better traction in the Air Cooler segment (growth of 63%) given a variety of measures, including availability of the complete range, wider distribution network, and competitive pricing. The brand is now placed at number 2 with market share of close to 10%, exit February 2020. The Commercial Refrigeration Products vertical has also grown, and appears set for a promising future. The Company's strategy remains steadfast – offering best in class, value for money, convenience products with unmatched consumer experience and improving reach across the length and breadth of India.

In the Projects business, the order inflow across domestic and international was substantially better in 2019-20, resulting in a carry forward order book of close to ₹ 7,800 crores with a healthy mix of Water, Metro, Airport, Solar and general MEP projects. While continued diligence in bidding and securing orders has helped mitigate project related risks, the lockdown has impacted performance with follow through consequences on the pace of work, labour availability, certification and payments.

Nevertheless, the Company has, as compared to previous year, reported higher consolidated total income of ₹ 7,889 crores, with income from operations at ₹ 7,627 crores and profit before tax at ₹ 744 crores.

There have been no material changes and commitments, that affect the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate, and the date of this Report.

3. COVID-19: Impact on Business Operations:

The COVID-19 pandemic has posed significant operational and financial challenges to businesses across industries. However, recognising opportunity within these challenges to ensure that they translate into proactive and meaningful longer term changes for our business, is also what the Company is focused on.

The performance of the Company, like most other Corporates has been impacted by the nation-wide lockdown due to COVID-19, including disruption of supplies and suspension of manufacturing activities across OEMs. In addition, Room Air-conditioner (RAC) business is seasonal in nature and the peak season and demand generally starts from March and continues up to mid-July. The month of March is very crucial for the Company

considering primary billing to the trade partners. While Secondary sales to the end consumer have been badly affected, we expect this to have a subsequent impact on Primary sales as dealers would prefer to liquidate their existing inventories to generate cash, post lockdown. The market is expected to take some time to return to normalcy.

Projects business too has its own challenges in the midst of the lockdown. Nevertheless, work in some of the domestic projects qualifying under Essential Services, continued even during the lockdown period. The Company's Unitary Cooling Products and Domestic Projects Businesses continued to partner the nation during this period to cater to Essential Services in the healthcare and infrastructure sector. Despite challenges, the Project teams were operational across 260 sites, providing our Customers, operation, maintenance and breakdown support during this difficult time. Execution of overseas projects also progressed at a slower pace than desired. Post lockdown, the remobilization of the workforce and severe liquidity crisis might pose challenges in the execution of on-going projects and would need to be dealt with suitably.

The Company has placed utmost priority on the health and safety of the employees and has been sharing regular travel advisories while ensuring precautionary social distancing and hygiene at workplace. 'Work from Home' (WFH) policy was being encouraged even prior to the announcement of the lockdown. Employees have been provided with necessary software to facilitate working from a remote location without any technical interruptions. Virtual Meeting Room (VMR) software Cisco was also set up to ensure smooth functioning of all business functions. Awareness programs related to COVID-19, technical trainings and programs at the Voltas Virtual Campus in collaboration with SkillSoft (a 24*7 learning platform), etc., has enabled a culture of continuous learning even through this lockdown.

The Board of Directors have proactively taken cognizance of the slowdown in the economy and the liquidity crisis which is being faced by both the Government Sector as well as the Private Sector. There would be delays in collection of receivables that would have its own challenges in terms of time-based provisioning. The Board has thus advised the Management to conserve cash and follow various austerity measures, and be cautious on the capital expenditure without impacting the long-term strategic plan.

In response to the crisis, the Government has announced various stimulus packages and diverted funds to provide relief and succor to the poor and needy people. Large Corporate Houses too have come forward to provide support to the Government in this endeavor. As a business conglomerate that has always been committed to building the Nation for over a century, Tata Trusts, Tata Sons and other Tata group companies are also assisting the Government to fight and tide over the current situation, and have committed ₹ 1,500 crores towards the PM CARES Fund.

4. Reserves

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

5. Dividend

The Company's Dividend Policy which is uploaded on the Company's website, is based on the need to balance the twin objectives of appropriately rewarding its shareholders with dividend and of conserving resources to meet its future needs. Based on Company's performance and with a view to conserve cash, the Directors recommend same dividend of ₹ 4.00 per equity share of ₹ 1 each (400%) for the year 2019-20 (2018-19: 400%). The dividend would result in a cash outflow of ₹ 132.35 crores, reflecting payout of 23.22%. Last year, the Dividend Distribution Tax was also included for calculating the payout and hence, despite the same rate of dividend (400%), the payout was more than 25% in line with the Company's Dividend Policy.

The dividend on Equity Shares is subject to the approval of the Shareholders at the Sixty-Sixth Annual General Meeting ('AGM') scheduled to be held on 21 August, 2020. The Register of Members and Share Transfer Books of the Company will remain closed from 7 August, 2020 to 21 August, 2020 (both days inclusive) for the purpose of payment of the dividend for the financial year ended 31 March, 2020 and the AGM.

6. Finance

While the environmental factors continued to influence the economy during the start of the financial year, rise in temperatures and extended summer in the country, benefitted the Air Conditioning industry as a whole. It is pertinent to note that despite the loss of selling activity in the last few weeks of March 2020 owing to the COVID-19 pandemic, Voltas has registered a growth higher than the Industry and continues to be the profitable market leader in the Room Air-conditioner category.

In the Project business, Voltas recorded its highest ever order book of ₹ 7,788 crores. However, the lower carry forward order book at the beginning of the year coupled with execution challenges has led to a de-growth in both, top line and bottom line. Although careful evaluation of projects secure certainty of collection of cash to a large extent, delay in certification and liquidity constraint continues to engage working capital at an even higher level.

Meanwhile, the Joint Venture company, Voltbek Home Appliances Private Limited (Voltbek) has successfully commissioned a state-of-the-art manufacturing facility spread over 60 acres of land in Sanand, Gujarat and started its production of Direct Cool refrigerators. In the last one year of its commercial launch, Voltbek products have garnered reasonable market share, especially in washing machines and frost-free refrigerators. As a part of long-term strategic plan, the Company has so far invested around ₹ 335 crores in the share capital of Voltbek, primarily towards capital expenditure in setting up of its factory in Sanand.

The year 2019-20 witnessed volatility in the interest rates amidst several negative financial outcomes, impacting debt instruments, as a result of mark-to-market valuation. Notwithstanding, the liquidity position of the Company remains strong with overall cash of ₹ 1,939 crores as on 31 March, 2020.

7. Tata Business Excellence Model (TBEM)

TATA Business Excellence Model (TBEM) is a framework followed by several TATA group companies to achieve excellence in their business performance. In order to assess the progress made by various Companies in the group, the Tata Business Excellence Group (TBEg) conducts external assessments across Tata Companies.

As an outcome of the external assessment conducted in October 2018 by TBEg to assess the progress made by Voltas towards Business Excellence, the Company was recognised as an "Emerging Industry Leader" in the JRDQV function held on 29 July, 2019.

Based on the outcome of the assessment, the Company has developed and implemented comprehensive action plans to take its Business Excellence journey forward by benchmarking its processes with companies within and outside the Tata Group. The Company developed more than 80 Business Excellence champions to facilitate a seamless progress of the Business Excellence journey.

Learning programs / missions were organised at other TATA companies to learn/ share information on key areas like Strategic business planning, Theory of constraints, HR, Safety and other areas. Looking into the importance of managing key accounts effectively, KAM (Key Account Management) programs have been initiated within the Company.

The Business Unit wise customer engagement surveys were conducted to evaluate the satisfaction levels. The results of the recent surveys for Unitary Products Business Group (UPBG)-AC household customers, Domestic Project customers and UPBG-Commercial Refrigeration Product customers indicate improvement in satisfaction scores and Net Promoter Scores compared to the previous years. These improvements augur well for the future of Voltas.

The Company participated in the "Making Customers Smile" contest organised by TATA Group this year and one of the entries on "Special Services" from Textile Machinery Division has won the contest at an organisation level.

The Company also participated in Tata Innovista, a Tata Group level contest to recognise and celebrate innovation. During 2019-20, Voltas registered 8 entries in the TATA Innovista 2020 cycle. From over many applications across multiple companies, one of the teams from Voltas on 'Adjustable Cooling Capacity Mode' in air conditioners qualified for the regional rounds at Delhi.

8. IT Initiatives

This year, Voltas IT worked towards the following three identified tracks – 'Business Advantage', 'User Delight' and 'Secure Environment'.

The year 2019-20 was marked by many business process changes and IT provided the necessary support with agile flexibility to help the Business Divisions align with their priorities. The Projects businesses were engaged with Datamatics for Invoice Processing; the Cooling Products business migrated its Supply Chain to Delhivery Private Limited, a third-party logistics provider; SAP modules were deployed for the newly acquired Solar Business, for the Voltbek Sanand factory and for Projects in Bahrain. Further, multiple interfaces were established with banks for E-collect, Hundi payments and Bank Reconciliation.

Multiple initiatives were undertaken to provide an enhanced experience to all IT users. All PCs with obsolete Windows versions were replaced, network links of locations were upgraded for faster speed, and use of

digital signature for signing documents was increased thus reducing paper work for users. Web and Mobility applications were simultaneously released to users providing intuitive and real-time system interfaces.

IT Security has remained a key focus area in Voltas. The IT team conducted an IT Security Audit and VAPT (Vulnerability Assessment and Penetration Testing) exercise through third party Security Firms and has worked diligently to close all observations. SAP PI/PO was adopted as the middleware for the Company and interfaces for all applications were converted to SAP PO. The Internet Proxy tool was changed to an enhanced version, Siebel Servers and Applications were upgraded, backup capacity for both Windows and AIX environments were upgraded and all Firewall rules were reviewed to secure vulnerabilities. Additionally, during the COVID-19 lockdown, IT provided necessary support for business operations, ensuring seamless connectivity and remote collaboration.

9. Safety and Health

At Voltas, safety performance is reviewed by a Board Committee comprising 3 Directors and a Steering Committee comprising the Corporate Management Group periodically monitors the implementation of various safety initiatives. In addition, a 3 tier internal SHE Committee periodically reviews the progress made along with Business Units (BUs) leaders and the best performing Project site/Plant /Service Franchise is recognised and appreciated. In order to ensure safety compliance and resilience of Safety controls, 149 major projects were audited, with a weighted score on the Tata Group Safety Standards compliances. This was in addition to the regular Safety inspections and audit of sites, manufacturing units, Customer Care premises, offices and warehouses. Emphasis on multi-pronged training led to significant increase in awareness training to cover approx. 2,52,759 personnel (multiple training per person), an increase of 11% over last year. At the same time, 100% Induction training is ensured for all personnel at project sites. Safety leadership program focused on developing ownership has been imparted to 19 Business and Functional heads, 43 HR and Admin staff and 139 Project directors / managers. Mandatory module-based trainings have been introduced for all workforce who handle Voltas equipment or work for Voltas Digital learning platform, HandyTrain has been leveraged to reach out to more than 10,000 UPBG and Customer Care technicians.

ISO 14001 and 45001 certifications have been completed for O&M sites. Regrettably, during 2019-20, there was one fatal incident at project site which has been dealt with seriously. Stern actions are put in place to identify causes and ensure no similar recurrence. The deceased person's family has been provided with necessary financial support through the Company's insurance policy.

The Company has recently introduced Safety mascot 'Vol-Ty' to improve communications and enhance awareness towards safety.

The Company has also received several appreciation letters and awards in recognition of enhancing the Safety standards from various clients, including Reliance Industries and West Bengal State Electricity Board Distribution Company Limited.

10. Sustainable Development

At Voltas, social responsibility has been a commitment even before it became a mandate. Sustainable and inclusive development has been one of the top agendas for the Company. It was also very important for Voltas to build its social responsibility initiatives based on its community needs. The Company, therefore first mapped the priority community needs and created a framework for its social interventions, which are strategic and long term in nature. There are three verticals in the framework, including Sustainable Livelihood, which essentially deals with skilling and employability building for marginalised youth and women, Community development which emphasizes issues like quality education, and water, and third vertical called Issues of National Importance which addresses national level issues like Disaster Management, Affirmative Action, and Sanitation. For all its CSR initiatives, sustainability is at the core and hence, a lot of thrust is given on the community participation, engagement and ownership.

(a) Sustainable Livelihood

Voltas has focussed on skilling and employability building, especially for the youth and women from the bottom of the pyramid. Skilling which ensures gainful employment or self-employment, became a flagship program for the Company. Voltas has over 31 partnership Skill Development Centres in 14 States across the Country. The Company not only offers the skilling programs related to Refrigeration and Air-conditioning (RAC) and Central AC, but also technical and non-technical trades

[Business Correspondent and Business Facilitator (BCBF), Retail, and Sewing and Tailoring etc.] based on the market demand. The end-to-end intervention in partnership with likeminded and renowned organisations like Tata Strive, GMR, ICICI, Tech Mahindra Foundation, etc., ensures complete technical support, well-equipped laboratories, training, On the Job training (OJT), assessment and placement support to students. The placement rate during 2019-20 was over 85%. The Company trained around 3000 students through its technical and non-technical courses. Recognition of Prior Learning (RPL) which primarily focuses on the untrained (or those who are not formally trained) technicians also received good traction over the period. The Company trained and certified over 3000 technicians under RPL in 2019-20. This training has not only helped them with better skills, confidence and dignity, but also better emoluments.

(b) Community Development

This vertical essentially focusses on priority community issues like Education and Water. The quality education program conducted in Government schools covered the following crucial aspects: (1) Teachers Training for Quality Education (2) Improving English Language Skills and (3) Inculcating reading habits.

Voltas, through its CSR interventions in Quality Education is striving to enrich the current teaching-learning process by introducing much more child centric, creative, joyful pedagogy. The Company believes that the holistic approach, is a first crucial step to engage with the community stakeholders to sustain their interest in Education and achieve the larger objective of holistic, inclusive and enjoyable education for the marginalised communities, which makes an important building block for sustainable development. Through its various educational initiatives, the Company has impacted over 8900 students in 2019-20. The interventions have also built capacities of over 250 teachers, who in-turn will keep impacting many more children in the years to come.

The need based integrated rural development project in Dadra dealt with irrigation and improved agricultural practices in the hamlets of Dadra. The three-pronged strategy of the project was to build capabilities of the farmers with respect to improved agricultural practices, support them in availing Government livelihood schemes and programs, and hand-hold them to get into livelihood

activities. The agricultural projects with demonstration plots offered hands-on training in vegetable farming, animal husbandry and poultry as allied activities. The project directly impacted around 500 people in the hamlets directly.

(c) Issues of National Importance

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

Participatory Ground Water Management in Beed District of Maharashtra aimed at long-term intervention to address water scarcity in the perennially drought prone area. In phase two of the program, six needy villages have been identified for Participatory Ground Water Management. The program aims at improving the lives of people through adoption of integrated approach for Water Resource Management, Sustainable Agriculture and Livelihood Enhancement.

The program aims at reducing the impacts of drought by undertaking various water conservation and recharging measure with people's participation. The thoughtfully designed project also has a systematic approach to situational analysis before intervening, so as to ensure mid-term and end-line impact assessment.

The program will benefit a population of over 13,000, covering 3,435 families, of which around 40% families fall under SC/ST/NT category.

Under Affirmative Action besides reaching out to SC/ST youth through its various program by default, Voltas is also making an effort of reaching out to them through some exclusive programs, designed to cater to their needs. Electrical or Plumbing training through skilling centre at Panvel or Stitching and tailoring classes at Bethany Panvel, mainly aim at supporting the beneficiaries to be gainfully employed.

On projects of National Importance, Voltas also initiated an integrated sanitation project in Waghodia near Vadodara in Gujarat, in partnership with Tata Trusts. It has 4 components: (1) Household Toilets (2) School Sanitation (3) Solid Waste Management and (4) Menstrual Hygiene Management. The project emphasizes community participation and convergence with Government programs and schemes and is being implemented in 5 villages around Voltas Waghodia Plant.

11. Corporate Social Responsibility (CSR)

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

During the financial year 2019-20, the Company has spent ₹ 10.10 crores (as compared to 2% spend requirement of ₹ 9.95 crores) towards various CSR activities, in line with the requirements of Section 135 of the Companies Act, 2013 ('Act'). Details of composition of CSR Committee and Meetings held during 2019-20 are disclosed in the Corporate Governance Report.

12. Subsidiary/Joint Ventures/Associate Companies

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

As per the requirements of Section 129(3) of the Act, a statement containing salient features of the financial statements of subsidiaries, joint venture and associate companies in prescribed Form No. AOC-1 is attached to the financial statements of the Company. Further, pursuant to Section 136 of the Act, the stand-alone financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the Company – www.voltas.com

The Policy for determining material subsidiaries of the Company has also been provided on the Company's website at https://voltas.com/assets/img/sustainability/corp_gov/pdf/38085.pdf

Performance of key operating subsidiary and joint venture companies in India are given below:

- Universal Comfort Products Limited (UCPL), a wholly owned subsidiary of the Company, engaged in the business of manufacturing air conditioners, reported turnover of ₹ 1,242 crores and profit before tax of ₹ 105 crores for the year ended 31 March, 2020 as compared to ₹ 924 crores and ₹ 75 crores, respectively in the previous year. UCPL has recommended dividend of 175% (₹ 48 crores), same as last year.

Amalgamation of UCPL with the Company: The Directors of the Company have at the Board Meeting held on 27 September, 2019, approved a proposal for amalgamation of UCPL with the Company with

effect from 1 April, 2019 (Appointed Date). This would enhance the shareholders value by leveraging the synergies of doing business; enable a common governance structure and effective management of compliances; result into consolidation of business to ensure more focused operational efforts; reduce administrative costs and overhead expenses. Further, it would streamline the overall structure by reducing the number of entities, legal and regulatory compliances required at present and rationalise the costs by eliminating multiple record keeping and administrative functions. Based on an application made, the National Company Law Tribunal (NCLT), Mumbai has dispensed with the requirement of convening the Shareholders as well as Creditors Meeting of the Company. However, NCLT has advised to send Notice of amalgamation to all the Regulatory Authorities. The Company would initiate the process once the lockdown is lifted and the overall situation resumes normalcy.

- Rohini Industrial Electricals Limited (RIEL), a wholly owned subsidiary of the Company, is engaged in the business of undertaking rural electrification projects. RIEL has reported turnover of ₹ 451 crores and profit before tax of ₹ 12 crores approx. in 2019-20 as compared to ₹ 542 crores and ₹ 13 crores approx. respectively, in the previous year.

- Voltbek Home Appliances Private Limited (Voltbek) has in its first full year of operations (2019-20) made good progress and reported turnover of ₹ 290 crores. Voltas Beko products have been well accepted by the Consumers as well as the Trade and despite being a new brand, Voltbek had a market share of around 1.9% in February 2020, both in Frost Free Refrigerators and Washing Machines. Voltbek has set up its manufacturing plant at Sanand in Gujarat and the factory was inaugurated on 30 January, 2020 and was attended by large number of dignitaries, including senior members of Koç family. The factory has come up well and all the equipment and machinery are running and operational. Voltbek had produced around 4,000 Direct Cooled (DC) Refrigerators in March 2020 of which around 3,000 were sold before the lockdown was announced. The DC Refrigerators are priced appropriately and well accepted by the market. The paid-up capital of Voltbek as on 31 March, 2020 was ₹ 684 crores. During 2019-20, the Company

invested ₹ 138 crores in the share capital of Voltbek and the Company's total investment in Voltbek (49% share) was ₹ 335 crores approx.

There have been no material changes in the nature of the business of the subsidiaries, including associates and joint ventures during the financial year 2019-20.

13. Number of Board Meetings

During 2019-20, nine Board Meetings were held on 9 May, 2019; 11 June, 2019; 7 August, 2019; 12 August, 2019; 27 September, 2019; 6 November, 2019; 10 January, 2020; 7 February, 2020 and 12 March, 2020.

14. 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. The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on https://voltas.com/assets/img/sustainability/corp_gov/pdf/98899.pdf

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

Pursuant to the provisions of the Act and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Board has carried out an evaluation of its own performance, Committees and performance of individual Directors. The performance of the Board as a whole, Committees and individual Directors was evaluated by seeking inputs from all Directors based on certain parameters as per the Guidance Note on Board Evaluation issued by SEBI on 5 January, 2017, such as: Board structure and composition; Meetings of the Board in terms of frequency, agenda, discussions and dissent, if any, recording of Minutes and dissemination of information; Functions of the Board including governance and compliance, evaluation of risks, stakeholder value and responsibility, Board and Management including evaluation of performance of the

management. The Directors also made a self-assessment of certain parameters - Attendance, Contribution at Meetings and guidance/support extended to the Management. The feedback received from the Directors was discussed and reviewed by the Independent Directors at their annual separate Meeting held on 9 March, 2020 and also shared with the NRC/Board. At the separate annual Meeting of Independent Directors, performance of Non-independent directors, including Chairman, Board as a whole and various Committees was discussed. The Independent Directors in the said Meeting also evaluated the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties and expressed their satisfaction in respect thereof. The performance of the individual Directors, performance and role of the Board/ Committees was also discussed at the Board Meeting held on 29 May, 2020. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

16. Statutory Auditors

At the 63rd Annual General Meeting (AGM) held on 28 August, 2017, the Members had approved the appointment of S R B C & Co. LLP (SRBC) as Statutory Auditors as well as Branch Auditors of the Company, to examine and audit the accounts of the Company for five consecutive financial years between 2017-18 and 2021-22. The Auditors' Report for the financial year 2019-20 does not contain any qualification, reservation or adverse remarks, except for Key Audit Matters and impact assessment of COVID-19.

17. Cost Auditors

The Company has maintained the accounts and cost records as specified by Central Government under Section 148(1) of the Companies Act, 2013. The Board had appointed M/s. Sagar and Associates, Cost Accountants as the Cost Auditors for the financial year 2019-20 and they have been re-appointed as Cost Auditors of the Company for the financial year 2020-21. Approval of the Members is being sought for ratification of their remuneration at the ensuing AGM.

18. 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 2019-20. Their Secretarial Audit Report, in prescribed Form No. MR-3, is annexed to the Directors Report as Annexure

IV, and does not contain any qualification, reservation or adverse remarks. M/s. N. L. Bhatia and Associates have been re-appointed as the Secretarial Auditor for the financial year 2020-21.

19. Audit Committee

The Audit Committee presently comprise Mr. Zubin Dubash (Chairman), Mr. Debendranath Sarangi and Mr. Arun Kumar Adhikari, all Independent Directors, in line with the requirements of Section 177 of the Act. Mr. Nani Javeri ceased to be the Chairman of Audit Committee upon expiry of his term as an Independent Director on 31 August, 2019. Mr. Zubin Dubash who was appointed as an Independent Director of the Company at the last Annual General Meeting on 9 August, 2019 was appointed as a Member of Audit Committee and thereafter, as the Chairman, upon retirement of Mr. Nani Javeri. The Board has accepted the recommendations made by the Audit Committee from time to time. Details of Audit Committee Meetings held during the year 2019-20 have been disclosed in the Corporate Governance Report.

20. 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.

21. Risk Management

Pursuant to Section 134(3)(n) of the Act and Regulation 21 of Listing Regulations, Risk Management Committee is in place comprising Mr. Zubin Dubash (Chairman), Mr. Debendranath Sarangi and Mr. Arun Kumar Adhikari. Mr. Nani Javeri ceased to be member of the Committee upon his retirement on 31 August, 2019. The Company has formulated a Risk Management Policy to establish an effective and integrated framework for the risk management process. During 2019-20, two meetings were held on 26 September, 2019 and 9 January, 2020 where, the top 10 risks identified for the Company and various mitigation measures in respect thereof were reviewed and discussed.

22. Particulars of Employees

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

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

Directors	Ratio to median remuneration
Mr. Noel N. Tata	0.57
Mr. Nani Javeri (upto 31 August, 2019)	*
Mr. Vinayak Deshpande	0.30
Mr. Debendranath Sarangi	3.73
Mr. Bahram N. Vakil	3.68
Ms. Anjali Bansal	3.04
Mr. Hemant Bhargava	0.79
Mr. Arun Kumar Adhikari	2.84
Mr. Zubin Dubash (w.e.f 9 August 2019)	*
Executive Directors	
Mr. Pradeep Bakshi	58.26
Managing Director & CEO	
Mr. Anil George	51.83
Deputy Managing Director & CFO	

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

Note: Ratio of Remuneration of Directors is computed based on Sitting fees and Commission paid during 2019-20. However, in line with the internal guidelines, no commission has been paid since last year onwards (for 2018-19 and 2019-20) to Mr. Noel N. Tata and Mr. Vinayak Deshpande as they are in full time employment with another Tata company. They are paid Sitting fees only.

(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. Noel N. Tata	13.33
Mr. Pradeep Bakshi (MD & CEO)	15.86
Mr. Anil George (Deputy MD & CFO)	16.36
Mr. Nani Javeri (upto 31 August, 2019)	*
Mr. Vinayak Deshpande	-10.00
Mr. Debendranath Sarangi	-4.84
Mr. Bahram N. Vakil	-18.03
Ms. Anjali Bansal	-26.45
Mr. Hemant Bhargava	-0.45

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Arun Kumar Adhikari	61.27
Mr. Zubin Dubash (w.e.f 9 August, 2019)	*

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. V. P. Malhotra (Company Secretary)	9.33

* Since the remuneration is for part of the year, the percentage increase in their remuneration is not comparable and hence not stated.

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

26.36%

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

2,777 employees.

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

7.57% for Employees other than Managerial Personnel. Average increase in remuneration of Managerial Personnel (MD and DMD) is 16.10%.

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

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

(g) A statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) 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. None of the employees listed in the said Annexure are related to any Director of the Company.

23. Employee Stock Option

The Company has not issued any Employee Stock Options.

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

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

25. Directors and Key Managerial Personnel

In accordance with the provisions of the Act and the Company's Articles of Association, Mr. Pradeep Bakshi and Mr. Vinayak Deshpande retire by rotation and being eligible, offer themselves for re-appointment. Mr. Nani Javeri ceased to be an Independent Director of the Company with effect from 31 August, 2019 upon completion of his term. The Directors place on record their sincere appreciation of the valuable guidance and support given by Mr. Nani Javeri during his long tenure as a Director of the Company.

Mr. Zubin Dubash was appointed as an Independent Director for a term of 5 years with effect from 9 August, 2019 with the approval of the shareholders at the Sixty-Fifth AGM held on 9 August, 2019.

Due to personal commitments, Mr. Abhijit Gajendragadkar had tendered his resignation as the CFO and KMP with effect from 30 June, 2019. The Board placed on record their appreciation for the services rendered by Mr. Gajendragadkar during his tenure as the CFO of the Company. Consequently, Mr. Anil George was given the additional responsibility of the Chief Financial Officer and was re-designated as the Deputy Managing Director & CFO of the Company with effect from 1 July, 2019.

Mr. Pradeep Bakshi and Mr. Anil George were appointed as Executive Directors of the Company with effect from 1 September, 2017 for a period of three years upto 31 August, 2020. Subsequently, Mr. Pradeep Bakshi was appointed as the Managing Director & CEO and Mr. Anil George as the Deputy Managing Director, with effect from 10 February, 2018 for the remainder period of their contract upto 31 August, 2020. The Nomination & Remuneration

Committee and the Board have at their respective Meetings held on 29 May, 2020, approved the reappointment of Mr. Pradeep Bakshi for a further period of five years with effect from 1 September, 2020, subject to approval of shareholders at the ensuing Annual General Meeting. However, Mr. Anil George, who was also eligible for re-appointment has due to certain personal commitments and plans to migrate outside India to stay with his children, decided not to seek reappointment upon expiry of his existing term of contract on 31 August, 2020. Nevertheless, at the request of the Management, Mr. Anil George has kindly agreed to continue as a Chief Financial Officer (CFO) of the Company for another 2 months, upto around October 2020 so that the Company is in a position to identify and recruit a new CFO of the Company and facilitate smooth transition of the responsibilities of Mr. Anil George to the new candidate.

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

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them (if any) for the purpose of attending meetings of the Board/Committees of the Company.

Mr. Pradeep Bakshi (Managing Director & CEO), Mr. Anil George (Deputy Managing Director and CFO) and Mr. V. P. Malhotra (Vice President-Taxation, Legal and Company Secretary) are the Key Managerial Personnel (KMPs) of the Company, in line with the requirements of Section 203 of the Act.

26. Declaration by Independent Directors

Pursuant to Section 149(7) of the Act, the Company has received declarations from all Independent Directors confirming that they meet the criteria of independence as specified in Section 149(6) of the Act, as amended, read with Rules framed thereunder and Regulation 16(1)(b) of Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence and that they are independent of the Management.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and have also completed and confirmed their registration with the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs in compliance with the requirements of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

27. Corporate Governance

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

28. Details of establishment of vigil mechanism for Directors and employees

The Company had adopted a Whistle Blower Policy ("the Policy") as required under Section 177(9) of the Act and Listing Regulations. The Policy provides 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:

https://voltas.com/assets/img/sustainability/corp_gov/pdf/21782.pdf.

29. Particulars of loans, guarantees or investments under Section 186 of the Act during 2019-20

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 utilised by the recipient are provided in the standalone financial statements (Please Refer to Notes 7, 8, 17 and 41 of the standalone financial statements).

30. Particulars of contracts or arrangements with related parties

During the year under review, the Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Act.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act along with the justification for entering into such contracts or arrangements in Form AOC-2 does not form part of the Report, as the same is not applicable.

31. Secretarial Standards

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

32. 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 2019-20. Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, based on the assurance given of the business operations, to the best of their knowledge and ability, confirm that:

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

prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;

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

33. Extract of the Annual Return

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

34. 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. During the end of financial year 2019-20, one complaint was received from a female employee alleging objectionable behaviour by a male employee at one of the branch offices of the Company. The Internal Committee is in the process of investigation.

35. 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

Date: 29 May, 2020
Place: Mumbai

Noel N. Tata
Chairman

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 states the Company's approach and endeavor for sustainable and inclusive social development by empowering the communities it serves. Engage, Equip and Empower is the cross cutting theme of the various projects initiated under the three verticals namely Sustainable Livelihood, Community Development and issues of National Importance. Sustainable livelihood which is the flagship program of Voltas CSR, focuses on building employability of youth, women and farmers from underprivileged sections of the society. Community development focuses on Education, Health and Water issues, and emphasizes on community participation and ownership for sustainable outcomes. Issues of National Importance deals with the thematic areas like Disaster Management, Sanitation and Affirmative Action.

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

2. COMPOSITION OF THE CSR COMMITTEE:

1. Mr. Noel N. Tata (Chairman)
2. Mr. Pradeep Bakshi (Managing Director & CEO)
3. Mr. Bahram N. Vakil (Independent Director)
4. Ms. Anjali Bansal (Independent Director)

3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS: ₹ 497.07 crores.

4. PRESCRIBED CSR EXPENDITURE (TWO PER CENT OF THE AMOUNT AS IN ITEM 3 ABOVE): ₹ 9.95 crores.

5. DETAILS OF CSR SPEND DURING THE FINANCIAL YEAR:

- (a) Total amount to be spent for the financial year – ₹ 9.95 crores
- (b) Amount unspent, if any - Nil
- (c) Manner in which the amount spent during the financial year is detailed below.

Sl. No.	CSR Project or Activity Identified	Sector in which the Project is Covered	Projects or Programs, Local Area or others. Specify the State and District where Program or Project was undertaken	Amount spent on Projects (₹ in Crores)	Amount spent on the projects or Programs Sub Heads 1. Direct expenditure on projects or programs 2. Overheads	Cumulative Expenditure up to the reporting period (₹ in Crores)	Amount Spent: Direct or through Implementing Agency
1.	Sustainable Livelihood	Technical and Non-Technical Trainings	Delhi, Hyderabad, Bangalore, Nired, Jired, Ammakkapet, Chennai, Indore, Bhillai, Thane, Aligarh, Jamshedpur, Chhindwara, Pantnagar, Hardoi, Howrah, Chandrapur, Jamul, Bhubaneshwar, Panvel, Mumbai and Mohali	7.04	Direct/Indirect Expenditure	7.04	GMR Varalakshmi Foundation; Tech Mahindra Foundation; Key Path India Pvt Ltd; Tata Strive; Joseph Cardijn Technical School; Bosco Boys; Kohli Techoma; Funfirst Global Skillers; GreySim Learning Foundation; ACC; Pratham, Edubridge Learning; AITTED; Women India Trust; Step Up Charitable Foundation; Sattva Media and Consulting Pvt. Ltd and various other implementing agencies.

Sl. No.	CSR Project or Activity Identified	Sector in which the Project is Covered	Projects or Programs, Local Area or others. Specify the State and District where Program or Project was undertaken	Amount spent on Projects (₹ in Crores)	Amount spent on the projects or Programs Sub Heads 1. Direct expenditure on projects or programs 2. Overheads	Cumulative Expenditure up to the reporting period (₹ in Crores)	Amount Spent: Direct or through Implementing Agency
2.	Education	English Language Development Program for Tribal students in 128 ZP Schools; Hope plus Program for upliftment of tribal students from 14 districts of Kerala; Education and Nutrition Support to tribal students from Nursery to x Standard. Inculcating reading habits in students through Room to Read Libraries.	Thane; Bhiwandi; Kerala; Panvel and Mumbai	0.92	Direct/Indirect Expenditure	7.96	Learning Space Foundation; Ceta Galaxy; The Bethany Society; Room to Read
3.	Community Development	Developing the Montessori Teacher's Training Course Material and Educating the Children from Municipal School; Infrastructure support to Gandhi Sangrahalay/library; Sattva helped with critical impact assessment of the long term projects, which has helped in identifying areas of high impact and improvement to take the programs to the next level.	Mumbai	0.44	Direct / Indirect Expenditure	8.40	Sir Ratan Tata Institute; Mani Bhavan Gandhi Sangralaya; Sattva Media and Consulting Pvt. Ltd.

Sl. No.	CSR Project or Activity Identified	Sector in which the Project is Covered	Projects or Programs, Local Area or others. Specify the State and District where Program or Project was undertaken	Amount spent on Projects (₹ in Crores)	Amount spent on the projects or Programs Sub Heads 1. Direct expenditure on projects or programs	Cumulative Expenditure up to the reporting period (₹ in Crores)	Amount Spent: Direct or through Implementing Agency 2. Overheads
4.	Disaster Relief	Participatory Groundwater Management in Marathwada (Water conservation, Sustainable Agriculture & Livelihood Promotion) Integrated Sanitation including HH toilets, Solid Waste management, Schools Sanitation, and MHM for girls from 6 villages	Beed, Waghodia	1.20	Direct/Indirect Expenditure	9.60	Action for Food Production (AFPRO); Tata Trust (Coastal Salinity Prevention Cell)
5.	Administrative Expenses	--	Mumbai	0.50	Direct Expenditure	10.10	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 project need 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.

Noel N. Tata

Chairman – CSR Committee

Pradeep Bakshi

Managing Director & CEO

Annexure II

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

CONSERVATION OF ENERGY:

With a view to conserve the natural resources by managing energy in manufacturing activities, a structural approach was applied for energy management and following energy conservation projects were taken:-

- (a) The Company has used 50 daylight system on the roof for natural lighting which has significantly reduced the consumption of electricity for LED lights. Total Carbon footprint reduction from this initiative is 33 Ton/year.
- (b) For water distribution to entire factory, a common overhead tank arrangement has been made, in place of local tanks with pump mechanisms resulting in reduction of power consumption and wastage of water. Water consumption was 56KL / day, which has reduced to 37 KL / day. Total Carbon footprint reduction by this initiative is 0.76 Ton/year.

Following initiatives had been taken for conservation of energy at Waghodia factory:

- (a) Use of efficient lighting fixtures across the plant.
- (b) Use of BLDC (Brushless DC) HVLS (High Volume Low Speed) fans instead of local cooling fans.
- (c) Use of modular piping for Air having zero pressure drop.
- (d) Installation of energy efficient VRF system.
- (e) Solar rooftop of 736 KW installed for utilising alternate sources of energy.

TECHNOLOGY ABSORPTION:

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

- (a) Development and launch of 320L, 415L, 500L Convertible freezer.
- (b) Development and launch of Chocolate Cooler CT 25 new tool – new design.
- (c) Remote monitoring with GPRS enabled technology developed and demonstrated to be used to get alert service related issues.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earnings in foreign exchange: ₹ 177.56 crores

Expenditure in foreign currency: ₹ 1.41 crores

Value of import on CIF basis : ₹ 1403.35 crores

On behalf of the Board of Directors

Noel N. Tata

Chairman

Mumbai, 29 May, 2020

Annexure III

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31 MARCH, 2020

[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	6 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 Consultants Private Limited 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011 Phone: 022-66568484; Fax: 022-66568494 e-mail: csg-unit@tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the company
1.	Electro - Mechanical Projects and Services	43219/43229	38%
2.	Unitary Cooling Products for Comfort and Commercial Use	28191/ 28192	58%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable Section
1.	Universal Comfort Products Limited Voltas House 'B', T.B. Kadam Marg, Chinchpokli, Mumbai 400 033	U29193MH2001PLC249228	Subsidiary	100%	Sec 2(87)(ii)
2.	Rohini Industrial Electricals Limited Voltas House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai 400 033	U74210MH1983PLC030705	Subsidiary	100%	Sec 2(87)(ii)
3.	Auto Aircon (India) Limited 5/4 Nagar Road, Pune 411 014 (See Note)	U29192PN1995PLC012885	Subsidiary	100%	Sec 2(87)(ii)
4.	Weathermaker Limited P.O. Box 17127, Between Round About 6/7, Jebel Ali Free Zone, Dubai, U.A.E.	NA	Subsidiary	100%	Sec 2(87)(ii)
5.	Saudi Ensas Company for Engineering Services W.L.L Kanoo Complex, Building No. 2, Madinah Road, Faisaliyah District, P.O. Box 8292, Jeddah 21482, Kingdom of Saudi Arabia	NA	Subsidiary	100% *	Sec 2(87)(ii)
6.	Voltas Netherlands B.V. Herikerbergweg, 238, Luna Arena, 1101CM, Postbus 23393, 1100DW, Amsterdam Zuidoost, The Netherlands	NA	Subsidiary	100%	Sec 2(87)(ii)
7.	Voltas Oman L.L.C. 'ORIS' 3817-A, Ground Floor, Way No.4451, Behind Al Meera Hypermarket, Azaiba, P.O. Box 2263 Postal Code 112, Ruwi, Sultanate of Oman	NA	Subsidiary	65% *	Sec 2(87)(ii)
8.	Lalbuksh Voltas Engineering Services & Trading L.L.C. 'ORIS' 3817-A, Ground Floor, Way No.4451, Behind Al Meera Hypermarket., Azaiba, P.O. Box 3146, Postal Code 112, Ruwi, Sultanate of Oman	NA	Subsidiary	60% *	Sec 2(87)(ii)
9.	Voltas Qatar W.L.L. P.O. Box 24706, Al Emadi Building (Near Indian Supermarket), Office No. 3, Mezzanine Floor, Old Airport Road, Zone: 45, Street No. 310, Doha, State of Qatar	NA	Subsidiary	49%*	Sec 2(87)(i)
10.	Universal Voltas L.L.C. P.O. Box 25513, C.R.No.18649 Universal Trading Company Building, 2nd Floor, F. No. 202-204, Istqlal Street, Abu Dhabi, U.A.E	NA	Associate	49% *	Sec 2(6)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable Section
11.	Olayan Voltas Contracting Company Limited 10, Dareen Centre, Al Ahsa Road, Al Malaz, P.O. Box 8772, Riyadh 11492, Kingdom of Saudi Arabia	NA	Associate	50%	Sec 2(6)
12.	Naba Diganta Water Management Limited GN 11-19, Sector-V, Salt Lake, Kolkata 700 091	U93010WB2008PLC121573	Associate	26%	Sec 2(6)
13.	Voltas Water Solutions Private Limited Voltas House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai- 400 033	U74999MH2014PTC255780	Associate	50%	Sec 2(6)
14.	Voltbek Home Appliances Private Limited Voltas House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai- 400 033	U29308MH2017PTC298742	Associate	49%	Sec 2(6)
15.	Terrot GmbH Paul-Gruner Str, 72b, 09120, Chemnitz, Germany	N.A.	Associate	20.07%	Sec 2(6)
16.	Brihat Trading Private Limited Bank of Baroda Building, Bombay Samachar Marg, Mumbai 400 001	U51900MH1988PTC049926	Associate	33.33%	Sec 2(6)

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

Note: Application made for name strike-off from Register of companies by the Registrar of Companies, Pune, Maharashtra

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 (1 April, 2019)				No. of Shares held at the end of the year (31 March, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	0	0	0	0	0	0	0	0	0
(b) Central Government	0	0	0	0	0	0	0	0	0
(c) State Government(s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corporate	10,02,53,480	0	10,02,53,480	30.30	10,02,53,480	0	10,02,53,480	30.30	0
(e) Banks / FI	0	0	0	0	0	0	0	0	0
(f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)	10,02,53,480		10,02,53,480	30.30	10,02,53,480		10,02,53,480	30.30	0
(2) Foreign (A)(2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	10,02,53,480		0	10,02,53,480		0	10,02,53,480	30.30	0

Category of Shareholders	No. of Shares held at the beginning of the year (1 April, 2019)				No. of Shares held at the end of the year (31 March, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	8,00,76,201	40,100	8,01,16,301	24.21	9,14,12,526	40,100	9,14,52,626	27.64	3.43
(b) Banks / FI	2,62,001	1,01,720	3,63,721	0.11	5,39,173	1,01,720	6,40,893	0.19	0.08
(c) Central Government	13,94,254	0	13,94,254	0.43	13,54,927	0	13,54,927	0.41	(0.02)
(d) State Government(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	3,05,37,463	0	3,05,37,463	9.23	3,56,13,238	0	3,56,13,238	10.76	1.53
(g) FIIs	38,290	500	38,790	0.01	1,59,870	500	1,60,370	0.05	0.04
(h) FPIs	4,52,01,878	0	4,52,01,878	13.66	3,25,01,940	0	3,25,01,940	9.82	(3.84)
(i) Alternative Investment Funds	37,53,612	0	37,53,612	1.13	34,11,618	0	34,11,618	1.03	(0.10)
(j) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	16,12,63,699	1,42,320	16,14,06,019	48.78	16,49,93,292	1,42,320	16,51,35,612	49.90	1.12
2. Non-Institutions									
(a) Bodies Corporate									
(i) Indian	1,09,36,221	1,17,300	1,10,53,521	3.34	76,07,448	92,950	77,00,398	2.33	(1.01)
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4,26,74,651	69,84,599	4,96,59,250	15.01	4,26,18,552	60,11,028	4,86,29,580	14.70	(0.31)
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	5,87,359	0	5,87,359	0.18	6,43,911	0	6,43,911	0.19	0.01
(c) Others (specify)									
(i) Trust	33,09,131	220	33,09,351	1.00	34,15,047	220	34,15,267	1.03	0.03
(ii) Directors & Relatives	1,000	0	1,000	0	2,600	0	2,600	0	0
(iii) NRIs	26,35,412	91,590	27,27,002	0.82	28,89,732	79,040	29,68,772	0.90	0.08
(iv) Foreign Nationals	1,783	0	1,783	0	1,783	0	1,783	0	0
(v) Foreign Bodies	0	88,950	88,950	0.03	0	88,950	88,950	0.03	0
(vi) IEPF Authority MCA	17,97,025	0	17,97,025	0.54	20,44,387	0	20,44,387	0.62	0.08
Sub-total (B)(2)	6,19,42,582	72,82,659	6,92,25,241	20.92	5,92,23,460	62,72,188	6,54,95,648	19.80	(1.12)
Total Public Shareholding (B)=(B)(1)+(B)(2)	22,32,06,281	74,24,979	23,06,31,260	69.70	22,42,16,752	64,14,508	23,06,31,260	69.70	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	32,34,59,761	74,24,979	33,08,84,740	100	32,44,70,232	64,14,508	33,08,84,740	100	0

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1 April, 2019)			Shareholding at the end of the year (as on 31 March, 2020)			% 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 Private Limited	8,81,31,780	26.64	0	8,81,31,780	26.64	0	0
2.	Tata Investment Corporation Limited *	99,62,330	3.01	0	99,62,330	3.01	0	0
3.	Ewart Investments Limited *	19,25,950	0.58	0	19,25,950	0.58	0	0
4.	The Tata Power Company Limited *	2,33,420	0.07	0	2,33,420	0.07	0	0
Total		10,02,53,480	30.30	0	10,02,53,480	30.30	0	0

*Forms part of the Promoter Group.

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

Sl. No.	Shareholder's Name	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 1-4-2019)	10,02,53,480	30.30	10,02,53,480	30.30
2.	Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	No change in Promoters' shareholding			
3.	At the end of the year (as on 31-3-2020)	10,02,53,480	30.30	10,02,53,480	30.30

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

Sl. No.	Name	Shareholding		Cumulative Shareholding during the year (1 April, 2019 to 31 March, 2020)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	HDFC Mutual Fund (Various Accounts)				
	At the beginning of the year	1,66,73,000	5.04	1,66,73,000	5.04
	Bought during the year	1,41,000	0.04	1,68,14,000	5.08
	Sold during the year	55,05,000	1.66	1,13,09,000	3.42
	At the end of the year	1,13,09,000	3.42	1,13,09,000	3.42
2.	Life Insurance Corporation of India (Various Accounts)				
	At the beginning of the year	1,65,17,216	4.99	1,65,17,216	4.99
	Bought during the year	13,99,410	0.42	1,79,16,626	5.41
	Sold during the year	28,34,610	0.85	1,50,82,016	4.56
	At the end of the year	1,50,82,016	4.56	1,50,82,016	4.56
3.	Franklin Templeton Mutual Fund (Various Accounts)				
	At the beginning of the year	1,22,81,384	3.71	1,22,81,384	3.71
	Bought during the year	1,02,80,853	3.11	2,25,62,237	6.82
	Sold during the year	1,28,45,580	3.88	97,16,657	2.94

Sl. No.	Name	Shareholding		Cumulative Shareholding during the year (1 April, 2019 to 31 March, 2020)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the end of the year	97,16,657	2.94	97,16,657	2.94
4.	Aditya Birla Sun Life Trustee Company Private Limited (Various Accounts)				
	At the beginning of the year	71,55,239	2.16	71,55,239	2.16
	Bought during the year	15,45,367	0.47	87,00,606	2.63
	Sold during the year	28,69,792	0.87	58,30,814	1.76
	At the end of the year	58,30,814	1.76	58,30,814	1.76
5.	Mirae Asset Mutual Fund (Various Accounts)				
	At the beginning of the year	62,88,131	1.90	62,88,131	1.90
	Bought during the year	67,53,126	2.04	130,41,257	3.94
	Sold during the year	12,66,732	0.38	1,17,74,525	3.56
	At the end of the year	1,17,74,525	3.56	1,17,74,525	3.56
6.	HDFC Life Insurance Company Limited				
	At the beginning of the year	60,13,909	1.82	60,13,909	1.82
	Bought during the year	35,50,709	1.07	95,64,618	2.89
	Sold during the year	5,73,091	0.17	89,91,527	2.72
	At the end of the year	89,91,527	2.72	89,91,527	2.72
7.	SBI Mutual Fund (Various Accounts)				
	At the beginning of the year	56,00,004	1.69	56,00,004	1.69
	Bought during the year	4,30,335	0.13	60,30,339	1.82
	Sold during the year	38,75,572	1.17	21,54,767	0.65
	At the end of the year	21,54,767	0.65	21,54,767	0.65
8.	IDFC Mutual Fund (Various Accounts)				
	At the beginning of the year	48,71,808	1.47	48,71,808	1.47
	Bought during the year	19,14,810	0.58	67,86,618	2.05
	Sold during the year	14,30,707	0.43	53,55,911	1.62
	At the end of the year	53,55,911	1.62	53,55,911	1.62
9.	Franklin Templeton Investment Fund				
	At the beginning of the year	45,29,921	1.37	45,29,921	1.37
	Bought during the year	-	0	45,29,921	1.37
	Sold during the year	45,29,921	1.37	45,29,921	1.37
	At the end of the year	-	0	-	0
10.	DSP Mutual Fund (Various Accounts)				
	At the beginning of the year	40,57,624	1.23	40,57,624	1.23
	Bought during the year	42,91,460	1.29	83,49,084	2.52
	Sold during the year	18,15,055	0.55	65,34,029	1.97
	At the end of the year	65,34,029	1.97	65,34,029	1.97

Sl. No.	Name	Shareholding		Cumulative Shareholding during the year (1 April, 2019 to 31 March, 2020)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
11.	ICICI Prudential Mutual Fund (Various Accounts)				
	At the beginning of the year	40,30,993	1.22	40,30,993	1.22
	Bought during the year	49,34,026	1.49	89,65,019	2.71
	Sold during the year	18,50,873	0.56	71,14,146	2.15
	At the end of the year	71,14,146	2.15	71,14,146	2.15
12.	Tata Mutual Fund (Various Accounts)				
	At the beginning of the year	36,23,000	1.09	36,23,000	1.09
	Bought during the year	32,67,150	0.99	68,90,150	2.08
	Sold during the year	8,60,100	0.26	60,30,050	1.82
	At the end of the year	60,30,050	1.82	60,30,050	1.82

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 April, 2019)		Cumulative Shareholding During / end of the year (1 April, 2019 to 31 March, 2020)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Mr. Noel N. Tata	0	0	0	0
2.	Mr. Pradeep Bakshi (MD & CEO) - KMP	0	0	0	0
3.	Mr. Anil George (Dy. MD & CFO) – KMP [CFO w.e.f 1.7.2019]	1,000	0	1,000	0
4.	Mr. Nani Javeri (upto 31 August, 2019)	0	0	-	-
5.	Mr. Vinayak Deshpande	0	0	0	0
6.	Mr. Debendranath Sarangi	0	0	0	0
7.	Mr. Bahram N. Vakil	0	0	0	0
8.	Ms. Anjali Bansal	0	0	0	0
9.	Mr. Hemant Bhargava	0	0	0	0
10.	Mr. Arun Kumar Adhikari	0	0	0	0
11.	Mr. Zubin Dubash (w.e.f. 9 August, 2019)	-	-	1,600*	0
12.	Mr. Abhijit Gajendragadkar (CFO) – KMP (upto 30 June, 2019)	0	0	-	-
13.	Mr. V. P. Malhotra (CS) – KMP	2,520	0	2,520	0
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.)		*Transmission (As Executor) on 13 March, 2020			

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	₹ in Lakhs Total Indebtedness
Indebtedness at the beginning of the financial year (As on 1 April, 2019)				
(i) Principal Amount	11,364.50	-	-	11,364.50
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	3.03	-	-	3.03
Total (i+ii+iii)	11,367.53	-	-	11,367.53
Change in Indebtedness during the financial year				
(i) Addition	3,535.24	-	-	3,535.24
(ii) Reduction	6,944.37	-	-	6,944.37
Net Change	(3,409.12)	-	-	(3,409.12)
Indebtedness at the end of the financial year (As on 31 March, 2020)				
(i) Principal Amount	7,958.40	-	-	7,958.40
(ii) Interest due but not paid	--	-	-	-
(iii) Interest accrued but not due	--	-	-	-
Total (i+ii+iii)	7,958.40	-	-	7,958.40

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sl. No.	Particulars of Remuneration	Mr. Pradeep Bakshi Managing Director & CEO	Mr. Anil George Deputy Managing Director [also CFO w.e.f. 1 July, 2019]	₹ in Lakhs Total
1.	Gross salary	251.16	192.03	443.19
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	0.40	0.29	0.69
	(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	260.00	250.00	510.00
5.	Others, please specify –			
	- PF, Superannuation & Medical (exempt)	10.08	21.71	31.79
	- Personal Accident Insurance Premia	0.57	0.47	1.04
	Total	522.21	464.50	986.71
	Ceiling as per the Act (@10% of Profit calculated under Section 198 of the Companies Act, 2013)			6,778.52

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Sitting Fees for attending Board/ Committee Meetings	Commission	Others, please specify	₹ in Lakhs	Total Amount
Independent Directors						
1.	Mr. Nani Javeri (upto 31 August, 2019)	1.95	43.00	-	44.95	
2.	Mr. R. N. Mukhija (upto 4 February, 2019)	-	24.00	-	24.00	
3.	Mr. Debendranath Sarangi	5.40	28.00	-	33.40	
4.	Mr. Bahram N. Vakil	4.95	28.00	-	32.95	
5.	Ms. Anjali Bansal	5.25	22.00	-	27.25	
6.	Mr. Arun Kumar Adhikari	5.40	20.00	-	25.40	
7.	Mr. Zubin Dubash (w.e.f. 9 August, 2019)	3.60	-	-	3.60	
Total (1)		26.55	165.00	-	191.55	
Other Non-Executive Directors						
1.	Mr. N. N. Tata	5.10	-	-	5.10	
2.	Mr. Vinayak Deshpande	2.70	-	-	2.70	
3.	Mr. Hemant Bhargava	2.10	5.00	-	7.10	
Total (2)		9.90	5.00	-	14.90	
Total (1+2)		36.45	170.00	-	206.45	
Ceiling as per the Act (@ 1% of Profit calculated under Section 198 of the Companies Act, 2013)						
					677.85	

Notes:

- (1) Commission for 2018-19, paid in 2019-20. Sitting fees paid is for 2019-20.
- (2) Ceiling limits are for the year 2019-20.
- (3) Mr. R. N. Mukhija retired as Independent Director of the Company with effect from 5 February, 2019.
- (4) Mr. Nani Javeri ceased to be an Independent Director of the Company with effect from 31 August, 2019.
- (5) Commission and Sitting Fees to Mr. Hemant Bhargava is paid to Life Insurance Corporation of India (LIC). Sitting Fees for attending Meetings after 31 July, 2019 is payable to Mr. Hemant Bhargava directly.
- (6) Mr. Zubin Dubash was appointed as an Independent Director with effect from 9 August, 2019.

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Abhijit Gajendragadkar (CFO) [upto 30 June, 2019]	Mr. V. P. Malhotra (Vice President-Taxation, Legal & Company Secretary)	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	33.11	142.41	175.52
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.30	1.20	1.50

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Abhijit Gajendragadkar (CFO) [upto 30 June, 2019]	Mr. V. P. Malhotra (Vice President-Taxation, Legal & Company Secretary)	
	(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	Nil	Nil	Nil
5.	Others, please specify – - PF and Superannuation & Medical	3.00	8.88	11.88
	Total	36.41	152.49	188.90

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 31 March, 2020.

On behalf of the Board of Directors

Noel N. Tata

Chairman

Mumbai, 29 May, 2020

Annexure IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2020

[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,
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 authorised 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 31 March, 2020 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 31 March, 2020 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not applicable to the Company during the audit period**);
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the audit period**);
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 (**Not applicable to the Company during the audit period**);
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the audit period**); and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable to the Company during the audit period**);

Other Laws applicable to the Company:

1. Payment of Wages, 1956
2. Payment of Bonus, 1965
3. Minimum Wages Act, 1948
4. Industrial Disputes Act, 1948
5. Industrial Employment (Standing Orders) Act, 1946
6. Payment of Gratuity Act, 1972
7. Employees Provident Fund and Miscellaneous Provisions Act, 1952
8. Factories Act, 1948
9. Income-tax Act, 1961 and Rules
10. Customs Act, 1962
11. The Central Goods and Services Tax Act, 2017
12. The Integrated Goods and Services Tax Act, 2017
13. State Goods and Services Tax Act
14. State Shops and Establishment Act
15. Contract Labour (Regulation and Abolition) Act, 1970
16. Employees Compensation Act, 1923
17. Employees State Insurance Act, 1948

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

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, 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 in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent seven days in advance for Meetings other than those held by a shorter notice, and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the Meetings and for meaningful participation at the Meetings.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. **All the decisions at the Board Meetings were passed unanimously and with requisite majority at the Sixty-Fifth Annual General Meeting held during 2019-20.**

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. The Company has complied with COVID-19 guidelines issued by MCA.

We further report that during the audit period, the following specific event / action took place in pursuance of the above referred Laws, Rules, Regulations and Guidelines, Standards, etc.

1. The Company has filed an application with National Company Law Tribunal, Mumbai for approval of scheme of merger by absorption of Universal Comfort Products Limited, a wholly owned subsidiary with the Company.

M/s N. L. Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
UDIN: F001176B000295019

N. L. Bhatia
Managing Partner
FCS: 1176
CP. No. 422

Date: 28 May, 2020
Place: Mumbai

To,

The Members,

VOLTAS LIMITED

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

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

M/s N. L. Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
UDIN: F001176B000295019

N. L. Bhatia
Managing Partner
FCS: 1176
CP. No. 422

Date: 28 May, 2020
Place: Mumbai

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 for tracking progress on long term strategic goals. The Company has also adopted the Tata Code of Conduct which serves as a guide to each employee including the Managing Director and Deputy Managing Director, on the standards of values, ethics and business principles. The Whistle Blower Policy of the Company provides a mechanism for the employees to approach the Chairman of Board Audit Committee/Ethics Counsellor and disclose information that may evidence unethical or improper activity concerning the Company.

2. BOARD OF DIRECTORS

(a) Composition

The present Board comprises 10 members: 8 Non-Executive Directors (NEDs), Managing Director & CEO and a Deputy Managing Director & CFO. Of the 8 NEDs, 5 are Independent Directors, including a Woman Director. The Company has a Non-Executive Chairman and the number of Independent Directors is 50% of the total number of Directors. Except Independent Directors, all other Directors are liable to retire by rotation. None of the Directors on the Board holds directorship in more than ten public companies. None of the Directors on the Board has attained the age of 75 years.

(b) Independent Directors

All the Independent Directors of the Company have confirmed that they satisfy the criteria of Independence as indicated in the Companies Act, 2013 (the Act) and SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015 (Listing Regulations) including any statutory modification/enactments thereof. They have also confirmed their registration with the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs in compliance with the requirements of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties. The Board of Directors of the Company confirm that in its opinion, the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the Management of the Company. None of the Independent Directors of the Company is a Wholotime Director of any listed Company and does not serve as an Independent Director in more than 7 listed companies. The Independent Directors are appointed for a term of five years or upto the age of retirement, as per the Retirement Age Policy adopted by the Company, whichever is earlier. The Company has issued letter of appointment to the Independent Directors in the manner as provided in the Act. The terms and conditions of their appointment have been disclosed on the website of the Company.

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

During 2019-20, a separate Meeting of Independent Directors of the Company was held on 9 March, 2020 to discuss the performance evaluation based on the self assessment of Directors and the Board and also to assess the quality, content and timeliness of flow of information between the Management and the Board, including the quality of Board Agenda papers and Minutes. The Independent Directors have expressed their satisfaction and complimented the good process followed by the Company, including conduct of Board Meetings and quality of Minutes.

The Directors of the Company are familiarised with the Company's operations, business, industry and environment in which it functions and the regulatory environment applicable to it. The familiarisation programme for Directors has been disclosed on the website of the Company www.voltas.com and the weblink is <http://www.voltas.com/fpid.pdf>.

(c) Performance Evaluation

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

(d) Non-Executive Directors' compensation and disclosures

Sitting fees paid to Non-Executive Directors, including Independent Directors for attending Board/Committee Meetings are within the limits prescribed under the Act. Same amount of Sitting fees is paid to Independent and other NEDs. The shareholders have at the 61st Annual General Meeting (AGM) held on 3 August, 2015 passed an Ordinary Resolution and approved payment of commission to NEDs 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 1 April, 2015. The Notice of the ensuing AGM includes the Resolution for similar payment of commission to NEDs for financial years commencing from 1 April, 2020.

(e) Other provisions as to Board and Committees

During 2019-20, nine Board Meetings were held on the following dates and the gap between two consecutive Board Meetings did not exceed 120 days.

9 May, 2019; 11 June, 2019; 7 August, 2019; 12 August, 2019; 27 September, 2019; 6 November, 2019; 10 January, 2020; 7 February, 2020 and 12 March, 2020.

Video/tele-conferencing facilities are also made available to facilitate the Directors participate in the Meetings in case they are not able to attend the Meetings physically.

The annual calendar of Board/Committee Meetings is agreed upon at the beginning of the year and Notice for Board Meetings and detailed agenda papers are circulated to all the Directors 7 days in advance for Meetings (other than if held by shorter notice) to enable them to attend and take informed decisions at the Meetings.

The information as required under Regulation 17(7) of the Listing Regulations is made available to the Board. In addition, all proposals of investments, divestments and decisions in respect of properties of the Company (beyond certain threshold limits) are placed before the Board for its consideration and appropriate decision in the matter. The annual budgets – Revenue, Capital as well as the Divisional Budgets/Annual Operating Plans, including Strategic Business Plan (SBP) 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 & CEO, 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 31 March, 2020. A declaration

to this effect, signed by the Managing Director & CEO of the Company is annexed hereto. Senior management comprises the Division/Department/Functional Heads, General Managers and Head-Finance of the respective business clusters. The Independent Directors have also confirmed compliance with the Code as prescribed in Schedule IV to the Act.

(g) Category and attendance

The names and categories of the Directors, their attendance at Board Meetings held during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies (as on 31 March, 2020) are given below:

Name of Directors	Category	Board Meetings Attended during 2019-20	Attendance at the last AGM held on 9 August, 2019	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. Noel N. Tata (Chairman) DIN: 00024713	Non Independent Non-Executive	9	Yes	5	--	2
Mr. Pradeep Kumar Bakshi (Managing Director & CEO) DIN: 02940277	Non Independent Executive	9	Yes	1	--	--
Mr. Anil George (Deputy Managing Director & CFO) DIN: 00590939	Non Independent Executive	9	Yes	2	2	--
Mr. Nani Javeri *DIN: 02731854	Independent Non-Executive	3	Yes	NA	NA	NA
Mr. Vinayak Deshpande DIN: 00036827	Non Independent Non-Executive	7	No	6	1	3
Mr. Debendranath Sarangi** DIN: 01408349	Independent Non-Executive	9	Yes	5	--	2
Mr. Bahram N. Vakil** DIN: 00283980	Independent Non-Executive	8	Yes	4	--	2
Ms. Anjali Bansal** DIN: 00207746	Independent Non-Executive	8	Yes	7	--	5

Name of Directors	Category	Board Meetings Attended during 2019-20	Attendance at the last AGM held on 9 August, 2019	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. Hemant Bhargava DIN: 01922717	Non Independent Non-Executive		7	Yes	3	--	2
Mr. Arun Kumar Adhikari DIN: 00591057	Independent Non-Executive		9	Yes	4	--	2
Mr. Zubin Dubash** DIN: 00026206	Independent Non-Executive		6	NA	2	--	2

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

*Mr. Nani Javeri ceased to be an Independent Director of the Company, upon completion of his term on 31 August, 2019.

** Mr. Zubin Dubash was appointed an Independent Director of the Company with effect from 9 August, 2019. Similarly, Mr. Debendranath Sarangi, Mr. Bahram N. Vakil and Ms. Anjali Bansal have been reappointed as Independent Directors for second term of five years at the last Annual General Meeting held on 9 August, 2019.

(h) Directorship held in other listed entities (including debt listed entities) as on 31 March, 2020

(1) Mr. Noel N. Tata

Name of the listed entity	Capacity
(i) Titan Company Limited	Director (Vice Chairman)
(ii) Tata Investment Corporation Limited	Director (Chairman)
(iii) Trent Limited	Director (Chairman)
(iv) Tata International Limited	Managing Director
(v) Kansai Nerolac Paints Limited	Independent Director

(2) Mr. Vinayak Deshpande

Name of the listed entity	Capacity
(i) Kennametal India Limited	Independent Director
(ii) Artson Engineering Limited	Director (Chairman)
(iii) TRF Limited	Director

(3) Mr. Debendranath Sarangi

Name of the listed entity	Capacity
(i) Shriram City Union Finance Limited	Independent Director (Chairman)
(ii) Southern Petrochemical Industries Corporation Limited	Independent Director
(iii) Tamilnadu Petroproducts Limited	Independent Director

(4) Mr. Bahram N. Vakil is an Independent Director of Trent Limited.

(5) Ms. Anjali Bansal

Name of the listed entity	Capacity
(i) Bata India Limited	Independent Director
(ii) The Tata Power Company Limited	Independent Director
(iii) Apollo Tyres Limited	Independent Director
(iv) Siemens Limited	Independent Director
(v) Tata Power Renewable Energy Limited	Independent Director

(6) Mr. Hemant Bhargava

Name of the listed entity	Capacity
(i) ITC Limited	Director
(ii) The Tata Power Company Limited	Director
(iii) Larsen and Tubro Limited	Director

(7) Mr. Arun Kumar Adhikari

Name of the listed entity	Capacity
(i) Ultratech Cement Limited	Independent Director
(ii) Aditya Birla Capital Limited	Independent Director
(iii) Vodafone Idea Limited	Independent Director

(8) Mr. Zubin Dubash was an Independent Director in Trent Limited upto 25 April, 2020.

Mr. Pradeep Bakshi and Mr. Anil George, Executive Directors of the Company do not hold directorship in any other listed entity.

(i) Matrix setting out the skills/expertise/ competence of Board of Directors:

The Company has diverse businesses and is one of the largest air-conditioning company in India and a reputed engineering solution provider specialising in project management (domestic and international). The Company has a competent Board with adequate background and knowledge of the Company's businesses - consumer durables, retail and marketing, projects, engineering solutions and also finance, accounts, general administration and management. The Board comprise Directors with diverse experience, qualifications, skill sets and gender and are aligned with the Company's overall businesses, long term strategy, including corporate ethics, values and culture. The brief profile and skill sets of the Board Members are highlighted as under:

- 1) Mr. Noel N. Tata, Non-Executive Chairman of the Company is a graduate from Sussex University (UK) and has done the International Executive Programme (IEP) from INSEAD, France. He has vast experience in the field of Marketing and Retail Business. Mr. Noel N. Tata is currently the Managing Director of Tata International Limited, which is a global trading and distribution company. He is also the Chairman of Trent Limited and Tata Investment

Corporation Limited and Vice Chairman of Titan Company Limited. His knowledge of Retail business is humongous and has aspirated the Company grow in Consumer Products significantly.

(2) Mr. Pradeep Bakshi, Managing Director & CEO of the Company is a Science graduate with Post Graduate Diploma in Marketing Management. He has around 37 years of experience in Consumer Appliances business and his vast expertise and experience in the Appliances domain makes him a distinct professional. Under his able leadership, Voltas has consistently grown in revenue and profitability, ahead of the AC Industry. Voltas achieved leadership position in market share of Room Air conditioners and has scored the highest in terms of Brand Equity under his stewardship. He was awarded the Appliances Man of the Year 2013 and has also received the President's award for Energy Conservation, amongst many other awards and accolades during the last decade.

(3) Mr. Anil George, Deputy Managing Director & CFO of the Company is a Chartered Accountant and has vast experience of 35 years in Finance, Treasury, Strategic Planning, Risk Management, Logistics and Human Resources and has worked with reputed organisations, including Hindustan Lever for over 20 years. Mr Anil George has experience of working across multiple geographies, including at the Unilever Corporate Office in Europe for 5 years.

(4) Mr. Vinayak Deshpande, Non-Executive Director of the Company is a graduate in Chemical Engineering (1980) from IIT, Kharagpur. He has over 36 years of work experience in different roles in diverse companies, including Thermax and Tata Honeywell. Mr. Vinayak Deshpande is currently the Managing Director of Tata Projects Limited which has achieved all-round excellence in Industrial Infrastructure business. He was earlier the Managing Director of Tata Honeywell Limited for 5 years for its India business till 2004-05. Mr. Deshpande was conferred as the 'Infrastructure Person of the Year' for 2016-17 by 'Construction World' and 'Construction Times' awarded him as the 'Best Infra CEO' of the year 2017. His vast knowledge and experience is useful for the Company's Projects business and the Company has

constituted a separate Project Committee of the Board, of which Mr. Deshpande is the Chairman.

(5) Mr. Debendranath Sarangi, Independent Director of the Company is a retired IAS officer (1977 batch) from the Tamil Nadu Cadre. Mr. Sarangi holds M.A. in Political Science from University of Delhi and M.Sc. in Economics from University of Swansea, U.K. While in service, Mr. Sarangi has held high-level responsibilities in several departments including that of Chief Secretary. His knowledge and experience in general administration and management in Government Sector helps the Company, especially in the Electrical business relating to Rural Electrification.

(6) Mr. Bahram N. Vakil, Independent Director of the Company, is a Master of Law (LL.M.) from the Columbia University. He is amongst India's foremost restructuring, infrastructure and project finance attorneys and has been acknowledged as a leading project finance lawyer by most international publications for decades. He has been on several governments constituted committees including the Viswanathan Committee on Bankruptcy law reform and played a key role in drafting the Insolvency and Bankruptcy Code. His knowledge of law and litigation experience helps the Board of Directors take appropriate decisions.

(7) Ms. Anjali Bansal, Independent Director of the Company, is a Bachelor in Computer Engineering and a Master in International Finance and Business from Columbia University. She is a founder of Avaana Capital, a fund platform that invests in the scaling up of growth stage startups. She was previously the global partner and Managing Director with TPG Private Equity and a strategy consultant with McKinsey & Company in New York and India. She has chaired the India board of Women's World Banking, a leading global livelihood-promoting institution. She was listed as one of the "Most Powerful Women in Indian Business" by India's leading publication, Business Today and as one of the "Most Powerful Women in Business" by Fortune India. Her experience and knowledge is helpful for taking appropriate decisions for the Products businesses as well as HR related matters.

(8) Mr. Hemant Bhargava, Non-Executive Director of the Company representing LIC has done Masters in Economics and studied at Jamnalal Bajaj Institute of Management. He has done courses from IIM, Lucknow and ISB, Hyderabad. During his rich tenure of 35 years in LIC, he has worked across various departments in diverse roles, both in India and abroad, especially in Marketing, International Operations, Joint Ventures, Subsidiaries, etc. He has served as the Managing Director of LIC and provides valuable inputs to the Company.

(9) Mr. Arun Kumar Adhikari, Independent Director of the Company is a B.Tech (Chemical Engineering) from the Indian Institute of Technology, Kanpur and has done his MBA from the Indian Institute of Management, Kolkata. Mr. Adhikari has also attended the Advanced Management Program in 1997 at The Wharton School, University of Pennsylvania, USA. He joined Hindustan Unilever Limited (HUL) in 1977 and was with Unilever Group, working in India and overseas in series of senior roles across Sales, Marketing and Consumer Research till he retired in 2014. Post retirement from HUL in 2014, he works as a Senior Advisor with McKinsey, supporting them on Marketing and Sales strategy related areas.

(10) Mr. Zubin Dubash holds a Bachelor's Degree in Commerce from Mumbai University and has done Masters in Business Administration from The Wharton School, Philadelphia. He is a Chartered Accountant from the Institute of Chartered Accountants, England and Wales and has over 40 years of international experience in finance and business development. Mr. Zubin Dubash was Executive President of ATC Tires Private Limited. He was the Managing Director and Head India, DSP Merrill Lynch Limited, Global Private Equity and the Group CFO and a key member of the leadership team of WNS Holdings Limited (NYSE listed company). Mr. Zubin Dubash was associated with the Tata Group, including as Director, Tata Financial Services, a division of Tata Sons and also as an Executive Director of Indian Hotels. Mr. Zubin is the Chairman of Board Audit Committee as well as Risk Management Committee in Voltas.

3. AUDIT COMMITTEE

(a) Composition, name of Members and Chairman

The Board Audit Committee (BAC) comprise 3 Non-Executive Independent Directors – Mr. Zubin Dubash (Chairman), Mr. Debendranath Sarangi and Mr. Arun Kumar Adhikari. Mr. Zubin Dubash was appointed as Member of BAC effective 12 August, 2019 and as the Chairman with effect from 1 September, 2019. Mr. Nani Javeri ceased to be Member of BAC upon completion of his term as Independent Director with effect from 1 September, 2019. All members of BAC are financially literate and have relevant finance and/or audit exposure. The Managing Director & CEO, Deputy Managing Director & CFO, the Chief Internal Auditor and the Statutory Auditors attend the Meetings as Invitees. The Business Heads 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 financial year

Seven Meetings of BAC were held during the financial year 2019-20 on the following dates:

8 May, 2019; 11 June, 2019; 6 August, 2019;
26 September, 2019; 5 November, 2019;
9 January, 2020 and 6 February, 2020.

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

Name of Members	No. of Meetings attended
Mr. Nani Javeri	2
Mr. Debendranath Sarangi	7
Mr. Arun Kumar Adhikari	7
Mr. Zubin Dubash	4

The quorum of BAC Meetings is two Members or one third of the Members, whichever is greater. Mr. Nani Javeri attended the last Annual General Meeting of the Company as Chairman of Audit Committee. The Board of Directors has accepted all the recommendations made by BAC from time to time.

(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) and Schedule II of the Listing Regulations read with Section 177(4) of the Act. The broad terms of reference/functions of BAC are as under:

- Oversight of the Company's financial reporting process and disclosure of its financial information, to ensure that the financial statements are correct, sufficient and credible;
- Review with the Management and auditors the annual/half yearly/quarterly financial statements and auditor's report before submission to the Board, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement in the Board's report;
 - Disclosure under Management Discussion and Analysis of financial position and results of operations;
 - Review of accounting policies, practices & standards and reasons for change, if any;
 - Major accounting entries involving estimates based on exercise of judgement by Management;
 - Qualifications/modified opinion in the draft audit report;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of related party transactions;
- Scrutinise inter-corporate loans and investments;
- Review the statement of uses/applications of funds by major category and the statement of funds utilised for purposes other than as mentioned in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation

of proceeds of a public or rights or private placement issue, and make appropriate recommendations to the Board;

- Approve appointment of the CFO;
- Review of the disclosures from the CEO and CFO made in connection with the certifications as regards the Company's quarterly and annual reports filed with the Stock Exchanges;
- Review analysis of the effects of alternative accounting methods on the financial statements;
- Review utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crores or 10% of the asset size of the subsidiary, whichever is lower;
- Provide recommendations to the Board related to the appointment, re-appointment, remuneration and terms of appointment of the auditors of the Company;
- Review and monitor the auditor's independence and performance and effectiveness of the audit process;
- Hold timely discussions with external/ statutory auditors regarding:
 - The nature, scope and staffing of Audit as well as post-Audit discussion/review for dealing with any area of concern prior to commencement of audit.
 - All critical accounting policies and practices.
 - Significant financial reporting issues and judgements made in connection with preparation of the Company's financial statements;
- Provide approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Review with the external auditors, certain information relating to the auditor's judgements about the quality of the Company's accounting principles as applied to its financial reporting;
- Review and suitably reply to the report(s) forwarded by the auditors on the matters where the auditors have sufficient reasons to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company;

- Review the adequacy of the internal audit function, including the structure of the internal audit department (including appointment of outsourced Internal Audit Firm), staffing and seniority of the official heading the department, the reporting structure coverage and budget, scope, coverage and frequency of internal audit;
- Discuss with internal auditors (including outsourced internal audit firm) major audit observations and follow-up thereon;
- Review the appointment, removal, performance and terms of remuneration of the Chief Internal Auditor and outsourced internal audit firm;
- Review the appointment, re-appointment, removal and terms of remuneration of the cost auditor and recommend the cost audit report to the Board;
- Review with the Management, external and internal auditors and the outsourced internal audit firm, the quality, adequacy and effectiveness of the Company's internal control system and any significant deficiencies or material weakness in the internal controls;
- Review management letters/letters of internal control weaknesses issued by statutory auditors;
- Maintain an oversight of the adequacy of the whistle blowing /vigil mechanism;
- Oversee compliance with legal, SEBI and other regulatory requirements and also the Tata Code of Conduct (TCOC) for the Company and its subsidiaries;
- Review the statement of significant related party transactions submitted by the Management, including the significant criteria/thresholds decided by the Management;
- Approve related party transactions, including any subsequent modifications thereto;
- Grant omnibus approval in respect of related party transactions which are of repetitive nature and in ordinary course of business upto certain threshold limits as prescribed under the Act, the Rules made thereunder and Listing Regulations;

- Review the financial statements, in particular, the investments made by the unlisted subsidiary companies;
- Perform such other activities as may be requested by the Board of Directors from time to time;
- Review progress on execution of major overseas projects and the risk ratings, outstandings and inventory levels including action plan for its realisation.

4. SUBSIDIARY COMPANIES

The Company has nine unlisted subsidiary companies, of which three are Indian subsidiaries. One Indian subsidiary which was dormant, with no business activities or employees, assets and liabilities has during 2019-20, made an application to the Registrar of Companies (ROC), Maharashtra, Pune for strike off of its name from the Register of Companies in ROC records. Their approval is awaited.

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 https://voltas.com/assets/img/sustainability/corp_gov/pdf/17477.pdf

As defined in Regulation 16(1)(c) of Listing Regulations, during 2019-20, none of the Indian subsidiaries, except Universal Comfort Products Limited (UCPL), falls under the category of 'material subsidiary'. The financial statements of all subsidiary companies, including investments made, if any, are periodically reviewed by the BAC. 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. An Independent Director of the Company is on the Board of the two Indian wholly-owned subsidiaries of the Company.

5. RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprise Mr. Zubin Dubash (Chairman), Mr. Debendranath Sarangi and Mr. Arun Kumar Adhikari. Mr. Zubin Dubash was appointed as Member of the Committee with effect from 12 August, 2019 and as Chairman with effect from 1 September, 2019. Mr. Nani Javeri ceased to be Member of the Committee upon completion of his term as Independent Director effective from 1 September, 2019. During 2019-20, two Meetings were held on 26 September, 2019 and 9 January,

2020. The Company has formulated a Risk Management Policy and Risk Management Committee charter 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 major risks along with its mitigation measures which are closely reviewed by the respective Businesses/Corporate and changes if any, along with mitigation measures are reported to the Risk Management Committee. The SBP of the respective Divisions factor the risks associated with the businesses and discussed at Board Meetings. The Board of Directors have accepted all the recommendations made by Risk Management Committee from time to time.

6. RELATED PARTY TRANSACTIONS

The Company has in line with the requirements of the Listing Regulations formulated a Policy on materiality of Related Party transactions (RPTs) and also on dealing with RPTs, which has been uploaded on the website of the Company at www.voltas.com and the weblink is https://www.voltas.com/assets/img/sustainability/corp_gov/pdf/17477.pdf

The Audit Committee had granted omnibus approval upto certain threshold limits for RPTs during 2019-20 and the actual value of transactions were reviewed on quarterly basis vis-à-vis the limits. The Company had no materially significant RPTs that could have any potential conflict with the interest of the Company. During the year under review, besides the transactions reported in the Notes to Accounts (Refer Note Nos. 43 and 45 of standalone and consolidated financial statements, respectively), there were no other RPTs with promoters, directors, management, joint ventures/subsidiaries, etc. that had any potential conflict with the interest of the Company at large. All transactions with Related Parties were on arm's length basis, in the normal course of business during 2019-20. 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.

7. MANAGERIAL REMUNERATION

(a) Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) comprise Mr. Bahram N. Vakil (Chairman), Ms. Anjali Bansal (Independent Directors) and

Mr. Noel N. Tata (Non-Executive Director). Mr. Nani Javeri ceased to be Member of NRC upon completion of his term as Independent Director with effect from 1 September, 2019. During 2019-20, six meetings were held on 12 April, 2019; 9 May, 2019; 11 June, 2019; 11 December, 2019; 7 February, 2020 and 9 March, 2020. The attendance of each member of the Committee is given below:

Name of Members	No. of Meetings attended
Mr. Bahram N. Vakil	6
Mr. Nani Javeri	1
Mr. Noel N. Tata	6
Ms. Anjali Bansal	6

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 quorum of NRC meeting is two members with at least one Independent Director. The Board of Directors has accepted all the recommendations made by NRC from time to time.

The broad terms of reference and responsibilities of NRC are as under:

- (i) Recommend to the Board the setup and composition of the Board and its Committees, including the formulation of the criteria for determining qualifications, positive attributes and independence of Director;
- (ii) Support the Board in matters related to the setup, review and refresh of the Committees;
- (iii) Devise a policy on Board Diversity;
- (iv) Identify persons who are qualified to become Directors and who may be appointed as KMPs and Senior Management in accordance with the criteria, and recommend to the Board their appointment/re-appointment or removal;
- (v) Specify the manner and criteria for effective evaluation of performance of the Board, its Committees and individual Directors, including Independent Directors and support the Board and Independent Directors, as may be required, in the evaluation process;

- (vi) Oversee the performance review process for the KMPs and Senior Management with the view that there is an appropriate cascading of goals and targets across the Company;
- (vii) Recommend to the Board as to whether to extend or continue the term of appointment of the Independent Directors, based on the performance evaluation of the Independent Directors;
- (viii) Recommend the remuneration policy for Directors, KMPs, Senior Management and other employees;
- (ix) On annual basis, recommend to the Board, all remuneration, in whatever form, payable to the Directors, KMPs, and Senior Management of the Company, including review and recommendation of actual payment of annual and long term incentives (if any) for MD/EDs, KMPs and Senior Management;
- (x) Review matters related to remuneration and benefits payable upon retirement and severance to MD/EDs, KMPs and Senior Management, if so applicable to the Company;
- (xi) Provide guidelines for remuneration of Directors on material subsidiaries;
- (xii) Review HR and People strategy and its alignment with the business strategy periodically or when a change is made;
- (xiii) Review the efficacy of HR practices including those for leadership development, rewards and recognition, talent management and succession planning;
- (xiv) Perform other activities as requested by the Board from time to time.

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 Board has adopted the Remuneration Policy for Directors, KMPs and other employees as disclosed in the Directors' Report and uploaded on website of the Company at https://voltas.com/assets/img/sustainability/corp_gov/pdf/98899.pdf

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

The remuneration of NEDs, 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 3 August, 2015, approved

payment of commission to the NEDs, of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Act for a period of five financial years commencing from 1 April, 2015. Commission for financial year 2019-20 will be distributed amongst the NEDs in accordance with the directives given by the Board. In addition to commission, the NEDs of the Company are paid sitting fees for attending Board/Committee Meetings, as under:

Meeting	Fees per meeting
• 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 2019-20 and their shareholding in the Company as on date are given below:

- Non-Executive Directors

(₹ in Lakhs)

Name of Directors	Sitting Fees paid in 2019-20	No. of Shares held
Mr. Noel N. Tata	5.10	--
Mr. Nani Javeri#	1.95	--
Mr. Vinayak Deshpande	2.70	--
Mr. Debendranath Sarangi	5.40	--
Mr. Bahram N. Vakil	4.95	--
Ms. Anjali Bansal	5.25	--
Mr. Hemant Bhargava*	2.10	--
Mr. Arun Kumar Adhikari	5.40	--
Mr. Zubin Dubash	3.60	1,600**

* Sitting fees upto 31 July, 2019 was paid to LIC and thereafter, to Mr. Hemant Bhargava. Commission is payable to LIC.

**Mr. Zubin Dubash is holding 1,600 shares of the Company in his capacity as an Executor.

Mr. Nani Javeri ceased to be an Independent Director of the Company, upon completion of his term with effect from 1 September, 2019.

Notes:

(1) Provision of ₹ 225 lakhs made in the books of accounts towards Commission to Non-Executive Directors. Commission to respective Directors would be approved by the Board, based on the recommendation of NRC and paid in the financial year 2020-21.

(2) In accordance with internal Group guidelines, no commission is payable to Mr. Noel N. Tata and Mr. Vinayak Deshpande as they are in full time employment with another Tata company. The Company did not have any pecuniary relationship or transactions with the NEDs during 2019-20, except as stated above.

- Remuneration of Executive Directors

(₹ in Lakhs)

Name of Directors	Salary	Perquisites and allowances including retiral benefits	No. of Shares held
Mr. Pradeep Bakshi	84.00	189.20	--
Mr. Anil George	80.40	137.88	1000

Notes:

(1) Provision of ₹ 510 lakhs made in the books of accounts. Commission to Mr. Pradeep Bakshi and Mr. Anil George would be approved by the Board, based on the recommendation of NRC and paid in the financial year 2020-21.

(2) As per the terms of appointment, Mr. Pradeep Bakshi and Mr. Anil George are entitled to terminate their agreement with the Company by giving not less than six months notice in writing to the other party or the Company paying six months remuneration in lieu of such notice. No severance fee is payable.

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

(c) Retirement Policy for Directors

The Governance Guidelines on Board Effectiveness adopted by the Company provides for the retirement age of Directors. As per the Guidelines, the Managing and Executive Directors retire at the age of 65 years and Non-Independent NEDs retire at the age of 70 years. The retirement age for Independent Directors is 75 years.

8. SHAREHOLDERS RELATIONSHIP COMMITTEE

The Shareholders Relationship Committee (SRC), apart from reviewing the shares related activities, also looks into the redressal of shareholder and investor complaints, compliances in respect of dividend payments and transfer of unclaimed amount to the Investor Education and Protection Fund pursuant to the provisions of Section 125 of the Act. Mr. Noel N. Tata is the Chairman and Mr. Bahram N. Vakil, Independent Director and Mr. Anil George, Deputy Managing Director & CFO are Members of SRC. During 2019-20, two meetings of SRC were held on 27 September, 2019 and 7 February, 2020 which were also attended by the Company Secretary. The Minutes of the SRC Meetings are circulated and noted by the Directors at Board Meetings. Mr. Noel N. Tata attended the last Annual General Meeting of the Company as Chairman of SRC. In line with Listing Regulations, a charter defining the role of SRC has been formulated as under:

- (i) Resolving the grievances of the security holders, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- (ii) Review of measures taken for effective exercise of voting rights by shareholders.
- (iii) Review of adherence to the Service Standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (iv) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices to the shareholders of the Company.
- (v) To appoint/change the Nodal Officer and/or Deputy Nodal Officer in terms of the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

During 2019-20, only 11 complaints were received from SEBI/Stock Exchanges which were suitably dealt with and attended. As on 31 March, 2020, 1 complaint was pending, which would be attended and closed post lifting of the lockdown which has been announced due to COVID-19.

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. He is also the Nodal Officer for IEPF matters. His e-mail id is **vpmalhotra@voltas.com** and his contact details are **022-66656251** and **022-66656258**.

9. OTHER COMMITTEES

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

- (a) Corporate Social Responsibility (CSR) Committee comprise Mr. Noel N. Tata (Chairman), Mr. Bahram N. Vakil, Mr. Pradeep Bakshi and Ms. Anjali Bansal. Ms. Anjali Bansal was appointed as Member of CSR Committee effective 12 August, 2019. Mr. Nani Javeri ceased to be Member of the CSR Committee on completion of his term as Independent Director with effect from 1 September, 2019. A CSR Policy has been formulated by the Committee, which has been approved by the Board, to undertake CSR projects/ activities. During 2019-20, two Meetings were held on 11 June, 2019 and 12 March, 2020.

The Board of Directors has accepted all the recommendations made by CSR Committee from time to time.

- (b) The Board Committee comprising any two Directors is authorised to approve routine matters such as opening/closing and changes in the operation of bank accounts of the Company, to grant limited power of attorney to the officers of the Company, etc. During 2019-20, seven Meetings were held on 17 May, 2019; 27 August, 2019; 10 September, 2019; 11 November, 2019; 27 November, 2019; 3 January, 2020 and 20 February, 2020.

- (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. Pradeep Bakshi, Managing Director & CEO, Mr. Anil George, Deputy Managing Director & CFO and Ms. Anjali Bansal,

Independent Director of the Company are Members of the Investment Committee. Ms. Anjali Bansal was appointed as Member of the Investment Committee effective 27 September, 2019. Mr. Nani Javeri ceased to be Member of Investment Committee upon completion of his term as Independent Director with effect from 1 September, 2019. During 2019-20, two Meetings were held on 22 October, 2019 and 12 March, 2020. Status of investments made and returns/dividends earned on Mutual Funds are reported to the Investment Committee on a monthly basis and to the Board, on quarterly basis.

- (d) The Committee of Board (COB) comprising Mr. Noel N. Tata, Mr. Pradeep Bakshi and Mr. Anil George periodically meet to discuss and guide the Management on various strategic issues.
- (e) Project Committee comprising Mr. Vinayak Deshpande and Mr. Pradeep Bakshi review and monitor the progress and execution of projects and other related matters. During 2019-20, two Meetings were held on 4 June, 2019 and 8 January, 2020.
- (f) The Safety-Health-Environment (S-H-E) Committee comprising Mr. Vinayak Deshpande, Mr. Pradeep Bakshi and Ms. Anjali Bansal review and monitor the Safety standards and practices followed by the Company. During 2019-20, two Meetings of S-H-E Committee were held on 4 June, 2019 and 8 January, 2020. The Company also conducts Safety audits by cross-functional teams at project sites.

10. GENERAL BODY MEETINGS

The last three Annual General Meetings (AGMs) were held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020. The date and time of the AGMs held during preceding three years are as given below.

Date of AGM	Time
63rd AGM- 28 August, 2017	3.00 p.m.
64th AGM- 27 August, 2018	3.00 p.m.
65th AGM- 9 August, 2019	3.00 p.m.

The following Special Resolutions for re-appointment of Independent Directors for second term of five years were passed at the Sixty-Fifth AGM:

- (i) Mr. Debendranath Sarangi with effect from 1 September, 2019 upto 31 August, 2024.

- (ii) Mr. Bahram N. Vakil with effect from 1 September, 2019 upto 31 August, 2024.
- (iii) Ms. Anjali Bansal with effect from 9 March, 2020 upto 8 March, 2025.

During 2019-20, no Special Resolution was passed through postal ballot and no Extraordinary General Meeting was held.

11. DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF LISTING REGULATIONS

As required under Regulation 36(3) of Listing Regulations, particulars of Director/s seeking re-appointment are given in the Explanatory Statement annexed to the Notice of the Sixty-Fifth AGM to be held on 21 August, 2020

12. DISCLOSURES

- A certificate from M/s. N L Bhatia & Associates, Practicing Company Secretaries, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the companies by Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs or any such statutory authority is annexed as part of this Report
- 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 victimisation 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. During the year under

review, an anonymous letter was received by some Directors, including Members of NRC and the same was looked into by NRC. Concerns received under the Tata Code of Conduct are also reported and discussed at the Audit Committee Meetings. The Whistle Blower Policy of the Company has been disclosed on the website of the Company.

- Senior Management has made the disclosure to the Board and confirmed that they had no material financial and commercial transactions that could have a potential conflict with the interest of the Company at large.
- In the preparation of financial statements, the Company has followed the Accounting Standards as prescribed by the Central Government.
- The Company did not raise funds through public/rights/preferential issues/qualified institutions placement (QIP) during the financial year 2019-20. Hence, disclosure of utilisation of funds is not required.
- 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 & CEO and Chief Financial Officer have in accordance with Regulation 17(8) of Listing Regulations certified to the Board on matters pertaining to CEO/CFO certification.
- **Credit Rating**
The Company has obtained Annual Credit Rating from ICRA Limited (ICRA) for ₹ 4000 crores Line of Credit (LOC), pursuant to an Agreement between ICRA and Voltas. ICRA has rated the Company as 'AA+' for long-term' and 'A1+ for short-term' [fund base and non-fund base bank facilities].
- **Consolidated payment to Statutory Auditors**
During 2019-20, ₹ 3.82 crores was paid on consolidated basis to Statutory Auditors of the Company and all entities in the network firm/network entity of which Statutory Auditors is part towards services rendered by them, as under:

(₹ in crores)				
SR. No	Particulars	By Company	By Subsidiaries	Total
(1)	Statutory Audit fees including tax audit fees	2.19	0.45	2.64
(2)	Other services	1.03	0.01	1.04
(3)	Reimbursement of expenses	0.12	0.02	0.14
Total	3.34	0.48	3.82	

- Shareholding Pattern, Corporate Governance Report and financial results are uploaded in the prescribed format on NEAPS and Listing Centre maintained by NSE and BSE, respectively.
- The financial results, official news releases and presentations, conference calls with the institutional investors or with the analysts are displayed on the Company's website www.voltas.com. Copies of Press Release are filed with the Stock Exchanges.
- The Company's website contains information on Voltas' management, vision, mission, policies and corporate sustainability. The section on 'investors' provides financial results, annual reports, shareholding pattern and announcements submitted to the Stock Exchanges. The section on 'News Room' includes all major press releases.

14. GENERAL SHAREHOLDERS INFORMATION

AGM: Date, time and venue	Friday, 21 August, 2020 at 3.00 p.m. by Video Conferencing or Other Audio Visual Means.
Financial Calendar	(a) 1 April to 31 March (b) First Quarter Results – By 14 August, 2020 (c) Second Quarter Results – By 14 November, 2020 (d) Third Quarter Results – By 14 February, 2021 (e) Results for the year ending 31 March, 2021 - By 30 May, 2021
Date of Book closure	Friday, 7 August, 2020 to Friday, 21 August, 2020 (both days inclusive).
Dividend Payment date	Dividend, if declared would be paid on or after 26 August, 2020.
Listing on Stock Exchange	- BSE Limited P.J. Towers, Dalal Street, Mumbai 400 001 - National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai 400 051

13. MEANS OF COMMUNICATION

- The quarterly, half-yearly and annual financial 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.

The Company has paid the listing fees to BSE and NSE for the year 2020-21.

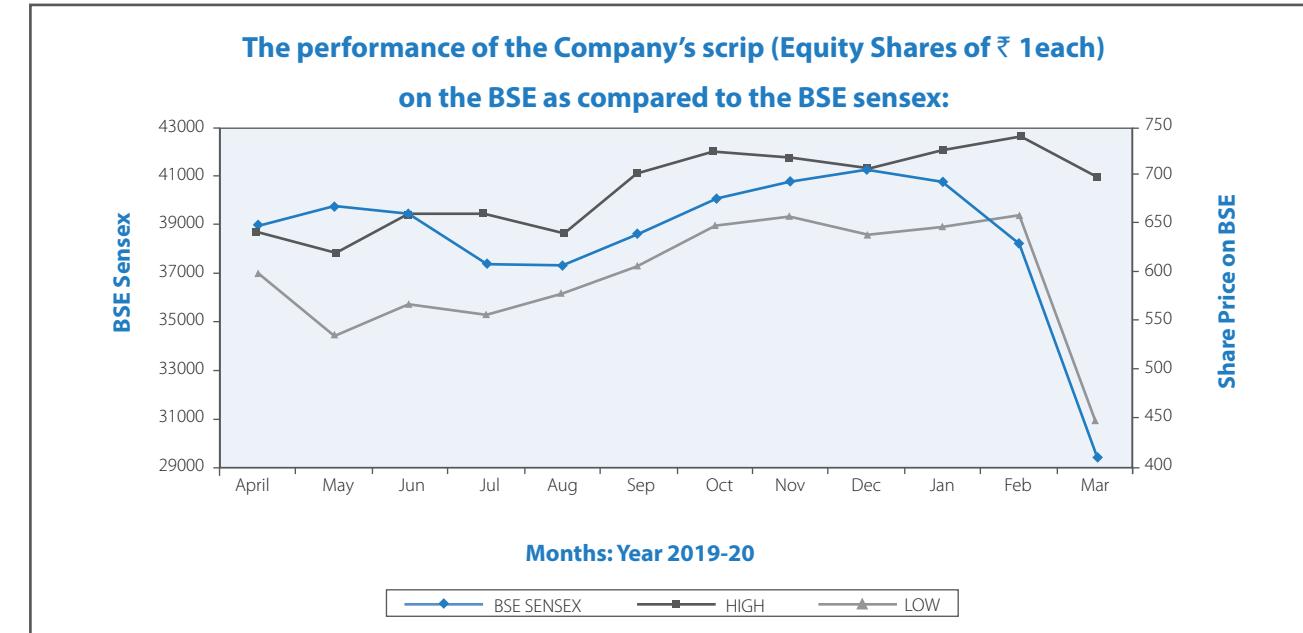
Stock Code

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

Market Information

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

Month	BSE Sensex	BSE Ltd. (BSE)				National Stock Exchange of India Ltd. (NSE)			
		High ₹	Low ₹	No. of Shares Traded	Turnover ₹ in crores	High ₹	Low ₹	No. of Shares Traded	Turnover ₹ in crores
2019									
April	39,032	641.55	599.00	8,77,236	54.22	641.70	598.55	2,30,12,699	1,421.03
May	39,714	620.85	537.00	25,09,789	143.75	621.40	537.70	4,70,47,926	2,712.87
June	39,395	658.60	574.95	14,01,642	87.27	658.85	578.00	2,82,75,060	1,754.48
July	37,481	662.15	557.20	17,21,953	102.22	662.50	557.40	2,69,68,745	1,622.55
August	37,333	643.70	579.10	14,44,455	87.85	643.95	579.10	3,01,65,390	1,834.58
September	38,667	704.25	606.80	16,03,087	103.52	705.00	606.65	2,20,17,465	1,392.67
October	40,129	725.45	650.00	9,76,936	67.62	725.40	649.20	2,15,30,024	1,489.95
November	40,794	719.40	658.35	8,80,902	61.36	719.55	657.15	2,57,94,312	1,792.84
December	41,254	706.90	638.95	14,62,480	97.09	707.00	639.00	2,51,87,843	1,619.93
2020									
January	40,723	731.05	646.85	7,80,368	54.16	730.95	646.30	2,37,09,744	1,633.16
February	38,297	740.50	656.60	9,95,212	69.46	741.00	655.75	3,25,88,139	2,273.63
March	29,468	697.95	449.20	9,85,923	58.54	697.00	448.75	3,36,78,934	1,967.39



- Distribution of shareholding as on 31 March, 2020

No. of equity shares held	No. of shareholders	No. of Shares held	% of Issued Share Capital
Upto 5000	1,23,746	3,79,18,851	11.46
5001 to 10000	892	63,17,229	1.91
10001 to 20000	384	53,85,590	1.63
20001 to 30000	112	27,96,354	0.84
30001 to 40000	64	22,84,936	0.69
40001 to 50000	29	13,20,246	0.40
50001 to 100000	81	58,19,415	1.76
100001 and above	219	26,90,42,119	81.31
Total	1,25,527	33,08,84,740	100.00
Physical Mode	9,366	64,14,508	1.94
Electronic Mode:	1,16,161	32,44,70,232	98.06
- NSDL	63,820	30,08,98,984	90.94
- CDSL	52,341	2,35,71,248	7.12

- Shareholding Pattern as on 31 March, 2020

Category	No. of Shares held	% of Issued Share Capital
Tata Group of companies	10,02,53,480	30.30
Mutual Funds and UTI	9,14,52,626	27.64
Foreign Portfolio Investors	3,26,62,310	9.87
Insurance companies	3,56,13,238	10.76
Bodies Corporate	1,11,15,665	3.36
Alternate Investment Funds	34,11,618	1.03
Non Resident Indians	29,68,772	0.90
Investor Education and Protection Fund Authority	20,44,387	0.62
Central Government Corporations and Banks	19,95,820	0.60
Foreign companies and Foreign national	90,733	0.03
Public/Individuals	4,92,76,091	14.89
Total	33,08,84,740	100.00

- Shareholders holding more than 1% Equity Shares of the Company as on 31 March, 2020

Name of Shareholder	No. of Shares held	% of Issued Share Capital
Tata Sons Private Limited	8,81,31,780	26.64
Life Insurance Corporation of India	1,50,82,016	4.56
Mirae Asset Mutual Fund	1,17,74,525	3.56
HDFC Mutual Fund	1,13,09,000	3.42
Tata Investment Corporation Limited	99,62,330	3.01
Franklin Templeton Mutual Fund	97,16,657	2.94
HDFC Standard Life Insurance Company Limited	89,91,527	2.72
ICICI Prudential Mutual Fund	71,14,146	2.15
DSP Blackrock Mutual Fund	65,34,029	1.97
Tata Mutual Fund	60,30,050	1.82
Aditya Birla Sun Life Trustee Company Private Limited	58,30,814	1.76
IDFC Mutual Fund	53,55,911	1.62
Axis Mutual Fund	43,74,959	1.32
Prazim Trading and Investment Company Private Limited	35,16,023	1.06
Canara Robeco Mutual Fund	33,25,662	1.01

Registrar & Transfer Agent

TSR Darashaw Consultants Private Limited
(formerly known as TSR Darashaw Limited)
Unit : Voltas Limited
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai 400 011.
Tel: 022-66568484
Fax: 022-66568494
e-mail: csg-unit@tsrdarashaw.com

Share Transfer System

The transmission cases and demat requests are processed and approved by the Share Transfer Board Committee on a fortnightly basis, which are reported at the subsequent Board Meetings.

Dematerialisation of shares and liquidity
Outstanding GDRs/ADRs/Warrants or any
Convertible instruments, conversion date and
likely impact on equity

98.06% of the share capital has been dematerialised as on 31 March, 2020.
The Company has not issued GDRs/ADRs/Warrants or any Convertible

Plant locations

The Company's manufacturing activities are located at:
(i) Plot No.1-5, Sector 8, I.I.E. Pantnagar

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

(ii) Plot No. 1A, Siddhi Industrial Infrastructure Park, Village Waghodia,
Tal. Waghodia, Dist. Vadodara 390 001

Addresses for correspondence

All correspondence relating to shares should be addressed to TSR
Darashaw Consultants Private Limited, the Company's Registrar & Transfer
Agent at the address mentioned aforesaid. Shareholders holding shares
in electronic mode should address their correspondence to the respective
Depository Participants.

- Unclaimed Dividends

Pursuant to Section 125 of the Act, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Shareholders are advised to claim the un-cashed dividends lying in the unpaid dividend accounts of the Company before the due date. Given below are the dates of declaration of dividend and due dates for claiming dividend.

Date of declaration of dividend	Dividend for the year	Due for transfer to the IEPF	Amount lying in Unpaid Dividend Accounts as on 31 March, 2020 ₹ in crores
19 August, 2013	2012-13	19 September, 2020	0.65
1 September, 2014	2013-14	1 October, 2021	0.75
3 August, 2015	2014-15	3 September, 2022	0.92
29 August, 2016	2015-16	29 September, 2023	1.16
28 August, 2017	2016-17	28 September, 2024	1.53
27 August, 2018	2017-18	27 September, 2025	1.23
9 August, 2019	2018-19	9 September, 2026	1.16

Pursuant to Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), the Equity Shares of the Company in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred by the Company to IEPF Authority. Accordingly, the Company had during 2019-20, transferred 2,48,356 shares (physical) and 15,231 shares (held in demat) and ₹ 0.53 crore to IEPF Authority in respect of dividend declared by the Company for 2011-12 and which had remained unclaimed for seven consecutive years from the date of transfer to unpaid dividend account. The Company has uploaded the details of such shareholders on its website www.voltas.com and website of IEPF Authority www.iepf.gov.in. The concerned shareholders may note that the shares so transferred to IEPF Account, including all benefits accruing on such shares, if any, can be claimed by them only from IEPF Authority by following the prescribed procedure. As earlier stated, Mr. V. P. Malhotra, Company Secretary has been appointed as 'Nodal Officer' under the provisions of IEPF.

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

Members holding shares in physical form, desirous of receiving dividend by direct electronic deposit through National Automated Clearing House (NACH)/Direct Credit Facility arrangements with the Banker, to their bank accounts may authorise the Company by giving details of their NACH mandate. For more details, kindly write to the Company's Registrar & Transfer Agent – TSR Darashaw Consultants Private Limited.

- **Bank details for Electronic Shareholding**

While opening Accounts with Depository Participants (DPs), you may have given your Bank Account details, which were used by the Company for ECS/printing on dividend warrants for remittance of dividend. However, remittance of dividend through ECS/NECS has been replaced by NACH. In order to facilitate the Company to remit the dividend amount through NACH, please furnish your new bank account number allotted to you by your bank to your DPs, along with photocopy of cheque pertaining to your bank account.

- **Bank details for Physical Shareholding**

In order to provide protection against fraudulent encashment of dividend warrants, the Members are requested to provide, if not provided earlier, their Bank Account numbers, names and addresses of the Bank along

with original cancelled cheque leaf of the saving/current account in which the credit of dividend is desired, quoting Folio numbers to the Company's Registrar & Transfer Agent – TSR Darashaw Consultants Private Limited to incorporate the same on the dividend warrants.

- **Physical Transfer of Shares**

As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from 1 April 2019, except in case of request received for transmission or transposition of securities. Accordingly, in order to eliminate the risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company by sending an email at shareservices@voltas.com or to the Company's Registrar and Transfer Agent, TSR Darashaw Consultants Private Limited at csg-unit@tsrdarashaw.com for assistance in this regard.

Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes. This would also result in savings at the time of dematerialisation as demat charges are payable per certificate.

- **Dematerialisation of Shares**

Shares held in demat form helps the investors/shareholders to get immediate transfer of shares 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.

- **Nomination facility**

Shareholders should register their nominations in Form SH-13 in case of physical shares with the Company's Registrar & Transfer Agent – TSR Darashaw Consultants Private Limited. In case of dematerialised shares, nomination should be registered by the shareholders with their DP. Nomination would help the nominees to get the shares transmitted in their favour in a smooth manner without much documentation/legal requirements.

- **Receipt of Balance Sheet/other documents through Electronic mode**

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

In compliance with Ministry of Corporate Affairs Circular dated 5 May, 2020 read with Circulars dated 8 April, 2020 and 13 April, 2020 and SEBI Circular dated 12 May, 2020, Notice of Sixty-Fifth AGM along with the Annual Report 2019-20 is sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 are also available on the Company's website www.voltas.com and websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively.

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

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

- **Updation of PAN, Bank details and signatures**

Pursuant to SEBI circular dated 20 April, 2018, the Company had sent letters/reminder letters to the shareholders requesting them to update their PAN, Bank details and signatures with the Company and/or the Company's Registrar & Transfer Agent – TSR Darashaw Consultants Private Limited. The shareholders who have not yet updated the same are requested to send the self-attested copies of PAN, bank details (with original cancelled cheque leaf) and also update their signatures.

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

I hereby declare that all the Directors and Senior Management personnel have as on 31 March, 2020 affirmed compliance of their respective Codes of Conduct adopted by the Company and confirmation to that effect has been given by each of them.

Pradeep Bakshi

Managing Director & CEO

Date: 29 May, 2020
Place: Delhi

Annexure CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements)(Amendment) Regulations, 2018]

To,

The Members of
VOLTAS Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Voltas Limited (CIN:L29308MH1954PLC009371) and having its registered office at Voltas House'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai 400033 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Director Identification Number (DIN) status on the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that for the Financial Year ended 31 March, 2020, none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of appointment in Company
1.	Mr. Noel N. Tata	00024713	27 January, 2003
2.	Mr. Pradeep Kumar Bakshi	02940277	01 September, 2017
3.	Mr. Anil George	00590939	01 September, 2017
4.	Mr. Vinayak Deshpande	00036827	14 February, 2012
5.	Mr. Debendranath Sarangi *	01408349	01 September, 2014
6.	Mr. Bahram N. Vakil *	00283980	01 September, 2014
7.	Ms. Anjali Bansal **	00207746	09 March, 2015
8.	Mr. Hemant Bhargava	01922717	23 May, 2017
9.	Mr. Arun Adhikari	00591057	08 June, 2017
10.	Mr. Zubin S. Dubash	00026206	09 August, 2019

*Mr. Bahram N. Vakil and Mr. Debendranath Sarangi were reappointed as Independent Director for a second term of five years with effect from 1 September, 2019 to 31 August, 2024.

**Ms. Anjali Bansal was reappointed as Independent Director for a second term of five years with effect from 9 March, 2020 to 8 March, 2025.

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For N L Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
UDIN: F001176B000295008

N L Bhatia
Managing Partner
FCS: 1176
CP. No. 422

Date: 28 May, 2020
Place: Mumbai

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

The Members of Voltas Limited

1. The Corporate Governance Report prepared by Voltas Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria) for the year ended 31 March, 2020 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
 - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Register of Directors as on 31 March, 2020 and verified that at least one independent woman director was on the Board of Directors throughout the year;
 - iv. Obtained and read the minutes of the following committee meetings / other meetings held between 1 April, 2019 to 31 March, 2020:
 - (a) Board of Directors;
 - (b) Audit Committee;
 - (c) Annual General Meeting (AGM);
 - (d) Nomination and Remuneration Committee;
 - (e) Shareholders Relationship Committee;
 - (f) Risk Management Committee
 - v. Obtained necessary declarations from the directors of the Company.
 - vi. Obtained and read the policy adopted by the Company for related party transactions.
 - vii. Obtained the schedule of related party transactions during the year and balances at the year-end.

Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved by the audit committee.

viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

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

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended 31 March, 2020, referred to in paragraph 1 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with

which the management has conducted the affairs of the Company.

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

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Dolphy D'Souza

Partner

Membership Number: 38730

UDIN: 20038730AAAAAT5240

Date: 29 May, 2020
Place: Mumbai

Business Responsibility Report

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

INTRODUCTION

The Business Responsibility (BR) Policy of Voltas has been formulated envisaging the principals of Social, Environmental and Economic responsibility of business which are prescribed in the National Voluntary Guidelines (NVG) issued by the Ministry of Corporate Affairs. The guidelines encompass the 9 Principles and core elements for each of these Principles.

The Business Responsibility Report has been prepared by Voltas, in accordance with Regulation 34(2)(f) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Report contains three primary pillars – Community, Environment and Business and outlines the Company's interventions against each of the 9 Principles mentioned in the National Voluntary Guidelines. This Report provides an overview of the activities carried out by Voltas under each of the 9 Principles.

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company

L29308MH1954PLC009371

2. Name of the Company

Voltas Limited

3. Registered address

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

4. Website

www.voltas.com

5. E-mail id

pradnyashinde@voltas.com

6. Financial Year reported

2019-20

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

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

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

The Products and Services provided/manufactured by Voltas are enlisted below:

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

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

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

Voltas has its presence at five major International Locations: United Arab Emirates, Qatar, Sultanate of Oman, Kingdom of Bahrain, Kingdom of Saudi Arabia and Singapore.

(ii) Number of National Locations

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

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

Local / State / National / International

Section B: Financial Details of the Company (As on 31 March, 2020)

1. Paid up Capital (INR) financial details

₹ 33.08 crores.

2. Total Turnover (INR) - Standalone

₹ 7,324 crores.

3. Total profit after taxes (INR)- Standalone

₹ 570 crores.

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

In accordance with the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy)

Rules 2014 (as amended), Voltas has spent over 2% of its average net profit of last 3 financial years for activities related to social welfare and improvement (Corporate Social Responsibility activities).

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

To continue with the ethos of Giving Back to the Community, the Company created its framework based on the mapped community needs. The framework essentially has three verticals including Sustainable Livelihood, Community Development and Issues of National Importance. These verticals cater to Youth, Women, Children and the Community at large, emphasises on critical issues like skilling for employability building, Education, Water and Sanitation.

The CSR activities are carried out under the following thematic areas:

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

Section C: Other Details

1. Does the Company have any Subsidiary Company/Companies?

Yes, Voltas has 9 subsidiaries of which, 3 are located in India and 6 are situated overseas:

Subsidiaries (India):

1. Universal Comfort Products Limited (UCPL)
2. Rohini Industrial Electricals Limited (RIEL)
3. Auto Aircon (India) Limited (AAIL) – under strike-off by the Registrar of Companies (ROC).

Subsidiaries (Overseas):

1. Weathermaker Limited (Dubai, United Arab Emirates)
2. Saudi Ensas Company for Engineering Services W.L.L. (Jeddah, Kingdom of Saudi Arabia)
3. Voltas Oman L.L.C. (Ruwi, Sultanate of Oman)

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

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

No. The overseas subsidiary companies operate in different geographies/ business domains.

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

No, the other entities, currently do not participate in the BR initiatives of the Company.

Section D: BR Information

1. Details of Director/Directors responsible for BR

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

DIN	Name	Designation
00024713	Mr. Noel N. Tata	Chairman of the Board and CSR Committee
00283980	Mr. Bahram N. Vakil	Independent Director
02940277	Mr. Pradeep Bakshi	Managing Director & CEO
00207746	Ms. Anjali Bansal	Independent Director

(b) Details of the BR head

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

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

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

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

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for...?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Voltas has adopted the Tata Code of Conduct (TCOC) and Climate Change Policies developed by Tata Group. The development of these policies was done based on comprehensive deliberations and research on the globally followed best practices.								
3	Does the policy conform to any National /International standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	The essence and intent of the Tata Code of Conduct (TCOC) encompasses all applicable National Laws.								
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	The CSR Committee/Board of Directors of Voltas have approved the BR Policy and the policy has been signed by the Managing Director.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Refer table below								
8	Does the Company have in-house structure to implement the policy/policies?	The BR policy have been formally communicated to all internal stakeholders of Voltas.								
		The communication of Tata Code of Conduct (TCOC) and other policies is extended to suppliers, vendors, dealers and channel partners based on their relevance to these external stakeholders.								
		There are in-house structures instituted in Voltas for the implementation of these policies.								

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?									
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?									

Web-links of the Policy

NVG Principle	Web-link
Principle 1: Ethics, transparency & accountability	https://voltas.com/assets/img/sustainability/corp_gov/pdf/54264.pdf
Principle 2: Sustainability in life cycle of product	https://voltas.com/assets/img/sustainability/corp_gov/pdf/54264.pdf
Principle 3: Employee well-being	Intranet: Employee Self Service Portal ==> Policies Section https://voltas.com/assets/img/sustainability/corp_gov/pdf/86713.pdf
Principle 4: Stakeholder engagement	https://voltas.com/assets/img/sustainability/corp_gov/pdf/42890.pdf
Principle 5: Promotion of human rights	https://voltas.com/assets/img/sustainability/corp_gov/pdf/54264.pdf
Principle 6: Environmental protection	https://voltas.com/assets/img/sustainability/corp_gov/pdf/90603.pdf
Principle 7: Responsible public policy advocacy	https://voltas.com/assets/img/sustainability/corp_gov/pdf/99574.pdf
Principle 8: Inclusive growth	https://voltas.com/assets/img/sustainability/corp_gov/pdf/54264.pdf
Principle 9: Customer value	https://voltas.com/assets/img/sustainability/corp_gov/pdf/54264.pdf

3. Governance related to BR

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

The Board and the CSR Committee reviews BR performance of the Company annually.

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

The BR Report of Voltas gets published annually. The Sustainability Report-2018-19 is under preparation and upon finalisation, will be uploaded on the Company's website.

Section E: Principle-wise performance

Principle 1

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

Tata Code of Conduct (TCOC) is a guiding principle which has shaped the Company's culture, and the core values, including Integrity, Responsibility, Excellence, Pioneering and Unity which form part of TCOC are ingrained in all activities related to business and otherwise. The locational Ethics Counsellors ensure cascading of the policy at branches, manufacturing plants, and offices. The Policy has been adopted by the Company's wholly owned subsidiaries in India (UCPL& RIEL).

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

During 2019-20, 19 complaints were received under TCOC, of which 15 complaints were closed as on 31 March, 2020 and the balance 4 are being looked into. No complaints were received under the Whistle Blower Policy, except for an anonymous letter which was looked into by the Nomination and Remuneration Committee (NRC).

Principle 2

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

The Company's vision of 'Driving Value through Smart Engineering' and commitment to sustainability ensures continuous efforts to ramp up energy efficiency in its products which is one of the key area to address the climate change.

Some of the products in which environmental and social concerns are being addressed through the appropriate design and production are as under:

1. Increase in the volume of Inverter Split Air-Conditioners production by more than 40%, ODU Condenser size and compressor rating has been optimised, which has a direct impact on the usage of aluminium, steel and copper in the machine (4%-5%), which in-turn reduces the cost of the machines.

2. Adjustable Inverter Air-Conditioner In 2019-20, the Company introduced higher version of the adjustable Air-conditioner (AC) with improved features called 'Maha-Adjustable' AC, which comes with a unique

proposition of flexible air-conditioning, and allows the users to adjust the cooling between 1.5 Ton to 1 Ton capacity or 2 Ton, on the basis of number of people in a room, leading to energy saving and optimization of the running cost.

3. In order to address environmental concerns like higher energy consumption, weight of the product (raw material usage) and refrigerants with GWP (Global Warming Potential), the Company has developed energy efficient Inverter Ductable Air-conditioner, redesigned Scroll Chillers to reduce weight and cost, and reduced usage of refrigerant R22 (with Hydro chlorofluorocarbons (HCFC)). Also developed Packaged Air-conditioners (PAC) / Ductable Split Units (DSU) with environment friendly Refrigerant R407C [Hydro Fluoro Carbon (HFC)]. Also developed energy efficient water cooled Variable Frequency Drive (VFD) screw chillers.

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

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

With consistent and conscious efforts, reduction in energy, water, and raw material consumption has been achieved. Also, through sustainable sourcing, improved designs, negotiations and efficiency during the manufacturing of the products like Packaged Air-conditioners, Chiller Packages, Vapour Absorption Machines (VAM) etc., the Company could achieve about 10% cost reduction in 2019-20.

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

In 2019-20 with the introduction of Adjustable Inverter Air Conditioners, energy saving of 3%-4% is envisaged. Also in the range of Commercial Refrigeration Products, energy saving of 3% is expected.

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

Voltas being the market leader in Air-Conditioning Space, with around 1.450 million Air conditioners sold in 2019-20, managing sourcing, supply chain and logistics, etc. requires well-defined Standard Operating Procedures (SOP) and its strict adherence / implementation. Moreover, for packaging

of product parts, the Company uses 50 micron and reusable plastic poly bags. Wooden pallets are completely eliminated and in turn recyclable boxes have been introduced, which are taking care of some of the environmental concerns.

As regards procedures for the sustainable sourcing, it essentially depends on the four major key parameters (Lead Time, Quality, Cost, Brand reputation) or else Quality, Cost, Delivery (QCD) and Quality, Cost, Delivery, Morale, Safety (QCDMS), followed by environmental aspects like Sourcing (selection of Vendors) and Transportation (Selection of mode of transport). With the change in the product technology, the Company is sourcing from suppliers which are capable of matching the required standards prescribed under Energy Efficiency norms.

Most of the import transportation is done through seaway (~99%) which is more economical and environment-sensitive option and further additional movements of import containers are managed through various ICD (Inland Container Depots) across India.

The Company is exploring the option of setting up a new factory in South India, primarily to cater to the western and southern markets. This would result in faster market reach and reduce the primary transportation from Port/Plant to Warehouses. With the emergence of a fully integrated manufacturing facility in the South by 2021, there would be a major shift in production capacity and self-reliance allowing flexibility to cater to the evolving market and also contribute to the Government's thrust and focus on 'Make in India'.

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

Effective procurement of products and services play a significant role in the success of Voltas. The Company adheres to the principle of sustainability; this encompasses the measures for minimising the impact on the planet and taking care of the personnel involved in the operations in terms of safety, etc. Voltas also adheres to all applicable laws and regulations. The procurement of raw material and other requisites is done in a responsible manner, wherein use of natural resources is done judiciously.

Voltas has reduced usage of wooden packing and started using card boards for PAC and DSU. Vendors are advised and monitored to ensure non-usage of plastic for the packaging. Mostly, all imports during 2019-20 were done through sea.

Unitary Products Business Group (UPBG) has developed local vendors for sheet metal parts/ plastic parts / gaskets / cooling coils / stainless steel tank / water cooler panels etc.

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

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

The Company supports local and small to mid-size vendors to establish manufacturing set up in areas closer to the Company's manufacturing facilities.

All sheet metal parts, plastic parts, gaskets, cooling coils, stainless steel tanks and water cooler panels, etc. are procured from local vendors.

The sourcing of Kits for Split Air conditioners (SAC) is done locally considering the requirement of season, model flexibility and agility to ramp up production, keeping transportation cost at the minimum.

Below mentioned are the activities conducted at the vendors premises to improve their capacity and capability:

1. Increased Technical support is being given by factory team to OEMs.
2. Design and processes involved in manufacturing the components are guided by Voltas team.
3. Equipment selection for automation to improve productivity and Quality Assurance (QA) equipment is guided by Voltas team.
4. Procurement of components in bins and trolleys on daily basis to meet factory production requirement to save space and delivering material directly on-line.
5. Developing testing jigs and fixtures at vendor's premises to expedite the checking and approval process.
6. Conducting regular training, audit and evaluation of vendors.

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

Voltas is conscious to reduce, reuse, recycle the waste material. With well-defined mechanisms to collect waste and recycle the same, there is an emphasis on appropriate disposal of the material which is non-recyclable.

Voltas has achieved 100% targets of Recycling E-waste during 2019-20.

Some of the other waste materials like scrap Oil, Copper scrap, and Batteries are recycled through the authorised recyclers.

Principle 3

1. Please indicate the Total number of employees

	Number of Employees on Company Rolls (As on 31 March, 2020)
Permanent & Contract (India & Overseas) including Employees on Third Party Rolls	5,661
Apprentices	95

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

	Number of employees
Contractual - India & Overseas	2,884

3. Please indicate the Number of permanent women employees

There are 163 permanent women employees including in India and Overseas.

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

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

5. Do you have an employee association that is recognised by management?

Yes, there are Internal Federation/ Unions in India, recognised by the Management of Voltas.

6. What percentage of your permanent employees is members of this recognised employee association?

Total permanent manpower strength is 2371 all over India and General Staff (Union & Federation Members) are 165. As on 31 March, 2020, around 6.96% of permanent employees in India are members of aforesaid recognised employee association.

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

The Company has on 28 February, 2020 received one complaint related to sexual harassment which has been reported to the Internal Committee(IC). The allegation is under investigation by IC. No complaint was received under child labour, forced labour and involuntary labour.

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

84% employees (permanent and contract) participated for the Safety trainings in 2019-20.

During 2019-20, a total of 8,253 Man hours through leadership training was imparted to the Employees and a total of 63,472 Man days through Technical, Functional and Behavioural training was imparted to employees including General Staff, Fixed term contract (FTC), Outsourced Employee and Service Franchisee.

Principle 4

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

Voltas has identified its internal and external stakeholders through a stakeholder mapping exercise. Its internal stakeholders are largely its employees (permanent and contractual). In no order of preference, its external stakeholders are as follows:

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

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

Voltas has identified children, youth and women from lower socio-economic background of the Society as disadvantaged, vulnerable and marginalised stakeholders.

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

Voltas, being a Tata Group Company, is committed to help the vulnerable and marginalised sections of the society by addressing their issues in a systematic way. A framework

has been developed by the Company, which essentially emphasises on Sustainable livelihood, Education, Water, and Sanitation. While working on the said issues with the underprivileged community, Sustainability is at the core of every activity. Initiatives for imparting Skill Development to youth and women, Quality Education to children, provision of Water and Sanitation facilities, and agro-based income generation have been undertaken in 2019-20 (Total 16,904 Beneficiaries)

The Company works on Affirmative Action for SC/ST communities in a focused manner.

Principle 5

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

A policy on Human Rights has been recently formulated for Tata Group companies and will be adopted by the Board of Directors of Voltas.

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

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

Principle 6

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

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

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

The Company is making continuous efforts to introduce better products in terms of reducing potential global warming / ozone depletion. In Commercial Refrigeration, Voltas introduced products using R314a which is zero ozone depleting refrigerant. In Air-conditioners, the Company introduced R410a refrigerant, which is also zero ozone depleting refrigerant. In 2019, low GWP refrigerant such as R32 was introduced, which has much lesser GWP (670) whereas, R410a has GWP of 2100.

By June 2019, the Company shifted 50% of production in room air conditioners to R32 refrigerant and by December 2019, 90% of the AC products were with R32 refrigerant.

The product details can be viewed at: www.myvoltasac.com Also, the Company makes conscious efforts of addressing environmental issues in various ways across its operations, For example: the Metro projects are designed in such a way that the overall noise levels of the system during operation are maintained within acceptable limits.

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

There is a comprehensive Safety-Health-Environment (S-H-E) Policy in place at Voltas. The Company also has E-Waste and Sustainability Policy. The environmental risk assessment material for Voltas eco-system is determined as part of the S-H-E Policy.

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

Though Voltas does not have any project related to Clean Development Mechanism, the Company is committed to create a better tomorrow through its active participation in the 'Green mission' as it shares global concerns of degradation of environment.

The Company is also registered with the Ozone Cell of MoEF (Ministry of Environment and Forest), for phasing out R22 and replacing it with R32 by the first quarter of 2020.

Also, the Company has installed 700 kwp rooftop solar system at its plant in Wagholi, which is a clean energy initiative.

The Water projects being executed by Voltas have not only helped with energy saving but also helped in creating more potential for recycling of Waste Water.

Voltas subsidiary, RIEL is in to Solar Plant EPC business and is involved in construction of 175 MW of Solar plants for its customer. These plants would help in reduction of carbon emission by means of offsetting thermal power load.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for webpage etc.

Voltas is actively engaged in the Green movement, with efforts and initiatives to implement smart and energy-efficient practices in their business activities.

The Company is striving to work towards the critical issues like renewable energy, energy efficiency and clean technology. Some of the product introductions represent the Company's intent to work towards excellence in the same context. Adjustable Inverter Air-Conditioners, which is

not only proving to be energy efficient and cost saving, but is also crucial from the perspective of raw material usage.

VRF (Variable Refrigerant Flow) Free Match Inverter AC is also under development. The system comes with an advantage of optimizing system capacity by selecting the outdoor unit capacity close to the maximum indoor capacity, which will be used at the same time.

Also the Company has installed energy efficient High Velocity Low Speed (HVLS) fan system which helps in keeping the inside factory temperature lower. The Company has also installed rain water harvesting system in its plant which is a green building.

Textile Machinery Division of the Company has taken an initiative wherein ACs in the offices are set at 25 degrees celsius. This has been mandated at all locations. In fact, the division has taken it to the next level by assisting its customers' in energy conservation by conducting energy audits at all customer sites.

The Company has undertaken various initiatives on clean technology, energy efficiency and renewable energy, some of which can be seen in the webpage provided below.

https://voltas.com/assets/img/sustainability/corp_gov/pdf/42497.pdf

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

The Company has put in continuous efforts to achieve the targets set by CPCB/SPCB. The target for 2019-20 given by CPCB towards E-waste was 6300 tonnes, whereas, the Company achieved 6370 tonnes.

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

There are no pending show cause/legal notices received from CPCB/SPCB at the close of 2019-20.

Principle 7

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

Voltas is a member of following associations:

- Refrigeration Air-conditioner Manufacturers Association (RAMA)
- BIS (Bureau of Indian Standards)
- Bombay Chamber of Commerce and Industry (BCCI)
- ODS committee formed by MoEF (Ministry of Environment and Forest)

- CEAMA (Consumer Electronics and Appliance Manufacturers Association)
- CII (Confederation of Indian Industry)
- SITRA (The South India Textile Research Association)
- TMMA (Textile Machinery Manufacturers Association)
- NITRA (Northern India Textile Research Association)
- TAI (The Textile Association of India)
- ISHRAE (Indian Society of Heating, Refrigerating & Air Conditioning Engineers)

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

Voltas has participated in various forums like "INDIA-US task force for ODP and GWP substances" organised by MoEF for HCFC phase out and understanding next generation environment friendly refrigerants; in various initiatives of BIS for updating and formulating standards related to Refrigeration and Air Conditioning; with RAMA for providing inputs to BEE (Bureau of Energy Efficiency) in developing Energy Conservation Building Code.

Voltas is also actively participating in HPMP – Hydro fluorocarbons Phase out Management Plan (by MoEF - Ozone Cell) program for doing research on new refrigerants which has lower GWP and zero ODP.

Voltas has partnered with ISHARE and participated in various forums and events related to Renewable energy and Environmental aspects organised by ISHRAE.

Principle 8

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

Giving back to the society is in the DNA of Voltas and the Company has been engaging with the communities, which it recognises as one of the most critical stakeholders. Based on the community needs assessment exercise, the Company has built a framework, which includes three pillars: (a) Sustainable livelihood, (b) Community Development and (c) Issues of National Importance. The three pillars ensure Skilling and Employability building for marginalised youth and women, Quality Education for underprivileged children, and water and sanitation for the marginalised communities respectively. The projects which are very strategic in nature are long-term projects

with Sustainability at its core. The Company works with an approach of Engage, Equip and Empower, which ensures community participation and ownership, to make it sustainable in true sense.

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

Voltas had adopted a model of undertaking projects in partnership with reputed NGOs and Foundations. The organizations are identified with a meticulous Due Diligence Process which take a look at various aspects including the past record, legal status, experience, human resource, technical knowledge of the organization, financial stability, systems and process it follows etc. For selection of the partner, several rounds of discussions are held to finalize the project objectives, activities, expected outcomes, monitoring indicators, review mechanism etc. The Company ensures regular monitoring and review of the project to ensure quality outcomes and course correction as and when needed.

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

Voltas has established a system to ensure optimum outcomes of the interventions. It starts with Need assessment, finalizing the project, base lining or situational analysis, and mid-term review, and impact assessment. In 2019-20, with the help of an external agency, Voltas undertook the impact assessment exercise for 6 long term projects across two verticals. All the six projects were more than the three year old and primarily under the verticals of Skilling and Employability building and Education.

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

The Company's contribution in 2019-20 towards community development projects was ₹ 2.56 crores, on projects relating to Education, Water and Sanitation across Mumbai, Thane, Bhiwandi, Panvel, Beed in Maharashtra, Attapadi in Kerala and Waghdia in Gujarat.

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

Under Voltas's Community development projects, community participation is ensured at every stage including finalizing the project objectives to implementation on ground and to intermittent reviews. This is very thoughtful process to achieve community ownership and the way to sustain the development action in the community, once the Company decides to exit after the end of stipulated project duration. Capacity building of the communities is given a lot of emphasis so that the communities are able to adopt the projects with its motivation and competency.

Principle 9

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

UPBG

FY	2019-20	2018-19	2017-18	2016-17	2015-16
% Complaints	0.16%	1.1%	1%	1.2%	1.5%
Pending					

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

The labels and packaging of all Voltas Products provide information required as per applicable laws and specifications on the product. The Company provides product information on product label in the form of MRP stickers for PAC/DSU product and DATA plate with all the mandatory details.

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

No, there have been no such cases filed by any of the stakeholder against the Company.

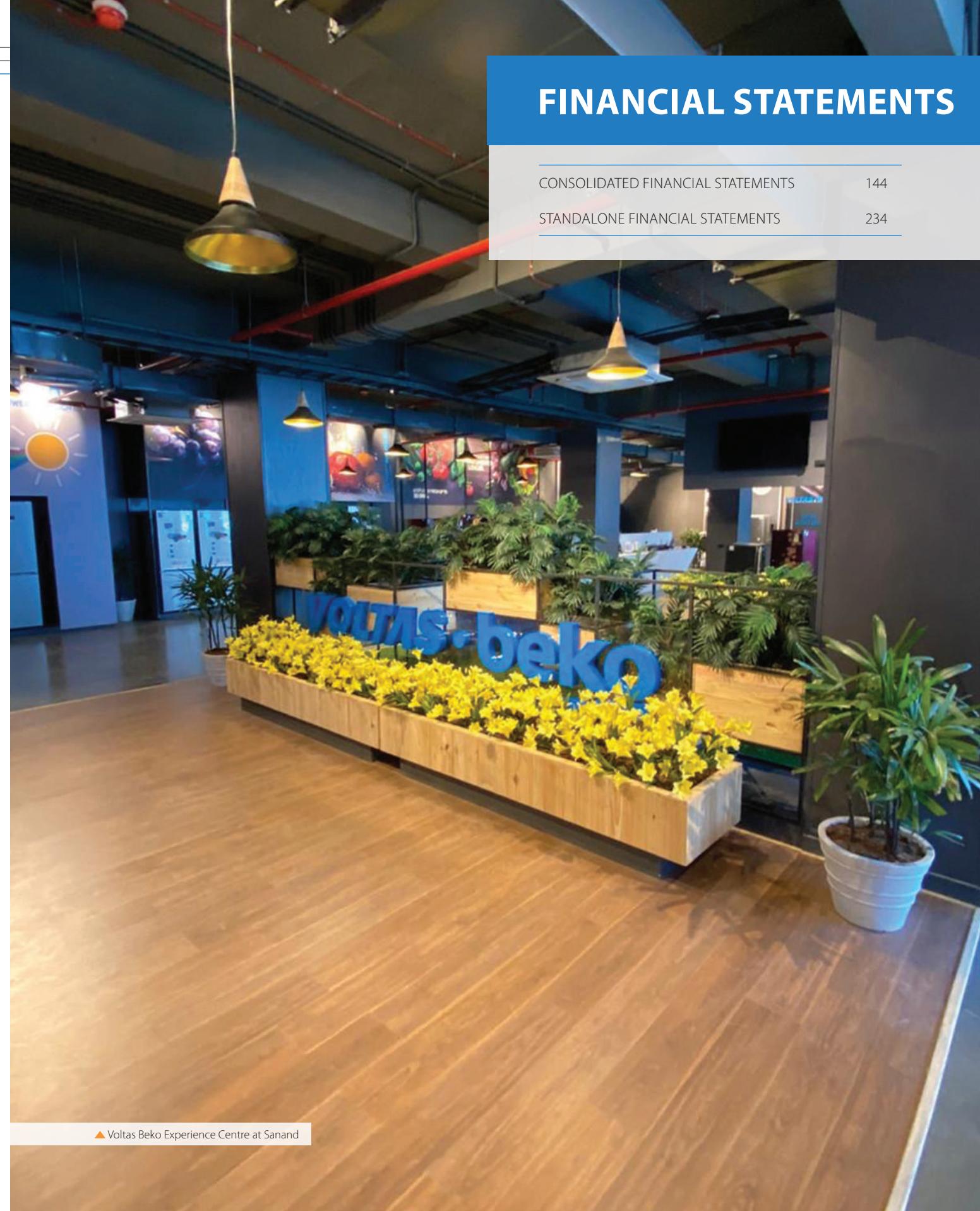
4. Did your Company carry out any consumer survey/consumer satisfaction trends?

The customer engagement and satisfaction surveys are carried out every year, through an external agency. In 2019-20, based on the feedback from the customers, corrective actions have been initiated and implemented.

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▲ Voltas Beko Experience Centre at Sanand

CONSOLIDATED FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Members of Voltas Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Voltas Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group, associates, joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition on long-term Mechanical, Electrical and Plumbing (MEP) contracts	
The Group's revenues include revenue from long-term Mechanical, Electrical and Plumbing (MEP) contracts which are recognized over a period of time in accordance with the requirements of Ind AS 115, 'Revenue from Contracts with Customers'.	Our audit procedures included the following: <ul style="list-style-type: none"> Read the Group's revenue recognition accounting policies and assessed compliance of the policies with Ind AS 115.

Key audit matters	How our audit addressed the key audit matter	Key audit matters	How our audit addressed the key audit matter		
<p>Due to the nature of the contracts, revenue is recognized based on percentage of completion method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs, which involves significant judgments including estimate of future costs, revision to original estimates based on new knowledge such as delay in timelines, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/ onerous obligations.</p>	<ul style="list-style-type: none"> We assessed the design and tested the operating effectiveness of controls over revenue recognition through inspection of evidence of performance of these controls with specific focus on determination of progress of completion, recording of costs incurred, estimation of costs to complete and the remaining contract obligations. We performed test of details, on a sample basis and evaluated management estimates and assumptions. We assessed management's estimates by comparing estimated cost with actual costs and discussion on the project specific considerations with the relevant project managers including those during our project site visits. We assessed that, fluctuations in commodity and currency prices, delays, cost overruns related to the performance of work are properly taken into consideration while estimating costs to come and also assessed the accounting treatment of expected loss on projects including variable consideration which is recognised in accordance with the Group's accounting policy of revenue recognition. 		<ul style="list-style-type: none"> We evaluated the assumptions used by management in calculation of the expected credit loss impairment including the impact of the future uncertainties in the economic environment. We assessed the disclosures on the contract assets and trade receivables in Note 13 and Note 14 respectively and the related risks such as credit risk and liquidity risk in Note 48 of the consolidated Ind AS financial statements. We read and assessed the relevant disclosures in Note 54 to the consolidated Ind AS financial statements relating to management's assessment of the impact of the uncertain economic environment. 		
<p>Accuracy of revenues, onerous obligations and profits may deviate significantly on account of change in judgements and estimates.</p>					
<p>Management has assessed the impact of the ongoing economic slowdown and the associated uncertainties in the business environment on its estimates. (Refer Note 3A Significant Accounting Judgments, Estimates and Assumptions).</p>		<p>The assessment of the impairment of such trade receivables and contract assets requires significant management judgment and hence same is considered as Key Audit Matter.</p>			
<p>Considering the variability of assumptions involved in estimation of revenues, the same has been considered as a key audit matter.</p>	<ul style="list-style-type: none"> We evaluated management's consideration of the uncertain economic environment on the assessment of the assumptions used by management in the estimates mentioned in above para. We tested on sample basis contracts with low or negative margins, loss making contracts, contracts with significant changes in planned cost estimates and probable penalties due to delay in contract execution. We assessed that the disclosure of revenue in accordance with Ind AS 115 'Revenue from contracts with customers' are appropriately presented and disclosed in Note 52 to the consolidated Ind AS financial statements. We read and assessed the relevant disclosures in the consolidated Ind AS financial statements relating to management's assessment of the impact of the ongoing uncertain economic environment on the financial statements. 	<p>Information Other than the Financial Statements and Auditor's Report Thereon</p>			
		<p>The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated Ind AS financial statements and our auditor's report thereon.</p> <p>Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p> <p>In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.</p>			
<p>Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements</p>					
<p>The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.</p>					
<p>In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.</p>					
<p>Those respective Board of Directors and Those Charged with Governance of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.</p>					
<p>Recoverability of and Impairment Allowances of receivables and contract assets of Electro-Mechanical projects and services segment</p>					
<p>As at March 31, 2020, trade receivable and contract assets of Electro- mechanical projects and service segment amount to INR 2,355.54 crores.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> We evaluated the Group's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers. 				
<p>Out of the total trade receivables and contract assets of Electro- mechanical projects and service segment, INR 1,073.00 crores represent trade receivable and contract assets of international business operation. Recoverability of certain receivables and contract assets are impacted due to several factors like the customer profile, delays in obtaining completion certification in certain projects due to long project tenure, project disputes resulting in future claims against the Group and financial ability of the customers etc.</p>	<ul style="list-style-type: none"> We assessed the design and tested the operating effectiveness of relevant controls in relation to the process adopted by management for testing the impairment of these receivables and the contract assets. In respect of impairment allowance on overall receivables and recovery of certain trade receivable and contract assets of international business operation we tested the ageing of trade receivable and contract assets. We tested the management's assessment of the recoverability of receivables sector wise, the customer's financial circumstances, ability to repay the dues based on historical payment trends, assumption used for determining likely losses and delays in collection of trade receivables including any project disputes which may result in future claims against the Group. 				

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures, none of the directors of the Group's companies, its associates and joint ventures, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures, incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated Ind AS financial statements – Refer Note 41 to the consolidated Ind AS financial statements;
 - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures, incorporated in India during the year ended March 31, 2020.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Dolphy D'Souza**

Partner

Membership Number: 038730

UDIN: 20038730AAAAA53827

Place: Mumbai

Date: May 29, 2020

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of Voltas Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Voltas Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements 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 over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements 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 with reference to these consolidated Ind AS financial statements 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 with reference to these consolidated Ind AS financial statements, 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 with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Dolphy D'Souza**

Partner

Membership Number: 038730

UDIN: 20038730AAAAAS3827

Place: Mumbai

Date: May 29, 2020

Consolidated Balance Sheet as at 31 March, 2020

	Note	₹ in crores	
		As at 31 March, 2020	As at 31 March, 2019
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	240.23	215.53
(b) Capital work-in-progress		26.28	15.66
(c) Investment property	5	45.34	46.27
(d) Goodwill	6	72.31	72.31
(e) Right-of-use assets	5A	13.03	-
(f) Other intangible assets	6	9.48	8.93
(g) Investments in joint ventures and associates	7A	277.57	210.22
(h) Financial assets			
(i) Investments	7B	1,545.33	939.95
(ii) Trade receivables	14B	6.39	29.84
(iii) Loans	8	0.22	0.31
(iv) Other financial assets	9	91.12	74.11
(j) Income tax assets (net)		59.31	56.68
(j) Deferred tax assets (net)	10	72.87	105.89
(k) Other non-current assets	11	118.15	99.11
Total non-current assets		2,577.63	1,874.81
Current assets			
(a) Inventories	12	1,468.94	1,090.66
(b) Contract assets	13	899.34	785.00
(c) Financial assets			
(i) Investments	7	520.39	1,235.69
(ii) Trade receivables	14A	1,827.25	1,803.17
(iii) Cash and cash equivalents	15	269.56	310.99
(iv) Other balances with banks	16	38.85	10.12
(v) Loans	17	2.04	11.33
(vi) Other financial assets	18	135.50	85.81
(d) Other current assets	19	416.56	314.40
Total current assets		5,578.43	5,647.17
TOTAL ASSETS		8,156.06	7,521.98
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	20	33.08	33.08
(b) Other equity	21	4,247.13	4,076.91
Equity attributable to owners of the Company		4,280.21	4,109.99
Non-controlling interests		36.49	34.75
Total Equity		4,316.70	4,144.74
Liabilities			
Non-current liabilities			
(a) Contract liabilities	22	7.34	0.70
(b) Financial liabilities			
(i) Borrowings	23	5.41	-
(c) Provisions	24	93.43	84.66
(d) Deferred tax liabilities (net)	10	1.42	6.59
Total non-current liabilities		107.60	91.95
Current liabilities			
(a) Contract liabilities	25	556.92	331.49
(b) Financial liabilities			
(i) Borrowings	26	212.44	314.65
(ii) Trade payables	27	35.47	49.45
- Total outstanding dues of micro and small enterprises		2,653.42	2,325.04
- Total outstanding dues of creditors other than micro and small enterprises			
(iii) Other financial liabilities	28	84.39	84.47
(c) Provisions	29	140.89	129.89
(d) Income tax liabilities (net)		6.08	11.76
(e) Other current liabilities	30	42.15	38.54
Total current liabilities		3,731.76	3,285.29
TOTAL LIABILITIES		3,839.36	3,377.24
TOTAL EQUITY AND LIABILITIES		8,156.06	7,521.98

The accompanying notes are forming part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number : 38730
Place : Mumbai
Date : 29 May, 2020

For and on behalf of the Board

Pradeep Bakshi
Managing Director & CEO
Place : Delhi

Anil George
Deputy Managing Director & CFO
Place : Mumbai
Date : 29 May, 2020

V. P. Malhotra
Vice President - Taxation, Legal &
Company Secretary
Place : Mumbai

Consolidated Statement of Profit & Loss for the year ended 31 March, 2020

	Note	Year ended 31 March, 2020	Year ended 31 March, 2019
I Revenue from operations	31	7,658.08	7,124.07
II Other Income	32	230.60	186.25
III Total Income (I + II)		7,888.68	7,310.32
IV Expenses			
(a) Consumption of materials, cost of jobs and services		3,288.96	3,556.79
(b) Purchases of stock-in-trade		2,568.27	1,984.99
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(302.29)	(279.55)
(d) Employee benefits expenses	34	671.72	641.86
(e) Finance costs	35	21.10	32.98
(f) Depreciation and amortisation expenses	36	31.96	23.98
(g) Other expenses	37	744.76	608.27
Total Expenses (IV)		7,024.48	6,569.32
V Profit before share of profit / (loss) of joint ventures and associates, exceptional items and tax (III - IV)		864.20	741.00
VI Share of profit / (loss) of joint ventures and associates		(68.70)	(51.82)
VII Profit before exceptional items and tax (V + VI)		795.50	689.18
VIII Exceptional Items	38	(51.19)	(11.77)
IX Profit before tax (VII + VIII)		744.31	677.41
Tax Expense			
(a) Current tax		201.57	223.48
(b) Adjustment of tax relating to earlier periods		(4.51)	(3.52)
(c) Deferred tax	10	26.20	(56.43)
X Total tax expense	39	223.26	163.53
XI Net Profit for the year (IX - X)		521.05	513.88
Other Comprehensive Income			
(a) Items that are not to be reclassified to profit or loss			
(i) Changes in fair value of equity instruments through other comprehensive income			(221.75)
(ii) Remeasurement gain / (loss) on defined benefit plans			15.16
(iii) Income tax relating to these items	10	(2.34)	(2.46)
(b) Items that are to be reclassified to profit or loss			
Exchange difference on translation of foreign operations			19.13
XII Other Comprehensive Income [net of tax]		(189.80)	(24.28)
XIII Total Comprehensive Income [net of tax] (XI + XII)		331.25	489.60
Profit / (loss) for the year attributable to :			
- Owners of the Company			517.18
- Non-controlling interests			3.87
Other Comprehensive Income for the year attributable to :			
- Owners of the Company			521.05
- Non-controlling interests			5.97
Total Comprehensive Income for the year attributable to :			
- Owners of the Company			(193.16)
- Non-controlling interests			3.36
XIV Earnings per share:			
Basic and Diluted ₹ (Face value ₹ 1/- per share)	40	15.63	15.35

The accompanying notes are forming part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number : 38730
Place : Mumbai
Date : 29 May, 2020

For and on behalf of the Board

Pradeep Bakshi
Managing Director & CEO
Place : Delhi

Anil George
Deputy Managing Director & CFO
Place : Mumbai
Date : 29 May, 2020

V. P. Malhotra
Vice President - Taxation, Legal &
Company Secretary
Place : Mumbai

Consolidated Statement of Changes in Equity

for the year ended 31 March, 2020

A. EQUITY SHARE CAPITAL

	Reserves and Surplus (Refer Note 21)							₹ in crores						
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Capital Reserve on Consolidation	General Reserve	Staff Welfare Reserve	Legal Reserve	Retained earnings	Items of Other Comprehensive income (Refer Note 21)	Equity instruments fair value through other comprehensive income	Exchange difference on translation of foreign operations	Total attributable to owners of the Company	Non-controlling interests	Total other equity
Balance as at 31 March, 2018	1.56	1.26	6.27	12.69	1,350.90	0.01	2.60	1,925.38	560.70	10.76	3,872.13	31.74	3,903.87	
Profit for the year	-	-	-	-	-	-	-	507.91	-	-	507.91	5.97	513.88	
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	(0.04)	(35.50)	9.16	(26.38)	2.10	(24.28)	
Total comprehensive income for the year	-	-	-	-	-	-	-	507.87	(35.50)	9.16	481.53	8.07	489.60	
Payment of dividends	-	-	-	-	-	-	-	(132.35)	-	-	(132.35)	-	(132.35)	
Dividend distribution tax	-	-	-	-	-	-	-	(22.79)	-	-	(22.79)	-	(22.79)	
Transfer from Retained earnings	-	-	-	-	-	-	-	0.08	(0.08)	-	-	-	-	
Dividend paid by subsidiary to minority	-	-	-	-	-	-	-	-	-	-	-	(2.52)	(2.52)	
Transfer to General Reserve	-	-	-	-	27.25	-	-	(27.25)	-	-	-	-	-	
Transition impact of Ind AS 115 (net of tax)	-	-	-	-	-	-	-	(121.61)	-	-	(121.61)	(2.54)	(124.15)	
Premium on calls-in-arrears received	-	-	*	-	-	-	-	-	-	-	*	-	*	
Balance as at 31 March, 2019	1.56	1.26	6.27	12.69	1,378.15	0.01	2.68	2,129.17	525.20	19.92	4,076.91	34.75	4,111.66	

B. OTHER EQUITY:

	Reserves and Surplus (Refer Note 21)							₹ in crores						
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Capital Reserve on Consolidation	General Reserve	Staff Welfare Reserve	Legal Reserve	Retained earnings	Items of Other Comprehensive income (Refer Note 21)	Equity instruments fair value through other comprehensive income	Exchange difference on translation of foreign operations	Total attributable to owners of the Company	Non-controlling interests	Total other equity
Balance as at 31 March, 2019	1.56	1.26	6.27	12.69	1,378.15	0.01	2.68	2,129.17	525.20	19.92	4,076.91	34.75	4,111.66	
Profit for the year	-	-	-	-	-	-	-	517.18	-	-	517.18	3.87	521.05	
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	11.96	(220.89)	15.77	(193.16)	3.36	(189.80)	
Total comprehensive income for the year	-	-	-	-	-	-	-	529.14	(220.89)	15.77	324.02	7.23	331.25	
Payment of dividend	-	-	-	-	-	-	-	(132.35)	-	-	(132.35)	-	(132.35)	
Dividend distribution tax	-	-	-	-	-	-	-	(24.82)	-	-	(24.82)	-	(24.82)	
Dividend paid by subsidiary to minority	-	-	-	-	-	-	-	-	-	-	3.36	(5.49)	(2.13)	
Transfer to General Reserve	-	-	-	-	20.00	-	-	(20.00)	-	-	-	-	-	
Premium on calls-in-arrears received	-	-	0.01	-	-	-	-	-	-	-	0.01	-	0.01	
Balance as at 31 March, 2020	1.56	1.26	6.28	12.69	1,398.15	0.01	2.68	2,481.14	304.31	39.05	4,247.13	36.49	4,283.62	

* Value below ₹ 50,000/-

The accompanying notes are forming part of the financial statements.

As per our report of even date

FOS RBC & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003
per **Dolphy D'Souza**
Partner
Membership Number : 38730
Place - Mumbai
Date : 29 May, 2020

For and on behalf of the Board

Pradeep Bakshi
Managing Director & CEO
Place : Delhi
Anil George
Deputy Managing Director & CFO
Place : Mumbai
Date : 29 May, 2020

Consolidated Cash Flow Statement for the year ended 31 March, 2020

	₹ in crores	
	Year ended 31 March, 2020	Year ended 31 March, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	744.31	677.41
Adjustments for:		
Share of (profit) / loss of joint ventures and associates	68.70	51.82
Depreciation and amortisation expenses	31.96	23.98
Allowance for doubtful debts and advances	71.92	(1.25)
Unrealised foreign exchange (gain) / loss (net)	24.64	(9.78)
Interest income	(34.03)	(20.84)
Dividend income	(18.56)	(12.52)
(Gain) / loss arising on financial assets measured at Fair Value through Profit or Loss (FVTPL) (net)	(96.52)	(96.17)
Finance costs	21.10	32.98
Liabilities/provisions/allowances no longer required written back	(12.01)	(10.69)
(Gain) / loss on disposal of property, plant and equipment	(3.75)	0.52
Rental income	(38.17)	(39.17)
Impairment of investments	-	(1.32)
Operating profit before working capital changes	15.28	(82.44)
Changes in Working Capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(369.22)	(277.67)
Trade receivables	(50.51)	(366.63)
Contract assets	(130.28)	(844.44)
Other financial assets	2.18	(43.51)
Other non-financial assets	(100.00)	1,027.89
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	290.00	219.33
Contract liabilities	232.07	332.21
Other financial liabilities	(1.34)	0.71
Other non-financial liabilities	1.55	(635.18)
Provisions	34.46	(58.31)
Cash generated from operations	(91.09)	(645.60)
Income tax paid (Net of refunds)	668.50	(50.63)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	462.45	(321.43)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets (including capital advances and capital work-in-progress)	(90.50)	(81.77)
Proceeds from disposal of property, plant and equipment	7.28	1.33
(Increase)/decrease in other bank balances (net)	(84.76)	17.61
Purchase of investments	(1,797.59)	(812.24)
Proceeds from sale of investments	1,673.42	1,190.78
Interest received	29.07	14.72
Dividend received:		
– joint ventures and associates	6.95	16.13
– others	8.32	10.28
Rent received	36.52	38.81
Rental deposits (repaid) / received	0.80	(2.92)
NET CASH FLOW FROM / (USED) IN INVESTING ACTIVITIES (B)	(210.49)	392.73

	₹ in crores	Year ended 31 March, 2020	Year ended 31 March, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity instruments of the Company (Calls-in-Arrears)	*	*	*
Securities Premium (Calls-in-Arrears)	*	*	*
Net increase / (decrease) in working capital borrowings	(105.69)	172.36	
Interest paid	(21.21)	(32.94)	
Payment of lease liability	(4.10)	-	
Dividends paid including taxes thereon	(162.66)	(157.67)	
NET CASH FLOW FROM / (USED) IN FINANCING ACTIVITIES (C)	(293.66)	(18.25)	
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(41.70)	53.05	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	310.98	257.93	
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	269.28	310.98	
Non-cash investing and financing transaction			
Net gain arising on financial assets measured at FVTPL	88.42	63.12	
Impairment / (reversal of impairment) of Investment (net)	-	(1.32)	
Changes in lease liabilities	14.11	-	
	102.53	61.80	
Cash and cash equivalents at the end of the year consist of:			
Cash and cash equivalents at the end of the year (Refer Note - 15)		269.56	310.99
Effect of exchange difference on restatement of foreign currency Cash and cash equivalents		(0.28)	(0.01)
	269.28	310.98	

* value below ₹ 50,000/-

The accompanying notes are forming part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number : 38730
Place : Mumbai
Date : 29 May, 2020

For and on behalf of the Board

Pradeep Bakshi
Managing Director & CEO
Place : Delhi

Anil George
Deputy Managing Director & CFO
Place : Mumbai
Date : 29 May, 2020

V. P. Malhotra
Vice President - Taxation, Legal &
Company Secretary
Place : Mumbai

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March, 2020

1. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of Voltas Limited ('the Company') and its subsidiaries (collectively, 'the Group') for the year ended 31 March, 2020. Voltas Limited is a public limited company domiciled in India. The address of its registered office is Voltas House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai 400033.

The Group belongs to the Tata Group of companies and was established in the year 1954. The Group is engaged in the business of air conditioning, refrigeration, electro- mechanical projects as an EPC contractor both in domestic and international geographies (Middle East and Singapore) and engineering product services for mining, water management and treatment, construction equipment's and textile industry.

The consolidated financial statements for the year ended 31 March, 2020 were approved by the Board of Directors and approved for issue on 29 May, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value as explained in accounting policy of fair value measurement and financial instruments below.

The accounting policies adopted for preparation and presentation of consolidated financial statements have been consistently applied except for the changes in accounting policy for amendment to the standards that were issued by MCA, effective for annual period beginning from on or after 1 April, 2019.

The consolidated financial statements are presented in INR and all values are rounded to the nearest crores, except when otherwise indicated.

B. USE OF ESTIMATES AND JUDGEMENTS

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

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

C. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company and its subsidiaries as at 31 March, 2020.

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

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

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

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

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

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

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

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

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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

D. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

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

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

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

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

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit and loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit and loss.

E. BUSINESS COMBINATION AND GOODWILL

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition related cost are recognised in statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

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

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

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in the statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

F. REVENUE

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services mentioned below, as it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on handover of materials to transporter. The normal credit term is 7 to 30 days.

The Group provides preventive maintenance services on its certain products at the time of sale. These maintenance services are sold together with the sale of product. Contracts for such sales of product and preventive maintenance services comprise two performance obligations because the promises to transfer the product and to provide the preventive maintenance services are capable of being distinct. Accordingly, a portion of the transaction price is allocated to the preventive maintenance services and recognised as a contract liability. Revenue is recognised over the period in which the preventive maintenance service is provided based on the time elapsed.

Warranty obligation

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section Q Provisions.

Revenue from Services

Revenue from services are recognised at the point in time when the services are rendered. Revenue from maintenance contracts are recognised over the period of contract on time elapsed.

In case of mining equipment's long-term maintenance contracts, revenue is recognised over the period of time based on input method where the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of performance obligation.

Agency Commission

The Group procures textile machinery on behalf of its customers. Accordingly, in these arrangements the Group is acting as an agent and records the revenue on net basis that it retains for its agency services.

Revenue from Construction contract

Performance obligation in case of revenue from long - term construction contracts is satisfied over the period of time, since the Group creates an asset that the customer controls as the asset is created and the Group has an enforceable right to payment for performance completed to date if it meets the agreed specifications. Revenue from long term construction contracts, where the outcome can be estimated reliably and 20% of the project cost is incurred, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity.

The stage of completion is measured by input method i.e. the proportion that costs incurred to date bear to the estimated total costs of a contract. The total costs of contracts are estimated based on technical and other estimates. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

Contract revenue earned in excess of billing is reflected under as "contract asset" and billing in excess of contract revenue is reflected under "contract liabilities". Retention money receivable from project customers does not contain any significant financing element, these are retained for satisfactory performance of contract.

In case of long - term construction contracts payment is generally due upon completion of milestone as per terms of contract. In certain contracts, short-term advances are received before the performance obligation is satisfied.

Dividend and Interest income

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

G. CONTRACT BALANCES**Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

The amount recognised as contract assets is reclassified to trade receivables once the amounts are billed to the customer as per the conditions of the contract. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section S Impairment.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section R Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

H. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

I. EMPLOYEE BENEFITS**(a) Retirement benefits costs and termination benefits:****(i) Defined Contribution Plans**

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

(a) Superannuation Fund: Contribution to Superannuation Fund, a defined contribution scheme, is made at pre-determined rates to the Superannuation Fund Trust and is charged to the Statement of Profit and Loss, when an employee renders the related service. There are no other obligations other than the contribution payable to the Superannuation Fund Trust.

(b) **Provident and Pension Fund:** Retirement benefit in the form of provident fund is a defined contribution scheme in respect of employees of Indian subsidiary companies. The Indian subsidiary companies has no obligation, other than the contribution payable to the provident fund. The group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

(ii) Defined Benefit Plans

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

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

Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

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

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Groups defined benefit plans.

(b) Short term and other long term employee benefits

Benefits accruing to employees in respect of wages, salaries and compensated absences and which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employee performs the service that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit expected to be paid in exchange of related service. Where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method at the present value of the estimated future cash flow expected to be made by the Group in respect of services provided by employees up to the reporting date. The Group presents the leave as a current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

J. PROPERTY, PLANT AND EQUIPMENT

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

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

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the depreciable amount of assets (other than free hold land and assets under construction) over the useful lives using the straight-line method. The estimated useful lives are as follows:

Assets	Useful life
Factory Building	30 years
Residential Building	60 years
Plant and Equipment	8-15 years
Office and EDP Equipment	3-15 years
Furniture and fixtures	10 years
Vehicles	8 years

The useful life as estimated above is aligned to the prescribed useful life specified under Schedule II of the Companies Act, 2013.

Depreciation on the property, plant and equipment of the Group's foreign subsidiaries has been provided on Straight Line Method as per the estimated useful life of such assets as follows:

Assets	Useful life
Building	6-10 years
Plant and Equipment	3-10 years
Office and EDP Equipment	3- 6 years
Furniture and fixtures	3- 7 years
Vehicles	3- 5 years
Porta Cabins	1- 10 years

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

K. INVESTMENT PROPERTY

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The estimated useful lives are as follows:

Assets	Useful life
Residential Building	60 years

The useful life as estimated above is aligned to the prescribed useful life specified under Schedule II of the Companies Act, 2013.

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

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

L. INTANGIBLE ASSETS

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

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

Estimated useful life of intangible assets are as follows:

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

M. FOREIGN CURRENCY

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

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

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

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

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

N. LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land : 99 years

Leasehold building : 1-5 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section S Impairment of non-financial assets.

(b) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in Interest-bearing borrowings.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office premises and storage locations (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

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

The Group has applied Ind AS 116 "Leases" using the modified retrospective method w.e.f. 1 April, 2019 and therefore the comparative information has not been restated and continue to be reported as follows:

Group as a lessee

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

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

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

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

O. INVENTORIES

Inventories including Work-in-Progress are valued at cost or net realisable value, whichever is lower. Cost being determined based on weighted average basis. Cost includes all charges incurred for bringing the goods to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

P. TAXES ON INCOME

Current Income Tax

Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the tax are those that are enacted at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred Tax

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

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

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

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

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

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

Minimum Alternate Tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company

will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Q. PROVISIONS AND CONTINGENCIES

Provisions

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

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

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

Warranties (Trade Guarantees)

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

Contingencies

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

Environment Liabilities

E-Waste (Management) Rules, 2016, as amended, requires the Group to complete the Extended Producer Responsibility targets measured based on sales made in the preceding 10th year, if it is a participant in the market during a financial year. Accordingly, the obligation event for e-waste obligation arises only if the Group participate in the markets in those years.

R. FINANCIAL INSTRUMENTS

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

Financial Assets

- **Initial recognition and measurement**

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

- **Subsequent measurement**

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

- **Financial assets at amortised cost**

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

- **Financial assets at fair value through other comprehensive income (FVTOCI)**

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

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, dividend income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

- **Financial assets at fair value through profit or loss (FVTPL)**

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

- **Equity Instruments**

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

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- **Derecognition**

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

Financial liabilities

- **Initial recognition and measurement**

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

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

- **Subsequent measurement**

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

- **Financial liabilities at fair value through profit or loss**

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

- **Financial liabilities at amortised cost**

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

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

- **Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amount of income recognised in accordance with the principles of Ind AS 115 amortisation.

- **Derecognition**

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

- **Offsetting of financial instrument**

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

S. IMPAIRMENT

- (a) **Financial assets**

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

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

(b) Non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses including impairment on inventories are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

For contract assets, the Group has applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109 which requires the expected lifetime losses from initial recognition of the contract assets.

T. CASH & CASH EQUIVALENTS

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

U. EARNINGS PER SHARE (EPS)

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

V. SEGMENT REPORTING

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

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

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/liabilities".

W. CASH DIVIDEND

The Group recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

X. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Y. GOVERNMENT GRANTS

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

Z. OPERATING CYCLE

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

AA. CURRENT v/s NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3A. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

Key sources of estimation uncertainty

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

Cost to complete

The Group's Management estimates the costs to complete for each project for the purpose of revenue recognition and recognition of anticipated losses on projects, if any. In the process of calculating the cost to complete, Management conducts regular and systematic reviews of actual results and future projections with comparison against budget. This process requires monitoring controls including financial and operational controls and identifying major risks facing the Group and developing and implementing initiatives to manage those risks. Further, Management has assessed the impact of the ongoing economic slowdown and associated uncertainties in the business environment due to outbreak of Covid-19 in making estimates for cost to complete. The Group's Management is confident that the costs to complete the project are fairly estimated.

Percentage of completion

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

As required by Ind AS 115 in applying the percentage of completion on its long-term projects, the Group is required to recognise any anticipated losses on it contracts.

Impairment of financial assets and contract assets

The Group's Management reviews periodically items classified as receivables to assess whether a provision for impairment should be recorded in the statement of profit and loss. Management estimates the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgement and uncertainty. Further, Management has also evaluated the possible effect from increased uncertainties in the current economic environment due to outbreak of Covid-19 in making estimates for Impairment of trade receivables and contract assets. Details of impairment provision on contract assets and trade receivable are given in Note 13 and Note 14.

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

Fair value measurement of financial instruments

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

Information about valuation techniques and inputs used in determining the fair value of various assets is disclosed in Note 47.

Litigations

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

litigations and contingent liabilities are disclosed in Note 41 (c).

Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. All assumptions are reviewed at each Balance Sheet date and disclosed in Note 42.

Useful lives of property, plant and equipment and intangible assets

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

Warranty provisions (trade guarantees)

The Group gives warranties for its products, undertaking to repair or replace the product that fail to perform satisfactory during the warranty period. Provision made at the year-end represents the amount of expected cost of meeting such obligations of rectification / replacement which is based on the historical warranty claim information as well as recent trends that might suggest that past cost information may differ from future claims. Factors that could impact the estimated claim information include the success of the Group's productivity and quality initiatives. Provision towards warranty is disclosed in Note 29.

Impairment of Goodwill

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

3B. CHANGE IN ACCOUNTING POLICY AND DISCLOSURES

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ending 31 March, 2020, but do not have an impact on the financial statements of the Group.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 'Leases' and it sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Group is the lessor.

The Group adopted Ind AS 116 using modified retrospective approach for transitioning by recognising right of use asset and an equal amount of lease liability on 1 April, 2019. The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 April, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

The effect of adoption Ind AS 116 as at 1 April, 2019 was as follows:

- a) 'Right-of-use assets' and an equal amount of lease liabilities of ₹ 11.65 crores were recognised as of 1 April, 2019.
- b) Prepayments related to previous operating lease were reclassified from other non-current assets to Right-of-use assets as at 1 April, 2019 of ₹ 4.91 crores (Gross Block: ₹ 5.69 crores and Accumulated Depreciation: ₹ 0.78 crore).
- c) 'Right-of-use assets' were presented separately in balance sheet and lease liabilities were included in 'Borrowings'.

Further, the application of Ind AS 116 did not have any significant impact on the financial statements and EPS for the year ended 31 March, 2020.

4. PROPERTY, PLANT AND EQUIPMENT (OWNED, UNLESS OTHERWISE STATED)

	₹ in crores								
	Freehold Land	Buildings	Plant and Equipment	Office and EDP Equipment	Furniture and fixtures	Vehicles	Transferred to Investment property	Total Property, Plant And Equipment	
Gross carrying amount									
As at 31 March, 2018	28.77	165.77	150.07	73.31	28.01	17.84	(56.14)	407.63	
Additions	0.74	28.53	23.78	11.89	2.15	1.11	(1.30)	66.90	
Disposals	-	1.07	5.75	12.90	1.32	2.45	-	23.49	
Transfers in / (out)	-	-	-	-	-	-	(1.33)	(1.33)	
Exchange differences on consolidation	-	0.41	1.71	0.44	0.12	0.86	-	3.54	
As at 31 March, 2019	29.51	193.64	169.81	72.74	28.96	17.36	(58.77)	453.25	
Accumulated depreciation									
As at 31 March, 2018	-	45.52	116.86	50.72	19.22	16.25	(11.43)	237.14	
Charge for the year	-	4.16	5.86	7.46	1.75	0.88	(0.88)	19.23	
Disposals	-	0.90	5.39	12.04	1.13	2.21	-	21.67	
Transfers in / (out)	-	-	-	-	-	-	(0.19)	(0.19)	
Exchange differences on consolidation	-	0.27	1.64	0.37	0.11	0.82	-	3.21	
As at 31 March, 2019	-	49.05	118.97	46.51	19.95	15.74	(12.50)	237.72	
Net carrying amount as at 31 March, 2019	29.51	144.59	50.84	26.23	9.01	1.62	(46.27)	215.53	
Gross carrying amount									
As at 31 March, 2019	29.51	193.64	169.81	72.74	28.96	17.36	(58.77)	453.25	
Additions	-	11.98	21.61	12.77	2.63	1.26	-	50.25	
Disposals	-	2.61	20.10	2.25	0.68	0.61	-	26.25	
Transfers in / (out)	-	-	-	-	-	-	0.01	0.01	
Exchange differences on consolidation	-	0.60	1.31	0.68	0.18	1.29	-	4.06	
As at 31 March, 2020	29.51	203.61	172.63	83.94	31.09	19.30	(58.76)	481.32	
Accumulated depreciation									
As at 31 March, 2019	-	49.05	118.97	46.51	19.95	15.74	(12.50)	237.72	
Charge for the year	-	4.86	8.04	8.29	1.62	0.77	(0.93)	22.65	
Disposals	-	0.53	19.20	2.03	0.65	0.53	-	22.94	
Transfers in / (out)	-	-	-	-	-	-	0.01	0.01	
Exchange differences on consolidation	-	0.44	1.24	0.58	0.16	1.23	-	3.65	
As at 31 March, 2020	-	53.82	109.05	53.35	21.08	17.21	(13.42)	241.09	
Net carrying amount as at 31 March, 2020	29.51	149.79	63.58	30.59	10.01	2.09	(45.34)	240.23	

Footnote :

Buildings includes ₹ 0.0016 crore (31 March, 2019: ₹ 0.0015 crore) being cost of shares and bonds in Co-operative Housing Societies.

5. INVESTMENT PROPERTY

	Freehold Land	Buildings	Total
Gross carrying amount			
As at 31 March, 2018	0.14	56.00	56.14
Additions	-	1.30	1.30
Transfers in / (out)	-	1.33	1.33
As at 31 March, 2019	0.14	58.63	58.77
Accumulated depreciation			
As at 31 March, 2018	-	11.43	11.43
Charge for the year	-	0.88	0.88
Transfers in / (out)	-	0.19	0.19
As at 31 March, 2019	-	12.50	12.50
Net carrying amount as at 31 March, 2019	0.14	46.13	46.27
Gross carrying amount			
As at 31 March, 2019	0.14	58.63	58.77
Additions	-	-	-
Transfers in / (out)	-	(0.01)	(0.01)
As at 31 March, 2020	0.14	58.62	58.76
Accumulated depreciation			
As at 31 March, 2019	-	12.50	12.50
Charge for the year	-	0.93	0.93
Transfers in / (out)	-	(0.01)	(0.01)
As at 31 March, 2020	-	13.42	13.42
Net carrying amount as at 31 March, 2020	0.14	45.20	45.34
Footnotes :			
(1) The amount included in transfers in / (out) represents the assets transferred from Property, Plant and Equipment (PPE) to Investment Property when it is held for the purpose of earning rental income / capital appreciation.			
(2) Amount recognised in Consolidated statement of profit and loss in relation to investment properties are as follows:			
	Year ended 31 March, 2020	Year ended 31 March, 2019	₹ In crores
Rental income	38.17	39.17	
Direct operating expenses (including repairs and maintenance) generating rental income (net of recoveries)	1.77	1.93	
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income	3.49	2.78	
Profit from investment properties before depreciation and indirect expenses	32.91	34.46	
Depreciation	0.93	0.88	
Profit arising from investment properties before indirect expenses	31.98	33.58	

5. INVESTMENT PROPERTY (Contd.)

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

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
Land	137.27	137.27
Building	662.06	662.75
As at 31 March, 2020	799.33	800.02

The fair value of the investment properties have been derived using the market comparable approach (market value method / sale comparison technique) based on recent market prices without any significant adjustments being made to the market observable data. The valuation was carried out by an independent valuer registered with the authority which governs the valuers in India. Accordingly, fair value estimates for investment properties are classified as level 3.

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

5A. RIGHT-OF-USE ASSETS

	₹ in crores		
	Leasehold Land	Leasehold Buildings	Total Right-of-use assets
Gross carrying amount			
As at 31 March, 2019	-	-	-
Ind AS 116 impact (Refer Note 3B)	5.69	11.65	17.34
Additions	-	1.35	1.35
Disposals	-	-	-
Exchange differences on consolidation	-	-	-
As at 31 March, 2020	5.69	13.00	18.69
Accumulated depreciation			
As at 31 March, 2019	-	-	-
Ind AS 116 impact (Refer Note 3B)	0.78	-	0.78
Charge for the year	0.06	4.81	4.87
Exchange differences on consolidation	-	0.01	0.01
As at 31 March, 2020	0.84	4.82	5.66
Net carrying amount as at 31 March, 2020	4.85	8.18	13.03

6. INTANGIBLE ASSETS

	₹ in crores		
	Manufacturing Rights & Technical Know-how	Software Cost	Total Intangible Assets
Gross carrying amount			
As at 31 March, 2018	10.31	52.09	62.40
Additions	-	3.16	3.16
Disposals	0.27	0.91	1.18
Exchange differences on consolidation	-	0.22	0.22
As at 31 March, 2019	10.04	54.56	64.60

6. INTANGIBLE ASSETS (Contd.)

	Manufacturing Rights & Technical Know-how	Software Cost	Total Intangible Assets
Amortisation			
As at 31 March, 2018	10.31	42.45	52.76
Charge for the year	-	3.87	3.87
Disposals	0.27	0.86	1.13
Exchange differences on consolidation	-	0.17	0.17
As at 31 March, 2019	10.04	45.63	55.67
Net carrying amount as at 31 March, 2019	-	8.93	8.93
Gross carrying amount			
As at 31 March, 2019	10.04	54.56	64.60
Additions	-	4.02	4.02
Disposals	-	0.17	0.17
Exchange differences on consolidation	-	0.33	0.33
As at 31 March, 2020	10.04	58.74	68.78
Amortisation			
As at 31 March, 2019	10.04	45.63	55.67
Charge for the year	-	3.51	3.51
Disposals	-	0.17	0.17
Exchange differences on consolidation	-	0.29	0.29
As at 31 March, 2020	10.04	49.26	59.30
Net carrying amount as at 31 March, 2020	-	9.48	9.48

Footnotes :

	As at 31 March, 2020	As at 31 March, 2019
(a) Goodwill generated on consolidation	72.31	72.31
(b) Movement in goodwill		
Balance at the beginning of the year	72.31	72.31
Balance at the end of the year	72.31	72.31

- (c) Allocation of Goodwill to Cash-Generating Units (CGU)
- (i) The carrying value of the Goodwill pre-dominantly relates to Goodwill that arose on the acquisition of Rohini Industrial Electricals Limited (RIEL) (wholly owned subsidiary) of ₹ 71.36 crores (31 March, 2019: ₹ 71.36 crores).
 - (ii) The Goodwill has been allocated for impairment, testing purposes to Segment-B (Electro-mechanical Projects and Services). The Goodwill is tested annually for impairment, more frequently if there are any indications that Goodwill may be impaired.
 - (iii) The recoverable amount of Segment-B (Electro-mechanical Projects and Services) CGU has been determined using the value in use calculation. The calculation uses five years projections based on the order book position. Value in use has been determined based on future cashflows after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

6. INTANGIBLE ASSETS (Contd.)

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

- Discount rate in the range of 14% per annum (31 March, 2019: 14% per annum) was applied to arrive at present value of the cash flows.
- Cash flows beyond five years have been extrapolated using a steady growth rate in the range of 5% per annum (31 March, 2019: 5% per annum). This growth rate does not exceed the long-term average growth rate for this industry in India.
- Appropriate industrial beta has been applied (based on the comparative companies data) to arrive at the weighted average cost of capital.

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

7. INVESTMENTS

	Currency	Face Value	As at 31 March, 2020		As at 31 March, 2019	
			No.	₹ in crores	No.	₹ in crores
				₹ in crores		₹ in crores
7 (i) Non-current Investments						
A Investments in Associates & Joint Ventures						
(Fully paid - Unquoted Investments; accounted as per Equity Method)						
1 Investments in Associate Companies						
Brihat Trading Private Ltd.	₹	10	3,352	*	3,352	*
Terrot GmbH, Germany	EURO	1	2,60,900	-	2,60,900	6.00
Naba Diganta Water Management Ltd.	₹	10	47,97,000	8.31	47,97,000	5.95
			8.31	-	11.95	
2 Investments in Joint Ventures						
Voltas Water Solutions Private Ltd. (#)	₹	10	28,41,500	0.07	28,41,500	0.07
Universal Voltas L.L.C., UAE	AED	1,000	3,430	58.18	3,430	51.41
Olayan Voltas Contracting Company Ltd., Saudi Arabia (including Share application money)	SR	100	50,000	1.12	50,000	3.28
Voltbek Home Appliances Private Ltd.	₹	10	33,51,64,900	209.96	19,69,84,900	143.58
Gross Investments in Joint Ventures				269.33		198.34
Less : Impairment in value of Investments (#)				0.07		0.07
			-	269.26	-	198.27
				277.57	-	210.22
Investments accounted as per Equity Method						
B Other Investments						
1 Investments in Subsidiary Companies (at cost less impairment unless otherwise stated):						
Agro Foods Punjab Ltd. (Refer footnote 7 (a))	₹	100	2,80,000	-	2,80,000	-
(Beneficial rights transferred pending transfer of shares)						
Westerwork Engineers Ltd. (Under Liquidation) (#)	₹	100	9,600	1.09	9,600	1.09
Gross Investments in Subsidiary Companies				-	1.09	-
					1.09	

7. INVESTMENTS (Contd.)

₹ in crores

	Currency	Face Value	As at 31 March, 2020		As at 31 March, 2019	
			No.	₹ in crores	No.	₹ in crores
Less : Impairment in value of Investments (#)				-	1.09	-
2 Investments in Other Companies (Investments at Fair Value through Other Comprehensive Income) (Refer footnote 7 (e))						
(a) Fully Paid Unquoted Equity Instruments						
Lakshmi Ring Travellers (Coimbatore) Ltd.	₹	10	1,20,000	28.03	1,20,000	53.74
Agrotech Industries Ltd.	USD	1	3,67,500	-	3,67,500	-
Tata International Ltd. (Refer footnote 7 (b))	₹	1,000	10,000	5.65	10,000	5.65
Tata Services Ltd. (Refer footnote 7 (b))	₹	1,000	448	0.04	448	0.04
Tata Industries Ltd. (Refer footnote 7 (b))	₹	100	13,05,720	20.72	13,05,720	20.72
Tata Projects Ltd.	₹	100	1,35,000	147.48	1,35,000	123.10
Premium Granites Ltd.	₹	10	4,91,220	-	4,91,220	-
OMC Computers Ltd.	₹	10	4,04,337	-	4,04,337	-
Avco Marine S.a.S, France	EURO	10	1,910	-	1,910	-
Voltas Employees Consumers Co-operative Society Ltd.	₹	10	750	*	750	*
Saraswat Co-operative Bank Ltd.	₹	10	10	*	10	*
Super Bazar Co-operative Stores Ltd.	₹	10	500	*	500	*
				-	201.92	-
					203.26	
(b) Fully Paid Quoted Equity Instruments						
Lakshmi Automatic Loom Works Ltd.	₹	10	6,15,200	-	6,15,200	-
Tata Chemicals Ltd.	₹	10	2,00,440	4.47	2,00,440	11.77
Tata Consumer Products Ltd. (Refer footnote 7 (c))	₹	1	2,28,501	6.74	-	-
Lakshmi Machine Works Ltd.	₹	10	5,79,672	133.34	5,79,672	353.20
Reliance Industries Ltd. (Refer footnote 7 (d))	₹	10	2,640	-	2,640	-
					144.55	-
					346.47	-
3 Investment in Preference Shares						
Fully Paid Unquoted (at amortised cost):						
Tata Capital Ltd.						
7.50% Cumulative Redeemable Preference Shares	₹	1,000	2,50,000	25.00	2,50,000	25.00
7.10% Cumulative Redeemable Preference Shares	₹	1,000	2,50,000	20.00	2,50,000	20.00
7.33% Cumulative Redeemable Preference Shares	₹	1,000	50,000	5.00	50,000	5.00
					50.00	-
					50.00	-

7. INVESTMENTS (Contd.)

	Currency	Face Value	₹ in crores			
			As at 31 March, 2020		As at 31 March, 2019	
			No.	₹ in crores	No.	₹ in crores
4 Investment in Unquoted Mutual funds (at fair value through profit or loss) (Refer footnote 7(f))			903.82			122.68
5 Investment in Debenture/Bonds (at amortised cost)						
Fully Paid Quoted:						
Tata Steel Ltd.						
11.50% Perpetual Non Convertible Debentures	₹	10,00,000	292	29.26	292	29.31
11.80% Perpetual Non Convertible Debentures	₹	10,00,000	-	-	100	10.41
Tata Power Company Ltd.						
10.75% Non Convertible Debentures	₹	10,00,000	500	53.40	500	53.76
Rural Electrification Corporation Ltd.:						
5.25% Tax Free Bonds	₹	10,000	-	-	500	0.50
8.01% Tax Free Bonds	₹	1,000	50,000	5.41	50,000	5.48
7.17% Tax Free Bonds	₹	10,00,000	70	7.46	70	7.51
5.75% Tax Free Bonds	₹	10,000	500	0.53	500	0.53
8.18% Tax Free Bonds	₹	10,00,000	50	5.44	50	5.48
National Housing Bank						
8.26% Tax Free Non Convertible Debentures	₹	5,000	18,049	9.80	18,049	9.93
Housing and Urban Development Corporation Ltd.						
8.51% Tax Free Bonds	₹	1,000	1,50,000	16.40	1,50,000	16.64
8.10% Tax Free Bonds	₹	1,000	2,53,400	26.19	2,53,400	26.51
7.07% Tax Free Bonds	₹	10,00,000	50	5.36	50	5.39
Indian Railway Finance Corporation Ltd.						
8.35% Tax Free Bonds	₹	10,00,000	250	28.40	250	27.59
Tata AIG General Insurance Co. Ltd.						
8.52% Non Convertible Debentures	₹	10,00,000	30	2.90	-	-
Tata Motors Finance Ltd.						
11.50% Non Convertible Debentures	₹	10,00,000	500	54.49	-	-
				245.04		199.04
6 Investment in Others						
Government Securities	₹		*		*	
			*		*	
Other Investments			-	1,545.33		939.95
Total : Non-current Investments - Net			-	1,822.90		1,150.17
Footnotes :						
(i) Aggregate amount of quoted investments and market value thereof			-	389.59	-	564.01
(ii) Aggregate amount of unquoted investments			-	1,434.47	-	587.32
(iii) Aggregate amount of impairment in value of investments			-	1.16	-	1.16

7. INVESTMENTS (Contd.)

Abbreviations for Currencies :

₹ : Indian Rupees

SR : Saudi Riyal

AED : United Arab Emirates Dirhams

RO : Omani Rial

USD : United States Dollar

EURO : European Union Currency

* value below ₹ 50,000/-

Footnotes:

- 7(a) Under a loan agreement for ₹ 0.60 crore (fully drawn and outstanding) entered into between Agro Foods Punjab Ltd. (AFPL) and the Punjab State Industrial Development Corporation Ltd. (PSIDC), the Group has given an undertaking to PSIDC that it will not dispose off its shares in AFPL till the monies under the said loan agreement between PSIDC and AFPL remain due and payable by AFPL to PSIDC. During 1998-99, the Group had transferred its beneficial rights in the shares of AFPL.
- 7 (b) For these unquoted investments categorised under Level 3, their respective cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.
- 7 (c) Pursuant to the de-merger of the Consumer Products Business of Tata Chemicals Limited (TCL) with Tata Global Beverages Limited, now known as Tata Consumer Products Limited (TCPL), the Company has received 2,28,501 equity shares of TCPL in lieu of its existing holding of 2,00,440 equity shares held in TCL, in the ratio of 1.14 equity shares of TCPL for every 1 equity share held in TCL.
- 7 (d) In respect of the Group's investment in 2,640 equity shares of Reliance Industries Ltd., there is an Injunction Order passed by the Court in Kanpur restraining the transfer of these shares. The share certificates are, however, in the possession of the Group. Pending disposal of the case, dividend on these shares has not been recognised.
- 7 (e) Investments at Fair Value Through Other Comprehensive Income (FVTOCI) reflect investment in quoted and unquoted equity securities. These equity shares are designated as FVTOCI as they are not held for trading purpose and are not in similar line of business as the Group, thus disclosing their fair value change in profit and loss will not reflect the purpose of holding.
- 7 (f) The Group has created lien against the Mutual Fund of ₹ 75 crores towards various fund and non-fund based credit facilities availed by the Group.

	Currency	Face Value	₹ in crores		As at 31 March, 2020		As at 31 March, 2019	
			No.	₹ in crores	No.	₹ in crores	No.	₹ in crores
7. (ii) Current Investments								
A Investment in Debenture/Bonds (at amortised cost)								
Fully Paid Quoted:								
Rural Electrification Corporation Ltd.								
5.25% Tax Free Bonds	₹	10,000	500	0.50	-	-	-	-
Tata Steel Ltd.								
11.80% Perpetual Non Convertible Debentures	₹	10,00,000	100	10.24	-	-	-	-
Tata International Ltd.								
9.30% Perpetual Non Convertible Debentures	₹	10,00,000	-	-	-	-	1,000	100.23
Tata Capital Ltd.								
10.25% Non Convertible Debentures	₹	5,00,000	-	-	-	-	25	1.27
							10.74	101.50

7. INVESTMENTS (Contd.)

	Currency	Face Value	₹ in crores			
			As at 31 March, 2020		As at 31 March, 2019	
			No.	₹ in crores	No.	₹ in crores
B Investment in Unquoted Mutual funds (at fair value through profit or loss)			509.65		1,134.19	
Total Current investments			520.39		1,235.69	
Footnotes :						
(i) Aggregate amount of quoted investments and market value thereof			10.74		101.50	
(ii) Aggregate amount of unquoted investments			509.65		1,134.19	
(iii) Aggregate amount of impairment in value of investments			-		-	

8. LOANS (NON-CURRENT) (AT AMORTISED COST)

		₹ In crores	
		As at 31 March, 2020	As at 31 March, 2019
Loans to Employees (Unsecured, considered good)		0.22	0.31
Total non-current loans		0.22	0.31

**9. OTHER FINANCIAL ASSETS (NON-CURRENT)
(UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED) (AT AMORTISED COST)**

		₹ In crores	
		As at 31 March, 2020	As at 31 March, 2019
(a) Security deposits		14.42	8.90
(b) Deposits with customers / others		5.37	5.57
(c) Fixed deposits with remaining maturity of more than 12 months		71.28	59.59
(d) Others		12.06	12.06
Less: Impairment Allowance		12.01	12.01
Total other financial assets (Non-current)		91.12	74.11
Footnotes :			
(1) Break up of security details of other financial assets (non-current)			
(i) Unsecured, considered good		91.12	74.11
(ii) Credit impaired		12.01	12.01
		103.13	86.12
(2) Impairment Allowance			
(i) Unsecured, considered good		-	-
(ii) Credit impaired		12.01	12.01
		12.01	12.01

10. DEFERRED TAX

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

		As at 31 March, 2020	As at 31 March, 2019
(i) Deferred Tax Assets			
Deferred tax assets			164.24
Deferred tax liabilities			(91.37)
Deferred Tax Assets (net)		72.87	105.89
(ii) Deferred Tax Liabilities			
Deferred tax assets			1.49
Deferred tax liabilities			(2.91)
Deferred tax liabilities (net)		(1.42)	(5.07)
Deferred tax liability on undistributed profits			-
			(1.42)
			(6.59)
Reconciliation of deferred tax assets (net):			
Opening balance			105.89
Tax income/(expense) during the period recognised in profit or loss			(28.39)
Tax income/(expense) during the period recognised in OCI			(2.34)
Adjusted against tax liability			(2.29)
Deferred tax on Ind AS 115 transition adjustment			-
Closing balance			72.87
			105.89
Reconciliation of deferred tax liabilities (net):			
Opening balance			(6.59)
Tax income/(expense) during the period recognised in profit or loss			2.19
Adjusted against tax liability			2.98
Closing balance			(1.42)
			(6.59)
(b) The balance comprise temporary differences attributable to:			
(i) Deferred Tax Assets			
		As at 31 March, 2019	As at 31 March, 2020
Provision for employee benefits (including Voluntary Retirement Scheme)		37.58	-
Allowance for receivables, loans and advances		94.59	-
Provision for contingencies and claims		8.94	-
Unpaid statutory liabilities		4.54	-
Estimated Loss on Projects		10.45	-
Deferred Tax on unrealised profit		6.23	-
		(0.62)	-
		-	-
			5.61

10. DEFERRED TAX (Contd.)

	As at 31 March, 2019	(Charged) / credited to reserves	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	Adjusted against tax liability	As at 31 March, 2020
₹ in crores						
Unutilised brought forward loss and unabsorbed depreciation	21.97	-	(5.03)	-	-	16.94
MAT credit entitlement	5.71	-	3.20	-	-	8.91
Free Maintenance services	7.38	-	(2.21)	-	-	5.17
Others	2.34	-	0.22	-	(2.29)	0.27
Deferred Tax Assets	199.73	-	(30.00)	(3.20)	(2.29)	164.24
Property, plant and equipment and intangible assets	(35.41)	-	9.48	-	-	(25.93)
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(41.69)	-	-	0.86	-	(40.83)
Unrealised gains on fair valuation of Mutual funds	(16.74)	-	(7.87)	-	-	(24.61)
Deferred Tax Liabilities	(93.84)	-	1.61	0.86	-	(91.37)
Deferred Tax Assets (net)	105.89	-	(28.39)	(2.34)	(2.29)	72.87
(ii) Deferred Tax Liabilities						
₹ in crores						
	As at 31 March, 2019	(Charged) / credited to reserves	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	Adjusted against tax liability	As at 31 March, 2020
Provision for employee benefits	0.11	-	(0.01)	-	-	0.10
Unpaid statutory liabilities	0.16	-	(0.16)	-	-	-
Government Grant	-	-	1.39	-	-	1.39
Deferred Tax Assets	0.27	-	1.22	-	-	1.49
Property, plant and equipment and intangible assets	(2.36)	-	(0.55)	-	-	(2.91)
Others	(2.98)	-	-	-	2.98	-
Deferred Tax Liabilities	(5.34)	-	(0.55)	-	2.98	(2.91)
Deferred Tax Liabilities (net)	(5.07)	-	0.67	-	2.98	(1.42)
Deferred Tax Liability on undistributed profits	(1.52)	-	1.52	-	-	-
Total Deferred Tax Liabilities (net)	(6.59)	-	2.19	-	2.98	(1.42)

10. DEFERRED TAX (Contd.)

(b) The balance comprise temporary differences attributable to:

(i) Deferred Tax Assets

	As at 31 March, 2018	(Charged) / credited to reserves	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	Adjusted against tax liability	As at 31 March, 2019
Provision for employee benefits	35.87	-	1.74	(0.03)	-	37.58
Allowance for receivables, loans and advances	42.15	41.37	11.07	-	-	94.59
Provision for contingencies and claims	8.81	-	0.13	-	-	8.94
Unpaid statutory liabilities	4.54	-	*	-	-	4.54
Estimated Loss on Projects	9.44	-	1.01	-	-	10.45
Deferred Tax on unrealised profit	3.97	-	2.26	-	-	6.23
Unutilised brought forward loss and unabsorbed depreciation	-	-	21.97	-	-	21.97
MAT credit entitlement	-	-	5.71	-	-	5.71
Free Maintenance services	-	-	7.38	-	-	7.38
Others	0.55	-	(0.55)	-	2.34	2.34
Deferred Tax Assets	105.33	41.37	50.72	(0.03)	2.34	199.73
Property, plant and equipment and intangible assets	(35.09)	-	(0.32)	-	-	(35.41)
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(39.26)	-	-	(2.43)	-	(41.69)
Unrealised gains on fair valuation of Mutual funds	(13.14)	-	(3.60)	-	-	(16.74)
Deferred Tax Liabilities	(87.49)	-	(3.92)	(2.43)	-	(93.84)
Deferred Tax Assets (net)	17.84	41.37	46.80	(2.46)	2.34	105.89

* value below ₹ 50,000/-

(ii) Deferred Tax Liabilities

	As at 31 March, 2018	(Charged) / credited to reserves	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	Adjusted against tax liability	As at 31 March, 2019
Provision for employee benefits	0.09	-	0.02	-	-	0.11
Unpaid statutory liabilities	0.41	-	(0.25)	-	-	0.16
Deferred Tax Assets	0.50	-	(0.23)	-	-	0.27
Property, plant and equipment and intangible assets	(2.39)	-	0.03	-	-	(2.36)
Others	-	-	-	-	(2.98)	(2.98)
Deferred Tax Liabilities	(2.39)	-	0.03	-	(2.98)	(5.34)
Deferred Tax Liabilities (net)	(1.89)	-	(0.20)	-	(2.98)	(5.07)
Deferred Tax Liability on undistributed profits	(11.35)	-	9.83	-	-	(1.52)
Total Deferred Tax Liabilities (net)	(13.24)	-	9.63	-	(2.98)	(6.59)

11. OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
(a) Balance with Government Authorities	81.89	83.69
(b) Capital advances	38.74	13.57
(c) Advance to suppliers	1.07	1.34
(d) Lease prepayments (Refer Note 3B)	-	4.91
(e) Others	1.78	1.78
Less: Impairment Allowance	5.33	6.18
Total other non-current assets	118.15	99.11
Footnote :-		
Impairment Allowance :		
(a) Balance with Government Authorities	3.89	4.36
(b) Advance to suppliers	1.07	1.34
(c) Others	0.37	0.48
Total	5.33	6.18

12. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
(a) Raw materials and Components	273.74	197.61
(b) Work-in-progress	6.53	12.55
(c) Finished goods	196.47	223.39
(d) Stock-in-trade	991.77	656.54
(e) Stores and spares	0.43	0.57
Total Inventories	1,468.94	1,090.66
Inventories includes goods-in-transit:		
(a) Raw materials and Components	105.93	56.99
(b) Finished goods	-	4.34
(c) Stock-in-trade	117.96	116.23
Total goods-in-transit	223.89	177.56
Footnote :		
Provision for write-down on value of inventory	25.90	15.07

13. CONTRACT ASSETS (CURRENT) (UNSECURED)

	₹ In crores	As at 31 March, 2020	As at 31 March, 2019
Amount due from customers under construction contracts		974.30	845.89
Less: Impairment Allowance		74.96	60.89
Contract assets (Current) (Net)		899.34	785.00
Footnotes :			
(1) Break up of security details			
(i) Unsecured, considered good		956.59	825.80
(ii) Contract assets - credit impaired		17.71	20.09
		974.30	845.89
Less: Impairment Allowance		74.96	60.89
		899.34	785.00
(2) Contract assets are initially recognised for revenue earned from electro mechanical projects contracts as receipt of consideration that is conditional on successful completion of project milestone. Upon completion of milestone and acceptance/certification by the customer, the amounts recognised as contract assets are reclassified to trade receivables. At 31 March, 2020, contract assets balances have increased as compared to 31 March, 2019 on account of delay in certification of work by the customers.			

14A. TRADE RECEIVABLES (CURRENT) (AT AMORTISED COST) (UNSECURED)

	₹ In crores	As at 31 March, 2020	As at 31 March, 2019
Trade receivables		2,081.13	2,021.48
Less: Impairment Allowance		253.88	218.31
Trade receivables (net)		1,827.25	1,803.17
Footnotes :			
(1) Break up of security details			
(i) Unsecured, considered good		1,943.29	1,950.74
(ii) Trade Receivables - credit impaired		137.84	70.74
		2,081.13	2,021.48
Less: Impairment Allowance		253.88	218.31
		1,827.25	1,803.17

- (2) There is no significant movement in trade receivable balances as compared to 31 March, 2019.
- (3) Trade receivables are non interest bearing and are generally on terms of 7 to 30 days in case of sale of products and in case of long term construction contracts, payment is generally due upon completion of milestone as per terms of contract. In certain contracts, short term advances are received before the performance obligation is satisfied.
- (4) The Group applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables and contract assets. The Group follows the simplified approach for recognition of impairment allowance on trade receivables and contract assets. The application of the simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment allowance based on lifetime ECLs at each reporting date. ECL impairment loss allowance (or reversal) recognised during the period is recognised in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

14A TRADE RECEIVABLES (CURRENT) (AT AMORTISED COST) (UNSECURED) (Contd.)

(5)	Movement in impairment allowance on trade receivables and contract assets.	₹ In crores	
		As at 31 March, 2020	As at 31 March, 2019
Balance at the beginning of the year		279.20	116.06
Transition impact of Ind AS 115		-	165.52
Allowances / (write back) during the year		74.32	(10.03)
Written off against past provision		(24.68)	7.65
Balance at the end of the year		328.84	279.20

14B. TRADE RECEIVABLES (NON-CURRENT) (AT AMORTISED COST)

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
Non-current trade receivables (Unsecured, considered good)	6.39	31.08
Less: Impairment Allowance	-	1.24
Non-current trade receivables (Net)	6.39	29.84

15. CASH AND CASH EQUIVALENTS

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
Cash on hand	0.10	0.68
Cheques on hand	1.44	43.92
Remittance in-transit	0.07	0.20
Balances with banks		
- On current accounts	220.44	241.54
- Fixed deposits with maturity less than 3 months	47.51	24.65
Total Cash and cash equivalents	269.56	310.99

Footnotes :

- (a) The changes in liabilities arising from financing activities is on account of cash flow changes only except for lease liabilities. For details of change in lease liabilities arising from financing activities refer Note 51 (a).
- (b) At 31 March, 2020, the Group had available ₹ 1092.18 crores (31 March, 2019: ₹ 195.66 crores) of undrawn committed borrowing facilities.

16. OTHER BALANCES WITH BANKS

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
Fixed deposits with maturity greater than 3 months but less than 12 months	28.46	0.10
Earmarked balances - unpaid dividend accounts	7.46	7.18
Margin money	2.93	2.84
Total Other Bank balances	38.85	10.12

Footnote :

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

17. LOANS (CURRENT) (AT AMORTISED COST)

	As at 31 March, 2020	As at 31 March, 2019
Loans to employees (Unsecured, considered good)	2.04	11.33
Total loans (Current)	2.04	11.33

**18. OTHER FINANCIAL ASSETS (CURRENT)
(UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED) (AT AMORTISED COST)**

	As at 31 March, 2020	As at 31 March, 2019
(a) Security deposits	17.16	17.68
(b) Interest accrued	18.24	13.28
(c) Fixed deposits with remaining maturity of less than 12 months	47.24	2.62
(d) Others		
- Considered good	52.86	52.23
- Credit impaired	4.05	3.84
Less: Impairment Allowance	4.05	3.84
Total other financial assets (Current)	135.50	85.81

19. OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

	As at 31 March, 2020	As at 31 March, 2019
(a) Balance with Government Authorities	246.47	184.82
(b) Advance to suppliers	88.37	89.21
(c) Gratuity fund (Refer Note 42)	12.42	-
(d) Prepaid expense	42.34	25.63
(e) Others		
- Considered good	26.96	14.74
- Credit impaired	0.53	0.60
Less: Impairment Allowance	0.53	0.60
Total other current assets	416.56	314.40

20. SHARE CAPITAL

	As at 31 March, 2020	As at 31 March, 2019
Authorised:		
60,00,00,000 (31 March, 2019: 60,00,00,000) Equity Shares of ₹ 1/- each	60.00	60.00
40,00,000 (31 March, 2019: 40,00,000) Preference Shares of ₹ 100/- each	40.00	40.00
	100.00	100.00

20. SHARE CAPITAL (Contd.)

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
Issued, Subscribed and Paid up:		
33,08,84,740 (31 March, 2019: 33,08,84,740) Equity Shares of ₹ 1/- each	33.09	33.09
Less :Calls-in-Arrears [1,22,500 shares (31 March, 2019: 1,25,900 shares)]	0.01	0.01
[Refer footnote 20 (d)]		
Total share capital	33.08	33.08

Footnotes:

Terms / Rights attached to equity shares

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

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

	Equity Shares			
	As at 31 March, 2020		As at 31 March, 2019	
	Numbers	₹ in crores	Numbers	₹ in crores
Shares outstanding at the beginning of the year	33,08,84,740	33.08	33,08,84,740	33.08
Shares outstanding at the end of the year	33,08,84,740	33.08	33,08,84,740	33.08

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

Name of Shareholder	Equity Shares				
	Class of Shares	As at 31 March, 2020		As at 31 March, 2019	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
Tata Sons Private Ltd.	Equity	8,81,31,780	26.64	8,81,31,780	26.64
HDFC Trustee Company Ltd. (Various Accounts)	Equity	1,13,09,000	3.42	1,66,73,000	5.04

- (d) As per the records of the Company, no calls remained unpaid by the Directors and Officers of the Company as on 31 March, 2020 (31 March, 2019: Nil).

21. OTHER EQUITY

	₹ In crores	As at 31 March, 2020	As at 31 March, 2019
(1) Capital Reserves		1.56	1.56
(2) Capital Redemption Reserve		1.26	1.26
(3) Securities Premium		6.28	6.27
(4) Capital Reserve on Consolidation		12.69	12.69
(5) General Reserve		1,398.15	1,378.15
(6) Staff Welfare Reserve		0.01	0.01
(7) Exchange difference on translation of foreign operations through other comprehensive income		39.05	19.92
(8) Legal Reserve		2.68	2.68
(9) Equity instruments fair value through other comprehensive income		304.31	525.20
(10) Retained Earnings		2,481.14	2,129.17
Total other equity		4,247.13	4,076.91

Movements in Other Equity	₹ In crores	As at 31 March, 2020	As at 31 March, 2019
(1) Capital Reserve		1.56	1.56
- As per last Balance Sheet			
(2) Capital Redemption Reserve		1.26	1.26
- As per last Balance Sheet			
(3) Securities Premium		6.28	6.27
- As per last Balance Sheet			
- Received during the year		0.01	*
- Closing Balance			
(4) Capital Reserve on Consolidation		12.69	12.69
- As per last Balance Sheet			
(5) General Reserve		1,398.15	1,378.15
- As per last Balance Sheet			
- Transfer from retained earnings		20.00	27.25
- Closing Balance			
(6) Staff Welfare Reserve		0.01	0.01
- As per last Balance Sheet			
(7) Exchange difference on translation of foreign operations through other comprehensive income		39.05	19.92
- As per last Balance Sheet			
- Add / (less) : Net translation difference during the year		19.13	9.16
- Closing Balance			
(8) Legal Reserve		2.68	2.60
- As per last Balance Sheet			
- Transfer from retained earnings		-	0.08
- Closing Balance			

21. OTHER EQUITY (Contd.)

Movements in Other Equity	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
(9) Equity instruments fair value through other comprehensive income		
- As per last Balance Sheet	525.20	560.70
- Changes during the year	(220.89)	(35.50)
- Closing Balance	304.31	525.20
(10) Retained earnings		
(a) As per last Balance Sheet	2,129.17	1,925.38
(b) Additions :		
- Net Profit for the year	517.18	507.91
- Transfer from other comprehensive income (Net of tax)	11.96	(0.04)
	529.14	507.87
(c) Deductions :		
- Dividend	132.35	132.35
- Dividend Distribution tax	24.82	22.79
- Transfer to Legal Reserve	-	0.08
- Transfer to General Reserve	20.00	27.25
- Transition impact of Ind AS 115 (Net of tax)	-	121.61
	177.17	304.08
Closing Balance	2,481.14	2,129.17
Total other equity	4,247.13	4,076.91

* value below ₹ 50,000/-

Distribution made and proposed	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
Cash Dividends on Equity Shares declared and paid:		
Dividend for the year ended 31 March, 2019: ₹ 4.00 per share	132.35	132.35
(31 March, 2018: ₹ 4.00 per share)		
Dividend Distribution Tax	24.82	22.79
	157.17	155.14
Proposed Dividend on Equity Shares:		
Dividend for the year ended 31 March, 2020: ₹ 4.00 per share	132.35	132.35
(31 March, 2019: ₹ 4.00 per share)		
Dividend Distribution Tax on proposed dividend*	-	27.21
	132.35	159.56

* Dividend Distribution Tax (DDT) before availment of any DDT credit available.

Footnotes : Nature and purpose of reserves

Capital Reserve :

Capital Reserve was created from capital surplus on sale of assets and on amalgamation of subsidiary.

Capital Redemption Reserve :

Capital Redemption Reserve is created out of profit available for distribution towards redemption of Preference shares. This reserve can be used for the purpose of issue of Bonus shares.

21. OTHER EQUITY (Contd.)

Securities Premium :

Securities Premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares. This reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital Reserve on Consolidation :

Capital Reserve on Consolidation represents the additional net assets received by the Parent Company on purchase of stake in Subsidiary.

General Reserve :

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit or loss.

Exchange difference on translation of foreign operations through other comprehensive income :

For the purpose of consolidation of subsidiaries with the financial statement of the holding company, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. Use of such different rates for translation gives rise to exchange differences which is accumulated in Foreign Currency Translation Reserve. The movement in this reserve is due to fluctuation in exchange rates of currencies during the financial year 2019-20.

Legal Reserve :

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

Equity instruments fair value through other comprehensive income :

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Retained Earnings :

The balance in the Retained Earnings primarily represents the surplus after payment of dividend (including tax on dividend) and transfer to reserves.

22. CONTRACT LIABILITIES (NON-CURRENT)

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
Unexpired service contracts	7.34	0.70
Total Contract liabilities (Non-Current)	7.34	0.70

23. BORROWINGS (AT AMORTISED COST) (NON-CURRENT)

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
Unsecured		
Lease Liabilities (Refer Note 51)	5.41	-
Total non-current borrowings	5.41	-

24. PROVISIONS (NON-CURRENT)

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
Provision for employee benefits :		
(i) Provision for gratuity (Refer Note 42)	47.76	43.08
(ii) Pension obligations (Refer Note 42)	32.87	34.36
(iii) Provision for compensated absences	0.22	0.11
(iv) Post retirement medical benefits (Refer Note 42)	6.62	6.77
(v) Provision for Voluntary Retirement Scheme (Refer Note 29)	5.78	-
(vi) Provision for employee separation compensation	0.18	0.34
Total non-current provisions :	93.43	84.66

25. CONTRACT LIABILITIES (CURRENT)

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
(a) Advances received from customers	349.02	251.14
(b) Unexpired service contracts	8.41	11.08
(c) Billing in excess of contract revenue	199.49	69.27
Total Contract liabilities (Current)	556.92	331.49

Footnote :

The outstanding balances of the contract liabilities as at 31 March, 2020 are higher on account of billing done in excess of revenue recognised as per the terms of contracts.

26. BORROWINGS (AT AMORTISED COST) (CURRENT)

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
Secured		
(a) Term loans from Banks	42.84	45.08
(b) Working Capital loans from Banks	166.12	269.57
Unsecured		
(a) Lease Liabilities (Refer Note 51)	3.48	-
Total borrowings	212.44	314.65

Footnotes :

- (i) Borrowings are secured against assignment of Contract dues on projects.
- (ii) Term loans are repayable within a period of 180 days.
- (iii) Term loans from banks carry an average interest rate of 3.79% to 5.25% (31 March, 2019 : 3.79% to 5.00%)
- (iv) Working capital loans from banks are repayable on demand.
- (v) Working capital loans from banks carry an average interest rate of 2.70% to 9% (31 March, 2019 : 3.00% to 9.15%).

27. TRADE PAYABLES

	As at 31 March, 2020	As at 31 March, 2019
Trade payables :		
(i) Total outstanding dues of micro and small enterprises	35.47	49.45
(ii) Total outstanding dues of creditors other than micro and small enterprises	2,653.42	2,325.04
Total trade payables	2,688.89	2,374.49

Footnote :

Trade payables are non interest bearing and are normally settled on 30 days to 365 days credit term.

28. OTHER FINANCIAL LIABILITIES (CURRENT) (AT AMORTISED COST)

	As at 31 March, 2020	As at 31 March, 2019
(a) Deposits received from customers / others	44.68	41.26
(b) Interest accrued but not due on borrowings	-	0.10
(c) Unpaid dividends	7.46	7.18
(d) Other financial liabilities (*)	32.25	35.93
Total other financial liabilities	84.39	84.47

(*) Includes Rebate to customers, etc.

29. PROVISIONS

	As at 31 March, 2020	As at 31 March, 2019
(a) Provision for employee benefits		
(i) Provision for gratuity (Refer Note 42)	6.84	7.82
(ii) Pension obligations (Refer Note 42)	3.03	2.77
(iii) Provision for compensated absences	36.30	40.35
(iv) Post retirement medical benefits (Refer Note 42)	0.43	0.47
(v) Provision for Voluntary Retirement Scheme	23.72	-
(vi) Provision for employee separation compensation	0.19	0.24
(b) Provision for Trade Guarantees	39.82	51.84
(c) Provision for Contingencies for tax matters	30.56	26.40
Total provision (current)	140.89	129.89
Footnotes :		
A. Provisions for trade guarantees		
Opening balance	51.84	116.51
Additional provisions recognised	36.74	29.29
Less : Utilisation	46.30	67.18
Less : Reversal	2.46	26.78
Closing balance	39.82	51.84

29. PROVISIONS (Contd.)

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
B. Provision for Contingencies for tax matters		
Opening balance	26.40	25.47
Additional provisions recognised	4.19	3.43
Less : Utilisation	0.03	0.02
Less : Reversal	-	2.48
Closing balance	30.56	26.40
C. Provision for Voluntary Retirement Scheme		
Opening balance	-	-
Additional provisions recognised	51.19	-
Accretion of Interest	1.20	-
Less : Payment made during the period	22.89	-
Closing balance	29.50	-
Non - current liability	5.78	-
Current liability	23.72	-

30. OTHER CURRENT LIABILITIES

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
(a) Statutory obligations	41.06	38.12
(b) Others	1.09	0.42
Total other current liabilities	42.15	38.54

31. REVENUE FROM OPERATIONS

	₹ In crores	
	Year ended 31 March, 2020	Year ended 31 March, 2019
Revenue from contracts with customers :		
(a) Sale of products	4,598.99	3,598.56
(b) Construction contract revenue	2,432.70	2,936.81
(c) Sale of services	595.46	549.22
	7,627.15	7,084.59
Other operating income :		
(1) Unclaimed credit balances written back	12.01	10.69
(2) Sale of scrap	9.29	7.97
(3) Others	9.63	20.82
	30.93	39.48
Total revenue from operations	7,658.08	7,124.07

32. OTHER INCOME

	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Dividend Income		
- From equity investments measured at FVTOCI	8.32	7.95
- From mutual funds investments measured at FVTPL	10.24	2.24
- Others	-	2.33
(b) Interest Income		
- On sundry advances, deposits, customers' balances, etc.	0.04	0.50
- On deposits with banks	4.25	2.97
- On Income-tax refunds	0.33	1.42
- On financial instruments measured at amortised cost	29.41	15.95
(c) Gain on sale / fair valuation of financial assets measured at FVTPL	96.52	96.17
(d) Gain on sale / disposal of property, plant and equipment (Net)	3.75	-
(e) Exchange differences (Net)	14.22	-
(f) Rental income	38.17	39.17
(g) Other non-operating income	25.35	17.55
Total other income	230.60	186.25

33. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	Year ended 31 March, 2020	Year ended 31 March, 2019
Inventories at the end of the year :		
- Finished Goods including stock-in-trade	1,188.24	879.93
- Work-in-progress	6.53	12.55
	1,194.77	892.48
Inventories at the beginning of the year :		
- Finished Goods including stock-in-trade	879.93	606.63
- Work-in-progress	12.55	6.30
	892.48	612.93
Net (increase) / decrease	(302.29)	(279.55)

34. EMPLOYEE BENEFITS EXPENSES

	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Salaries, Wages and Bonus	611.73	585.79
(b) Contribution to Provident and other Funds	32.64	30.39
(c) Staff Welfare expenses	27.35	25.68
Total employee benefits expenses	671.72	641.86

35. FINANCE COSTS

	Year ended 31 March, 2020	Year ended 31 March, 2019
Interest expense		₹ In crores
(a) on borrowings from banks and others	19.99	32.95
(b) on delayed payment of income tax	-	0.03
(c) on lease liabilities	1.11	-
Total finance costs	21.10	32.98

36. DEPRECIATION AND AMORTISATION EXPENSES

	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Depreciation on property, plant and equipment	22.65	19.23
(b) Amortisation on intangible assets	3.51	3.87
(c) Depreciation on investment property	0.93	0.88
(d) Depreciation on Right-of-use assets	4.87	-
Total Depreciation and amortisation expenses	31.96	23.98

37. OTHER EXPENSES

	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Consumption of Stores and Spares	5.40	4.49
(b) Power and Fuel	12.79	11.22
(c) Rent	44.82	54.15
(d) Repairs to Buildings	1.74	1.42
(e) Repairs to Plant and Machinery	9.93	8.42
(f) Insurance charges	11.63	8.66
(g) Rates and Taxes	2.69	2.78
(h) Travelling and Conveyance	54.23	57.93
(i) Payment to Auditors	4.39	3.92
(j) Legal and Professional fees	24.47	33.74
(k) Bad and Doubtful Debts / Advances [Refer footnote below]	73.61	(11.17)
(l) Loss on sale of property, plant and equipment	-	0.52
(m) Exchange differences (Net)	-	24.47
(n) Corporate Social Responsibility (CSR)	12.21	12.26
(o) Outside Service charges	103.52	75.48
(p) Clearing charges	75.75	63.36
(q) Freight and forwarding charges	100.83	60.95
(r) Commission on sales	7.71	8.09
(s) Advertising	71.96	77.58
(t) Printing and stationery	13.64	16.68

37. OTHER EXPENSES (Contd.)

	Year ended 31 March, 2020	Year ended 31 March, 2019
(u) Donations	-	0.15
(v) Miscellaneous expenses	113.44	93.17
Total other expenses	744.76	608.27
Footnote :		
Bad and Doubtful Debts / Advances includes :-		
(a) Expected credit loss for contract assets and trade receivables	74.32	(10.03)
(b) Allowance for doubtful debts and advances	(0.71)	(1.14)
Total	73.61	(11.17)

38. EXCEPTIONAL ITEMS

	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Reversal of provision / (provision) for diminution in value of investments	-	1.32
(b) Voluntary Retirement Scheme	(51.19)	-
(c) Provision for contract assets (delays in certification - arising out of liquidation filing by a joint venture partner of main contractor)	-	(13.09)
Exceptional Items	(51.19)	(11.77)

Footnotes :

- (i) During the current year, the Company has announced a Voluntary Retirement Scheme ('the scheme') for all the permanent employees of the Company in the general cadre category and accordingly, the related impact of the scheme of ₹ 51.19 crores is disclosed as an exceptional item.
- (ii) During the previous year, the Group had reversed a provision of ₹ 1.32 crores recognised in earlier periods on Olayan Voltas Contracting Company Limited, the Joint Venture Company, based on the assessment of recoverability of net assets of the Joint Venture Company.
- (iii) During the previous year, the Group had created a provision for contract assets of ₹ 13.09 crores on account of delays in certification of project balances arising out of liquidation filing by a joint venture partner of main contractor.

39. INCOME TAX

RECONCILIATION OF TAX EXPENSE AND THE ACCOUNTING PROFIT MULTIPLIED BY INDIA'S DOMESTIC TAX RATE FOR THE YEAR ENDED 31 MARCH, 2019 AND 31 MARCH, 2020

	Year ended 31 March, 2020	Year ended 31 March, 2019
Profit before tax	744.31	677.41
Indian statutory income tax rate	25.17%	34.94%
Income-tax expense at India's statutory income tax rate	187.33	236.69
Effect of adjustments to reconcile the expected tax expense to reported income tax expense:		
Effect of exempt income	(6.33)	(5.11)
Effect of unused tax losses	21.30	17.11
Effect of non-deductible expenses	6.40	8.30

39. INCOME TAX (Contd.)

	₹ In crores	Year ended 31 March, 2020	Year ended 31 March, 2019
Effect of income which is taxed at special rates		(11.39)	(12.99)
Adjustment of tax relating to earlier periods		(4.51)	(3.52)
Effect of different tax rates in the components		1.48	(31.70)
Change in Tax rate (Refer Note below)		32.92	-
Deferred tax on undistributed profit		(1.52)	(9.83)
MAT credit entitlement		-	(5.71)
Deferred tax on unutilised brought forward loss and unabsorbed depreciation		-	(21.99)
Others		(2.42)	(7.72)
	223.26	163.53	

Note :

The Group has evaluated the option to pay lower corporate tax rate under section 115BAA of Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 and accordingly, Voltas Limited (the holding Company) and its wholly owned subsidiary, Universal Comfort Product Limited, has opted to pay corporate tax at reduced rate effective 1 April, 2019. Accordingly, the change in tax rates has resulted in a reversal of deferred tax assets of ₹ 32.92 crores on account of remeasurement of deferred tax balances as at 31 March, 2019 and was recognised in the consolidated financial statements for the year ended 31 March, 2020

40. EARNINGS PER SHARE

	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Profit attributable to Equity shareholders - (₹ in crores)	517.18	507.91
(b) Weighted average number of Equity Shares Outstanding	33,08,84,740	33,08,84,740
(c) Earnings Per Share (₹) - Basic and Diluted (Face value ₹ 1/- per share)	15.63	15.35

41. COMMITMENTS AND CONTINGENCIES

	₹ In crores	As at 31 March, 2020	As at 31 March, 2019
(A) Commitments:			
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for		12.57	22.17
(ii) As per the E-Waste (Management) Rules, 2016, as amended, the Group has an obligation to complete the Extended Producer Responsibility targets, only if it is a participant in the market during a financial year. The obligation for a financial year is measured based on sales made in the preceding 10th year and the Group has fulfilled its obligation for the current financial year. In accordance with Appendix B of Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', the Group will have an e-waste obligation for future years, only if it participates in the market in those years.			
(B) Financial Guarantee			
The Group has issued financial guarantees to banks on behalf of and in respect of loan facility availed by its subsidiary and joint venture companies			
(i) Limits (Fund and Non Fund based)	1,820.39	1,496.49	
(ii) Against which outstanding balance	264.97	236.02	
(C) Contingent liabilities:			
Claims against the Company not acknowledged as debts			

41. COMMITMENTS AND CONTINGENCIES (Contd.)

	₹ In crores	As at 31 March, 2020	As at 31 March, 2019
(i) Sales tax / VAT matters		240.45	176.81
(ii) Service tax matters		15.66	17.99
(iii) Excise matters		19.51	19.57
(iv) Contractual matters in the course of business		36.71	36.97
(v) Guarantees for terminated contract		345.78	317.10
(vi) Income tax matters		10.04	9.97
		668.15	578.41

(D) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28 February, 2019. As a matter of caution, the Group has made a provision on a prospective basis from the date of the SC order. The Group will update its provision, on receiving further clarity on the subject.

42. EMPLOYEE BENEFITS

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

(i) Gratuity

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

(ii) Post Retirement Medical Benefits (PRMB)

PRMB scheme is eligible for all those employees who are above management staff grade and have joined on or before 31 December 2015. The scheme is non-funded.

(iii) Pension plans

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

42. EMPLOYEE BENEFITS (Contd.)

(a) The following table summarises the components of net benefit expenses recognised in statement of profit or loss, other comprehensive income, the funded status and amount recognised in the balance sheet for the respective plans as on the reporting dates:

	Gratuity funded	Gratuity unfunded	Pension	Post retirement medical benefits
	2019-20	2018-19	2019-20	2018-19
Current service cost	4.37	3.84	9.40	11.60
Net interest expense	0.04	(0.23)	1.91	1.42
Past Service Cost	-	-	-	-
Components of defined benefit costs recognised in profit or loss	4.41	3.61	11.31	13.02
Remeasurement on the defined benefit plans:				
Return on plan assets	0.14	(0.39)	(0.07)	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(4.17)	0.27	(2.60)	2.24
Actuarial (gains) / losses arising from experience adjustments	(1.27)	(1.09)	(3.95)	0.72
Components of defined benefit costs recognised in other comprehensive income	(5.30)	(1.21)	(6.62)	2.96
Change in benefit obligation				
Opening defined benefit obligation	57.93	57.74	50.37	30.18
Transfer in/Foreign subsidiaries	-	-	13.82	-
Current service cost	4.37	3.84	9.40	11.60
Interest cost	4.51	4.53	1.91	1.42
Remeasurement (gains)/losses:	-	-	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-	(0.07)	-
Actuarial (gains)/losses arising from changes in financial assumptions	(4.17)	0.27	(2.60)	2.24
Actuarial (gains)/losses arising from experience adjustments	(1.27)	(1.09)	(3.95)	0.72
Past service cost	-	-	-	1.74
(Gains)/ Losses on Curtailment	-	-	-	-
Liabilities assumed on account of transfer in	0.05	0.01	-	-
Exchange differences on foreign plans	-	-	5.02	1.94
Benefits paid	(16.93)	(7.37)	(5.48)	(11.55)
Closing defined benefit obligation	44.49	57.93	54.60	50.37
Change in plan assets				
Opening fair value of plan assets	57.40	57.40	60.71	4.47
Interest income	4.47	4.47	4.76	4.76
Remeasurement (gain / losses)	(0.14)	(57.93)	(54.60)	0.39
Return on plan assets	12.11	12.11	(1.09)	(1.09)
Contributions from the employer	(16.93)	(16.93)	(7.37)	(7.37)
Benefits paid	56.91	57.40	54.60	50.37
Closing fair value of plan assets	44.49	57.93	54.60	50.37

Change in plan assets

Opening fair value of plan assets	57.40	57.40	60.71
Interest income	4.47	4.47	4.76
Remeasurement (gain / losses)	(0.14)	(57.93)	(54.60)
Return on plan assets	12.11	12.11	(1.09)
Contributions from the employer	(16.93)	(16.93)	(7.37)
Benefits paid	56.91	57.40	54.60
Closing fair value of plan assets	44.49	57.93	54.60

42. EMPLOYEE BENEFITS (Contd.)

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans are as follows:

	Gratuity funded	Gratuity unfunded	Pension	Post retirement medical benefits
	2019-20	2018-19	2019-20	2018-19
Present value of funded defined benefit obligation	(44.49)	(57.93)	(50.37)	(35.90)
Fair value of plan assets	56.91	57.40	-	(37.13)
Net (liability) / asset arising from defined benefit obligation	12.42	(0.53)	(54.60)	(50.37)
Closing fair value of plan assets	44.49	57.93	54.60	50.37

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

Category of investments:	Gratuity funded	Gratuity unfunded	Pension	Post retirement medical benefits
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Government of India securities	39%	37%	3.40% and 7.79%	(7.24)
Corporate bonds	54%	57%	6.82% and 7.9%	(7.05)
Special deposit scheme	3%	3%	1% to 35%	-
Mutual funds	4%	3%	1.00%	-
Others (Interest accrued, Balances with banks)	100%	100%	Indian Assured Lives Mortality (2006 -08)	Indian Assured Lives Mortality (2006 -08)
Indian Assured Lives Mortality (2006 -08)	6.00%	8.00%	6.00%	8.00%
Expected rate of salary increases / pension escalation / medical cost inflation			3.00 % - 8.00%	5.00%

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

	Gratuity funded	Gratuity unfunded	Pension	Post retirement medical benefits
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Discount rate	6.55% and 6.82%	7.79% and 7.48%	3.40% and 6.82%	(7.24)
Attrition Rate	1.00% - 12.00%	1.00% - 12.00%	2.00%	(7.05)
Mortality Rate			1% to 35%	-
Indian Assured Lives Mortality (2006 -08)	6.00%	8.00%	6.00%	8.00%
Expected rate of salary increases / pension escalation / medical cost inflation			3.00 % - 8.00%	5.00%

42. EMPLOYEE BENEFITS (Contd.)

(d) A quantitative sensitivity analysis for significant assumptions are as follow:

	Gratuity funded	Gratuity unfunded	Pension	Post retirement medical benefits	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Projected benefit obligations on current assumptions	44.49	57.93	54.60	50.37	35.90	(4.41)	(2.90)	37.13	7.05	7.24
+1% increase in discount rate	(3.10)	(4.03)	(4.85)	(4.41)	5.23	3.37	3.49	(3.00)	(0.15)	(0.16)
-1% decrease in discount rate	3.54	4.61	5.78	5.16	3.34	3.45	0.20	0.20	0.21	0.21
+1% increase in salary/pension/medical cost inflation	3.51	4.56	5.75	5.16	3.34	3.45	0.16	0.16	0.17	0.17
-1% decrease in salary/pension/medical cost inflation	(3.13)	(4.07)	(4.91)	(4.44)	(2.93)	(3.03)	0.16	0.16	0.17	(0.17)
+1% increase in rate of employee turnover	(0.02)	(0.02)	(0.23)	(0.09)	NA	NA	(0.04)	(0.04)	0.04	0.04
-1% decrease in rate of employee turnover	0.02	0.02	0.26	0.10	NA	NA	0.04	0.04	0.04	0.04

The above sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Further, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The expected maturity analysis of undiscounted defined benefit obligation (Funded and Unfunded) is as follows:

	Gratuity funded	Gratuity unfunded	Pension	Post retirement medical benefits	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Within 1 year	2.78	5.38	7.06	7.34	3.03	2.77	0.43	0.47	0.43	0.47
Between 1 and 2 years	1.64	1.44	2.40	2.27	3.01	2.76	0.45	0.49	0.47	0.49
Between 2 and 3 years	2.82	4.79	2.63	2.38	3.00	2.74	0.47	0.52	0.47	0.52
Between 3 and 4 years	3.13	5.96	2.33	2.92	2.98	2.73	0.49	0.54	0.51	0.57
Between 4 and 5 years	4.57	4.74	3.24	3.70	2.97	2.71	0.51	0.57	0.49	0.54
Beyond 5 years	29.55	35.63	36.94	31.76	20.91	23.42	4.70	4.65	4.70	4.65

The contribution expected to be made by the Group during the financial year 2019-20 is ₹ 6.00 crores (31 March, 2019 ₹ 7.00 crores).

42. EMPLOYEE BENEFITS (Contd.)

(iv) Provident Fund

Contribution to Provident Fund is made to trusts administered by the Company. In terms of guidance note issued by the Institute of Actuaries of India, the Actuary has provided a valuation of Provident fund liability based on the assumptions listed and determined that there is no shortfall as at 31 March, 2020.

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

	As at 31 March, 2020	As at 31 March, 2019
Fair value of plan assets	281.69	295.07
Present value of defined obligation	277.89	288.50
Contribution during the year (Employee and Employer Contribution)	31.23	29.34

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

	As at 31 March, 2020	As at 31 March, 2019
Guaranteed Interest rate	8.50%	8.65%
Discount Rate for the remaining term to maturity of Interest portfolio	6.82%	7.79%

Risk Analysis

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

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

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by increase in the return on the plan's debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

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

43. (A) SEGMENT INFORMATION

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

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

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

Segment - B (Electro - Mechanical Projects and Services):

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

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

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

43. (A) SEGMENT INFORMATION (Contd.)
Segment - C (Engineering Products and Services):

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

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

1 SEGMENT REVENUE

	₹ In crores	
	2019-20	2018-19
(a) Segment - A (Unitary Cooling Products for Comfort and Commercial use)	4,073.70	3,155.56
(b) Segment - B (Electro - Mechanical Projects and Services)	3,246.14	3,619.08
(c) Segment - C (Engineering Products and Services)	331.66	311.65
Less : Inter segment revenue	24.35	1.70
Segment Total	7,627.15	7,084.59
Add : Other operating income	30.93	39.48
Revenue from operations	7,658.08	7,124.07

Footnotes :

- (i) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Group's total revenue.
- (ii) The Group's reportable segments are organised based on the nature of products and services offered by these segments. Accordingly, additional disclosures for revenue information about products and services are not applicable.

2 SEGMENT RESULTS

	₹ In crores	
	2019-20	2018-19
(a) Segment - A (Unitary Cooling Products for Comfort and Commercial use)	512.08	325.36
(b) Segment - B (Electro - Mechanical Projects and Services)	170.38	277.25
(c) Segment - C (Engineering Products and Services)	99.27	105.08
Segment Total	781.73	707.69
Less : (i) Finance costs	21.10	32.98
(ii) Other unallocable expenditure net of unallocable income	(34.87)	(14.47)
Profit before Exceptional items and Tax	795.50	689.18
Exceptional items - unallocated	(51.19)	(11.77)
Profit before Tax	744.31	677.41

3 SEGMENT ASSETS AND LIABILITIES

	₹ in crores			
	Segment Assets As at 31 March, 2020	Segment Liabilities As at 31 March, 2020	As at 31 March, 2020	As at 31 March, 2019
(a) Segment - A (Unitary Cooling Products for Comfort and Commercial use)	1,799.72	1,500.10	1,323.26	944.52
(b) Segment - B (Electro - Mechanical Projects and Services)	3,124.26	2,805.89	2,023.28	1,875.61
(c) Segment - C (Engineering Products and Services)	152.82	119.38	68.83	53.96
Segment Total	5,076.80	4,425.37	3,415.37	2,874.09
Unallocated	3,079.26	3,096.61	423.99	503.15
	8,156.06	7,521.98	3,839.36	3,377.24

43. (A) SEGMENT INFORMATION (Contd.)
4 INVESTMENTS AND SHARE OF PROFIT / (LOSS) IN JOINT VENTURES AND ASSOCIATES

Segment	Company	Investments		Share of Profit / (Loss)	
		As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
B	Universal Voltas L.L.C.	58.18	51.41	8.85	6.66
B	Voltas Water Solutions Private Ltd.	-	-	-	-
B	Olayan Voltas Contracting Company Ltd.	1.12	3.28	(2.35)	(8.53)
B	Naba Diganta Water Management Ltd.	8.31	5.95	2.54	0.73
Unallocated	Voltbek Home Appliances Private Ltd.	209.96	143.58	(71.79)	(48.36)
Unallocated	Terrot GmbH	-	6.00	(5.95)	(2.32)
Unallocated	Brihat Trading Private Ltd.	*	*	-	-
		277.57	210.22	(68.70)	(51.82)

* value below ₹ 50,000/-

5 OTHER INFORMATION FOR SEGMENTS

	Capital Expenditure		Depreciation and amortisation		Non-Cash Expenses Other than Depreciation and amortisation	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
(a) Segment - A (Unitary Cooling Products for Comfort and Commercial use)	21.68	4.78	6.18	5.32	6.08	0.71
(b) Segment - B (Electro - Mechanical Projects and Services)	16.97	55.76	12.60	8.96	67.68	0.93
(c) Segment - C (Engineering Products and Services)	0.42	0.92	0.72	0.63	-	0.07
Segment Total	39.07	61.46	19.50	14.91	73.76	1.71
Unallocated	50.98	21.13	12.46	9.07	0.35	-
	90.05	82.59	31.96	23.98	74.11	1.71

43. (B) INFORMATION OF GEOGRAPHICAL AREAS OF REPORTABLE BUSINESS SEGMENTS

	₹ In crores	
	2019-20	2018-19
Revenue by Geographical Market		
India	6,259.38	5,454.86
Middle East	1,178.84	1,383.60
Singapore	82.39	178.95
Others	106.54	67.18
	7,627.15	7,084.59
Non Current Assets		
India	510.60	445.85
Middle East	14.09	11.76
Singapore	0.13	0.19
Others	-	0.01
	524.82	457.81

Name of the Entity	Country of Incorporation	Ownership in %	Net assets (Total assets minus total liabilities)	As at 31 March, 2020			Year ended 31 March, 2020			Year ended 31 March, 2020			Year ended 31 March, 2020		
				As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or loss	Amount ₹ in crores	As % of consolidated other comprehensive income	Amount ₹ in crores	Share in other comprehensive income	As % of consolidated other comprehensive income	Amount ₹ in crores	Share in total comprehensive income	As % of consolidated total comprehensive income	Amount ₹ in crores
I Voltas Limited (Parent Company)			92.42	3,955.81	109.38	569.90	110.65	(210.02)	108.64	359.88	(0.04)				
II Subsidiaries															
(a) Indian															
(1) Auto Aircon (India) Ltd.	India	100.00	-		(0.01)	(0.04)	-	-	-	(0.01)	2.45	8.13			
(2) Rohini Industrial Electricals Ltd.	India	100.00	0.67	28.83	1.56	8.14	0.00	(0.01)	0.01	(0.02)	23.73	78.60			
(3) Universal Comfort Products Ltd.	India	100.00	6.92	296.36	15.09	78.62	0.01	(0.02)	-	-					
(b) Foreign															
(1) Lalbulsh Voltas Engineering Services and Trading L.L.C.	Sultanate of Oman	60.00	2.06	88.14	2.60	13.52	(3.96)	7.51	6.35	21.03					
(2) Saudi Ensas Company for Engineering Services W.L.L.	Saudi Arabia	100.00	(0.11)	(4.71)	(0.19)	(1.01)	(0.22)	0.42	(0.18)	(0.59)					
(3) Voltas Netherlands B.V.	The Netherlands	100.00	1.46	62.59	2.05	10.69	(2.37)	4.49	4.58	15.18					
(4) Voltas Oman L.L.C.	Sultanate of Oman	65.00	(0.43)	(18.57)	(4.23)	(22.04)	0.63	(1.20)	(7.02)	(23.24)					
(5) Weathermaker Ltd.	Isle of Man	100.00	0.80	34.21	0.59	3.07	(1.39)	2.63	1.72	5.70					
(6) Voltas Qatar W.L.L.	Qatar	97.00	2.37	101.64	0.81	4.24	(4.46)	8.47	3.84	12.71					
(c) Non-controlling interests in all subsidiaries															
III Joint Ventures															
(a) Indian															
(1) Voltas Water Solutions Private Limited	Saudi Arabia	50.00	0.03	1.12	(0.45)	(2.35)	(0.10)	0.19	(0.65)	(2.16)					
(2) Universal Voltas L.L.C.	United Arab Emirates	49.00	1.36	58.18	1.70	8.85	(0.09)	0.17	2.72	9.02					
(3) Universal Weathermaker Factory L.L.C.	United Arab Emirates	-	-	-	-	-	-	-	-	-					
IV Adjustments arising out of consolidation															
V Associates															
(a) Indian															
(1) Naba Diganta Water Management Ltd.	India	26.00	0.19	8.31	0.49	2.54	-	-	0.77	2.54					
(b) Foreign															
(1) Terot GmbH	Germany	2007	-	-	(1.14)	(5.95)	0.03	(0.05)	(1.81)	(6.00)					
			100.00	4,280.21	100.00	521.05	100.00	(189.80)	100.00	331.25					

Name of the Entity	Country of Incorporation	Ownership in %	Net assets (Total assets minus total liabilities)	As at 31 March, 2019			Year ended 31 March, 2019			Year ended 31 March, 2019			Year ended 31 March, 2019		
				As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or loss	Amount ₹ in crores	As % of consolidated other comprehensive income	Amount ₹ in crores	Share in other comprehensive income	As % of consolidated other comprehensive income	Amount ₹ in crores	Share in total comprehensive income	As % of consolidated total comprehensive income	Amount ₹ in crores
I Voltas Limited (Parent Company)			91.07	3,743.15	90.38	464.47	145.96	(35.44)	87.63	429.03	*				
II Subsidiaries															
(a) Indian															
(1) Auto Aircon (India) Ltd.	India	100.00	*	0.04	*	*	*	-	-	*	*				
(2) Rohini Industrial Electricals Ltd.	India	100.00	0.50	20.70	8.42	43.26	0.33	(0.08)	8.82	43.18					
(3) Universal Comfort Products Ltd.	India	100.00	6.72	276.08	9.38	48.21	0.04	(0.01)	9.84	48.20					
(b) Foreign															
(1) Lalbulsh Voltas Engineering Services and Trading L.L.C.	Sultanate of Oman	60.00	1.96	80.61	2.26	11.63	(11.74)	2.85	2.96	14.48					
(2) Saudi Ensas Company for Engineering Services W.L.L.	Saudi Arabia	100.00	(0.10)	(4.31)	(0.17)	(0.86)	0.58	(0.14)	(0.20)	(1.00)					
(3) Voltas Netherlands B.V.	The Netherlands	100.00	1.42	58.22	3.47	17.84	10.25	(2.49)	3.14	15.35					
(4) Voltas Oman L.L.C.	Sultanate of Oman	65.00	0.10	4.03	0.73	3.76	(0.33)	0.08	0.78	3.84					
(5) Weathermaker Ltd.	Isle of Man	100.00	0.73	30.05	1.13	5.80	(7.17)	1.74	1.54	7.54					
(6) Voltas Qatar W.L.L.	Qatar	97.00	2.16	88.79	15.59	80.10	(10.21)	2.48	16.87	82.58					
(c) Non-controlling interests in all subsidiaries															
III Joint Ventures															
(a) Indian															
(1) Voltas Water Solutions Private Limited	Saudi Arabia	50.00	-	-	-	-	-	-	-	-					
(2) Universal Voltas L.L.C.	United Arab Emirates	49.00	-	-	-	-	-	-	-	-					
(3) Universal Weathermaker Factory L.L.C.	United Arab Emirates	-	-	-	-	-	-	-	-	-					
IV Adjustments arising out of consolidation															
V Associates															
(a) Indian															
(1) Naba Diganta Water Management Ltd.	India	26.00	0.14	5.94	0.19	0.97	0.08	(0.02)	0.19	0.95					
(b) Foreign															
(1) Olayan Voltas Contracting Company Ltd. (Net)	Saudi Arabia	50.00	0.08	3.28	(1.66)	(8.53)	1.11	(0.27)	(1.79)	(8.80)					
(2) Universal Voltas L.L.C.	United Arab Emirates	49.00	1.25	51.41	1.30	6.66	(0.89)	0.22	1.41	6.88					
(3) Universal Weathermaker Factory L.L.C.	United Arab Emirates	-	-	-	-	-	-	-	-	-					
IV Adjustments arising out of consolidation															
V Associates															
(a) Indian															
(1) Naba Diganta Water Management Ltd.	India	26.00	0.14	5.94	0.19	0.97	0.08	(0.02)	0.19	0.95					
(b) Foreign															
(1) Terot GmbH	Germany	2007	0.15	6.00	(0.50)	(2.56)	2.11	(0.51)	(0.63)	(3.07)					
			100.00	4,109.99	100.00	513.88	100.00	(100.00)	100.00	489.60					

45. RELATED PARTY DISCLOSURES

(a) List of Related Parties and Relationships

Party	Relation
Related Parties (Where transactions have taken place during the year and previous year / balance outstanding)	
1 Brihat Trading Private Limited Naba Diganta Water Management Limited Terrot GmbH	Associate
2 Universal Voltas L.L.C. Olayan Voltas Contracting Company Limited Voltas Water Solutions Private Limited Voltbek Home Appliances Private Limited	Joint Venture
3 <u>Whole -Time Directors</u> Mr. Pradeep Bakshi - Managing Director & CEO Mr. Anil George - Deputy Managing Director and CFO (CFO w.e.f. 1 July, 2019) <u>Executive Vice President - Finance & CFO</u> Abhijit Gajendragadkar (upto 30 June, 2019) <u>Vice President - Taxation, Legal & Company Secretary</u> V. P. Malhotra	Key Management Personnel
4 <u>Non-Executive Directors</u> Mr. Noel N. Tata - Chairman Mr. Vinayak Deshpande Mr. Hemant Bhargava <u>Independent Directors</u> Mr. Nani Javeri (upto 31 August, 2019) Mr. R. N. Mukhija (upto 4 February, 2019) Mr. Debendranath Sarangi Mr. Bahram N. Vakil Ms. Anjali Bansal Mr. Arunkumar Adhikari Mr. Zubin Dubash (w.e.f. 9 August, 2019)	Directors
5 Voltas Limited Provident Fund Voltas Managerial Staff Provident Fund Voltas Limited Employees' Gratuity Fund Voltas Limited Managerial Staff Gratuity Fund Voltas Limited Employees' Superannuation Scheme	Employee Benefit Funds
6 Tata Sons Private Limited	Promoter
7 Automotive Stampings and Assemblies Limited C-Edge Technologies Limited Ewart Investments Limited Gurgaon Realtech Limited Infiniti Retail Limited MahaOnline Limited Mikado Realtors Private Limited TAL Manufacturing Solutions Limited (w.e.f 29 March, 2019) TASEC Limited (formerly TAS-AGT Systems Limited) Tata Advanced Materials Limited	Subsidiaries and Joint Ventures of Promoter

45. RELATED PARTY DISCLOSURES (Contd.)

Party	Relation
Tata Advanced Systems Limited Tata Africa Holdings (Kenya) Limited Tata AIA Life Insurance Company Limited Tata AIG General Insurance Company Limited Tata Asset Management Limited Tata Autocomp Hendrickson Suspensions Private Limited (formerly Taco Hendrickson Suspensions Private Limited) Tata Autocomp Katcon Exhaust Systems Private Limited (formerly Katcon India Private Limited) Tata Autocomp Systems Limited Tata Capital Financial Services limited Tata Capital Housing Finance Limited Tata Capital Limited Tata Communications Limited Tata Communications Payment Solutions Limited Tata Communications Transformation Services Limited Tata Consultancy Services Limited Tata Consulting Engineers Limited Tata De Mocambique, Limitada Tata Digital Limited Tata Ficosa Automotive Systems Private Limited (formerly Tata Ficosa Automotive Systems Limited) Tata Housing Development Company Limited Tata Industries Limited Tata International DLT Private Limited Tata International Limited Tata International Metals (UK) Limited (formerly Tata Steel International (UK) Limited) Tata Investment Corporation Limited Tata Lockheed Martin Aerostructures Limited Tata Petrodyne Limited Tata Realty and Infrastructure Limited Tata Sikorsky Aerospace Limited (formerly Tara Aerospace Systems Limited) Tata Sky Limited Tata Sky Broadband Private Limited (formerly Quickest Broadband Private Limited) Tata Teleservices (Maharashtra) Limited Tata Teleservices Limited Tata Toyo Radiator Limited Tata Unistore Limited (formerly Tata Industrial Services Limited) TCS Foundation THDC Management Services Limited (formerly THDC Facility Management Limited) TM Automotive Seating Systems Private Limited TRIF Real Estate And Development Limited TRIL Amritsar Projects Limited (formerly TRIF Amritsar Projects Limited) TRIL Infopark Limited TRIL IT4 Private Limited (formerly Albrecht Builder Private Limited) TRIL Urban Transport Private Limited	Subsidiaries and Joint Ventures of Promoter

Sr. No.	Year	Transactions	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoters	Key Management Personnel	Directors	Employee Benefit Funds	Total	₹ in crores
1	2019-20	Purchases of stock-in-trade	-	2.66	-	-	-	-	-	2.66	3.59
	2018-19		-	3.57	-	0.02	-	-	-	-	3.59
2	2019-20	Sale of Products	-	0.62	0.02	42.92	-	-	-	43.56	63.51
	2018-19		-	1.74	-	61.77	*	-	-	-	63.51
3	2019-20	Service Income - Other than Management fees	0.15	0.16	0.07	95.23	-	-	-	95.61	86.06
	2018-19		0.19	0.10	0.06	85.71	*	-	-	-	86.06
4	2019-20	Service Income - Management fees on vendor bill discounting	-	-	-	0.26	-	-	-	0.26	0.66
	2018-19		-	-	-	0.66	-	-	-	-	0.66
5	2019-20	Construction contract revenue (Includes billed and unbilled revenue)	-	-	-	68.28	-	-	-	68.28	223.93
	2018-19		-	-	-	0.06	223.87	-	-	-	223.93
6	2019-20	Interest Income	-	-	-	8.66	-	-	-	8.66	5.62
	2018-19		-	-	-	5.62	-	-	-	-	5.62
7	2019-20	Rental Income	-	0.28	-	11.56	-	-	-	11.84	10.73
	2018-19		-	1.22	-	10.73	-	-	-	-	10.73
8	2019-20	Dividend Income	-	-	-	3.79	-	-	-	3.79	3.49
	2018-19		-	2.33	-	3.49	-	-	-	-	3.49
9	2019-20	Sale of property, plant and equipment	-	0.01	-	-	-	-	-	0.01	5.82
	2018-19		-	-	-	-	-	-	-	-	5.82
10	2019-20	Services received for execution of contracts	-	-	-	0.07	-	-	-	0.07	0.07
	2018-19		-	-	-	-	-	-	-	-	0.07
11	2019-20	Commission Received / Receivable	0.41	-	-	-	-	-	-	0.41	0.79
	2018-19		0.79	-	-	-	-	-	-	-	0.79
12	2019-20	Deputation charges received	-	9.14	-	-	-	-	-	9.14	3.49
	2018-19		-	2.33	-	-	-	-	-	-	3.49
13	2019-20	Remuneration Paid / Payable	-	-	-	11.56	2.25	-	-	14.01	12.66
	2018-19		-	-	-	-	12.66	1.70	-	-	14.36
14	2019-20	Sitting Fees	-	-	-	-	-	0.39	-	0.39	0.36
	2018-19		-	-	-	-	-	0.36	-	-	0.36

45. (b) Related Party Transactions (Contd.)

Sr. No.	Year	Transactions	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoters	Key Management Personnel	Directors	Employee Benefit Funds	Total	₹ in crores
15	2019-20	Dividend Paid	-	-	-	35.25	4.76	-	-	40.01	40.01
	2018-19		-	-	-	35.25	4.76	-	-	-	40.01
16	2019-20	Tata Brand Equity	-	-	-	11.20	-	-	-	11.20	9.92
	2018-19		-	-	-	9.92	-	-	-	-	9.92
17	2019-20	Training Expenses Paid / Payable	-	-	-	-	-	-	-	-	-
	2018-19		-	-	-	-	-	-	-	-	-
18	2019-20	Purchase of goods / services for execution of contracts	-	-	11.22	-	0.46	-	-	11.68	0.03
	2018-19		-	-	-	-	-	-	-	-	0.03
19	2019-20	Other Expenses- Received/ Receivable	75.46	0.14	0.66	-	-	-	-	76.26	1.31
	2018-19		79.78	0.20	0.55	-	-	-	-	-	1.31
20	2019-20	Bad and Doubtful Debts / Advances -Reversal (P&L)	-	-	-	-	-	-	-	-	80.53
	2018-19		-	-	-	-	-	-	-	-	80.53
21	2019-20	Other Expenses- Paid/Payable	-	-	-	-	-	-	-	-	-
	2018-19		-	-	-	-	-	-	-	-	-
22	2019-20	Purchase of property, plant and equipment	-	-	0.01	-	3.39	-	-	3.40	0.03
	2018-19		-	-	0.01	-	3.39	-	-	3.40	0.03
23	2019-20	Acquisition of business (net consideration)	-	-	-	-	-	-	-	-	3.32
	2018-19		-	-	-	-	-	-	-	-	3.32
24	2019-20	Investments in Preference Shares	-	-	-	-	-	-	-	-	-
	2018-19		-	-	-	-	-	-	-	-	-
25	2019-20	Investments in Bonds/Debentures	-	-	-	-	-	-	-	-	20.00
	2018-19		-	-	-	-	-	-	-	-	20.00
26	2019-20	Refund of Investments in Bonds/ Debentures	-	-	-	-	-	-	-	-	2.86
	2018-19		-	-	-	-	-	-	-	-	2.86
27	2019-20	Investments in Equity shares	-	-	-	-	-	-	-	-	138.18
	2018-19		-	-	-	-	-	-	-	-	138.18
28	2019-20	Security deposit received	-	-	-	-	-	-	-	-	0.01
	2018-19		-	-	-	-	-	-	-	-	0.01

Sr. No.	Year	Transactions	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoters	Key Management Personnel	Directors	Employee Benefit Funds	Total	₹ in crores
29	2019-20	Security deposit at the end of the year	-	-	-	8.25	-	-	-	8.25	-
30	2019-20	Security Deposit Refunded	-	-	-	13.76	-	-	-	13.76	-
31	2019-20	Provision for Debts and Advances at year end	-	*	-	0.38	-	-	-	0.38	-
32	2019-20	Advance Outstanding at year end	-	0.08	0.14	0.12	-	-	-	0.34	-
33	2019-20	Outstanding Share Application Money at year end	-	13.13	-	0.08	0.13	-	-	0.33	-
34	2019-20	Debit Balance Outstanding at year end	-	0.03	21.98	-	126.74	-	-	148.75	-
35	2019-20	Credit Balance Outstanding at year end	-	0.24	2.30	10.04	0.98	-	-	13.56	-
36	2019-20	Guarantees Outstanding at year end	-	75.38	-	4.43	8.92	4.74	-	201.35	-
37	2019-20	Contract Revenue in excess of Billing	-	-	0.15	60.62	-	-	0.02	60.79	-
38	2019-20	Billing in excess of Contract Revenue	-	-	-	-	-	40.21	-	40.21	-
39	2019-20	Contribution to Employee benefit fund	-	-	-	-	-	3.63	-	3.63	-
	2018-19									21.13	21.13
	2018-19									7.58	7.58

* Value below ₹ 50,000/-

46. RESEARCH AND DEVELOPMENT EXPENDITURE

	2019-20	2018-19
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centers		
(1) Revenue expenditure	4.53	5.00
UPBG, Pantnagar	1.36	1.47
EM&RBG, Thane	3.17	3.53
(2) Capital expenditure	0.25	0.06
UPBG, Pantnagar	0.07	0.04
EM&RBG, Thane	0.18	0.02
Expenditure at other R&D centers		
(1) Revenue expenditure	3.38	-
UPBG, Faridabad	2.22	-
EM&RBG, Waghodia	1.16	-
(2) Capital expenditure	11.36	-
UPBG, Faridabad	4.21	-
EM&RBG, Waghodia	7.15	-
Total R&D expenditure	19.52	5.06
(1) Revenue expenditure	7.91	5.00
UPBG	3.58	1.47
EM&RBG	4.33	3.53
(2) Capital expenditure	11.61	0.06
UPBG	4.28	0.04
EM&RBG	7.33	0.02

Business Segments :

UPBG : Unitary Cooling Products for Comfort and Commercial use.

EM&RBG : Electro - Mechanical Projects and Services.

A. Financial instruments by category:

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

	As at 31 March, 2020			As at 31 March, 2019						
	FVTPL	FVTOCI	Amortised cost	Total Carrying value	Total Fair value	FVTPL	FVTOCI	Amortised cost	Total Carrying value	Total Fair value
Financial assets										
Investments*	1,413.47	346.47	305.78	2,065.72	2,065.72	1,256.87	568.22	350.54	2,175.63	2,175.63
Loans	-	-	2.26	2.26	2.26	-	-	11.64	11.64	11.64
Trade receivables	-	-	1,833.64	1,833.64	1,833.64	-	-	1,833.01	1,833.01	1,833.01
Other financial assets	7.18	-	219.44	226.62	226.62	-	-	159.92	159.92	159.92
Cash and cash equivalents	-	-	269.56	269.56	269.56	-	-	310.99	310.99	310.99
Other balances with banks	-	-	38.85	38.85	38.85	-	-	10.12	10.12	10.12
	1,420.65	346.47	2,669.53	4,436.65	4,436.65	1,256.87	568.22	2,676.22	4,501.31	4,501.31
Financial liabilities										
Borrowings	-	-	217.85	217.85	217.85	-	-	314.65	314.65	314.65
Trade payables	-	-	2,688.89	2,688.89	2,688.89	-	-	2,374.49	2,374.49	2,374.49
Other financial liabilities	-	-	84.39	84.39	84.39	2.18	-	82.29	84.47	84.47
	-	2,991.13	2,991.13	2,991.13	2,991.13	2.18	-	2,771.43	2,773.61	2,773.61

* Investment also includes equity investments in associates and joint ventures which are accounted as per equity method and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures". Accordingly, these investments not considered for above disclosures.

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

Abbreviations:

FVTPL - Fair Value Through Profit or Loss.

FVTOCI - Fair Value Through Other Comprehensive Income.

47. FINANCIAL INSTRUMENTS (Contd.)

B. Fair value hierarchy:

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

	Level 1		Level 2		Level 3	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Financial assets						
At fair value through profit or loss						
- Investment	1,413.47	1,256.87	-	-	-	-
- Derivative financial assets	-	-	7.18	-	-	-
At fair value through Other Comprehensive Income						
- Investment	144.55	364.97	-	-	201.92	203.25
TOTAL	1,558.02	1,621.84	7.18	-	201.92	203.25

	Level 1		Level 2		Level 3	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Financial liabilities						
At fair value through profit or loss						
- Derivative financial liabilities	-	-	-	-	2.18	-
TOTAL	-	-	-	-	2.18	-

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

- (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- (ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- (iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

47. FINANCIAL INSTRUMENTS (Contd.)

C. Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets :

	₹ in crores
As at 1 April, 2018	189.32
Add: Fair valuation gain/(loss) recognised in OCI	13.93
Closing balance as at 31 March, 2019	203.25
Add: Fair valuation gain/(loss) recognised in OCI	(1.33)
Closing balance as at 31 March, 2020	201.92

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial liabilities comprise borrowings, trade and other payables. The Group's financial assets include loans, trade and other receivables, cash and cash equivalents and other bank balances. The Group also holds FVTPL and FVTOCI investments.

The Group is exposed to market risk, credit risk and liquidity risk. The Board of Directors of the Group oversee the management of these financial risks through its Risk Management Committee as per Group's existing policy.

(i) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate change does not affect significantly short term borrowing, therefore the Company's exposure to the risk of changes in market interest rates relates primarily to the investment in debt mutual funds.

Given the portfolio of investments in debt mutual funds, the Group has exposure to interest rate risk with respect to returns realised. It is estimated that an increase in 25 bps change in 10 year Govt. bond yield would result in a loss of approximately ₹ 3.53 crores (31 March, 2019: ₹ 3.14 crores) whereas a decrease in 25 bps change in 10 year Govt. bond yield would result in a profit of approximately ₹ 3.53 crores (31 March, 2019: ₹ 3.14 crores). This estimate is based on key assumption with respect to seamless transition of rates across debt instruments in the market and also basis the duration of debt instruments in turn held by mutual funds that the Company has invested in.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). Foreign currency risks are managed within the approved policy parameters utilising foreign exchange forward contracts.

As at the end of the reporting period, the carrying amounts of the material foreign currency denominated monetary assets and liabilities are as follows:

Currency	Liabilities		Assets		₹ In crores
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019	
United States Dollar (USD)	543.39	187.78	88.17	48.11	
United Arab Emirates Dirham (AED)	289.90	349.88	393.00	390.77	
Chinese Yuan (CNY)	1.02	222.67	1.10	-	

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Foreign currency sensitivity

The following tables demonstrate the sensitivity of outstanding foreign currency denominated monetary items to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of financial assets and liabilities:

Particulars	₹ In crores			
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
USD +5%	(5.81)	2.41	(4.35)	1.58
USD -5%	5.81	(2.41)	4.35	(1.58)
AED +5%	5.15	2.04	3.86	1.34
AED -5%	(5.15)	(2.04)	(3.86)	(1.34)
CNY +5%	0.00	(6.83)	0.00	(4.47)
CNY -5%	(0.00)	6.83	(0.00)	4.47

Details of notional value of derivative contracts entered by the Group and outstanding as at Balance Sheet date

Particulars	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
Forward contracts - Buy (USD/INR)	338.96	319.60
Forward contracts - Buy (CNY/INR)	-	86.03

The fair value of the Group's derivatives position recorded under financial assets and financial liabilities are as follows:

Particulars	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
Forex Forward Cover	-2.18	7.18

(c) Equity price risk

The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's Board of Directors reviews and approves all equity investment decisions.

The following table summarises the sensitivity to change in the price of equity securities held by the Group on the Group's Equity and OCI. These changes would not have an effect on profit or loss.

Impact on other components of equity (OCI)	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
NSE Nifty 50 - increase 5%	7.23	18.25
NSE Nifty 50 - decrease 5%	(7.23)	(18.25)

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk for trade receivables, contract assets, cash and cash equivalents, investments, other bank balances, loans and other financial assets. The Group only deals with parties which have good credit rating/worthiness given by external rating agencies or based on Group's internal assessment.

Credit risk on trade receivables and contract assets are managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with this assessment. Moreover, given the diverse nature of the Group's businesses, trade receivables and contract assets are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10% or more of the trade receivables and contracted assets in any of the years presented.

For trade receivables and contract assets, as a practical expedient, the Group computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and contract assets and is adjusted for forward-looking estimates.

For Mutual Fund Investments, counterparty risk are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for Group's mutual fund investments.

Credit risk from cash and cash equivalents and balances with banks is managed by the Group's treasury department in accordance with the Group's treasury policy.

The Credit risk on mutual fund investments, cash and cash equivalents, and other bank balances are limited as the counterparties are banks and fund houses with high-credit ratings assigned by credit rating agencies.

The carrying value of the financial assets represents the maximum credit exposure. The Group's maximum exposure to Credit risk is disclosed in Note 47 "Financial Instruments". The maximum credit exposure on financial guarantees given by the Group for various financial facilities is disclosed in Note 41 "Commitments and Contingencies."

(iii) Liquidity risk management:

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that the funds are available for use as per the requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

Maturities of financial liabilities: The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

₹ in crores

Contractual maturities of financial liabilities (As at 31 March, 2020)	Less than 1 year	More than 1 year	Total
Non-derivatives			
Borrowings (*)	214.39	-	214.39
Lease liabilities	3.48	6.68	10.16
Trade payables	2,688.89	-	2,688.89
Other financial liabilities	84.39	-	84.39
Total Non-derivative liabilities	2,991.15	6.68	2,997.83
Derivatives (net settled)			
Foreign exchange forward contracts	-	-	-
Total derivative liabilities	-	-	-

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

₹ in crores

Contractual maturities of financial liabilities (As at 31 March, 2019)	Less than 1 year	More than 1 year	Total
Non-derivatives			
Borrowings (*)	321.36	-	321.36
Trade payables	2,374.49	-	2,374.49
Other financial liabilities	82.29	-	82.29
Total non- derivative liabilities	2,778.14	-	2,778.14
Derivatives (net settled)			
Foreign exchange forward contracts	2.18	-	2.18
Total derivative liabilities	2.18	-	2.18

The amount included in Note 41(B) for financial guarantee contracts are the maximum amounts the Group could be forced to settle under respective arrangements for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that such amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

(*) Maturity amount of borrowings is including the interest that will be paid on these borrowings.

49. INTEREST IN OTHER ENTITIES

(a) Subsidiaries (Direct and Indirect) :

The details of Group's subsidiaries are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business (unless otherwise stated).

₹ In crores

Name of entity	Place of business / country of incorporation	Beneficial Ownership interest held by the Group		Principal activities
		As at 31 March, 2020	As at 31 March, 2019	
Indian Subsidiaries :				
Universal Comfort Products Ltd.	India	100%	100%	Manufacturing of room air conditioners.
Rohini Industrial Electricals Ltd.	India	100%	100%	Turnkey electrical and instrumentation projects.
Auto Aircon (India) Ltd. (under strike-off)	India	100%	100%	No business activities.
Agro Foods Punjab Ltd. (under liquidation. Refer footnote)	India			
Westerwork Engineers Ltd. (under liquidation)	India			

49. INTEREST IN OTHER ENTITIES (Contd.)

Name of entity	Place of business / country of incorporation	Beneficial Ownership interest held by the Group		Principal activities	₹ In crores
		As at 31 March, 2020	As at 31 March, 2019		
Foreign Subsidiaries :					
Voltas Netherlands B.V. (VNBV)	The Netherlands	100%	100%	Investment in overseas ventures undertaking turnkey projects and trading activities.	
Weathermaker Ltd.	Isle of Man (Principal place of business: United Arab Emirates)	100%	100%	Manufacturing of ducts and duct accessories.	
Saudi Ensas Company for Engineering Services W.L.L. (*Voltas Limited - 92% and VNBV - 8%)	Kingdom of Saudi Arabia	100%*	100%*	Undertake EPC (Engineering, Procurement and Construction) contracts of MEP (Mechanical, Electrical and Plumbing) projects.	
Lalbuksh Voltas Engineering Services and Trading L.L.C. (*Voltas Limited - 20% and VNBV - 40%)	Sultanate of Oman	60%	60%	Drilling, irrigation and landscaping activities and construction of water treatment plants.	
Voltas Oman L.L.C. (65% through VNBV) (Jointly Controlled Operation)	Sultanate of Oman	65%	65%	Undertake EPC (Engineering, Procurement and Construction) contracts of MEP (Mechanical, Electrical and Plumbing) projects.	
Voltas Qatar W.L.L. (Holds 50% interest in VAFE Joint Venture)	Qatar	97%	97%	Undertake EPC (Engineering, Procurement and Construction) contracts of MEP (Mechanical, Electrical and Plumbing) projects.	

Footnote :

Under a loan agreement for ₹ 0.6 crore (fully drawn and outstanding) entered into between Agro Foods Punjab Ltd. (AFPL) and the Punjab State Industrial Development Corporation Ltd. (PSIDC), the Company has given an undertaking to PSIDC that it will not dispose off its shares in AFPL till the monies under the said loan agreement between PSIDC and AFPL remain due and payable by AFPL to PSIDC. During 1998-99, the Company had transferred its beneficial rights in the shares of AFPL.

49. INTEREST IN OTHER ENTITIES (Contd.)
(b) Material Non-controlling interests (NCI):

Financial information of subsidiaries that have material non-controlling interests are as below. The amounts disclosed below are before inter-company eliminations.

Name of Subsidiary : Lalbuksh Voltas Engineering Services & Trading L.L.C.

	As at 31 March, 2020	As at 31 March, 2019
Summarised balance sheet		
Current assets	126.02	132.83
Current liabilities	42.45	54.64
Net current assets	83.57	78.19
Non-current assets	8.72	10.01
Non-current liabilities	4.14	7.59
Net non-current assets	4.58	2.42
Net assets	88.15	80.61
Accumulated NCI	35.26	32.24

	As at 31 March, 2020	As at 31 March, 2019
Summarised statement of profit and loss		
Revenue	119.17	119.88
Profit for the year	13.52	11.63
Other comprehensive income	7.51	4.84
Total comprehensive income	21.03	16.47
Profit allocated to NCI	5.41	4.65
Dividend paid to NCI	5.49	2.52

	As at 31 March, 2020	As at 31 March, 2019
Summarised cash flows		
Cash flow from operating activities	0.40	(3.40)
Cash flow from investing activities	2.20	(0.38)
Cash flow from financing activities	(13.72)	(6.29)
	(11.12)	(10.07)

49. INTEREST IN OTHER ENTITIES (Contd.)

(c) Interest in associates and joint ventures:

(i) Details of interests in associates and joint ventures of the Group are as below. The entities listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business	Principal activities	% of ownership interest	Relationship	Accounting method	Carrying amount As at 31 March, 2019	₹ In crores
Universal Voltas L.L.C.	United Arab Emirates	Building maintenance, Onshore and off shore oil and gas fields and facilities services.	49%	Joint venture	Equity method	58.18	51.41
Olayan Voltas Contracting Company Ltd.	Kingdom of Saudi Arabia	Execution of maintenance and construction contracts, Water and sewage installation	50%	Joint venture	Equity method	1.12	3.28
Voltbek Home Appliances Private Ltd.	India	Engaged in the business of trading & manufacturing of Home Appliances	49%	Joint venture	Equity method	209.96	143.58
Immaterial joint ventures* (refer iii below)				Joint venture	Equity method	-	-
Immaterial associates (refer iii below)				Associates	Equity method	8.31	11.95
Total equity accounted investments						277.57	210.22

* Carrying value is Nil, since immaterial joint ventures are under liquidation.

(ii) Summarised financial information for material joint ventures :

The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and not the Voltas's share in those amounts.

Summarised balance sheet		Universal Voltas L.L.C.	Olayan Voltas Contracting Company Ltd.	Voltbek Home Appliances Private Ltd.	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Current assets										
- Cash and cash equivalents	33.04	26.85	6.88	14.03	14.98	14.98	243.55	191.65	53.83	191.65
- Other assets	218.42	244.40	0.48	2.94						
Current liabilities										
- Trade payables	110.03	147.66	3.91	8.54	91.41	91.41	163.86	125.89	53.02	125.89
- Other liabilities	15.54	11.35	0.78	1.27	7.16	7.16	3.26	7.16	110.58	7.16
Net current assets	125.89	112.24	2.67		-		-		184.06	
Non-current assets	3.32	1.36	-						1.62	
Non-current liabilities	10.52	8.68	0.44	0.60	23.74	23.74	425.26	425.26	182.44	425.26
Net non-current assets	(7.20)	(7.32)	(0.44)	(0.60)						
Net assets	118.69	104.92	2.23	6.56	428.52	293.02				

49. INTEREST IN OTHER ENTITIES (Contd.)

Reconciliation to the carrying amounts:

	Universal Voltas L.L.C.	Olayan Voltas Contracting Company Ltd.	Voltbek Home Appliances Private Ltd.	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Opening net assets	104.92	117.98	6.56	22.65	22.65	293.02	293.02	150.70	150.70
Profit / (Loss) for the year	18.06	13.59	(4.70)	(17.06)	(17.06)	(146.52)	(146.52)	(98.69)	(98.69)
Other comprehensive income	0.34	0.44	0.35	(0.54)	(0.54)	*	*	-	-
Consolidation adjustment - foreign currency translation adjustment	9.23	5.92	0.03	1.51	1.51	-	-	-	-
Issue of equity shares during the year	-	-	-	-	-	281.99	281.99	241.01	241.01
Dividends paid	13.82	33.01	-	-	-	-	-	-	-
Closing net assets	118.73	104.92	2.24	6.56	6.56	428.49	428.49	293.02	293.02
Group's share in %	49.00	50.00	50.00	50.00	50.00	49.00	49.00	49.00	49.00
Group's share in closing net assets	58.18	51.41	1.12	3.28	3.28	209.96	209.96	143.58	143.58
Goodwill / (Capital Reserve)	-	-	-	-	-	-	-	-	-
Carrying amount (Gross)	58.18	51.41	1.12	3.28	3.28	209.96	209.96	143.58	143.58
Less - Impairment in value of Investments	-	-	-	-	-	-	-	-	-
Carrying amount (Net)	58.18	51.41	1.12	3.28	3.28	209.96	209.96	143.58	143.58

	Universal Voltas L.L.C.	Olayan Voltas Contracting Company Ltd.	Voltbek Home Appliances Private Ltd.	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Revenue	258.71	317.57	5.28	(1.85)	(1.85)	290.16	290.16	99.41	99.41
Interest income	0.15	0.26	-	-	-	3.24	3.24	5.08	5.08
Depreciation and amortisation	0.77	0.75	-	-	-	3.83	3.83	1.38	1.38
Interest expense	-	-	-	-	-	0.54	0.54	0.11	0.11
Income tax expense	-	-	-	-	-	(0.11)	(0.11)	-	-
Profit / (Loss) for the year	18.06	13.59	(4.70)	(17.06)	(17.06)	(146.52)	(146.52)	(98.69)	(98.69)
Other comprehensive income	0.34	0.44	0.35	(0.54)	(0.54)	*	*	-	-
Total comprehensive income	18.40	14.03	(4.35)	(17.60)	(17.60)	(146.52)	(146.52)	(98.69)	(98.69)

* value below ₹ 50,000/-

49. INTEREST IN OTHER ENTITIES (Contd.)

(iii) **Individually immaterial associates and joint ventures:**

In addition to the interests in joint ventures disclosed above, the Group also has interests in a number of individually immaterial joint ventures and associates that are accounted using the equity method.

	As at 31 March, 2020	As at 31 March, 2019
Aggregate carrying amount of individually immaterial associates (Net)	8.31	11.95
Aggregate amount of the group's share of:		
Profit / (loss) for the year	(3.41)	(1.59)
Other comprehensive income	(0.05)	(0.52)
Total comprehensive income	(3.46)	(2.11)
Aggregate carrying amount of individually immaterial joint ventures (Net)*	-	-
Share of profits from associates for the year	(3.41)	(1.59)
Share of profits from joint ventures for the year	(65.29)	(50.23)
Total share of profits from associates and joint ventures for the year	(68.70)	(51.82)

* Carrying value is Nil, since immaterial joint ventures are under liquidation.

50. AGGREGATION OF EXPENSES DISCLOSED IN CONSUMPTION OF MATERIALS, COST OF JOBS AND SERVICES AND OTHER EXPENSES IN RESPECT OF SPECIFIC ITEMS ARE AS FOLLOWS (REFER NOTE 37) :

Nature of expenses	₹ In crores		
	2019-20		
	Consumption of materials, cost of jobs and services	Other expenses	Total
(1) Rent	0.40	44.82	45.22
(2) Power and Fuel	0.66	12.79	13.45
(3) Insurance charges	5.47	11.63	17.10
(4) Travelling and Conveyance	0.99	54.23	55.22
(5) Printing and Stationery	0.26	13.64	13.90
(6) Legal and Professional charges	1.72	24.47	26.19
(7) Clearing charges	0.26	75.75	76.01
(8) Outside Service charges	120.55	103.52	224.07
(9) Repairs to Plant and Machinery	0.16	9.93	10.09
(10) Other General expenses	21.70	113.44	135.14

50. AGGREGATION OF EXPENSES DISCLOSED IN CONSUMPTION OF MATERIALS, COST OF JOBS AND SERVICES AND OTHER EXPENSES IN RESPECT OF SPECIFIC ITEMS ARE AS FOLLOWS (REFER NOTE 37) : (Contd.)

Nature of expenses	₹ In crores		
	2018-19		Total
Grouped Under	Consumption of materials, cost of jobs and services	Other expenses	
(1) Rent	0.50	54.15	54.65
(2) Power and Fuel	0.04	11.22	11.26
(3) Insurance charges	0.80	8.66	9.46
(4) Travelling and Conveyance	0.55	57.93	58.48
(5) Printing and Stationery	0.34	16.68	17.02
(6) Legal and Professional charges	0.44	33.74	34.18
(7) Clearing charges	1.02	63.36	64.38
(8) Outside Service charges	137.33	75.48	190.49
(9) Repairs to Plant and Machinery	0.16	8.42	8.58
(10) Other General expenses	7.17	93.17	100.34

51. LEASES

The Group has applied Ind AS 116 "Leases" using the modified retrospective method w.e.f. 1 April, 2019. Accordingly, the lease related disclosure for comparative period is disclosed as per Ind AS 17 "Leases"

Disclosure for the year ended 31 March, 2020 as per Ind AS 116:

Group as a lessee

The Group has lease contracts for its office premises and storage locations with lease term between 1 year to 9 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of office premises and storage locations with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

(a) The movement in lease liabilities during the year ended 31 March, 2020 is as follows:

	₹ In crores	As at 31 March, 2020
Balance at the beginning		-
Ind AS 116 impact (Refer Note 3B)		11.65
Additions		1.35
Accretion of interest		1.11
Deletions		-
Payment of lease liabilities		5.22
Balance at the end		8.89

51. LEASES (Contd.)
(b) The following are the amounts recognised in profit or loss:

	₹ In crores Year ended 31 March, 2020
Depreciation on right-of-use assets	4.87
Interest expense on lease liabilities	1.11
Expense relating to short-term leases (Refer footnote c)	120.57
Total amount recognised in statement of profit and loss	126.55

(c) Details of carrying amount of right-of-use assets and movement during the period is disclosed under Note 5A
Footnotes:

- (a) The maturity analysis of lease liabilities are disclosed in Note 48 (iii) 'Liquidity risk management'
- (b) The effective interest rate for lease liabilities is 9%, with maturity between 2020-2027
- (c) Expense relating to short-term leases are disclosed under the head rent and clearing charges in other expenses (Refer Note 37)
- (d) The Group had total cash flows for leases of ₹ 5.22 crores on 31 March, 2020

Group as a lessor

The Group has entered into operating leases on its investment property portfolio consisting of land and office premises. These leases have lease terms between 1 year to 9 years. The Group has the option under some of its leases to lease the assets for additional periods. An amount of ₹ 38.17 crores is recognised as lease income in the statement of profit and loss account for the year ended 31 March, 2020.

Minimum lease income for non-cancelable operating lease

	₹ In crores As at 31 March, 2020
(a) Not later than one year	7.01
(b) Later than one year but not later than five years	4.77
(c) Later than five years	-

Disclosure for the year ended 31 March, 2019 as per Ind AS 17:
Group as a lessee

The Group has entered into operating lease agreements for its office premises and storage locations with lease term between 1 year to 30 years. The Group has the option under some of its leases to lease the assets for additional periods. There are no exceptional/restrictive covenants in the lease agreements. Lease rental expenses debited to Statement of Profit and Loss is ₹ 54.15 crores

Minimum lease payments for non-cancelable operating lease

	₹ In crores As at 31 March, 2019
(a) Not later than one year	8.01
(b) Later than one year but not later than five years	0.78
(c) Later than five years	0.02

51. LEASES (Contd.)
Group as a lessor

The Group has entered into operating leases on its investment property portfolio consisting of land and office premises. These leases have lease terms between 1 year to 9 years. The Group has the option under some of its leases to lease the assets for additional periods. An amount of ₹ 39.17 crores is recognised as lease income in the statement of profit and loss for the year ended 31 March, 2019.

Minimum lease income for non-cancelable operating lease

	₹ In crores As at 31 March, 2019
(a) Not later than one year	5.25
(b) Later than one year but not later than five years	8.43
(c) Later than five years	-

52. REVENUE FROM CONTRACTS WITH CUSTOMERS
(A) Disaggregated revenue information

Disaggregation of the Company's revenue from contracts with customers are as follows:

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Segment - A (Unitary Cooling Products for Comfort and Commercial use)		
(a) Sale of products	4,049.74	3,117.49
(b) Sale of services	23.96	38.07
Sub-total :	4,073.70	3,155.56
Segment - B (Electro - Mechanical Projects and Services)		
(a) Sale of products	350.65	264.77
(b) Construction contract revenue	2,432.70	2,936.81
(c) Sale of services	462.79	417.50
Sub-total :	3,246.14	3,619.08
Segment - C (Engineering Products and Services)		
(a) Sale of products	222.95	218.00
(b) Sale of services	108.71	93.65
Sub-total :	331.66	311.65
Less : Inter segment revenue	24.35	1.70
Total revenue from contracts with customers	7,627.15	7,084.59

(B) Set out below is the amount of revenue recognised from:

Particulars	As at 31 March, 2020	As at 31 March, 2019
(a) Amounts included in contract liabilities at the beginning of the year	250.96	430.33
(b) Performance obligations satisfied in previous years	7.32	(4.58)

52. REVENUE FROM CONTRACTS WITH CUSTOMERS (Contd.)

(C) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	₹ In crores	
	Year ended 31 March, 2020	Year ended 31 March, 2019
Revenue as per contracted price	6,870.05	6,307.97
Adjustments		
Add: (a) Unbilled on account of work under certification	956.59	845.89
Less: (b) Billing in excess of contract revenue	(199.49)	(69.27)
Revenue from contract with customers	7,627.15	7,084.59

(D) Performance obligation

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March, 2020 is of ₹ 6,807.46 crores (31 March, 2019: ₹ 4,976.45 crores), out of which, majority is expected to be recognised as revenue within a period of one year.

53. CAPITAL MANAGEMENT

The capital structure of the Group consists of net debt and total equity of the Group. The Group manages its capital to ensure that the Group will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Group's Risk Management Committee reviews the capital structure of the Group considering the cost of capital and the risks associated with each class of capital.

54. IMPACT OF COVID-19

The spread of COVID-19 has affected the business from Mid-March 2020, which culminated into scaling down of the Group's operations, post the national lock down. The Group has taken various measures in consonance with Central and State Government advisories to contain the pandemic, which includes closing of manufacturing facilities, warehouses and adopting work from home policy for employees across locations. The international operations of the Group were not impacted significantly considering construction activity has been considered as an essential service by the respective government authorities. Keeping the consumer's interest in mind, the Group has continued its engagement by leveraging on technology and is providing customer care solutions remotely.

Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the Group has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Group does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure.

Pursuant to the relaxed guidelines, the Group has now resumed its manufacturing operations and project based activities as allowed in strict keeping with Government advisories. Supply chain and product sale activities are being resumed with warehouses becoming functional for material movement; however, most of the staff continues to operate from home. Since the situations are continuously evolving, the impact assessed may be different from the estimates made as at the date of approval of these financial statements and management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Group and take necessary measures to address the situation.

55. EVENTS OCCURRING AFTER BALANCE SHEET:

- (i) The Directors have recommended final dividend of ₹132.35 crores at ₹ 4.00 per share on equity shares which is subject to the approval of shareholders at the ensuing Annual General Meeting. This dividend payable has not been recognised as a liability.
 - (ii) Further, an amount of ₹ 20.00 crores is proposed to be transferred to General Reserve which is approved in the Board Meeting held subsequent to the year end and thus has not been recognised as transferred during the year.
- 56.** The Board of Directors have approved amalgamation of Universal Comfort Products Limited, a wholly owned subsidiary company, with the Company with appointed date of 1 April, 2019. The proposed amalgamation is subject to the approval of the statutory and regulatory authorities.
- 57.** Rohini Industrial Electricals Limited (RIEL), the Subsidiary Company, entered into an Asset Transfer Agreement with Tata International Limited (TIL) on 17 April, 2019, for acquiring their Solar business after satisfaction/completion of Conditions Precedent (CPs) as on the Closing Date i.e. 01 July, 2019. The consideration payable to TIL is based on the Net Asset Value of Solar business as determined between RIEL and TIL and no new shares have been issued by the Subsidiary Company.
- 58.** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number : 38730
Place : Mumbai
Date : 29 May, 2020

For and on behalf of the Board

Pradeep Bakshi
Managing Director & CEO
Place : Delhi

Anil George
Deputy Managing Director & CFO
Place : Mumbai
Date : 29 May, 2020

V. P. Malhotra
Vice President - Taxation, Legal &
Company Secretary
Place : Mumbai

STANDALONE FINANCIAL STATEMENTS



▲ Volta's factory in Pantnagar

INDEPENDENT AUDITOR'S REPORT

To the Members of Volta Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Volta Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter	Key audit matters	How our audit addressed the key audit matter	
Revenue recognition on long-term Mechanical, Electrical and Plumbing (MEP) contracts			Recoverability of and Impairment Allowances of receivables and contract assets of Electro- Mechanical projects and services segment	
<p>The Company's revenues include revenue from long-term Mechanical, Electrical and Plumbing (MEP) contracts which are recognized over a period of time in accordance with the requirements of Ind AS 115, 'Revenue from Contracts with Customers'.</p> <p>Due to the nature of the contracts, revenue is recognized based on percentage of completion method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs, which involves significant judgments including estimate of future costs, revision to original estimates based on new knowledge such as delay in timelines, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/oneroous obligations.</p> <p>Accuracy of revenues, oneroous obligations and profits may deviate significantly on account of change in judgements and estimates.</p> <p>Management has assessed the impact of the ongoing economic slowdown and the associated uncertainties in the business environment on its estimates. (Refer Note 3A Significant Accounting Judgments, Estimates and Assumptions)</p> <p>Considering the variability of assumptions involved in estimation of revenues, the same has been considered as a key audit matter.</p>				
<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Read the Company's revenue recognition accounting policies and assessed compliance of the policies with Ind AS 115. We assessed the design and tested the operating effectiveness of controls over revenue recognition through inspection of evidence of performance of these controls with specific focus on determination of progress of completion, recording of costs incurred, estimation of costs to complete and the remaining contract obligations. We performed test of details, on a sample basis and evaluated management estimates and assumptions. We assessed management's estimates by comparing estimated cost with actual costs and discussion on the project specific considerations with the relevant project managers including those during our project site visits. We assessed that, fluctuations in commodity and currency prices, delays, cost overruns related to the performance of work are properly taken into consideration while estimating costs to come and also assessed the accounting treatment of expected loss on projects including variable consideration which is recognised in accordance with the Company's accounting policy of revenue recognition. We evaluated management's consideration of the uncertain economic environment on the assessment of the assumptions used by management in the estimates mentioned in above para. We tested on sample basis contracts with low or negative margins, loss making contracts, contracts with significant changes in planned cost estimates and probable penalties due to delay in contract execution. We assessed that the disclosure of revenue in accordance with Ind AS 115 'Revenue from contracts with customers' are appropriately presented and disclosed in Note no. 49 to the standalone Ind AS financial statements. We read and assessed the relevant disclosures in the standalone Ind AS financial statements relating to management's assessment of the impact of the ongoing uncertain economic environment on the financial statements. 				
<p>As at March 31, 2020, trade receivable and contract assets of Electro- mechanical projects and service segment amount to INR 1,822.49 crores.</p> <p>Out of the total trade receivables and contract assets of Electro-mechanical projects and service segment, INR 565.44 crores represent trade receivable and contract assets of international business operation. Recoverability of certain receivables and contract assets are impacted due to several factors like the customer profile, delays in obtaining completion certification in certain projects due to long project tenure, project disputes resulting in future claims against the Company and financial ability of the customers etc.</p> <p>As regards the overall receivables, the Company follows 'simplified approach' in accordance with Ind AS 109- 'Financial Instruments', for recognition of impairment loss allowance on trade receivables and contract assets. In calculating the impairment loss allowance, the Company has considered its credit assessment for its customers. Owing to the long settlement period involved in a few of the government projects, management also considers the likely delays involved in the settlement process as part of the impairment allowance calculation. The Company has also evaluated the possible effect from increased uncertainties in the current economic environment on the above estimates. (Refer Note 3A Significant Accounting Judgments, Estimates and Assumptions).</p> <p>The assessment of the impairment of such trade receivables and contract assets requires significant management judgment and hence same is considered as Key Audit Matter.</p>				
<p>Impairment of Investments in Rohini Industrial Electricals Limited</p> <p>The Company has an investment of INR 261.62 crores in its wholly owned subsidiary "Rohini Industrial Electricals Limited" (RIEL) and Impairment allowance of INR 32.57 crores as of March 31, 2020 (after considering reversal of Impairment amounting to INR 32.57 crores in Mar'19). The Company performs an annual impairment assessment by comparing the carrying value to their recoverable amounts in order to determine whether any additional impairment provision/reversal is required.</p> <p>For the purposes of above impairment assessment, value in use has been determined by discounting forecasted cash flows and considering the inherent nature of these calculations being subject to sensitivity to the inputs used for forecasting the cash flows and judgements used by management in such forecasts, the assessment of impairment of investment in RIEL was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>				
<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> We assessed the design and tested the operating effectiveness of relevant controls in relation to the process adopted by management for testing the impairment of Investment in RIEL. We assessed the appropriateness of the Company's valuation methodology applied in determining the recoverable amount. In making this assessment, we also evaluated the objectivity and independence of Company's specialists involved in the process. We assessed the assumptions around the key drivers of the cash flow forecasts including projected order value and margins, discount rates, expected growth rates and terminal growth rates used. Further, assessed the recoverable value headroom by performing sensitivity testing of key assumptions used. We discussed potential changes in key drivers as compared to previous year / actual performance with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable. We tested the arithmetical accuracy of the models. We evaluated the accounting and disclosure of investments in the financial statements of the Company. 				

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual report but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 41 to the standalone Ind AS financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Dolphy D'Souza**

Partner

Membership Number: 038730

UDIN: 20038730AAAAAR3256

Place: Mumbai

Date: May 29, 2020

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT ON EVEN DATE

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company, except for the following:

Particulars	Amount (In INR crores)	Remarks
16 Flats in Tata Colony, Lallubhai Park, Andheri (W), Mumbai 400063	0.02	The said flats were allotted to the Company by way of common agreement entered by the Company with other Tata Group companies. The title deeds are held by Tata Services Ltd on behalf of all allottees.
Volta House, 23 J N Heredia Marg, Ballard Estate, Mumbai 400001	0.01	The said building was taken on lease by Company from Bombay Port Trust. The Lease has expired on June 14, 2017. The Company has submitted an application for renewal (in accordance with contractual right) of lease on December 15, 2016.

- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2020 and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. Further provisions of section 186 of the Companies Act 2013 in respect of investments made, guarantees and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of engineering machinery, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, customs duty, goods and service tax, cess and other statutory dues applicable to it. The payment of Goods and Services Tax amounting INR 4.52 crores for the month of March 2020 has been paid subsequent to the due date without any interest in accordance to Notification No 31/2020 and 32/2020 dated April 03, 2020 issued by the Government of India, Ministry of Finance (Department of Revenue), Central Board of Indirect Taxes and Customs.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, customs duty, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, customs duty, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Forum where case is pending	Period to which the Amount Relates	Amount (INR in crores)
The Central Excise Act, 1944	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2009-10 to 2014-15	12.93
		Commissionerate	1981-82, 1983-84, 1985-86 to 1990-91, 1992-93 to 1993-94, 1999-00 to 2001-02, 2004-05, 2011-12	4.94
Finance Act, 1994 and Service Tax Laws	Service Tax	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	1999-00 to 2017-18	11.65
		Commissionerate	2003-04 to 2017-18	2.76
Sales Tax Act	(1) Value Added Tax (2) Central Sales Tax (3) Entry Tax (including penalty and interest)	Supreme Court	1993-94	0.40
		High Court	1987-1988 to 1991-1992, 1995-96 to 1998-1999, 2002-03 to 2005-06, 2008-09, 2010-11	13.61
		Appellate Tribunal	1986-87, 1997-98, 1999-00 to 2000-01, 2002-03 to 2014-15	8.93
		Appellate Revisional Board	2006-07 to 2007-08, 2009-10 to 2010-11, 2012-13 to 2013-14, 2015-16	6.65
		Commissioner (Assessment)	1988-89 to 1992-93, 1994-95, 1996-97, 1999-00 to 2000-01	1.08
		Commissioner of Appeals	1990-91, 1994-95 to 2001-02, 2003-04, 2005-06 to 2017-18	102.94
		High Court	2018-19	0.01
Goods and Service Tax Act, 2017	Goods and Service Tax			

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to banks. The Company did not have any outstanding loans or borrowings due in respect of a financial institution, government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of public offer / debt instruments. The Company has utilized the monies raised by way of term loans for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**

Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number: 038730
UDIN: 20038730AAAAAR3256

Place: Mumbai
Date: May 29, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF VOLTA LIMITED

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

We have audited the internal financial controls over financial reporting of Volta Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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 with reference to these standalone Ind AS financial statements 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 with reference to these standalone Ind AS financial statements, 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 with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Dolphy D'Souza**

Partner

Membership Number: 038730

UDIN: 20038730AAAAAR3256

Place: Mumbai

Date: May 29, 2020

Balance Sheet as at 31 March, 2020

	Note	₹ in crores	
		As at 31 March, 2020	As at 31 March, 2019
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	216.06	197.38
(b) Capital work-in-progress		24.81	15.20
(c) Investment property	5	45.34	46.27
(d) Right-of-use assets	5A	10.77	-
(e) Other intangible assets	6	9.17	8.31
(f) Financial assets			
(i) Investments	7	2,138.21	1,389.97
(ii) Loans	8	0.22	0.31
(iii) Other financial assets	9	83.08	66.60
(g) Income tax assets (net)		51.19	50.46
(h) Deferred tax assets (net)	10	25.76	55.85
(i) Other non-current assets	11	106.52	85.31
Total non-current assets		2,711.13	1,915.66
Current assets			
(a) Inventories	12	1,370.06	1,002.99
(b) Contract assets	13	767.97	676.35
(c) Financial assets			
(i) Investments	7	520.39	1,235.69
(ii) Trade receivables	14	1,429.25	1,394.84
(iii) Cash and cash equivalents	15	181.69	226.85
(iv) Other balances with banks	16	18.10	10.02
(v) Loans	17	1.05	10.86
(vi) Other financial assets	18	141.67	120.73
(d) Other current assets	19	376.27	226.25
Total current assets		4,806.45	4,904.58
TOTAL ASSETS		7,517.58	6,820.24
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	20	33.08	33.08
(b) Other equity	21	3,922.73	3,710.07
Total Equity		3,955.81	3,743.15
Liabilities			
Non-current liabilities			
(a) Contract liabilities	22	0.74	0.70
(b) Financial liabilities			
(i) Borrowings	23	5.41	-
(c) Provisions	24	79.75	73.26
Total non-current liabilities		85.90	73.96
Current liabilities			
(a) Contract liabilities	25	412.27	288.99
(b) Financial liabilities			
(i) Borrowings	26	82.99	113.64
(ii) Trade payables	27		
- Total outstanding dues of micro and small enterprises		211.95	266.24
- Total outstanding dues of creditors other than micro and small enterprises		2,523.50	2,107.72
(iii) Other financial liabilities	28	83.13	82.18
(c) Provisions	29	130.24	118.56
(d) Income tax liabilities (net)		3.33	4.56
(e) Other current liabilities	30	28.46	21.24
Total current liabilities		3,475.87	3,003.13
TOTAL LIABILITIES		3,561.77	3,077.09
TOTAL EQUITY AND LIABILITIES		7,517.58	6,820.24

The accompanying notes are forming part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number : 38730
Place : Mumbai
Date : 29 May, 2020

For and on behalf of the Board

Pradeep Bakshi
Managing Director & CEO
Place : Delhi

Anil George
Deputy Managing Director & CFO
Place : Mumbai
Date : 29 May, 2020

V. P. Malhotra
Vice President - Taxation, Legal &
Company Secretary
Place : Mumbai

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number : 38730
Place : Mumbai
Date : 29 May, 2020

For and on behalf of the Board

Pradeep Bakshi
Managing Director & CEO
Place : Delhi

Anil George
Deputy Managing Director & CFO
Place : Mumbai
Date : 29 May, 2020

V. P. Malhotra
Vice President - Taxation, Legal &
Company Secretary
Place : Mumbai

Statement of Profit and Loss for the year ended 31 March, 2020

	Note	₹ in crores	
		Year ended 31 March, 2020	Year ended 31 March, 2019
I Revenue from operations			
II Other Income			
III Total Income (I + II)			7,656.26
IV Expenses			
(a) Consumption of materials, cost of jobs and services			2,474.03
(b) Purchases of stock-in-trade			3,489.76
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(298.37)	(273.36)
(d) Employee benefits expenses	34	515.55	488.75
(e) Finance costs	35	8.84	22.93
(f) Depreciation and amortisation expenses	36	27.25	19.71
(g) Other expenses	37	623.65	579.34
Total Expenses			6,840.71
V Profit before exceptional items and tax (III - IV)			815.55
VI Exceptional Items	38	(54.91)	25.57
VII Profit before tax (V + VI)			760.64
Tax Expense			
(a) Current tax			167.50
(b) Adjustment of tax relating to earlier periods			(4.51)
(c) Deferred tax	10	27.75	(15.10)
VIII Total tax expense	39	190.74	166.33
IX Net Profit for the year (VII-VIII)			569.90
Other Comprehensive Income			
Items that are not to be reclassified to profit or loss			
(a) Changes in fair value of equity instruments through other comprehensive income			(221.75)
(b) Remeasurement gain / (loss) on defined benefit plans			14.07
(c) Income tax relating to these items	10	(2.34)	(2.46)
X Other Comprehensive Income [net of tax]			(210.02)
XI Total Comprehensive Income [net of tax] (IX + X)			359.88
XII Earnings per share:			
Basic and Diluted (₹) (Face value ₹ 1/- per share)	40	17.22	14.04

The accompanying notes are forming part of the financial statements.

Statement of Changes in Equity for the year ended 31 March, 2020

A. EQUITY SHARE CAPITAL

	₹ in crores
Balance as at 31 March, 2018	33.08
Changes in equity share capital	*
Balance as at 31 March, 2019	33.08
Changes in equity share capital	*
Balance as at 31 March, 2020	33.08

B. OTHER EQUITY:

Reserves and Surplus (Refer Note 21)

	Reserves and Surplus (Refer Note 21)				₹ in crores
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Items of Other Comprehensive income (Refer Note 21)
	Staff Welfare Reserve	Retained earnings	Equity instruments fair value through Other Comprehensive income		Total other equity
Balance as at 31 March, 2018	1.56	1.26	6.27	1,311.83	0.01
Profit for the year	-	-	-	-	1,599.25
Other comprehensive income for the year (net of tax)	-	-	-	-	464.47
Total comprehensive income for the year	-	-	-	-	560.70
Payment of dividends	-	-	-	-	(35.50)
Dividend distribution tax	-	-	-	-	(35.44)
Transfer to General Reserve	-	-	-	-	-
Transfer impact of Ind AS 115 (net of tax)	-	-	-	-	-
Premium on calls-in-arrears received	-	*	-	-	*
Balance as at 31 March, 2019	1.56	1.26	6.27	1,331.83	0.01
				1,843.94	525.20
					3,710.07
Balance as at 31 March, 2018	1.56	1.26	6.27	1,331.83	0.01
Profit for the year	-	-	-	-	569.90
Other comprehensive income for the year (net of tax)	-	-	-	-	10.87
Total comprehensive income for the year	-	-	-	-	(220.89)
Payment of dividend	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-
Premium on calls-in-arrears received	-	0.01	-	-	0.01
Balance as at 31 March, 2020	1.56	1.26	6.28	1,351.83	0.01
				2,257.48	304.31
					3,922.73

* Value below ₹ 50,000/-

The accompanying notes are forming part of the financial statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003
per Dolphy D'Souza
Partner
Membership Number : 38730
Place : Mumbai
Date : 29 May, 2020

For and on behalf of the Board

Pradeep Bakshi
Managing Director & CEO
Place : Delhi

Anil George
Deputy Managing Director & CFO
Place : Mumbai
Date : 29 May, 2020

As per our report of even date

V.P. Malhotra
Vice President - Taxation, Legal &
Company Secretary
Place : Mumbai

Standalone Cash Flow Statement for the year ended 31 March, 2020

	₹ in crores	
	Year ended 31 March, 2020	Year ended 31 March, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	760.64	630.80
Adjustments for:		
Depreciation and amortisation expenses	27.25	19.71
Allowance for doubtful debts and advances	39.92	27.91
Unrealised foreign exchange (gain) / loss (net)	24.64	(9.78)
(Reversal of provision) / provision for diminution in value of investments (net)	3.72	(25.19)
(Gain) / loss on disposal of property, plant and equipment	(0.54)	0.71
Finance costs	8.84	22.93
Interest income	(33.13)	(20.37)
Dividend income	(81.29)	(83.95)
(Gain) / loss arising on financial assets measured at Fair Value through Profit or Loss (FVTPL) (net)	(103.72)	(105.24)
Financial guarantee contract income	(1.19)	(0.48)
Liabilities/provisions no longer required written back	(9.00)	(9.19)
Rental income	(38.65)	(39.56)
Operating profit before working capital changes	(163.15)	(222.50)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(367.07)	(260.70)
Trade receivables	(50.64)	(199.60)
Contract assets	(111.84)	(702.64)
Other financial assets	8.79	(89.10)
Other non-financial assets	(148.25)	712.16
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	343.38	279.21
Contract liabilities	123.31	289.69
Other financial liabilities	(0.10)	(1.45)
Other non-financial liabilities	7.24	(458.69)
Provisions	32.25	(58.18)
Cash generated from operations	(162.93)	(489.30)
Income tax paid (net of refunds)	434.56	(81.00)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	269.61	(310.08)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets (including capital advances and capital work-in-progress)	(78.37)	(79.23)
Proceeds from disposal of property, plant and equipment	2.88	0.95
(Increase)/decrease in other bank balances (net)	(39.45)	17.61
Purchase of investments	(1,797.59)	(812.89)
Proceeds from sale of investments	1,654.29	1,181.62
Interest received	28.36	18.91
Dividend received		
- subsidiaries	62.55	73.40
- others	8.49	8.31
Rent received	37.00	39.20
Rental deposits (repaid) / received	0.80	(2.92)
NET CASH FLOW FROM / (USED) IN INVESTING ACTIVITIES (B)	(121.04)	444.96

	Year ended 31 March, 2020	Year ended 31 March, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity instruments of the Company (Calls-in-Arrears)	*	*
Securities Premium (Calls-in-Arrears)	*	*
Net increase / (decrease) in working capital borrowings	(34.06)	85.82
Interest paid	(8.87)	(22.96)
Payment of lease liability	(3.84)	-
Dividends paid including taxes thereon	(147.23)	(145.20)
NET CASH FLOW FROM / (USED) IN FINANCING ACTIVITIES (C)	(194.00)	(82.34)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(45.43)	52.54
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	226.84	174.30
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	181.41	226.84
Non-cash investing and financing transaction		
Net gain arising on financial assets measured at FVTPL	95.62	72.19
Impairment / (reversal of impairment) of Investment (net)	3.72	(25.19)
Changes in lease liabilities	13.75	-
	113.09	47.00
Cash and cash equivalents at the end of the year consist of:		
Cash and cash equivalents at the end of the year (Refer Note - 15)	181.69	226.85
Effect of exchange difference on restatement of foreign currency cash and cash equivalents	(0.28)	(0.01)
	181.41	226.84

* value below ₹ 50,000/-

The accompanying notes are forming part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number : 38730
Place : Mumbai
Date : 29 May, 2020

For and on behalf of the Board

Pradeep Bakshi
Managing Director & CEO
Place : Delhi

Anil George
Deputy Managing Director & CFO
Place : Mumbai
Date : 29 May, 2020

V. P. Malhotra
Vice President - Taxation, Legal &
Company Secretary
Place : Mumbai

Notes Forming Part of the Financial Statements

for the year ended 31 March, 2020

1. CORPORATE INFORMATION

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

The Company belongs to the Tata Group of companies and was established in the year 1954. The Company is engaged in the business of air conditioning, refrigeration, electro - mechanical projects as an EPC contractor both in domestic and international geographies (Middle East and Singapore) and engineering product services for mining, water management and treatment, construction equipments and textile industry.

The financial statements for the year ended 31 March, 2020 were approved by the Board of Directors and approved for issue on 29 May, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value as explained in accounting policy of fair value measurement and financial instruments below.

The accounting policies adopted for preparation and presentation of financial statement have been consistently applied except for the changes in accounting policy for amendments to the standard that were issued by MCA, effective for annual period beginning from on or after 1 April, 2019.

The financial statements are presented in INR and all values are rounded to the nearest crores, except when otherwise indicated.

B. USE OF ESTIMATES AND JUDGEMENTS

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

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

C. REVENUE

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for certain specific services mentioned below, as it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, which generally coincides with transfer of goods to the transporters. The normal credit term is 7 to 30 days.

The Company provides preventive maintenance services on its certain products at the time of sale. These maintenance

services are sold together with the sale of product. Contracts for such sales of product and preventive maintenance services comprise two performance obligations because the promises to transfer the product and to provide the preventive maintenance services are capable of being distinct. Accordingly, a portion of the transaction price is allocated to the preventive maintenance services and recognised as a contract liability. Revenue is recognised over the period in which the preventive maintenance services are provided based on the time elapsed.

Warranty obligation

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section N Provisions.

Revenue from Services

Revenue from services are recognised at the point in time when the services are rendered. Revenue from maintenance contracts are recognised over the period of contract time elapsed.

In case of mining equipment's long-term maintenance contracts, revenue is recognised over the period of time based on input method where the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of performance obligation.

Agency Commission

The Company procures textile machinery on behalf of its customers. Accordingly, in these arrangements the Company is acting as an agent and record the revenue on net basis.

Revenue from Construction contract

Performance obligation in case of long - term construction contracts is satisfied over a period of time, since the Company creates an asset that the customer controls as the asset is created and the Company has an enforceable right to payment for performance completed to date if it meets the agreed specifications. Revenue from long term construction contracts, where the outcome can be estimated reliably and 20% of the project cost is incurred, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity.

The stage of completion is measured by input method i.e. the proportion that costs incurred to date bear to the estimated total costs of a contract. The total costs of contracts are estimated based on technical and other estimates. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

Contract revenue earned in excess of billing is reflected under as "contract asset" and billing in excess of contract revenue is reflected under "contract liabilities". Retention money receivable from project customers does not contain any significant financing element and are retained for satisfactory performance of contract.

In case of long - term construction contracts payment is generally due upon completion of milestone as per terms of contract. In certain contracts, short-term advances are received before the performance obligation is satisfied.

Dividend and Interest income

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

D. CONTRACT BALANCES

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

The amount recognised as contract assets is reclassified to trade receivables once the amounts are billed to the customer as per the terms of the contract. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section P Impairment.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section O Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

E. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

F. EMPLOYEE BENEFITS**(a) Retirement benefits costs and termination benefits****(i) Defined Contribution Plans**

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

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

(ii) Defined Benefit Plans

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

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

Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

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

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans.

(b) Short term and other long term employee benefits

Benefits accruing to employees in respect of wages, salaries and compensated absences and which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employee performs the service that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit expected to be paid in exchange of related service. Where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method at the present value of the estimated future cash flow expected to be made by the Company in respect of services provided by employees up to the reporting date. The Company presents the leave as a current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

G. PROPERTY, PLANT AND EQUIPMENT

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

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

Depreciable amount for assets is the cost of an asset, less its estimated residual value. Depreciation is recognised so as to write off the depreciable amount of assets (other than freehold land and assets under construction) over the useful lives using the straight-line method. The estimated useful lives are as follows:

Assets	Useful life
Factory Building	30 years
Residential Building	60 years
Plant and Equipment	8-15 years
Office and EDP Equipment	3-15 years
Furniture and fixtures	10 years
Vehicles	8 years

The useful life as estimated above is aligned to the prescribed useful life specified under Schedule II of the Companies Act, 2013.

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

H. INVESTMENT PROPERTY

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The estimated useful lives are as follows:

Assets	Useful life
Residential Building	60 years

The useful life as estimated above is aligned to the prescribed useful life specified under Schedule II of the Companies Act, 2013.

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

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

I. INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss, if any.

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

Estimated useful life of intangible assets are as follows:

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

J. FOREIGN CURRENCY

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

Non-monetary items denominated in a foreign currency are measured at historical cost and translated at exchange rate prevalent at the date of transaction.

K. LEASES

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land : 99 years

Leasehold building : 1-5 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section P Impairment of non-financial assets.

(b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in Interest-bearing borrowings.

(c) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office premises and storage locations (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

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

The Company has applied Ind AS 116 "Leases" using the modified retrospective method w.e.f. 1 April, 2019 and therefore the comparative information has not been restated and continue to be reported as follows:

Company as a lessee

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

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

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

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

L. INVENTORIES

Inventories including Work-in-Progress are valued at cost or net realisable value, whichever is lower, cost being determined on weighted average basis. Cost includes all charges for bringing the goods to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

M. TAXES ON INCOME**Current Income Tax**

Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the tax are those that are enacted at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer

probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

N. PROVISIONS AND CONTINGENCIES**Provisions**

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

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

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

Warranties (Trade Guarantees)

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

Contingencies

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

Environment Liabilities

E-Waste (Management) Rules 2016, as amended, requires the Company to complete the Extended Producer Responsibility targets measured based on sales made in the preceding 10th year, if it is a participant in the market during a financial year. Accordingly, the obligation event for e-Waste obligation arises only if Company participate in the markets in those years.

O. FINANCIAL INSTRUMENTS

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

Financial Assets

- Initial recognition and measurement**

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

- Subsequent measurement**

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

- Financial assets at amortised cost**

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

- Financial assets at fair value through other comprehensive income (FVTOCI)**

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

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, dividend income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

- Financial assets at fair value through profit or loss (FVTPL)**

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

- Equity Instruments**

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- Investments in subsidiaries, joint ventures and associates**

Investment in subsidiaries, joint ventures and associates are carried at cost in the financial statements.

- Derecognition**

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

Financial liabilities

- Initial recognition and measurement**

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

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

- Subsequent measurement**

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

- Financial liabilities at fair value through profit or loss**

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

- Financial liabilities at amortised cost**

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

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

- Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amount of income recognised in accordance with the principles of Ind AS 115.

- Derecognition**

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

- Offsetting of financial instruments**

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

P. IMPAIRMENT

(a) Financial assets

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

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

(b) Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses including impairment on inventories are recognised in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

For contract assets, the Company has applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109 which requires the expected lifetime losses from initial recognition of the contract assets.

Q. CASH AND CASH EQUIVALENTS

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

R. EARNINGS PER SHARE (EPS)

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

S. SEGMENT REPORTING

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

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

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/liabilities".

Segment information has been presented in the Consolidated Financial Statements as permitted by Ind AS 108 on Operating Segments, specified under Section 133 of the Companies Act, 2013.

T. CASH DIVIDEND

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

U. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

V. GOVERNMENT GRANTS

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

W. OPERATING CYCLE

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. A portion of the Company's activities (primarily long-term project activities) has an operating cycle that exceeds one year. Accordingly, assets and liabilities related to these long-term contracts, which will not be realised/paid within one year, have been classified as current. For all other activities, the operating cycle is twelve months.

X. CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3A. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

Key sources of estimation uncertainty

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

Cost to complete

Management estimates the costs to complete for each project for the purpose of revenue recognition and recognition of anticipated losses on projects, if any. In the process of calculating the cost to complete, Management conducts regular and systematic reviews of actual results and future projections with comparison against budget. This process requires monitoring controls including financial and operational controls and identifying major risks facing the Company and developing and implementing initiatives to manage those risks. Further, Management has assessed the impact of the ongoing economic slowdown and associated uncertainties in the business environment due to outbreak of Covid-19 in making estimates for cost to complete.

Percentage of completion

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

As required by Ind AS 115, in applying the percentage of completion on its long-term projects, the Company is required to recognize any anticipated losses on its contracts.

Impairment of financial assets and contract assets

The Company's Management reviews periodically items classified as receivables and contract assets to assess whether a provision for impairment should be recorded in the statement of profit and loss. Management estimates the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgement and uncertainty. Further, Management has also evaluated the possible effect from increased uncertainties in the current economic environment due to outbreak of Covid-19 in making estimates for Impairment of trade receivables and contract assets. Details of impairment provision on contract assets and trade receivable are given in Note 13 and Note 14.

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

Fair value measurement of financial instruments

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

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

Litigations

From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each Balance Sheet date and revisions made for the changes in facts and circumstances. Provision for litigations and contingent liabilities are disclosed in Note 41 (c).

Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. All assumptions are reviewed at each Balance Sheet date and disclosed in Note 42.

Useful lives of property, plant and equipment and intangible assets

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

Warranty provisions (trade guarantees)

The Company gives warranties for its products, undertaking to repair or replace the product that fail to perform satisfactory during the warranty period. Provision made at the year-end represents the amount of expected cost of meeting such obligations of rectification / replacement which is based on the historical warranty claim information as well as recent trends that might suggest that past cost information may differ from future claims. Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives. Provision towards warranty is disclosed in Note 29.

3B. CHANGE IN ACCOUNTING POLICY

New and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ending 31 March, 2020, but do not have an impact on the financial statements of the Company.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 'Leases' and it sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using modified retrospective approach for transitioning by recognising right of use asset and an equal amount of lease liability on 1 April, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 April, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

The effect of adoption Ind AS 116 as at 1 April, 2019 was as follows:

- 'Right-of-use assets' and an equal amount of lease liabilities of ₹ 11.31 crores were recognised as of 1 April, 2019.
- Prepayments related to previous operating lease were reclassified from other non-current assets to Right-of-use assets as at 1 April, 2019 of ₹ 2.69 crores (Gross Block: ₹ 3.13 crores and Accumulated Depreciation: ₹ 0.44 crore).
- 'Right-of-use assets' were presented separately in balance sheet and lease liabilities were included in 'Borrowings'.

Further, the application of Ind AS 116 did not have any significant impact on the financial statements and EPS for the year ended 31 March, 2020.

4. PROPERTY, PLANT AND EQUIPMENT (OWNED, UNLESS OTHERWISE STATED)

	Freehold Land	Buildings	Plant and Equipment	Office and EDP Equipment	Furniture and fixtures	Vehicles	Transferred to Investment property	Total Property, Plant And Equipment
Gross carrying amount								
As at 31 March, 2018	28.77	150.77	109.54	64.73	25.28	2.75	(56.14)	325.70
Additions	0.74	28.18	22.40	11.02	1.83	0.40	(1.30)	63.27
Disposals	-	0.22	5.00	12.42	1.23	0.85	-	19.72
Transfers in / (out)	-	-	-	-	-	-	(1.33)	(1.33)
As at 31 March, 2019	29.51	178.73	126.94	63.33	25.88	2.30	(58.77)	367.92
Accumulated depreciation								
As at 31 March, 2018	-	37.80	84.14	43.95	16.81	2.15	(11.43)	173.42
Charge for the year	-	3.20	4.59	6.73	1.62	0.16	(0.88)	15.42
Disposals	-	0.08	4.76	11.59	1.04	0.64	-	18.11
Transfers in / (out)	-	-	-	-	-	-	(0.19)	(0.19)
As at 31 March, 2019	-	40.92	83.97	39.09	17.39	1.67	(12.50)	170.54
Net carrying amount as at 31 March, 2019								
29.51	137.81	42.97	24.24	8.49	0.63	(46.27)	197.38	
Gross carrying amount								
As at 31 March, 2019	29.51	178.73	126.94	63.33	25.88	2.30	(58.77)	367.92
Additions	-	10.71	15.22	11.45	2.28	-	-	39.66
Disposals	-	2.28	3.97	1.97	0.60	0.22	-	9.04
Transfers in / (out)	-	-	-	-	-	-	0.01	0.01
As at 31 March, 2020	29.51	187.16	138.19	72.81	27.56	2.08	(58.76)	398.55
Accumulated depreciation								
As at 31 March, 2019	-	40.92	83.97	39.09	17.39	1.67	(12.50)	170.54
Charge for the year	-	3.87	6.68	7.48	1.43	0.11	(0.93)	18.64
Disposals	-	0.42	3.77	1.75	0.56	0.20	-	6.70
Transfers in / (out)	-	-	-	-	-	-	0.01	0.01
As at 31 March, 2020	-	44.37	86.88	44.82	18.26	1.58	(13.42)	182.49
Net carrying amount as at 31 March, 2020								
29.51	142.79	51.31	27.99	9.30	0.50	(45.34)	216.06	

Footnote :

Buildings includes ₹ 0.0016 crore (31 March, 2019: ₹ 0.0015 crore) being cost of shares and bonds in Co-operative Housing Societies.

5. INVESTMENT PROPERTY

	Freehold Land	Buildings	Total	₹ in crores
Gross carrying amount				
As at 31 March, 2018	0.14	56.00	56.14	
Additions	-	1.30	1.30	
Transfers in / (out)	-	1.33	1.33	
As at 31 March, 2019	0.14	58.63	58.77	
Accumulated depreciation				
As at 31 March, 2018	-	11.43	11.43	
Charge for the year	-	0.88	0.88	
Transfers in / (out)	-	0.19	0.19	
As at 31 March, 2019	-	12.50	12.50	
Net carrying amount as at 31 March, 2019	0.14	46.13	46.27	
Gross carrying amount				
As at 31 March, 2019	0.14	58.63	58.77	
Additions	-	-	-	
Transfers in / (out)	-	(0.01)	(0.01)	
As at 31 March, 2020	0.14	58.62	58.76	
Accumulated depreciation				
As at 31 March, 2019	-	12.50	12.50	
Charge for the year	-	0.93	0.93	
Transfers in / (out)	-	(0.01)	(0.01)	
As at 31 March, 2020	-	13.42	13.42	
Net carrying amount as at 31 March, 2020	0.14	45.20	45.34	

Footnotes :

- (1) The amount included in transfers in / (out) represents the assets transferred from Property, Plant and Equipment (PPE) to Investment Property when it is held for the purpose of earning rental income / capital appreciation.
- (2) Amount recognised in statement of profit and loss in relation to investment properties are as follows:

	Year ended 31 March, 2020	Year ended 31 March, 2019	₹ In crores
Rental income	38.65	39.56	
Direct operating expenses (including repairs and maintenance) generating rental income (net of recoveries)	1.77	1.93	
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income	3.49	2.78	
Profit from investment properties before depreciation and indirect expenses	33.39	34.85	
Depreciation	0.93	0.88	
Profit arising from investment properties before indirect expenses	32.46	33.97	

5. INVESTMENT PROPERTY (Contd.)

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

	As at 31 March, 2020	As at 31 March, 2019	₹ In crores
Land		137.27	137.27
Building		662.06	662.75
	799.33	800.02	

The fair value of the investment properties have been derived using the market comparable approach (market value method / sale comparison technique) based on recent market prices without any significant adjustments being made to the market observable data. The valuation was carried out by an independent valuer registered with the authority which governs the valuers in India. Accordingly, fair value estimates for investment properties are classified as level 3.

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

5A RIGHT-OF-USE ASSETS

	Leasehold Land	Leasehold Buildings	₹ in crores Total Right-of-use assets
Gross carrying amount			
As at 31 March, 2019	-	-	-
Ind AS 116 impact (Refer Note 3B)	3.13	11.31	14.44
Additions	-	1.35	1.35
Disposals	-	-	-
As at 31 March, 2020	3.13	12.66	15.79
Accumulated depreciation			
As at 31 March, 2019	-	-	-
Ind AS 116 impact (Refer Note 3B)	0.44	-	0.44
Charge for the year	0.03	4.55	4.58
As at 31 March, 2020	0.47	4.55	5.02
Net carrying amount as at 31 March, 2020	2.66	8.11	10.77

6. INTANGIBLE ASSETS

	Manufacturing Rights & Technical Know-how	Software Cost	₹ in crores Total Intangible Assets
Gross carrying amount			
As at 31 March, 2018	10.31	47.67	57.98
Additions	-	3.16	3.16
Disposals	0.27	0.91	1.18
As at 31 March, 2019	10.04	49.92	59.96
Amortisation			
As at 31 March, 2018	10.31	39.06	49.37
Charge for the year	-	3.41	3.41
Disposals	0.27	0.86	1.13
As at 31 March, 2019	10.04	41.61	51.65
Net carrying amount as at 31 March, 2019	-	8.31	8.31

6. INTANGIBLE ASSETS (Contd.)

	Manufacturing Rights & Technical Know-how	Software Cost	Total Intangible Assets	₹ in crores
Gross carrying amount				
As at 31 March, 2019	10.04	49.92	59.96	
Additions	-	3.96	3.96	
Disposals	-	0.17	0.17	
As at 31 March, 2020	10.04	53.71	63.75	
Amortisation				
As at 31 March, 2019	10.04	41.61	51.65	
Charge for the year	-	3.10	3.10	
Disposals	-	0.17	0.17	
As at 31 March, 2020	10.04	44.54	54.58	
Net carrying amount as at 31 March, 2020	-	9.17	9.17	

7. INVESTMENTS

7 (i) Non-current Investments	Currency	Face Value	As at 31 March, 2020		As at 31 March, 2019		₹ in crores
			No.	₹ in crores	No.	₹ in crores	
A Investments in Subsidiaries, Joint Ventures & Associates							
(Fully paid Unquoted Equity Instruments)							
1 Investments in Subsidiary Companies (at cost less impairment unless otherwise stated):							
Weathermaker Ltd, UAE	USD	1	4,08,441	3.07	4,08,441	3.07	
Voltas Netherlands B.V.	EURO	45	13,635	2.65	13,635	2.65	
Universal Comfort Products Ltd.	₹	10	2,76,42,000	16.95	2,76,42,000	16.95	
Lalbuksht Voltas Engineering Services and Trading L.L.C, Muscat, Sultanate of Oman	RO	1	50,000	0.08	50,000	0.08	
Agro Foods Punjab Ltd. (Refer footnote 7 (a)) (Beneficial rights transferred pending transfer of shares)	₹	100	2,80,000	-	2,80,000	-	
Auto Aircon (India) Ltd.	₹	10	1,19,50,000	6.30	1,19,50,000	6.30	
Westerwork Engineers Ltd. (Under Liquidation)	₹	100	9,600	1.09	9,600	1.09	
Rohini Industrial Electricals Ltd. (Refer footnote 7 (e))	₹	10	18,25,782	182.41	18,25,782	181.22	
Saudi Ensas Company for Engineering Services W.L.L., Saudi Arabia	SR	100	2,41,360	27.62	2,41,360	27.62	
Gross Investments in Subsidiary Companies			-	240.17	-	238.98	
Less : Impairment in value of Investments (#)			-	67.58	-	67.58	
(#) Impairment in value of Investments pertains to :			-	172.59	-	171.40	

7. INVESTMENTS (Contd.)

	Currency	Face Value	As at 31 March, 2020		As at 31 March, 2019	
			No.	₹ in crores	No.	₹ in crores
Auto Aircon (India) Ltd.					6.30	6.30
Westerwork Engineers Ltd. (Under Liquidation)					1.09	1.09
Rohini Industrial Electricals Ltd. (Refer footnote 7 (h))					32.57	32.57
Saudi Ensas Company for Engineering Services W.L.L., Saudi Arabia					27.62	27.62
2 Investments in Joint Ventures : (at cost less impairment unless otherwise stated):					67.58	67.58
Voltas Water Solutions Private Ltd.	₹	10	28,41,500	2.85	28,41,500	2.85
Olayan Voltas Contracting Company Ltd, Saudi Arabia	SR	100	50,000	7.11	50,000	7.11
Share Application Money - Olayan Voltas					13.13	13.13
Voltbek Home Appliances Private Ltd.	₹	10	33,51,64,900	335.16	19,69,84,900	196.98
Gross Investments in Joint Ventures					358.25	220.07
Less : Impairment in value of Investments (#)					21.97	19.81
(#) Impairment in value of Investments pertains to :					336.28	200.26
Voltas Water Solutions Private Ltd.					2.85	2.85
Olayan Voltas Contracting Company Ltd, Saudi Arabia					19.12	16.96
3 Investments in Associate Companies: (at cost less impairment unless otherwise stated):					21.97	19.81
Brihat Trading Private Ltd.	₹	10	3,352	*	3,352	*
Terrot GmbH, Germany	EURO	1	2,60,900	1.56	2,60,900	1.56
Naba Diganta Water Management Ltd.	₹	10	47,97,000	4.80	47,97,000	4.80
Gross Investments in Associates					6.36	6.36
Less : Impairment in value of Investments - Terrot GmbH					1.56	-
(#) Impairment in value of Investments pertains to :					4.80	6.36
B Investments in Other Companies (Investments at Fair Value through Other Comprehensive Income) (Refer footnote 7 (f))						
1 Fully Paid Unquoted Equity Instruments:						
Lakshmi Ring Travellers (Coimbatore) Ltd.	₹	10	1,20,000	28.03	1,20,000	53.74
Agrotech Industries Ltd.	USD	1	3,67,500	-	3,67,500	-
Tata International Ltd. (Refer footnote 7 (b))	₹	1,000	10,000	5.65	10,000	5.65
Tata Services Ltd. (Refer footnote 7 (b))	₹	1,000	448	0.04	448	0.04
Tata Industries Ltd. (Refer footnote 7 (b))	₹	100	13,05,720	20.72	13,05,720	20.72
Tata Projects Ltd.	₹	100	1,35,000	147.48	1,35,000	123.10

7. INVESTMENTS (Contd.)

	Currency	Face Value	₹ in crores			
			As at 31 March, 2020		As at 31 March, 2019	
			No.	₹ in crores	No.	₹ in crores
Premium Granites Ltd.	₹	10	4,91,220	-	4,91,220	-
OMC Computers Ltd.	₹	10	4,04,337	-	4,04,337	-
Avco Marine S.a.S, France	EURO	10	1,910	-	1,910	-
Voltas Employees Consumers Co-operative Society Ltd.	₹	10	750	*	750	*
Saraswat Co-operative Bank Ltd.	₹	10	10	*	10	*
Super Bazar Co-operative Stores Ltd.	₹	10	500	*	500	*
2 Fully Paid Quoted Equity Instruments :				201.92		203.25
Lakshmi Automatic Loom Works Ltd.	₹	10	6,15,200	-	6,15,200	-
Tata Chemicals Ltd.	₹	10	2,00,440	4.47	2,00,440	11.77
Tata Consumer Products Ltd. (Refer footnote 7 (c))	₹	1	2,28,501	6.74	-	-
Lakshmi Machine Works Ltd.	₹	10	5,79,672	133.34	5,79,672	353.20
Reliance Industries Ltd. (Refer footnote 7 (d))	₹	10	2,640	-	2,640	-
				144.55		364.97
C Investment in Preference Shares						
Fully Paid Unquoted:						
In Subsidiaries (at amortised cost) :						
Rohini Industrial Electricals Ltd. (Refer footnote 7 (e)) 0.01% Cumulative Redeemable Preference Shares	₹	100	1,27,00,000	79.21	1,27,00,000	72.01
In Other Companies (at amortised cost)						
Tata Capital Ltd.	₹	1,000	2,50,000	25.00	2,50,000	25.00
7.50% Cumulative Redeemable Preference Shares	₹	1,000	2,00,000	20.00	2,00,000	20.00
7.10% Cumulative Redeemable Preference Shares	₹	1,000	50,000	5.00	50,000	5.00
7.33% Cumulative Redeemable Preference Shares	₹	1,000	129.21	122.01	903.82	122.68
D Investment in Unquoted Mutual funds (at fair value through profit or loss) (Refer footnote 7(g))						
E Investment in Debenture/Bonds (at amortised cost)						
Fully Paid Quoted:						
Tata Steel Ltd.	₹	10,00,000	292	29.26	292	29.31
11.50% Perpetual Non Convertible Debentures	₹	10,00,000	-	-	100	10.41
11.80% Perpetual Non Convertible Debentures	₹	10,00,000	500	53.40	500	53.76
Tata Power Company Ltd.	₹	10,00,000	-	-	500	0.50
10.75% Non Convertible Debentures	₹	10,00,000	50,000	5.41	50,000	5.48
Rural Electrification Corporation Ltd.	₹	10,000	70	7.46	70	7.51
5.25% Tax Free Bonds	₹	1,000	500	0.53	500	0.53
8.01% Tax Free Bonds	₹	10,00,000	50	5.44	50	5.48
7.17% Tax Free Bonds	₹	10,00,000	-	-	-	-
5.75% Tax Free Bonds	₹	10,000	-	-	-	-
8.18% Tax Free Bonds	₹	10,00,000	-	-	-	-

7. INVESTMENTS (Contd.)

	Currency	Face Value	₹ in crores			
			As at 31 March, 2020		As at 31 March, 2019	
			No.	₹ in crores	No.	₹ in crores
National Housing Bank	₹	5,000	18,049	9.80	18,049	9.93
8.26% Tax Free Non Convertible Debentures	₹	1,000	1,50,000	16.40	1,50,000	16.64
Housing and Urban Development Corporation Ltd.	₹	10,00,000	50	5.36	50	5.39
8.51% Tax Free Bonds	₹	10,00,000	250	28.40	250	27.59
8.10% Tax Free Bonds	₹	10,00,000	30	2.90	-	-
7.07% Tax Free Non Convertible Debentures	₹	10,00,000	500	54.49	-	-
Indian Railway Finance Corporation Ltd.	₹	10,00,000	500	54.49	-	-
8.35% Tax Free Bonds	₹	10,00,000	500	54.49	-	-
Tata AIG General Insurance Co. Ltd.	₹	10,00,000	30	2.90	-	-
8.52% Non Convertible Debentures	₹	10,00,000	500	54.49	-	-
Tata Motors Finance Ltd.	₹	10,00,000	500	54.49	-	-
11.50% Non Convertible Debentures	₹	10,00,000	500	54.49	-	-
F Investment in Others :						
Government Securities	₹				*	*
Total : Non-current Investments - Net					2,138.21	1,389.97

Footnotes:

- (i) Aggregate value of Quoted Investments and market value thereof
- (ii) Aggregate value of Unquoted Investments
- (iii) Aggregate value of impairment in value of investments

Abbreviations for Currencies :

₹ : Indian Rupees SR : Saudi Riyal AED : United Arab Emirates Dirhams RO : Omani Rial
USD : United States Dollar EURO : European Union Currency

* value below ₹ 50,000/-

Footnotes:

- 7 (a) Under a loan agreement for ₹ 0.60 crore (fully drawn and outstanding) entered into between Agro Foods Punjab Ltd. (AFPL) and the Punjab State Industrial Development (PSIDC), the Company has given an undertaking to PSIDC that it will not dispose off its shares in AFPL till the monies under the said loan agreement between PSIDC and AFPL remain due and payable by AFPL to PSIDC. During 1998-99, the Company had transferred its beneficial rights in the shares of AFPL.
- 7 (b) For these unquoted investments categorised under Level 3, their respective cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.
- 7 (c) Pursuant to the de-merger of the Consumer Products Business of Tata Chemicals Limited (TCL) with Tata Global Beverages Limited, now known as Tata Consumer Products Limited (TCPL), the Company has received 2,28,501 equity shares of TCPL in lieu of its existing holding of 2,00,440 equity shares held in TCL, in the ratio of 1.14 equity shares of TCPL for every 1 equity share held in TCL.
- 7 (d) In respect of the Company's investment in 2,640 equity shares of Reliance Industries Ltd., there is an Injunction Order passed by the Court in Kanpur restraining the transfer of these shares. The share certificates are, however, in the possession of the Company. Pending disposal of the case, dividend on these shares has not been recognised.

7. INVESTMENTS (Contd.)

- 7 (e) The Company had invested in 0.01% cumulative redeemable preference shares ('CRPS') of Rohini Industrial Electricals Limited (RIEL), aggregating ₹127 crores (₹ 25 crores in 2011-12, ₹ 37 crores in 2012-13 and ₹ 65 crores in 2016-17), for a period of 7 years. The investment was accounted at amortised cost and the difference between the Investment and the amortised cost amounting to ₹ 54.69 crores was included as Investment in Equity instrument of RIEL. Further in 2018-19, modification in terms of repayment of CRPS, which were due for redemption on 29 March, 2019 and 1 October, 2020 amounting ₹ 25 crores and ₹ 37 crores respectively, were made and repayment period was extended for a further period of 7 years from respective due dates. Accordingly, the difference between original amortised cost and revised amortised cost of CRPS amounting to ₹ 27.75 crores of which payment terms had been modified was included as Investment in Equity instrument of RIEL.
- 7 (f) Investments at Fair Value Through Other Comprehensive Income (FVTOCI) reflect investment in quoted and unquoted equity securities. These equity shares are designated as FVTOCI as they are not held for trading purpose and are not in similar line of business as the Company, thus disclosing their fair value change in profit and loss will not reflect the purpose of holding.
- 7 (g) The Company has created lien against the Mutual Fund of ₹ 75 crores towards various fund and non-fund based credit facilities availed by the Company.
- 7 (h) The Company has conducted its annual impairment assessment of the investment in wholly owned subsidiary Rohini Industrial Electricals Limited (RIEL). The recoverable amount has been determined using the value in use method and calculated based on future cashflows for next five years after considering the order book position, current and anticipated economic conditions and trends, estimated future operating results and growth rates. The cash flows beyond five years are extrapolated using a steady growth rate of 5% per annum. Key assumptions for the value in use calculations includes discount rate of 14% per annum (PY 14% per annum) applied to arrive at present value of the cash flows. The discount rate represents the weighted average cost of capital adjusted for the risk specific to the Investment and appropriate industrial beta has been applied (based on the comparative companies data) to arrive at the discount rate.

	Currency	Face Value	₹ in crores			
			As at 31 March, 2020		As at 31 March, 2019	
			No.	₹ in crores	No.	₹ in crores
7 (ii) Current Investments						
A Investment in Debenture/Bonds (at amortised cost)						
Fully Paid Quoted:						
Rural Electrification Corporation Ltd.						
5.25% Tax Free Bonds	₹	10,000	500	0.50	-	-
Tata Steel Ltd.						
11.80% Perpetual Non Convertible Debentures	₹	10,00,000	100	10.24	-	-
Tata International Ltd.						
9.30% Perpetual Non Convertible Debentures	₹	10,00,000	-	-	1,000	100.23
Tata Capital Ltd.						
10.25% Non Convertible Debentures	₹	5,00,000	-	-	25	1.27
B Investment in Unquoted Mutual funds (at fair value through profit or loss)						
Total Current investments						
Footnotes:						
(i) Aggregate value of Quoted investments and market value thereof				10.74		101.50
(ii) Aggregate value of Unquoted investments				509.65		1,134.19
(iii) Aggregate value of impairment in value of investments				-		-

8. LOANS (NON-CURRENT) (AT AMORTISED COST)

	As at 31 March, 2020	As at 31 March, 2019
Loans to Employees (Unsecured, considered good)	0.22	0.31
Total non-current loans	0.22	0.31

Footnote :

Loans and advances in nature of loans given to Subsidiaries in view of Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of the Related party	Relation	As at 31 March, 2020	As at 31 March, 2019	Maximum balance during the year
		As at 2019-20	As at 2018-19	
Auto Aircon (India) Ltd.	Subsidiary	-	-	-
Total		-	-	0.61

No interest is payable for above loan and there is no repayment schedule.

9. OTHER FINANCIAL ASSETS (NON-CURRENT)
(UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED) (AT AMORTISED COST)

	As at 31 March, 2020	As at 31 March, 2019
(a) Security deposits	13.68	8.65
(b) Deposits with customers / others	5.37	5.57
(c) Fixed deposits with remaining maturity of more than 12 months	64.03	52.38
(d) Others	12.01	12.01
Less: Impairment Allowance	12.01	12.01
Total other financial assets (Non-current)	83.08	66.60
Footnotes :		
(1) Break up of security details of other financial assets (non-current)		
(i) Unsecured, considered good	83.08	66.60
(ii) Credit impaired	12.01	12.01
(2) Impairment Allowance		
(i) Unsecured, considered good	-	-
(ii) Credit impaired	12.01	12.01

10. DEFERRED TAX

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

	As at 31 March, 2020	As at 31 March, 2019	₹ in crores
Deferred tax assets	117.31	149.85	
Deferred tax liabilities	(91.55)	(94.00)	
Deferred Tax Assets (net)	25.76	55.85	
Reconciliation of deferred tax assets (net):			
Opening balance	55.85	13.87	
Tax income/(expense) during the period recognised in profit or loss	(27.75)	15.10	
Deferred tax on Ind AS 115 transition adjustment	-	29.34	
Tax income/(expense) during the period recognised in OCI	(2.34)	(2.46)	
Closing balance	25.76	55.85	

(b) The balance comprise temporary differences attributable to:

	As at 31 March, 2019	(Charged) / credited to reserves	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	As at 31 March, 2020	₹ in crores
Provision for employee benefits (including Voluntary Retirement Scheme)	37.52	-	4.13	(3.20)	38.45	
Allowance for receivables, loans and advances	81.18	-	(20.20)	-	60.98	
Provision for contingencies and claims	8.94	-	(1.60)	-	7.34	
Unpaid statutory liabilities	4.54	-	(0.93)	-	3.61	
Estimated loss on projects	10.29	-	(8.71)	-	1.58	
Free Maintenance services	7.38	-	(2.21)	-	5.17	
Others	-	-	0.18	-	0.18	
Deferred Tax Assets	149.85	-	(29.34)	(3.20)	117.31	
Property, plant and equipment and intangible assets	(35.57)	-	9.46	-	(26.11)	
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(41.69)	-	-	0.86	(40.83)	
Unrealised gains on fair valuation of Mutual funds	(16.74)	-	(7.87)	-	(24.61)	
Others	-	-	-	-	-	
Deferred Tax Liabilities	(94.00)	-	1.59	0.86	(91.55)	
Deferred Tax Assets (net)	55.85	-	(27.75)	(2.34)	25.76	

10. DEFERRED TAX (Contd.)

₹ in crores

	As at 31 March, 2018	(Charged) / credited to reserves	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	As at 31 March, 2019
Provision for employee benefits	35.87	-	1.68	(0.03)	37.52
Allowance for receivables, loans and advances	42.15	29.34	9.69	-	81.18
Provision for contingencies and claims	8.81	-	0.13	-	8.94
Unpaid statutory liabilities	4.54	-	*	-	4.54
Estimated loss on projects	9.44	-	0.85	-	10.29
Free Maintenance services	-	-	7.38	-	7.38
Others	0.55	-	(0.55)	-	-
Deferred Tax Assets	101.36	29.34	19.18	(0.03)	149.85
Property, plant and equipment and intangible assets	(35.09)	-	(0.48)	-	(35.57)
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(39.26)	-	-	(2.43)	(41.69)
Unrealised gains on fair valuation of Mutual funds	(13.14)	-	(3.60)	-	(16.74)
Deferred Tax Liabilities	(87.49)	-	(4.08)	(2.43)	(94.00)
Deferred Tax Assets (net)	13.87	29.34	15.10	(2.46)	55.85

* value below ₹ 50,000/-

11. OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

	As at 31 March, 2020	As at 31 March, 2019	₹ in crores
(a) Balance with Government Authorities	70.26	71.64	
(b) Capital advances	38.74	13.57	
(c) Advance to suppliers	1.07	1.34	
(d) Lease prepayments (Refer Note 3B)	-	2.69	
(e) Others	1.78	1.78	
Less: Impairment Allowance	5.33	5.71	
Total other non-current assets	106.52	85.31	
Footnote:			
Impairment Allowance pertains to :			
(a) Balance with Government Authorities	3.89	3.89	
(b) Advance to suppliers	1.07	1.34	
(c) Others	0.37	0.48	
Total	5.33	5.71	

12. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
(a) Raw materials and Components	210.69	141.97
(b) Work-in-progress	6.53	12.55
(c) Finished goods	161.05	191.89
(d) Stock-in-trade	991.77	656.54
(e) Stores and spares	0.02	0.04
Total Inventories	1,370.06	1,002.99
Inventories includes goods-in-transit:		
(a) Raw materials and Components	105.55	56.99
(b) Finished goods	-	4.34
(c) Stock-in-trade	117.96	116.23
Total goods-in-transit	223.51	177.56
Footnote :		
Provision for write-down on value of inventory	26.09	14.61

13. CONTRACT ASSETS (CURRENT) (UNSECURED)

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
Amount due from customers under construction contracts	815.26	703.42
Less: Impairment Allowance	47.29	27.07
Contract assets (Current) (net)	767.97	676.35
Footnotes :		
(1) Break up of security details		
(i) Unsecured, considered good	802.93	696.42
(ii) Contract assets - credit impaired	12.33	7.00
	815.26	703.42
Less: Impairment Allowance	47.29	27.07
	767.97	676.35

(2) Contract assets are initially recognised for revenue earned from electro mechanical projects contracts as receipt of consideration that is conditional on successful completion of project milestone. Upon completion of milestone and acceptance/certification by the customer, the amounts recognised as contract assets are reclassified to trade receivables. At 31 March, 2020, contract assets balances have increased as compared to 31 March, 2019 on account of delay in certification of work by the customers.

14. TRADE RECEIVABLES (CURRENT) (AT AMORTISED COST) (UNSECURED)

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
Trade receivables	1,603.58	1,579.17
Less: Impairment Allowance	174.33	184.33
Trade receivables (net)	1,429.25	1,394.84
Footnotes :		
(1) Break up of security details		
(i) Unsecured, considered good	1,521.64	1,523.10
(ii) Trade Receivables - credit impaired	81.94	56.07
	1,603.58	1,579.17
Less: Impairment Allowance	174.33	184.33
	1,429.25	1,394.84

14. TRADE RECEIVABLES (CURRENT) (AT AMORTISED COST) (UNSECURED) (Contd.)

- (2) There is no significant movement in trade receivable balances as compared to 31 March, 2019.
- (3) Trade receivables are non interest bearing and are generally on terms of 7 to 30 days in case of sale of products and in case of long term construction contracts, payment is generally due upon completion of milestone as per terms of contract. In certain contracts, short term advances are received before the performance obligation is satisfied.
- (4) The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables and contract assets. The Company follows the simplified approach for recognition of impairment allowance on trade receivables and contract assets. The application of the simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment allowance based on lifetime ECLs at each reporting date. ECL impairment loss allowance (or reversal) recognised during the period is recognised in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
Movement in impairment allowance on trade receivables and contract assets.		
Balance at the beginning of the year	211.40	102.93
Transition impact of Ind AS 115	-	83.97
Allowances / (write back) during the year	46.47	28.38
Written off against past provision	(36.25)	(3.88)
Balance at the end of the year	221.62	211.40

15. CASH AND CASH EQUIVALENTS

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
Cash on hand	*	0.60
Cheques on hand	1.44	43.92
Remittance in-transit	0.07	0.20
Balances with banks		
- On current accounts	169.89	182.11
- Fixed deposits with maturity less than 3 months	10.29	0.02
Total Cash and cash equivalents	181.69	226.85

Footnotes :

- (a) The changes in liabilities arising from financing activities is on account of cash flow changes only except for lease liabilities. For details of change in lease liabilities arising from financing activities refer Note 48 (a).
- (b) At 31 March, 2020, the Company had available ₹ 696.96 crores (31 March, 2019: ₹ 195.57 crores) of undrawn committed borrowing facilities.

* value below ₹ 50,000/-

16. OTHER BALANCES WITH BANKS

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
Fixed deposits with maturity greater than 3 months but less than 12 months	7.71	-
Earmarked balances - unpaid dividend accounts	7.46	7.18
Margin money	2.93	2.84
Total Other Bank balances	18.10	10.02

Footnote :

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

17. LOANS (CURRENT) (AT AMORTISED COST)

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
Loans to employees (Unsecured, considered good)	1.05	10.86
Total loans (Current)	1.05	10.86

**18. OTHER FINANCIAL ASSETS (CURRENT) (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)
(AT AMORTISED COST)**

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
(a) Security deposits	15.82	16.02
(b) Due from related parties	40.79	54.25
(c) Interest accrued	17.57	12.79
(d) Fixed deposits with remaining maturity of less than 12 months	22.58	2.59
(e) Others		
- Considered good	44.91	35.08
-Credit impaired	3.13	3.03
Less: Impairment Allowance	3.13	3.03
Total other financial assets (Current)	141.67	120.73

19. OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
(a) Balance with Government Authorities	230.50	159.56
(b) Advance to suppliers	70.02	30.53
(c) Gratuity fund (Refer Note 42)	12.42	-
(d) Prepaid expense	38.69	23.25
(e) Others		
- Considered good	24.64	12.91
-Credit impaired	0.28	0.36
Less: Impairment Allowance	0.28	0.36
Total other current assets	376.27	226.25

20. SHARE CAPITAL

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
Authorised:		
60,00,00,000 (31 March, 2019: 60,00,00,000) Equity Shares of ₹ 1/- each	60.00	60.00
40,00,000 (31 March, 2019: 40,00,000) Preference Shares of ₹ 100/- each	40.00	40.00
	100.00	100.00

20. SHARE CAPITAL (Contd.)

	₹ In crores	As at 31 March, 2020	As at 31 March, 2019
Issued, Subscribed and Paid up:			
33,08,84,740 (31 March, 2019: 33,08,84,740) Equity Shares of ₹ 1/- each		33.09	33.09
Less : Calls-in-Arrears [1,22,500 shares (31 March, 2019: 1,25,900 shares)]		0.01	0.01
[Refer footnote 20 (d)]			
Total share capital		33.08	33.08

Footnotes:

Terms / Rights attached to equity shares

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

	Equity Shares	
	As at 31 March, 2020	
	Numbers	₹ in crores
Shares outstanding at the beginning of the year	33,08,84,740	33.08
Shares outstanding at the end of the year	33,08,84,740	33.08

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

Name of Shareholder	Equity Shares				
	Class of Shares	As at 31 March, 2020		As at 31 March, 2019	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
Tata Sons Private Ltd.	Equity	8,81,31,780	26.64	8,81,31,780	26.64
HDFC Trustee Company Ltd. (Various Accounts)	Equity	1,13,09,000	3.42	1,66,73,000	5.04

- (d) As per the records of the Company, no calls remained unpaid by the Directors and Officers of the Company as on 31 March, 2020 (31 March, 2019 : Nil).

21. OTHER EQUITY

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
(1) Capital Reserve	1.56	1.56
(2) Capital Redemption Reserve	1.26	1.26
(3) Securities Premium	6.28	6.27
(4) General Reserve	1,351.83	1,331.83
(5) Staff Welfare Reserve	0.01	0.01
(6) Equity instruments fair value through other comprehensive income	304.31	525.20
(7) Retained Earnings	2,257.48	1,843.94
Total other equity	3,922.73	3,710.07
 MOVEMENTS IN OTHER EQUITY		
	As at 31 March, 2020	As at 31 March, 2019
(1) Capital Reserve	1.56	1.56
- As per last Balance Sheet		
(2) Capital Redemption Reserve	1.26	1.26
- As per last Balance Sheet		
(3) Securities Premium	6.27	6.27
- As per last Balance Sheet		
- Received during the year	0.01	*
- Closing Balance	6.28	6.27
(4) General Reserve	1,351.83	1,331.83
- As per last Balance Sheet		
- Transfer from retained earnings	20.00	20.00
- Closing Balance		
(5) Staff Welfare Reserve	0.01	0.01
- As per last Balance Sheet		
(6) Equity instruments fair value through other comprehensive income	525.20	560.70
- As per last Balance Sheet		
- Changes during the year	(220.89)	(35.50)
- Closing Balance	304.31	525.20
(7) Retained Earnings		
(a) As per last Balance Sheet	1,843.94	1,599.25
(b) Additions :		
- Net Profit for the year	569.90	464.47
- Transfer from other comprehensive income (Net of tax)	10.87	0.06
	580.77	464.53
(c) Deductions :		
- Dividend	132.35	132.35
- Dividend Distribution tax	14.88	12.86
- Transfer to General Reserve	20.00	20.00
- Transition impact of Ind AS 115 (Net of tax)	-	54.63
	167.23	219.84
Closing Balance	2,257.48	1,843.94
Total other equity	3,922.73	3,710.07

* value below ₹ 50,000/-

21. OTHER EQUITY (Contd.)

DISTRIBUTION MADE AND PROPOSED	As at 31 March, 2020	As at 31 March, 2019
Cash Dividends on Equity Shares declared and paid:		
Dividend for the year ended 31 March, 2019: ₹ 4.00 per share (31 March, 2018: ₹ 4.00 per share)	132.35	132.35
Dividend Distribution Tax	14.88	12.86
	147.23	145.21
Proposed Dividend on Equity Shares:		
Dividend for the year ended 31 March, 2020: ₹ 4.00 per share (31 March, 2019: ₹ 4.00 per share)	132.25	132.35
Dividend Distribution Tax on proposed dividend *	-	27.21
	132.25	159.56

* Dividend Distribution Tax (DDT) before availment of any DDT credit available.

Footnotes : Nature and purpose of reserves

Capital Reserve :

Capital Reserve was created from capital surplus on sale of assets and on amalgamation of subsidiary.

Capital Redemption Reserve :

Capital Redemption Reserve is created out of profit available for distribution towards redemption of Preference shares. This reserve can be used for the purpose of issue of Bonus shares.

Securities Premium :

Securities Premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares. This reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General Reserve :

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit or loss.

Equity instruments fair value through other comprehensive income :

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Retained Earnings :

The balance in the Retained Earnings primarily represents the surplus after payment of dividend (including tax on dividend) and transfer to reserves.

22. CONTRACT LIABILITIES (NON-CURRENT)

	As at 31 March, 2020	As at 31 March, 2019
Unexpired service contracts	0.74	0.70
Total Contract liabilities (Non-Current)	0.74	0.70

23. BORROWINGS (AT AMORTISED COST) (NON-CURRENT)

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
Unsecured		
Lease Liabilities (Refer Note 48)	5.41	-
Total non-current borrowings	5.41	-

24. PROVISIONS (NON-CURRENT)

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
Provision for employee benefits :		
(i) Provision for gratuity (Refer Note 42)	34.30	31.79
(ii) Pension obligations (Refer Note 42)	32.87	34.36
(iii) Post retirement medical benefits (Refer Note 42)	6.62	6.77
(iv) Provision for Voluntary Retirement Scheme (Refer Note 29)	5.78	-
(v) Provision for employee separation compensation	0.18	0.34
Total provisions (Non-Current)	79.75	73.26

25. CONTRACT LIABILITIES (CURRENT)

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
(a) Advances received from customers	233.35	212.95
(b) Unexpired service contracts	8.41	11.08
(c) Billing in excess of contract revenue	170.51	64.96
Total Contract liabilities (Current)	412.27	288.99

Footnote :

The outstanding balances of the contract liabilities as at 31 March, 2020 are higher on account of billing done in excess of revenue recognised as per the terms of contracts .

26. BORROWINGS (AT AMORTISED COST) (CURRENT)

	₹ In Crores	
	As at 31 March, 2020	As at 31 March, 2019
Secured		
(a) Term loans from Banks	-	9.51
(b) Working Capital loans from Banks	79.58	104.13
Unsecured		
(a) Lease Liabilities (Refer Note 48)	3.41	-
Total borrowings	82.99	113.64

Footnotes :

- (i) Borrowings are secured against assignment of Contract dues on overseas projects.
- (ii) Term Loans outstanding in the previous year have been repaid in the current year. The Term loans from banks outstanding as on 31 March, 2019 carried an average interest rate of 4.40% and were repayable within a period of 90 days.
- (iii) Working capital loans from banks are repayable on demand.
- (iv) Working capital loans from banks carry an average interest rate of 2.70% to 4% (31 March, 2019 : 3% to 6.50%).

27. TRADE PAYABLES

	As at 31 March, 2020	As at 31 March, 2019
Trade payables :		
(i) Total outstanding dues of micro and small enterprises	211.95	266.24
(ii) Total outstanding dues of creditors other than micro and small enterprises	2,523.50	2,107.72
Total trade payables	2,735.45	2,373.96

Footnotes :

Trade payables are non interest bearing and are normally settled on 30 days to 365 days credit term.

(i) Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 :

(i)	(a) Principal amount remaining unpaid to any supplier	210.81	265.36
	(b) Interest on (i)(a) above	0.23	0.21
(ii)	The amount of interest paid along with the principal payment made to the supplier	0.33	0.49
(iii)	Amount of interest due and payable on delayed payments	0.28	0.30
(iv)	Amount of further interest remaining due and payable for the earlier years	0.63	0.37
(v)	Total outstanding dues of Micro and Small Enterprises		
	- Principal	210.81	265.36
	- Interest	1.14	0.88

28. OTHER FINANCIAL LIABILITIES (CURRENT) (AT AMORTISED COST)

	As at 31 March, 2020	As at 31 March, 2019
(a) Deposits received from customers / others	44.66	41.24
(b) Interest accrued but not due on borrowings	-	0.03
(c) Payable for capital goods	2.05	2.05
(d) Unpaid dividends	7.46	7.18
(e) Other financial liabilities (*)	28.96	31.68
Total other financial liabilities	83.13	82.18

(*) Includes Rebate to customers, etc.

29. PROVISIONS

	As at 31 March, 2020	As at 31 March, 2019
(a) Provision for Employee Benefits		
(i) Provision for gratuity (Refer Note 42)	2.68	3.32
(ii) Pension obligations (Refer Note 42)	3.03	2.77
(iii) Provision for compensated absences	31.70	35.12
(iv) Post retirement medical benefits (Refer Note 42)	0.43	0.47
(v) Provision for Voluntary Retirement Scheme	23.72	-
(vi) Provision for employee separation compensation	0.19	0.24

29. PROVISIONS (Contd.)

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
(b) Provision for Trade Guarantees	39.32	51.04
(c) Provision for Contingencies for tax matters	29.17	25.60
Total provision (current)	130.24	118.56

Footnotes :

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
A. Provisions for trade guarantees		
Opening balance	51.04	114.78
Additional provisions recognised	36.74	29.29
Less : Utilisation	46.00	66.24
Less : Reversal	2.46	26.79
Closing balance	39.32	51.04
B. Provision for Contingencies for tax matters		
Opening balance	25.60	25.22
Additional provisions recognised	3.57	2.84
Less : Utilisation	-	0.02
Less : Reversal	-	2.44
Closing balance	29.17	25.60
C. Provision for Voluntary Retirement Scheme		
Opening balance	-	-
Additional provisions recognised	51.19	-
Accretion of Interest	1.20	-
Less : Payment made during the period	22.89	-
Closing balance	29.50	-
Non - current liability	5.78	-
Current liability	23.72	-

30. OTHER CURRENT LIABILITIES

	₹ In crores	
	As at 31 March, 2020	As at 31 March, 2019
(a) Statutory obligations	28.16	20.84
(b) Others	0.30	0.40
Total other current liabilities	28.46	21.24

31. REVENUE FROM OPERATIONS

	Year ended 31 March, 2020	Year ended 31 March, 2019
Revenue from contracts with customers :		
(a) Sale of products	4,700.70	3,631.08
(b) Construction contract revenue	2,017.58	2,483.72
(c) Sale of services	605.62	543.48
	7,323.90	6,658.28

31. REVENUE FROM OPERATIONS (Contd.)

	Year ended 31 March, 2020	Year ended 31 March, 2019
Other operating income :		
(a) Unclaimed credit balances written back	9.00	9.19
(b) Sale of scrap	6.54	5.65
(c) Others	18.07	20.07
Total revenue from operations	7,357.51	6,693.19

32. OTHER INCOME

	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Dividend Income		
From investment in subsidiaries, associates and joint ventures	62.73	73.40
From equity investments measured at FVTOCI	8.32	8.31
From mutual funds investments measured at FVTPL	10.24	2.24
(b) Interest Income		
On sundry advances, deposits, customers' balances etc.	0.04	0.39
On deposits with banks	3.46	2.55
On Income-tax refunds	0.16	1.42
On fair valuation of financial assets	7.20	9.07
On financial instruments measured at amortized cost	29.41	15.95
(c) Gain on sale / fair valuation of financial assets measured at FVTPL	96.52	96.17
(d) Gain on sale / disposal of property, plant and equipment (net)	0.54	-
(e) Exchange differences (net)	14.86	-
(f) Rental income	38.65	39.56
(g) Other non-operating income	26.62	13.49
Total other income	298.75	262.55

33. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	Year ended 31 March, 2020	Year ended 31 March, 2019
Inventories at the end of the year :		
- Finished Goods including stock-in-trade	1,152.82	848.43
- Work-in-progress	6.53	12.55
	1,159.35	860.98
Inventories at the beginning of the year :		
- Finished Goods including stock-in-trade	848.43	581.32
- Work-in-progress	12.55	6.30
	860.98	587.62
Net (increase) / decrease	(298.37)	(273.36)

34. EMPLOYEE BENEFITS EXPENSES

	₹ In crores	
	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Salaries, Wages and Bonus	466.52	443.14
(b) Contribution to Provident and other Funds	28.04	25.23
(c) Staff Welfare expenses	20.99	20.38
Total employee benefits expenses	515.55	488.75

35. FINANCE COSTS

	₹ In crores	
	Year ended 31 March, 2020	Year ended 31 March, 2019
Interest expense		
(a) on borrowings from banks and others	7.75	22.90
(b) on delayed payment of income tax	-	0.03
(c) on lease liabilities	1.09	-
Total finance costs	8.84	22.93

36. DEPRECIATION AND AMORTISATION EXPENSES

	₹ In crores	
	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Depreciation on property, plant and equipment	18.64	15.42
(b) Amortisation on intangible assets	3.10	3.41
(c) Depreciation on investment property	0.93	0.88
(d) Depreciation on Right-of-use assets	4.58	-
Total depreciation and amortisation expenses	27.25	19.71

37. OTHER EXPENSES

	₹ In crores	
	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Consumption of Stores and Spares	2.47	2.59
(b) Power and Fuel	10.06	9.20
(c) Rent	33.00	42.75
(d) Repairs to Buildings	1.69	1.32
(e) Repairs to Plant and Machinery	8.46	7.09
(f) Insurance charges	7.60	6.59
(g) Rates and Taxes	2.16	2.08
(h) Travelling and Conveyance	43.10	48.67
(i) Payment to Auditors [Refer Note 37(A)]	2.67	2.34
(j) Legal and Professional fees	22.24	31.94
(k) Bad and Doubtful Debts / Advances [Refer footnote below]	46.11	30.66
(l) Loss on sale of property, plant and equipment	-	0.71
(m) Exchange differences (Net)	-	24.99

37. OTHER EXPENSES (Contd.)

	₹ In crores	
	Year ended 31 March, 2020	Year ended 31 March, 2019
(n) Corporate Social Responsibility (CSR) [Refer Note (37(B))]	10.10	10.15
(o) Outside Service charges	86.13	64.95
(p) Clearing charges	75.66	62.97
(q) Freight and forwarding charges	92.95	56.84
(r) Commission on sales	7.45	8.09
(s) Advertising	71.92	77.46
(t) Printing and stationery	10.27	13.41
(u) Donations	-	0.15
(v) Miscellaneous expenses	89.61	74.39
Total other expenses	623.65	579.34
Footnote :		
Bad and Doubtful Debts / Advances includes :-		
(a) Expected credit loss for contract assets and trade receivables	46.47	28.38
(b) Allowance for doubtful debts and advances	(0.36)	2.28
Total	46.11	30.66

37.(A) AUDITOR'S REMUNERATION

	₹ In crores	
	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) To Statutory Auditor for		
(1) Audit Fees	2.19	1.76
(2) Tax Audit Fees	0.06	0.12
(3) Other Services	0.24	0.22
(4) Reimbursement of Expenses	0.12	0.17
(b) To Secretarial Auditor for secretarial audit	0.02	0.02
(c) To Cost Auditor for cost audit	0.04	0.05
Total	2.67	2.34

37.(B) CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENSES

	₹ In crores	
	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Gross amount required to be spent by the Company during the year	9.94	10.00
(b) Amount spent in cash during the year on		
- Construction / acquisition of any asset	-	-
- Others	10.10	10.15
Total	10.10	10.15
(c) Amount to be spent in cash during the year on		
- Construction / acquisition of any asset	-	-
- Others	-	-
Total	-	-

38. EXCEPTIONAL ITEMS

	₹ In crores	
	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Reversal of provision / (provision) for diminution in value of investments	(3.72)	25.57
(b) Voluntary Retirement Scheme	(51.19)	-
Exceptional Items	(54.91)	25.57

Footnotes :

- (i) During the current year, the Company has announced a Voluntary Retirement Scheme ('the scheme') for all permanent employees of the Company in the general cadre category and accordingly, the related impact of the scheme of ₹ 51.19 crores is disclosed as an exceptional item.
- (ii) The Company has recognised an impairment provision of ₹ 2.16 crores (31 March, 2019: ₹ 6.35 crores) towards investment in Olayan Voltas Contracting Company, a Joint Venture (JV) of the Company and ₹ 1.56 crores (31 March, 2019: Nil) towards investment in Terrot GmbH, an associate company considering losses incurred by respective entities.
- (iii) During the previous year, the Company had reversed impairment provision of ₹ 32.58 crores recognised in earlier periods on investment in its wholly owned subsidiary Rohini Industrial Electricals Limited based on the annual impairment assessment carried out by the Company.
- (iv) During the previous year, the Company had recognised an Impairment provision of ₹ 0.65 crore towards investment in Auto Aircon (India) Limited as the same is under strike-off from the Register of Companies by the Registrar of Companies, Pune, Maharashtra.

39. INCOME TAX

RECONCILIATION OF TAX EXPENSE AND THE ACCOUNTING PROFIT MULTIPLIED BY INDIA'S DOMESTIC TAX RATE FOR THE YEAR ENDED 31 MARCH, 2019 AND 31 MARCH, 2020

	₹ In crores	
	Year ended 31 March, 2020	Year ended 31 March, 2019
Profit before tax	760.64	630.80
Indian statutory income tax rate	25.17%	34.94%
Income-tax expense at India's statutory income tax rate	191.44	220.40
Effect of adjustments to reconcile the expected tax expense to reported income tax expense:		
Effect of exempt income	(18.55)	(22.01)
Effect of non-deductible expenses	5.85	7.57
Effect of income which is taxed at special rates	(12.32)	(20.82)
Adjustment of tax relating to earlier periods	(4.51)	(7.57)
Change in tax rate (Refer Note below)	32.29	-
Effect of impairment / reversal of impairment provision on investments	0.94	(8.80)
Others	(4.40)	(2.44)
190.74	166.33	

Note :

The Company exercised the option of lower tax rate under section 115BAA of Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 to pay corporate tax at reduced rate effective 1 April, 2019. The change in tax rate has resulted in a reversal of deferred tax assets of ₹ 32.29 crores on account of remeasurement of deferred tax balances as at 31 March, 2019 and was recognised in the financial statements for the year ended 31 March, 2020.

40. EARNINGS PER SHARE

	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Profit attributable to Equity Shareholders - (₹ in crores)	569.90	464.47
(b) Weighted average number of Equity Shares Outstanding	33,08,84,740	33,08,84,740
(c) Earnings Per Share (₹) - Basic and Diluted (Face value ₹ 1/- per share)	17.22	14.04

41. COMMITMENTS AND CONTINGENCIES

	₹ In crores	As at 31 March, 2020	As at 31 March, 2019
(A) Commitments:			
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for		12.56	22.09
(ii) As per the E-Waste (Management) Rules, 2016, as amended, the Company has an obligation to complete the Extended Producer Responsibility targets, only if it is a participant in the market during a financial year. The obligation for a financial year is measured based on sales made in the preceding 10th year and the Company has fulfilled its obligation for the current financial year. In accordance with Appendix B of Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', the Company will have an e-waste obligation for future years, only if it participates in the market in those years.			
(B) Financial Guarantee:			
The Company has issued financial guarantees to banks on behalf of and in respect of credit facilities availed by its subsidiary and joint venture companies			
(i) Limits (Fund and Non Fund based)		1,190.91	866.47
(ii) Against which outstanding balance		376.45	564.74
(C) Contingent liabilities:			
Claims against the Company not acknowledged as debts			
(i) Sales tax / VAT matters		223.75	157.25
(ii) Service tax matters		15.66	17.99
(iii) Excise matters		18.78	18.84
(iv) Contractual matters in the course of business		36.06	35.86
(v) Guarantees for terminated contract		345.78	317.10
(vi) Income tax matters		10.04	9.97
		650.07	557.01
(D) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28 February, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.			

42. EMPLOYEE BENEFITS

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

(i) Gratuity

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

(ii) Post Retirement Medical Benefits (PRMB)

PRMB scheme is eligible for all those employees who are above management staff grade and have joined on or before 31 December, 2015. The scheme is non-funded.

(iii) Pension plans

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

42. EMPLOYEE BENEFITS (Contd.)

The Company has defined benefit Gratuity, Post retirement medical benefits, Pension plans and Trust managed Provident fund plan as given below:
 (a) The following table summarises the components of net benefit expenses recognised in statement of profit or loss, other comprehensive income, the funded status and amount recognised in the balance sheet for the respective plans as on the reporting dates:

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits		₹ in crores
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
Components of defined benefit costs recognised in profit or loss									
Re-measurement on the defined benefit plans:									
Return on plan assets									
Actuarial (gains)/losses arising from changes in financial assumptions									
Actuarial (gains)/losses arising from experience adjustments									
Components of defined benefit costs recognised in other comprehensive income									
Change in benefit obligation									
Opening defined benefit obligation									
Current service cost	57.49	34.57	29.97	37.13	40.82	7.24	7.39		
Net interest expense	4.21	3.79	6.61	5.58	-	0.25	0.25	0.24	0.24
Past Service Cost	0.05	(0.24)	1.29	1.40	-	-	-	0.58	0.58
Components of defined benefit costs recognised in pension plan assets									
Return on plan assets									
Actuarial (gains)/losses arising from changes in financial assumptions									
Actuarial (gains)/losses arising from experience adjustments									
Change in plan assets									
Opening fair value of plan assets									
Interest income									
Return on plan assets									
Contributions from the employer									
Benefits paid									
Closing fair value of plan assets	56.44	57.59	34.57	36.98	35.90	7.05	7.24		

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans are as follows:

	Gratuity funded	Gratuity unfunded	Pension	Post retirement medical benefits	₹ in crores	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Present value of funded defined benefit obligation	(44.02)	(57.59)	(36.98)	(34.57)	(35.90)	(37.13)
Fair value of plan assets	56.44	57.05	-	-	-	-
Net liability / asset arising from defined benefit obligation	12.42	(0.54)	(36.98)	(34.57)	(35.90)	(7.24)

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

Category of investments:	Gratuity funded	As at 31 March, 2019	As at 31 March, 2020
Government of India securities	39%	37%	
Corporate bonds	54%	57%	
Mutual funds	3%	3%	
Others (Interest accrued, Balances with banks)	4%	3%	
Total	100%	100%	

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

	Gratuity funded	Gratuity unfunded	Pension	Post retirement medical benefits	₹ in crores
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020
Discount rate	6.82%	7.79%	2.50%	3.80% and 3.78%	6.82% 7.79%
Attrition Rate	1.00%	1.00%	2.00%	2.00%	1.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08)				
Expected rate of salary increase / pension escalation / medical cost inflation	6.00%	8.00%	2.00%	4.00%	6.00% 8.00%

42. EMPLOYEE BENEFITS (Contd.)

(d) A quantitative sensitivity analysis for significant assumptions are as follow:

	Gratuity funded	Gratuity unfunded	Pension	Post retirement medical benefits	₹ in crores
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020
Projected benefit obligations on current assumptions	44.00 (3.07)	57.59 (4.01)	36.98 (3.97)	34.57 (3.54)	35.90 (2.90)
+1% increase in discount rate	3.50	4.58	4.76	4.20	3.37
-1% decrease in discount rate	3.47	4.54	4.73	4.15	3.34
+1% increase in salary/pension/medical cost inflation	(3.10)	(4.05)	(4.03)	(3.56)	(2.93)
-1% decrease in salary/pension/medical cost inflation	(0.01)	(0.02)	(0.20)	(0.07)	NA
+1% increase in rate of employee turnover	0.01	0.02	0.23	0.08	NA
-1% decrease in rate of employee turnover					NA

The above sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Further, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

The expected maturity analysis of undiscounted defined benefit obligation (Funded and Unfunded) is as follows:

	Gratuity funded	Gratuity unfunded	Pension	Post retirement medical benefits	₹ in crores
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020
Within 1 year	2.75	5.31	2.50	2.78	3.03
Between 1 and 2 years	1.62	1.42	0.96	0.83	3.01
Between 2 and 3 years	2.79	4.77	1.33	1.08	2.74
Between 3 and 4 years	3.06	5.94	1.23	1.82	2.98
Between 4 and 5 years	4.51	4.70	1.90	1.69	2.97
Beyond 5 years	29.26	35.45	29.06	26.37	20.91

The contribution expected to be made by the Company during the financial year 2019-20 is ₹ 6.00 crores (31 March, 2019 ₹ 7.00 crores).

42. EMPLOYEE BENEFITS (Contd.)

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

(iv) Provident Fund

Contribution to Provident Fund is made to trusts administered by the Company. In terms of guidance note issued by the Institute of Actuaries of India, the Actuary has provided a valuation of Provident fund liability based on the assumptions listed and determined that there is no shortfall as at 31 March, 2020.

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

	As at 31 March, 2020	As at 31 March, 2019
Fair value of plan assets	281.69	295.07
Present value of defined obligation	277.89	288.50
Contribution during the year (Employee and Employer Contribution)	31.23	29.34

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

	As at 31 March, 2020	As at 31 March, 2019
Guaranteed Interest rate	8.50%	8.65%
Discount Rate for the remaining term to maturity of Interest portfolio	6.82%	7.79%

Risk Analysis

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

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

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by increase in the return on the plan's debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

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

43. RELATED PARTY DISCLOSURES

(a) List of Related Parties and Relationships

Party	Relation
A Related parties where control exists Auto Aircon (India) Limited Voltas Netherlands B.V. Lalbuks Engineering Services & Trading L.L.C.* Weathermaker Limited Saudi Ensas Company for Engineering Services W.L.L. Rohini Industrial Electricals Limited Universal Comfort Products Limited Voltas Qatar W.L.L.* Voltas Oman L.L.C.* Agro Foods Punjab Limited (Under liquidation) Westerwork Engineers Limited (Under liquidation)	Subsidiary

43. RELATED PARTY DISCLOSURES (Contd.)

Party	Relation
B Other Related Parties (Where transactions have taken place during the year and previous year / balance outstanding) 1 Brihat Trading Private Limited Naba Diganta Water Management Limited Terrot GmbH 2 Universal Voltas L.L.C. Olayan Voltas Contracting Company Limited Voltas Water Solutions Private Limited Voltbek Home Appliances Private Limited	Associate Joint Venture
C. Whole -Time Directors Mr. Pradeep Bakshi - Managing Director & CEO Mr. Anil George - Deputy Managing Director and CFO (CFO w.e.f. 1 July, 2019) <u>Executive Vice President - Finance & CFO</u> Abhijit Gajendragadkar (upto 30 June, 2019) <u>Vice President - Taxation, Legal & Company Secretary</u> V. P. Malhotra	Key Management Personnel
D. Non-Executive Directors Mr. Noel N. Tata - Chairman Mr. Vinayak Deshpande Mr. Hemant Bhargava <u>Independent Directors</u> Mr. Nani Javeri (upto 31 August, 2019) Mr. R. N. Mukhija (upto 4 February, 2019) Mr. Debendranath Sarangi Mr. Bahram N. Vakil Ms. Anjali Bansal Mr. Arunkumar Adhikari Mr. Zubin Dubash (w.e.f. 9 August, 2019)	Directors
E. Voltas Limited Provident Fund Voltas Managerial Staff Provident Fund Voltas Limited Employees' Gratuity Fund Voltas Limited Managerial Staff Gratuity Fund Voltas Limited Employees' Superannuation Scheme	Employee Benefit Funds
F. Tata Sons Private Limited	Promoter
G. Automotive Stampings and Assemblies Limited C-Edge Technologies Limited Ewart Investments Limited Gurgaon Realtech Limited Infiniti Retail Limited MahaOnline Limited Mikado Realtors Private Limited TAL Manufacturing Solutions Limited TASEC Limited (formerly TAS-AGT Systems Limited) Tata Advanced Materials Limited Tata Advanced Systems Limited Tata Africa Holdings (Kenya) Limited	Subsidiaries and Joint Ventures of Promoter

43. RELATED PARTY DISCLOSURES (Contd.)

Party	Relation
Tata AIA Life Insurance Company Limited	
Tata AIG General Insurance Company Limited	
Tata Asset Management Limited	
Tata Autocomp Hendrickson Suspensions Private Limited (formerly Taco Hendrickson Suspensions Private Limited)	
Tata Autocomp Katcon Exhaust Systems Private Limited (formerly Katcon India Private Limited)	
Tata Autocomp Systems Limited	
Tata Capital Financial Services limited	
Tata Capital Housing Finance Limited	
Tata Capital Limited	
Tata Communications Limited	
Tata Communications Payment Solutions Limited	
Tata Communications Transformation Services Limited	
Tata Consultancy Services Limited	
Tata Consulting Engineers Limited	
Tata De Mocambique, Limitada	
Tata Digital Limited	
Tata Ficosa Automotive Systems Private Limited (Tata Ficosa Automotive Systems Limited)	
Tata Housing Development Company Limited	
Tata Industries Limited	
Tata International DLT Private Limited	
Tata International Limited	
Tata International Metals (UK) Limited (formerly Tata Steel International (UK) Limited)	
Tata Investment Corporation Limited	
Tata Lockheed Martin Aerostructures Limited	
Tata Petrodyne Limited	
Tata Realty and Infrastructure Limited	
Tata Sikorsky Aerospace Limited (formerly Tara Aerospace Systems Limited)	
Tata Sky Limited	
Tata Sky Broadband Private Limited (formerly Quickest Broadband Private Limited)	
Tata Teleservices (Maharashtra) Limited	
Tata Teleservices Limited	
Tata Toyo Radiator Limited	
Tata Unistore Limited (formerly Tata Industrial Services Limited)	
TCS Foundation	
THDC Management Services Limited (formerly THDC Facility Management Limited)	
TM Automotive Seating Systems Private Limited	
TRIF Real Estate And Development Limited	
TRIL Amritsar Projects Limited (formerly TRIF Amritsar Projects Limited)	
TRIL Infopark Limited	
TRIL IT4 Private Limited (formerly Albrecht Builder Private Limited)	
TRIL Urban Transport Private Limited	

* Through subsidiary companies

43. (b) Related Party Transactions

Sr. No.	Year	Transactions	Subsidiaries	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoters	Key Management Personnel	Directors	Employee Benefit Funds	Total
1	2019-20	Purchases of stock-in-trade	921.49	-	2.66	-	-	-	-	-	924.15
	2018-19	697.56	-	3.57	-	0.02	-	-	-	-	701.15
2	2019-20	Sale of Products	457.95	-	0.62	0.02	42.14	-	-	-	500.73
	2018-19	262.05	-	1.74	-	61.77	*	-	-	-	325.56
3	2019-20	Service Income - Other than Management fees	6.59	0.15	0.16	0.07	95.23	-	-	-	102.20
	2018-19	4.52	0.19	0.10	0.06	85.71	*	-	-	-	90.58
4	2019-20	Service Income - Management fees on vendor bill discounting	-	-	-	0.26	-	-	-	-	0.26
	2018-19	-	-	-	0.58	68.28	-	-	-	-	68.28
5	2019-20	Construction contract revenue (Includes billed and unbilled revenue)	-	-	-	-	-	-	-	-	0.58
	2018-19	-	-	0.06	223.87	-	-	-	-	-	223.93
6	2019-20	Sale of property, plant and equipment	-	-	0.01	-	-	-	-	-	0.01
	2018-19	-	-	-	-	-	-	-	-	-	-
7	2019-20	Interest Income	7.20	-	-	-	8.66	-	-	-	15.86
	2018-19	-	-	-	-	-	5.62	-	-	-	5.62
8	2019-20	Rental Income	0.47	-	0.28	-	11.56	-	-	-	12.31
	2018-19	0.39	-	1.22	-	10.73	-	-	-	-	12.34
9	2019-20	Dividend Income	62.55	0.18	-	-	3.79	-	-	-	66.52
	2018-19	71.07	0.36	2.33	-	3.49	-	-	-	-	77.25
10	2019-20	Deputation Charges received	4.88	-	9.14	-	-	-	-	-	14.02
	2018-19	-	-	-	-	-	-	-	-	-	-
11	2019-20	Commission Received / Receivable	14.10	0.41	-	-	-	-	-	-	14.51
	2018-19	17.47	0.79	-	-	-	-	-	-	-	18.26
12	2019-20	Bad and Doubtful Debts / Advances - Reversal (P&L)	-	-	-	-	-	-	-	-	-
	2018-19	0.61	-	0.01	-	-	-	-	-	-	0.62
13	2019-20	Remuneration Paid / Payable	-	-	-	-	11.76	2.25	-	-	14.01
	2018-19	-	-	-	-	-	12.66	1.70	-	-	14.36
14	2019-20	Sitting Fees	-	-	-	-	-	0.36	-	-	0.36
	2018-19	-	-	-	-	-	-	0.36	-	-	0.36
15	2019-20	Dividend Paid	-	-	-	-	35.25	4.76	-	-	40.01
	2018-19	-	-	35.25	4.76	-	-	-	-	-	40.01

43. (b) Related Party Transactions (Contd.)

Sr. No.	Year	Transactions	Subsidiaries	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoters	Key Management Personnel	Directors	Employee Benefit Funds	Total
16	2019-20	Tata Brand Equity	-	-	-	11.20	-	-	-	-	11.20
17	2018-19	Training Expenses Paid / Payable	-	-	-	9.92	-	-	-	-	9.92
18	2018-19	Purchase of goods / services for execution of contracts	424.34	-	11.22	-	0.46	-	-	-	436.02
19	2018-19	Impairment in value of investment	560.28	-	1.56	2.16	-	1.31	-	-	561.59
20	2019-20	Reversal of provision for impairment in value of investment	0.65	-	6.72	-	-	-	-	-	7.37
21	2018-19	Security Deposit Refunded	-	-	-	-	0.38	-	-	-	0.38
22	2019-20	Other Expenses- Received/Receivable	71.93	-	75.46	0.14	0.29	-	-	-	147.82
23	2018-19	Other Expenses- Paid/Payable	92.92	-	79.78	0.20	0.55	-	-	-	173.45
24	2018-19	Purchase of property, plant and equipment	16.48	-	3.71	0.27	15.15	-	-	-	27.52
25	2018-19	Investments in Equity shares	-	-	0.01	0.12	0.12	0.07	-	-	0.20
26	2019-20	Investments in Preference Shares	-	-	-	-	-	-	-	-	-
27	2018-19	Investments in Bonds/Debentures	-	-	-	-	-	-	-	-	2000
28	2018-19	Refund of Investments in Bonds/ Debentures	-	-	-	-	-	-	-	-	2.86
29	2018-19	Security deposit received	0.65	-	138.18	-	-	-	-	-	138.18
30	2018-19	Security deposit at the end of the year	-	-	118.09	-	-	-	-	-	118.74
31	2019-20	Security deposit at the end of the year	-	-	-	0.01	-	-	-	-	0.01
32	2018-19	Provision for Debts and Advances at year end	-	-	-	-	-	-	-	-	-
33	2019-20	Advance Outstanding at year end	40.81	-	0.08	0.14	0.12	-	-	-	41.15
34	2018-19	Outstanding Share Application Money at year end	54.28	-	0.12	0.08	0.13	-	-	-	54.61
35	2019-20	Debit Balance Outstanding at year end	7.88	0.03	21.98	-	126.92	-	-	-	156.81
36	2018-19	Credit Balance Outstanding at year end	573.83	0.24	2.30	10.04	0.98	-	-	-	205.88
37	2018-19	Guarantees Outstanding at year end	1,115.53	-	75.38	-	-	-	-	-	587.39
38	2019-20	Impairment in value of Investments at year end	67.58	1.56	21.97	-	-	-	-	-	1,190.91
39	2018-19	Contract Revenue in excess of Billing	797.21	-	69.26	-	-	-	-	-	866.47
40	2019-20	Billing in excess of Contract Revenue	-	-	-	-	-	-	-	-	91.11
41	2018-19	Contribution to Employee Benefit Funds	-	-	-	-	-	-	-	-	-

43. (b) Related Party Transactions (Contd.)

Sr. No.	Year	Transactions	Subsidiaries	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoters	Key Management Personnel	Directors	Employee Benefit Funds	Total
31	2019-20	Provision for Debts and Advances at year end	-	-	*	-	1.02	-	-	-	1.02
32	2018-19	Advance Outstanding at year end	40.81	-	0.08	0.14	0.12	-	-	-	-
33	2019-20	Outstanding Share Application Money at year end	54.28	-	0.12	0.08	0.13	-	-	-	41.15
34	2018-19	Debit Balance Outstanding at year end	7.88	0.03	21.98	-	126.92	-	-	-	156.81
35	2019-20	Credit Balance Outstanding at year end	573.83	0.24	2.30	10.04	0.98	-	-	-	587.39
36	2018-19	Guarantees Outstanding at year end	1,115.53	-	75.38	-	-	-	-	-	584.74
37	2019-20	Impairment in value of Investments at year end	67.58	1.56	21.97	-	-	-	-	-	1,190.91
38	2018-19	Contract Revenue in excess of Billing	797.21	-	69.26	-	-	-	-	-	866.47
39	2019-20	Billing in excess of Contract Revenue	-	-	-	-	-	-	-	-	91.11
40	2018-19	Contribution to Employee Benefit Funds	-	-	-	-	-	-	-	-	-

* Value below ₹ 50,000/-

44. RESEARCH AND DEVELOPMENT EXPENDITURE

	2019-20	2018-19
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centers		
(1) Revenue expenditure	4.53	5.00
UPBG, Pantnagar	1.36	1.47
EM&RBG, Thane	3.17	3.53
(2) Capital expenditure	0.25	0.06
UPBG, Pantnagar	0.07	0.04
EM&RBG, Thane	0.18	0.02
Expenditure at other R&D centers		
(1) Revenue expenditure	3.38	-
UPBG, Faridabad	2.22	-
EM&RBG, Waghodia	1.16	-
(2) Capital expenditure	11.36	-
UPBG, Faridabad	4.21	-
EM&RBG, Waghodia	7.15	-
Total R&D expenditure	19.52	5.06
(1) Revenue expenditure	7.91	5.00
UPBG	3.58	1.47
EM&RBG	4.33	3.53
(2) Capital expenditure	11.61	0.06
UPBG	4.28	0.04
EM&RBG	7.33	0.02

Business Segments :

UPBG : Unitary Cooling Products for Comfort and Commercial use.

EM&RBG : Electro - Mechanical Projects and Services.

45. FINANCIAL INSTRUMENTS

A. Financial instruments by category:

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

	As at 31 March, 2020			As at 31 March, 2019		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments *	1,413.47	346.47	384.99	2,144.93	1,256.87	568.22
Loans	-	-	1.27	1.27	-	-
Trade receivables	-	-	1,429.25	1,429.25	-	-
Other financial assets	7.18	-	217.57	224.75	-	-
Cash and cash equivalents	-	-	181.69	181.69	-	-
Other balances with banks	-	-	18.10	18.10	-	-
1,420.65	346.47	2,232.87	3,999.99	3,999.99	1,256.87	568.22
Financial liabilities						
Borrowings	-	88.40	88.40	-	-	113.64
Trade payables	-	2,735.45	2,735.45	-	-	2,373.96
Other financial liabilities	-	83.13	83.13	83.13	2.18	80.00
2,906.98	2,906.98	2,906.98	2.18	2.18	-	2,567.60
						2,569.78
						2,569.78

* Investment also includes equity investments in subsidiaries, associates and joint ventures which are carried at costs and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures". Accordingly, these investments not considered for above disclosures.

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

Abbreviations:

FVTPL - Fair Value Through Profit or Loss.

FVTOCI - Fair Value Through Other Comprehensive Income.

45. FINANCIAL INSTRUMENTS (Contd.)

B. Fair value hierarchy :

The fair value measurement hierarchy of the Company's assets and liabilities are as follows:

	₹ In crores					
	Level 1		Level 2		Level 3	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Financial assets						
At fair value through profit or loss						
- Investment	1,413.47	1,256.87	-	-	-	-
- Derivative financial assets	-	-	7.18	-	-	-
At fair value through Other Comprehensive Income						
- Investment	144.55	364.97	-	-	201.92	203.25
TOTAL	1,558.02	1,621.84	7.18	-	201.92	203.25

	₹ In crores					
	Level 1		Level 2		Level 3	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Financial liabilities						
At fair value through profit or loss						
- Derivative financial liabilities	-	-	-	-	2.18	-
TOTAL	-	-	-	-	2.18	-

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

- (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
 - (ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
 - (iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
- The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties.

The following methods and assumptions were used to estimate the fair values:

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

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

45. FINANCIAL INSTRUMENTS (Contd.)

C. Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets :

	₹ in crores
As at 1 April, 2018	189.32
Add: Fair valuation gain/(loss) recognised in OCI	13.93
Closing balance as at 31 March, 2019	203.25
Add: Fair valuation gain/(loss) recognised in OCI	(1.33)
Closing balance as at 31 March, 2020	201.92

46. AGGREGATION OF EXPENSES DISCLOSED IN CONSUMPTION OF MATERIALS, COST OF JOBS AND SERVICES AND OTHER EXPENSES IN RESPECT OF SPECIFIC ITEMS ARE AS FOLLOWS (REFER NOTE 37) :

Nature of expenses	₹ In crores		
	2019-20		
	Grouped Under		Total
(1) Rent	0.40	33.00	33.40
(2) Power and Fuel	0.66	10.06	10.72
(3) Insurance charges	5.47	7.60	13.07
(4) Travelling and Conveyance	0.99	43.10	44.09
(5) Printing and Stationery	0.26	10.27	10.53
(6) Legal and Professional charges	1.72	22.24	23.96
(7) Clearing charges	0.26	75.66	75.92
(8) Outside Service charges	79.69	86.13	165.82
(9) Repairs to Plant and Machinery	0.16	8.46	8.62
(10) Other General expenses	21.70	89.61	111.31

Nature of expenses	₹ In crores		
	2018-19		
	Grouped Under		Total
(1) Rent	0.50	42.75	43.25
(2) Power and Fuel	0.04	9.20	9.24
(3) Insurance charges	0.80	6.59	7.39
(4) Travelling and Conveyance	0.55	48.67	49.22
(5) Printing and Stationery	0.34	13.41	13.75
(6) Legal and Professional charges	0.44	31.94	32.38
(7) Clearing charges	1.02	62.97	63.99
(8) Outside Service charges	114.97	64.95	179.92
(9) Repairs to Plant and Machinery	0.16	7.09	7.25
(10) Other General expenses	7.10	74.39	81.49

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial liabilities comprise borrowings, trade and other payables. The Company's financial assets include loans, trade and other receivables, cash and cash equivalents and other bank balances. The Company also holds FVTPL and FVTOCI investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors of the Company oversee the management of these financial risks through its Risk Management Committee as per Company's existing policy.

(i) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include borrowings, investments, trade payables and other payables, trade receivables and other receivables, loans and derivative financial instruments..

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate change does not affect significantly short term borrowing, therefore the Company's exposure to the risk of changes in market interest rates relates primarily to the investment in debt mutual funds.

Given the portfolio of investments in debt mutual funds, the Company has exposure to interest rate risk with respect to returns realised. It is estimated that an increase in 25 bps change in 10 year Govt. bond yield would result in a loss of approximately ₹ 3.53 crores (31 March, 2019: ₹ 3.14 crores) whereas a decrease in 25 bps change in 10 year Govt. bond yield would result in a profit of approximately ₹ 3.53 crores (31 March, 2019: ₹ 3.14 crores). This estimate is based on key assumption with respect to seamless transition of rates across debt instruments in the market and also basis the duration of debt instruments in turn held by mutual funds that the Company has invested in.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). Foreign currency risks are managed within the approved policy parameters utilising foreign exchange forward contracts.

As at the end of the reporting period, the carrying amounts of the material foreign currency denominated monetary assets and liabilities are as follows:

Currency	Liabilities		Assets	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
United States Dollar (USD)	543.39	187.78	82.33	48.11
United Arab Emirates Dirham (AED)	294.08	360.54	401.72	390.77
Chinese Yuan (CNY)	-	222.67	1.10	-

₹ In crores

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Foreign currency sensitivity

The following tables demonstrate the sensitivity of outstanding foreign currency denominated monetary items to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of financial assets and liabilities:

₹ In crores

Particulars	Effect on Profit before tax		Effect on Equity	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
USD +5%	(6.10)	2.41	(4.57)	1.58
USD -5%	6.10	(2.41)	4.57	(1.58)
AED +5%	5.38	1.51	4.03	0.99
AED -5%	(5.38)	(1.51)	(4.03)	(0.99)
CNY +5%	0.05	(6.83)	0.04	(4.47)
CNY -5%	(0.05)	6.83	(0.04)	4.47

Details of notional value of derivative contracts entered by the Company and outstanding as at Balance Sheet date

₹ In crores

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Forward contracts - Buy (USD/₹)	338.96	319.60		
Forward contracts - Buy (CNY/₹)	-	86.03		

The fair value of the Company's derivatives position recorded under financial assets and financial liabilities are as follows:

₹ In crores

Particulars	Liabilities		Assets	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Forex Forward Cover	-	2.18	7.18	-

(c) Equity price risk

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's Board of Directors reviews and approves all equity investment decisions.

The following table summarises the sensitivity to change in the NSE index on the Company's Equity and OCI. These changes would not have an effect on profit or loss.

₹ In crores

Impact on other components of equity (OCI)	As at 31 March, 2020		As at 31 March, 2019	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
NSE Nifty 50 - increase 5%	7.23	18.25		
NSE Nifty 50 - decrease 5%	(7.23)	(18.25)		

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk for trade receivables, contract asset, cash and cash equivalents, investments, other bank balances, loans and other financial assets. The Company only deals with parties which have good credit rating/worthiness given by external rating agencies or based on Company's internal assessment.

Credit risk on trade receivables and contract assets are managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with this assessment. Moreover, given the diverse nature of the Company's businesses, trade receivables and contract assets are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10% or more of the trade receivables and contract assets in any of the years presented.

For trade receivables and contract assets, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and contract assets and is adjusted for forward-looking estimates.

For Mutual Fund Investments, counterparty risk are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for Company's mutual fund investments.

Credit risk from cash and cash equivalents and balances with banks is managed by the Company's treasury department in accordance with the Company's treasury policy.

The Credit risk on mutual fund investments, cash and cash equivalents, and other bank balances are limited as the counterparties are banks and fund houses with high-credit ratings assigned by credit rating agencies.

The carrying value of the financial assets represents the maximum credit exposure. The Company's maximum exposure to Credit risk is disclosed in Note 45 "Financial Instruments". The maximum credit exposure on financial guarantees given by the Company for various financial facilities is disclosed in Note 41 "Commitments and Contingencies".

(iii) Liquidity risk management:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that the funds are available for use as per the requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

Maturities of financial liabilities: The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Contractual maturities of financial liabilities (31 March, 2020)	Less than 1 year	More than 1 year	Total ₹ in crores
Non-derivatives			
Borrowings (*)	81.19	-	81.19
Lease liabilities	3.41	6.68	10.09
Trade payables	2,735.45	-	2,735.45
Other financial liabilities	83.13	-	83.13
Total Non-derivative liabilities	2,903.18	6.68	2,909.86
Derivatives (net settled)			
Foreign exchange forward contracts	-	-	-
Total derivative liabilities	-	-	-

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Contractual maturities of financial liabilities

(31 March, 2019)

Non-derivatives

	Less than 1 year	More than 1 year	Total
Borrowings (*)	115.67	-	115.67
Trade payables	2,373.96	-	2,373.96
Other financial liabilities	80.00	-	80.00
Total Non-derivative liabilities	2,569.63	-	2,569.63
Derivatives (net settled)			
Foreign exchange forward contracts	2.18	-	2.18
Total derivative liabilities	2.18	-	2.18

The amount included in Note 41(B) for financial guarantee contracts are the maximum amounts the Company could be forced to settle under respective arrangements for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

(*) Maturity amount of borrowings is including the interest that will be paid on these borrowings.

48. LEASES

The Company has applied Ind AS 116 "Leases" using the modified retrospective method w.e.f. 1 April, 2019. Accordingly, the lease related disclosure for comparative period is disclosed as per Ind AS 17 "Leases"

Disclosure for the year ended 31 March, 2020 as per Ind AS 116:

Company as a lessee

The Company has lease contracts for its office premises and storage locations with lease term between 1 year to 9 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company also has certain leases of office premises and storage locations with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

(a) The movement in lease liabilities during the year ended 31 March, 2020 is as follows:

	₹ In crores As at 31 March, 2020
Balance at the beginning	-
Ind AS 116 impact (Refer Note 3B)	11.31
Additions	1.35
Accretion of interest	1.09
Deletions	-
Payment of lease liabilities	4.93
Balance at the end	8.82

48. LEASES (Contd.)

(b) The following are the amounts recognised in profit or loss:

	₹ In crores Year ended 31 March, 2020
Depreciation on right-of-use assets	4.58
Interest expense on lease liabilities	1.09
Expense relating to short-term leases (Refer footnote c)	108.66
Total amount recognised in statement of profit and loss	114.33

(c) Details of carrying amount of right-of-use assets and movement during the period is disclosed under Note 5A

Footnotes:

- (a) The maturity analysis of lease liabilities are disclosed in Note 47 (iii) 'Liquidity risk management'
- (b) The effective interest rate for lease liabilities is 9%, with maturity between 2020-2027
- (c) Expense relating to short-term leases are disclosed under the head rent and clearing charges in other expenses (Refer Note 37)
- (d) The Company had total cash flows for leases of ₹ 4.93 crores on 31 March, 2020

Company as a lessor

The Company has entered into operating leases on its investment property portfolio consisting of land and office premises. These leases have lease terms between 1 year to 9 years. The Company has the option under some of its leases to lease the assets for additional periods. An amount of ₹ 38.65 crores is recognised as lease income in the statement of profit and loss account for the year ended 31 March, 2020.

Minimum lease income for non-cancelable operating lease

	₹ In crores As at 31 March, 2020
(a) Not later than one year	7.01
(b) Later than one year but not later than five years	4.77
(c) Later than five years	-

Disclosure for the year ended 31 March, 2019 as per Ind AS 17:

Company as a lessee

The Company has entered into operating lease agreements for its office premises and storage locations with lease term between 1 year to 30 years. The Company has the option under some of its leases to lease the assets for additional periods. There are no exceptional/ restrictive covenants in the lease agreements. Lease rental expenses debited to Statement of Profit and Loss is ₹ 42.75 crores.

Minimum lease payments for non-cancelable operating lease

	₹ In crores As at 31 March, 2019
(a) Not later than one year	7.45
(b) Later than one year but not later than five years	0.41
(c) Later than five years	0.02

48. LEASES (Contd.)

Company as a lessor

The Company has entered into operating leases on its investment property portfolio consisting of land and office premises. These leases have lease terms between 1 year to 9 years. The Company has the option under some of its leases to lease the assets for additional periods. An amount of ₹ 39.56 crores is recognised as lease income in the statement of profit and loss account for the year ended 31 March, 2019.

Minimum lease income for non-cancelable operating lease

	₹ In crores As at 31 March, 2019
(a) Not later than one year	5.25
(b) Later than one year but not later than five years	8.43
(c) Later than five years	-

49. REVENUE FROM CONTRACTS WITH CUSTOMERS

(A) Disaggregated revenue information

Disaggregation of the Company's revenue from contracts with customers are as follows:

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Segment - A (Unitary Cooling Products for Comfort and Commercial use)		
(a) Sale of products	4,187.37	3,170.63
(b) Sale of services	38.05	38.07
Sub-total :	4,225.42	3,208.70
Segment - B (Electro - Mechanical Projects and Services)		
(a) Sale of products	314.73	244.15
(b) Construction contract revenue	2,017.58	2,483.72
(c) Sale of services	458.86	411.76
Sub-total :	2,791.17	3,139.63
Segment - C (Engineering Products and Services)		
(a) Sale of products	222.95	218.00
(b) Sale of services	108.71	93.65
Sub-total :	331.66	311.65
Less : Inter segment revenue	24.35	1.70
Total revenue from contracts with customers	7,323.90	6,658.28

(B) Set out below is the amount of revenue recognised from:

Particulars	As at 31 March, 2020	As at 31 March, 2019
(a) Amounts included in contract liabilities at the beginning of the year	208.46	335.24
(b) Performance obligations satisfied in previous years	7.32	(1.89)

49. REVENUE FROM CONTRACTS WITH CUSTOMERS (Contd.)

(C) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	₹ In crores	
	Year ended 31 March, 2020	Year ended 31 March, 2019
Revenue as per contracted price	6,691.48	6,026.82
Adjustments		
Add: (a) Unbilled on account of work under certification	802.93	696.42
Less: (b) Billing in excess of contract revenue	(170.51)	(64.96)
Revenue from contract with customers	7,323.90	6,658.28

(D) Performance obligation

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March, 2020 is of ₹ 5,205.06 crores (31 March, 2019: ₹ 3,631.24 crores), out of which, majority is expected to be recognised as revenue within a period of one year.

50. CAPITAL MANAGEMENT

The capital structure of the Company consists of net debt and total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Company's Risk Management Committee reviews the capital structure of the Company considering the cost of capital and the risks associated with each class of capital.

51. IMPACT OF COVID-19

The spread of Covid 19 has affected the business from Mid-March 2020, which culminated into scaling down of the Company's operations, post the national lock down. The Company has taken various measures in consonance with Central and State Government advisories to contain the pandemic, which includes closing of manufacturing facilities, warehouses and adopting work from Home policy for employees across locations. The international operations of the Company were not impacted significantly considering construction activity has been considered as an essential service by the respective government authorities. Keeping the consumer's interest in mind, the Company has continued its engagement by leveraging on technology and is providing customer care solutions remotely.

Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Company does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure.

Pursuant to the relaxed guidelines, the Company has now resumed its manufacturing operations and project based activities as allowed in strict keeping with Government advisories. Supply chain and product sale activities are being resumed with warehouses becoming functional for material movement; however, most of the staff continues to operate from home. Since the situations are continuously evolving, the impact assessed may be different from the estimates made as at the date of approval of these financial statements and management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

52. EVENTS OCCURRING AFTER BALANCE SHEET:

- (i) The Directors have recommended final dividend of ₹ 132.35 crores at ₹ 4.00 per share on equity shares which is subject to the approval of shareholders at the ensuing Annual General Meeting. This dividend payable has not been recognised as a liability.
- (ii) Further, an amount of ₹ 20.00 crores is proposed to be transferred to General Reserve which is approved in the Board Meeting held subsequent to the year end and thus has not been recognised as transferred during the year.

- 53. The Board of Directors have approved amalgamation of Universal Comfort Products Limited, a wholly owned subsidiary company, with the Company with appointed date of 1 April, 2019. The proposed amalgamation is subject to the approval of the statutory and regulatory authorities.

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

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number : 38730
Place : Mumbai
Date : 29 May, 2020

For and on behalf of the Board

Pradeep Bakshi
Managing Director & CEO
Place : Delhi

Anil George
Deputy Managing Director & CFO
Place : Mumbai

V. P. Malhotra
Vice President - Taxation, Legal &
Company Secretary
Place : Mumbai

Date : 29 May, 2020

FORM NO. AOC-1 Statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]

PART "A": SUBSIDIARIES

Name of Subsidiary	Universal Comfort Products Limited (UCPL)	Rohini Industrial Electricals Limited (RIEL)	Auto Aircon (India) Limited (AAIL)	Weathermaker Limited (WML)	Saudi Ensas Company for Engineering Services & Trading W.L.L. (Saudi Ensas)	Lalbuks Engineering Services & Trading L.L.C. (LALVOL)	Oman L.L.C. (VOLLC)	Voltas Qatar W.L.L. (VQWLL)	Voltas Netherlands B.V. (VNBV)
1 Date since when subsidiary was acquired	17-06-2008	04-09-2008	06-12-2002	20-01-2006	28-01-2009	31-03-2011	27-03-2011	03-05-2016	31-12-1999
2 Reporting Period	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020
3 (i) Reporting currency	₹	₹	AED	₹	₹ 20.56	₹ 20.10	₹ 19.98	₹ 20.74	₹ 83.20
(ii) Exchange rate as on the last date of the relevant financial year	—	—	—	—	—	32.24	2.80	8.73	—
4 Capital	27,64	1,83	11,95	3,07	31.14 (11.95)	(36.96)	85.35 (27.30)	99.74	59.93
5 Reserves & Surplus (Other Equity)	268.72	27.00	—	—	47.72	19.32	134.74	182.96	330.27
6 Total Assets	546.82	296.75	—	—	—	—	—	—	62.83
7 Total Liabilities	250.46	267.92	—	—	13.51	24.03	46.60	201.53	228.63
8 Investments	—	—	—	—	—	—	—	—	0.24
9 Turnover (Revenue from Operations)	1,242.63	452.99	—	42.40	45.95	119.17	131.21	104.84	—
10 Profit / (Loss) before Taxation	105.01	11.67	(0.04)	3.07	(1.01)	16.03 (21.51)	16.03 (21.51)	4.69	10.69
11 Provision for Taxation	26.40	3.53	—	—	—	2.51	0.53	0.45	—
12 Profit / (Loss) after Taxation	78.62	8.14	(0.04)	3.07	(1.01)	13.52 (22.04)	13.52 (22.04)	4.24	10.69
13 (a) Interim Dividend	—	—	—	—	—	—	4.90	—	—
(b) Proposed Dividend	48.37	—	—	—	1.54	—	8.82	—	10.82
Total Dividend (a + b)	48.37	—	—	—	1.54	—	13.72	—	10.82
14 % of Shareholding	100%	100%	100%	100%	100%*	60%**	65%***	49%****	100%

* 8% shares held by VNBY

Notes :

1. Foreign currency figures of WML, Saudi Ensas, LALVOL, VOLLC, VQWLL and VNBY have been converted into Indian Rupees on the basis of appropriate exchange rates as on reporting period.

2. Abbreviation for foreign currencies - AED: United Arab Emirates Dirhams; SR: Saudi Riyal; RO: Omani Rial; QAR: Qatari Rial and Euro: European Union Currency.

3. As Voltas Limited controls the composition of the Board of Directors of VQWLL, it is a subsidiary of Voltas.

** 40% shares held by VNBY

*** 65% shares held by VNBY

**** 49% shares held by VNBY

Notes :

1. Foreign currency figures of WML, Saudi Ensas, LALVOL, VOLLC, VQWLL and VNBY have been converted into Indian Rupees on the basis of appropriate exchange rates as on reporting period.

2. Abbreviation for foreign currencies - AED: United Arab Emirates Dirhams; SR: Saudi Riyal; RO: Omani Rial; QAR: Qatari Rial and Euro: European Union Currency.

3. As Voltas Limited controls the composition of the Board of Directors of VQWLL, it is a subsidiary of Voltas.

PART "B": ASSOCIATES AND JOINT VENTURES
Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Subsidiary	Universal Volta L.L.C.	Olayan Volta Contracting Company Limited	Naba Diganta Water Management Limited	Voltas Water Solutions Private Limited (VWS)	Voltbek Home Appliances Private Limited	Terrot GmbH	Brihat Trading Private Limited
1 Date on which the Associate/Joint Venture was associated or acquired	26-08-1981	08-02-2012	17-03-2008	26-04-2014	18-08-2017	13-05-2014	21-08-2012
2 Latest Audited Balance Sheet Date	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-12-2019	31-03-2020
3 Shares of Associate/Joint Ventures held by the Company on the year end	—	50,000	47,97,000	28,41,500	33,51,64,900	2,60,900	3,352
(i) Number	—	20,24#	4,80	2.85	335,16	1.56	***
(ii) Amount of Investment in Associates/ Joint Ventures (₹ in crores)	—	—	—	—	—	—	—
(iii) Extent of Holding %	49%*	50%	26%	50%	49%	2007%	33.33%
4 Description of how there is significant influence	Not applicable						
5 Reason why the Associate/Joint Venture is not consolidated						Dormant Company	
6 Networth attributable to Shareholding as per latest Audited Balance Sheet (₹ in crores)	58,18	1,12	8.31	—	209.96	—	Not Material
7 Profit / (Loss) for the year	8.85	(2.35)	2.54	0.00	(71.79)	(5.95)	Not Material
(i) Considered in Consolidation (₹ in crores)	—	—	—	—	—	—	Not Material
(ii) Not considered in consolidation (₹ in crores)	—	—	—	—	—	—	Not Material

*Share Capital is held by Voltas Netherlands B.V., a wholly owned subsidiary.

** Investment made by the Company in VWS has been fully provided. Hence, loss of VWS is not considered in consolidated accounts.

*** Value below ₹ 50,000/-.

Includes ₹ 13.13 crores share application money.

For and on behalf of the Board

V.P. Malhotra
Vice President - Taxation, Legal &
Company Secretary
Place : Mumbai

Pradeep Bakshi
Managing Director & CEO
Place : Delhi
Anil George
Deputy Managing Director & CFO
Place : Mumbai

Date : 29 May, 2020

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Noel N. Tata

Managing Director & CEO

Pradeep Bakshi

Deputy Managing Director & Chief Financial Officer

Anil George

Directors

V. Deshpande

D. Sarangi

Bahram N. Vakil

Anjali Bansal

Hemant Bhargava

Arun Kumar Adhikari

Zubin Dubash

Vice President – Taxation, Legal & Company Secretary

V. P. Malhotra

AUDIT COMMITTEE

Chairman

Zubin Dubash

Members

D. Sarangi

Arun Kumar Adhikari

NOMINATION AND REMUNERATION COMMITTEE

Chairman

Bahram N. Vakil

Members

Noel N. Tata

Anjali Bansal

SHAREHOLDERS RELATIONSHIP COMMITTEE

Chairman

Noel N. Tata

Members

Bahram N. Vakil

Anil George

CORPORATE MANAGEMENT

Managing Director & CEO

Pradeep Bakshi

Deputy Managing Director & Chief Financial Officer

Anil George

Executive Vice President & Chief Human Resources Officer

Narendren Nair

Chief Executive Officer, Voltbek Home Appliances Private Limited

Jayant Balan

Vice President & Chief Strategy Officer – Corporate Planning

Dinesh Singh

SOLICITORS

Messers Mulla & Mulla & Craigie Blunt & Caroe

AUDITORS

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

BANKERS IN INDIA

State Bank of India

Bank of India

Punjab National Bank

Citibank N.A.

BNP Paribas

Kotak Mahindra Bank

ICICI Bank

Axis Bank

Export-Import Bank of India

HSBC Bank Limited

OVERSEAS

Emirates NBD Bank PJSC (UAE)

Union National Bank (UAE)

HSBC Bank Middle East Limited (UAE, Qatar, Bahrain)

First Abu Dhabi Bank (UAE)

Doha Bank (Qatar)

HSBC Bank Limited (Singapore)

REGISTERED OFFICE

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

SHARE REGISTRARS

TSR Darashaw Consultants Private Limited (Formerly TSR Darashaw Limited)
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Tel: +91-22-6656 8484
Fax: +91-22-6656 8494
Email: csg-unit@tsrdarashaw.com



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Registered Office: Voltas Ltd, Voltas House A, Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai - 400033, Phone: 022-66656333. Delhi Office: Voltas Ltd, A-43, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi: 110044, Phone: 011-66505550. Voltas Ltd. adheres to the E-Waste (Management & handling) Rules 2011 notified by the Ministry of Environment and Forests, Government of India. This product has been manufactured with high quality parts and materials which can be reused and are suitable for recycling. Do not dispose of the waste product with normal domestic and other wastes at the end of its service life. For more information on Voltas E-Waste and exchange policy please contact Voltas Toll No 9650694555. *Features are available in select models only. Terms & Conditions Apply, Average AC (excluding Centralized AC) life under E-Waste Management rules - 2016 Guidelines is 10 years, EEE Code is CCEW4. *Voltas Maha Adjustable Inverter AC (Multi Adjustable Model) can deliver cooling at all tonnage capacities, as selected by the user on the remote. hence operating power consumption. The actual performance may vary. Actual Products might differ from the one shown above. #5 year comprehensive warranty is applicable for All Star Inverter ACs and All Star Inverter ACs with applicable till 31st July, 2020. **Lifetime warranty is applicable for All Star Inverter ACs and All Star Inverter ACs with applicable till 31st July, 2020. Includes all internal parts. Gas charging & labour (except: sheet metal parts not covered). #Lifetime Warranty on inverter compressor is applicable on purchase, before 31st July, 2020 of only Voltas Adjustable Inverter AC and All Star Inverter ACs by Individual/Retail Customers. As per E-Waste Management rules - 2016 Guidelines, the average life of an AC (excluding Centralized AC) is 10 years (which defines the lifetime of the inverter compressor in the offer). Over and above the 5 Year comprehensive warranty, the additional 5 Year warranty is only on inverter compressor and does not include any other part. Gas charging & labour costs. Extended warranty applicable when all of the below conditions are met, 1) Customer registers with Voltas for the extended warranty within a week of purchase, 2) Unit is installed by Voltas Authorized Service Partner, 3) Preventive Maintenance from 2nd year till 5th year (which will be on chargeable basis) is done by Voltas Authorized service partner, For this special extended warranty the customer need to register and send a SMS 'WTa' to 9289525321 within 7 days of purchase, Call centre representative will call back to customer to take all required details and update in system, (Details required- a) Customer Name, Address, Mobile Number, E-mail ID; b) Dealer name, Invoice number, c) Model name & Serial No.) Or it can be registered at Voltas website www.myvoltas.com/support under support - Register your Product in the page by providing required details along with email id. Once registration is done, a confirmation mail will be sent to customer email id. Offer is not applicable on Cassette, Floor Standing and Multi Split. Any institutional sale is not covered. All Offers valid till stocks last and are subject to change without prior notice by Voltas at its sole discretion. Offers valid for selected models only, through Voltas authorized Channel Partners. For standard terms and conditions visit www.myvoltas.com. For product registration SMS <WTa> to 9289525321 or call 1860 599 4555 / 9650694555 or visit www.myvoltas.com. ++ The cash back offer is on market prevailing price. The cash back offer is applicable on select outlets on terms and conditions. For cardholders, the cash back offer will be credited on the debit/credit card account within 90 days of the transaction. Only Bank account 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. Customers are requested to retain charge slip for 180 days post program end. This is a limited period offer. Offer is applicable on Axis, Amex, ICICI, Kotak, BOB, RBL Bank, STC, IndusInd Bank Credit Card EMIs transactions and Axis, ICICI and Federal Bank Debit Card EMIs transactions with minimum transaction amount of Rs.20,000. Maximum Cashback to be credited is 3000*. Offer applicable once per card per month. Offer is valid till 31st July, 2020. *Easy EMI Finance offer is through select NBFCs. Finance at the sole discretion of the finance company. This finance offer is applicable till 31st July, 2020. **100% Copper is available in select models only. This is a limited period offer. **As per industry reports. Features available in select models only.



VOLTAS

A **TATA** Enterprise

REGISTERED OFFICE:

Voltas House 'A',
Dr. Babasaheb Ambedkar Road,
Chinchpokli, Mumbai - 400 033, India.
Tel. No.: +91-22-6665 6666 | Fax No.: +91-22-6665 6231
E-mail: shareservices@voltas.com
Website: www.voltas.com
CIN: L29308MH1954PLC009371

VOLTAS LIMITED

NOTICE

THE SIXTY-SIXTH ANNUAL GENERAL MEETING OF VOLTAS LIMITED will be held on Friday, 21st August, 2020 at 3.00 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Stand-alone Financial Statements for the financial year ended 31st March, 2020 together with the Reports of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements for the financial year ended 31st March, 2020 together with the Report of the Auditors thereon.
3. To declare a dividend on Equity Shares for the financial year 2019-20.
4. To appoint a Director in place of Mr. Pradeep Kumar Bakshi (DIN: 02940277), who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. Vinayak Deshpande (DIN: 00036827), who retires by rotation and is eligible for re-appointment.

SPECIAL BUSINESS

6. **Re-appointment of Mr. Pradeep Kumar Bakshi as the Managing Director and Chief Executive Officer:**

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule V of the Act (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the consent of the Company be and is hereby accorded for the re-appointment and terms and conditions, including remuneration of Mr. Pradeep Kumar Bakshi (DIN: 02940277) as the Managing Director and Chief Executive Officer of the Company for a period of five years with effect from 1st September, 2020, liable to retire by rotation, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his said tenure), with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board and Mr. Pradeep Kumar Bakshi.

RESOLVED FURTHER that the Board of Directors of the Company (the 'Board' which term includes a Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

7. Commission to Non-Executive Directors:

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provision of Section 197 and other applicable provisions, if any, of the Companies Act 2013 ('the Act'), including any statutory modifications or re-enactments thereof for the time being in force and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, consent of the Company be and is hereby accorded for payment of commission to the Non-Executive Directors, including Independent Directors of the Company (i.e. other than the Managing Director and Whole-time/Executive Director/s) to be determined by the Board of Directors for each of such Non-Executive Director for each financial year to be paid and distributed between such Directors in such a manner as the Board of Directors may from time to time determine within the overall maximum limit of 1% (one percent) or 3% (three percent) of the net profits of the Company, as the case may be, for that financial year computed in accordance with the provisions of Section 198 of the Act for financial years commencing from 1st April, 2020.

RESOLVED FURTHER that the above remuneration shall be in addition to fees payable to the Directors for attending the Meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other Meetings."

8. Ratification of Cost Auditor's Remuneration:

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, including any amendment, modification or variation thereof, the Company hereby ratifies the remuneration of ₹ 4 lakhs plus applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the audit payable to M/s. Sagar & Associates, the Cost Accountants (Firm Registration Number 000118), appointed by the Board of Directors of the Company as the Cost Auditors, on the recommendation of the Audit Committee, to conduct the audit of the cost records maintained by the Company for the financial year ending 31st March, 2021."

NOTES:

1. In view of the global outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular dated 5th May, 2020 read with General Circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of Annual General Meeting ('AGM') through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. Further, Securities and Exchange Board of India ('SEBI') vide its Circular dated 12th May, 2020 ('SEBI Circular') has also granted certain relaxations. In compliance with the provisions of the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the 66th AGM of the Company is being held through VC/OAVM on Friday, 21st August, 2020 at 3.00 p.m. (IST). The deemed venue for the 66th AGM will be Voltas House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai 400 033.
2. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF MCA CIRCULARS AND THE SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**
3. The Explanatory Statement pursuant to Section 102 of the Act, setting out the material facts concerning the business under Item Nos. 6 to 8 of the Notice are annexed hereto. The relevant details pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM are also annexed. All matters under Special Business of the AGM Notice are considered to be unavoidable by the Board of Directors of the Company and hence, forming part of this Notice.
4. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice and this mode will be available throughout the proceedings of AGM. The Members will be able to view the proceedings on the National Securities Depository Limited's (NSDL) e-voting website at www.evoting.nsdl.com. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first serve basis as per the MCA Circulars. The detailed instructions for joining the Meeting though VC/OAVM form part of the Notes to this Notice.

5. Institutional investors who are Members of the Company, are encouraged to attend the 66th AGM through VC/OAVM mode and vote electronically. Corporate Members intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act (as the case may be), to attend the 66th AGM through VC/OAVM or to vote through remote e-voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at **navnitlb@nlba.in with a copy marked to evoting@nsdl.co.in and shareservices@voltas.com**
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. In line with the MCA Circular dated 5th May, 2020 and SEBI Circular dated 12th May, 2020, the Notice of the AGM along with the Annual Report 2019-20 are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 66th AGM and Annual Report 2019-20 has been uploaded on the website of the Company at **www.voltas.com** and may also be accessed from the relevant section of the websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at **www.bseindia.com** and **www.nseindia.com**, respectively. The Notice of the AGM is also available on the website of NSDL **https://www.evoting.nsdl.com**.

8. **Book Closure and Dividend:**

- (i) The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 7th August, 2020 to Friday, 21st August, 2020, both days inclusive. The dividend of ₹4 per equity share of ₹1 each (i.e. 400%), if approved and declared by the Members at the AGM, will be paid subject to deduction of income tax at source (TDS) on or after Wednesday, 26th August, 2020, as under:

For Shares held in electronic (demat) form: To all the Beneficial Owners as at the end of the day on Thursday, 6th August, 2020 as per the list of beneficial owners to be furnished by the NSDL and Central Depository Services (India) Limited (CDSL); and

For Shares held in physical form: To all the Members after giving effect to transmission and transposition of shares in respect of valid requests lodged with the Company as of the close of business hours on Thursday, 6th August, 2020.

- (ii) Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Members with effect from 1st April, 2020 and the Company is required to deduct TDS from dividend paid to the Members as per the rates prescribed under the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with the TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ('DPs') and in case the shares are held in physical form, with the Company by sending documents through e-mail by **Friday, 6th August, 2020**. For the detailed process, please click here: 'Communication for deduction of Tax on Dividend'.

(iii) **Updation of mandate for receiving dividends directly in bank account through Electronic Clearing System or any other means in a timely manner:**

Shares held in physical form: Members are requested to send a hard copy of the following details/ documents to TSR Darashaw Consultants Private Limited, 6-10 Haji Moosa Patrawala Industrial Estate (Near Famous Cine Studio), 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011, latest by Thursday, 6th August, 2020:

- (a) a signed request letter mentioning their name, folio number, complete address and following details relating to bank account in which the dividend is to be received:
 - (i) Name and Branch of Bank and Bank Account type;
 - (ii) Bank Account Number and Type allotted by the Bank after implementation of Core Banking Solutions;
 - (iii) 11 digit IFSC Code.
- (b) Cancelled cheque in original bearing the name of the Member or first holder, in case shares are held jointly;
- (c) self-attested copy of the PAN Card; and
- (d) self-attested copy of any one of the following document (Aadhaar Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

Shares held in electronic form: Members may please note that their bank account details as furnished by them to their respective Depository Participant (DP) will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/ addition/ deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective DPs.

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend payable on shares held in electronic form.

- (iv) In respect of Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant / Bankers' cheque/ demand draft to such Members, upon normalization of postal services and resumption of office activities.

9. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Transfer Agent, TSR Darashaw Consultants Private Limited ('Registrar' or 'TSR') at **csg-unit@tsrdarashaw.com** for assistance in this regard.
10. The format of the Register of Members prescribed by the MCA under the Act requires the Company/ Registrar and Transfer Agent to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend, etc. A form for incorporating additional details in the Register of Members is attached to this Notice. Members holding shares in physical form are requested to submit the form duly filled in to the Company or to the Registrar in physical mode, after the postal services resume normalcy. Members holding shares in electronic form are requested to submit the details to their respective DPs only and not to the Company or TSR.

Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, PAN, registration of nomination, Power of Attorney registration, Bank Mandate details, etc. to TSR /their DPs. Further, Members may note that SEBI has mandated the submission of PAN by every participant in the securities market.

11. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any joint holder/ Member as soon as possible. Members are also advised to periodically obtain /request their DP for statement of their shareholding and the same be verified from time to time.
12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
13. The Members seeking any information with regard to the annual accounts or any other matter to be placed at the AGM, are requested to write to the Company on or before 18th August, 2020 through e-mail on **shareservices@voltas.com**. The same will be replied by the Company suitably.
14. **Transfer of Unclaimed/Unpaid Dividend to Investor Education Protection Fund (IEPF):**

Pursuant to Sections 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), all unclaimed / unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, have been transferred to the IEPF established by the Central Government. No claim shall be entertained against the Company for the amounts so transferred.

As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred to an IEPF Demat Account.

Accordingly, the Company had, after sending reminders to the concerned Members, transferred the shares in respect of dividends declared for 2008-09, 2009-10, 2010-11 and 2011-12 and which had remained unclaimed for seven consecutive years. Details of shares transferred to IEPF Authority are available on the website of the Company. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF.

However, Members are entitled to claim their shares and uncashed dividends so transferred by the Company from IEPF Authority by submitting an online application in the prescribed Form IEPF-5 available on the website **www.iepf.gov.in** and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2013 or any subsequent financial years are requested to approach the Company or TSR for claiming the same. It may be noted that the unpaid dividend for the financial year ended 31st March, 2013 declared on 19th August, 2013 can be claimed by the Members before 19th September, 2020. Members attention is particularly drawn to the 'Corporate Governance' section of the Annual Report in respect of unclaimed dividend.

15. The Company has uploaded the details of the unclaimed dividends in respect of the financial years from 2011-12, as on 31st March, 2019 after the 65th AGM held on 9th August, 2019 on the website of the IEPF - **www.iepf.gov.in** and on the website of the Company – **www.volotas.com**, under 'Investor Section'.
16. Members desiring inspection of statutory registers during the AGM may send their request in writing to the Company at **shareservices@volotas.com**.
17. Mr. N. L. Bhatia (FCS No: 1176) or failing him, Mr. Bharat Upadhyay (FCS No.5436) or failing him, Mr. Bhaskar Upadhyay (FCS No.8663) of M/s. N. L. Bhatia & Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
18. **Process for registering e-mail addresses to receive the Notice of AGM electronically and cast votes electronically.**
 - (a) **Registration of e-mail addresses with TSR:** The Company has made special arrangements with TSR for registration of e-mail addresses of those Members (holding shares either

in demat or physical form) who wish to receive the Notice of AGM electronically and cast votes electronically. Eligible Members whose e-mail addresses are not registered with the Company/TSR/ DPs are required to provide the same to TSR on or before 5.00 p.m. on Friday, 14th August, 2020.

The process to be followed for registration of e-mail addresses is as follows:

- (i) Visit the link: <https://green.tsrdarashaw.com/green/events/login/vo>
- (ii) Enter the DP ID and Client ID / Physical Folio Number and PAN details. In the event the PAN details are not available on record for Physical Folio, Member to enter one of the share certificate numbers.
- (iii) Enter your e-mail address and mobile number.
- (iv) The system will then confirm the e-mail address for receiving this AGM Notice.

The above system also provides a facility to the Members holding shares in physical form to upload a self-attested copy of their PAN card, if the PAN details are not updated in accordance with the requirements prescribed by SEBI.

After successful submission of the e-mail address, NSDL will e-mail a copy of this AGM Notice and Annual Report for 2019-20 along with the e-voting User ID and Password. In case of any queries, Members may write to **csg-unit@tsrdarashaw.com** or **evoting@nsdl.co.in**.

- (b) **Registration of e-mail address permanently with the TSR /DP:** Members are requested to register their e-mail address with their concerned DPs, in respect of electronic holding and with TSR, in respect of physical holding, by writing to them at **csg-unit@tsrdarashaw.com**. Further those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs/TSR to enable servicing of notices/documents/Annual Reports and other communications electronically to their e-mail address in future.
- (c) Alternatively, Members may also send an e-mail request to **evoting@nsdl.co.in** along with the following documents for procuring User ID and Password for e-voting for the Resolutions set out in this Notice of AGM:
- (i) In case shares are held in **physical form**, please provide Folio Number, Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN Card and self-attested scanned copy of Aadhaar Card.
 - (ii) In case shares are held in **demat form**, please provide DP ID – Client ID (8 digit DP ID + 8 digit Client ID), Name, Client Master or copy of Consolidated Account statement, self-attested scanned copy of PAN Card and self-attested scanned copy of Aadhaar Card.

19. Remote e-voting before/during the AGM:

- (a) Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, as amended and also the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-voting system as well as remote e-voting during AGM will be provided by NSDL.
 - (b) Members of the Company holding shares either in physical form or in demat form as on the cut-off date of **Friday, 14th August, 2020** may cast their vote by remote e-voting. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting before the AGM as well as remote e-voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date, i.e. Friday, 14th August, 2020, may obtain the User ID and Password by sending a request at **evoting@nsdl.co.in**.
 - (c) The remote e-voting period commences on Tuesday, 18th August, 2020 (9.00 a.m.) (IST) and ends on Thursday, 20th August, 2020 (5.00 p.m.) (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. Friday, 14th August, 2020.
 - (d) Members will be provided with the facility for voting through electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-voting, will be eligible to exercise their right to vote at the end of discussion on the Resolutions on which voting is to be held, upon announcement by the Chairman. Members who have cast their vote on Resolution(s) by remote e-voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such Resolution(s) again.
 - (e) The remote e-voting module on the date of the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.
20. The Scrutinizer will submit his report to the Chairman or to any other person authorised by the Board after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The results declared along with the Scrutinizer's Report shall be communicated to the Stock Exchanges on which the Company's shares are listed, NSDL, TSR and will also be displayed on the Company's website **www.voltas.com**.

21. Instructions for attending the AGM through VC/OAVM and remote e-voting (before and during the AGM) are given below:

A. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM

- (i) The Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system and they may access the same at **<https://www.evoting.nsdl.com>** under the Shareholders/Members login by using the remote e-voting credentials, where the EVEN of the Company will be displayed. On clicking this link, the Members will be able to attend and participate in the proceedings of the AGM. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID/Password may retrieve the same by following the remote e-voting instructions mentioned below. Further, Members may also use the OTP-based login for logging into the e-voting system of NSDL.
- (ii) Members may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to ensure that there is no disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobiles or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
- (iii) Members are requested to submit their questions, if any, in advance with regard to the financial statements or any other matters to be placed at the 66th AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number, at the Company's e-mail address at **shareservices@voltas.com** before 3.00 p.m. (IST) on Tuesday, 18th August, 2020. Such questions by the Members shall be suitably replied by the Company.
- (iv) Members who would like to express their views/ask questions as a Speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/ folio number, PAN and mobile number to **shareservices@voltas.com** between Monday, 17th August, 2020 (9.00 a.m. IST) and Wednesday, 19th August, 2020 (5.00 p.m. IST). Only those Members who have pre-registered themselves as a Speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of Speakers depending on the availability of time for the AGM and other situational factors.
- (v) Members who need technical assistance before or during the AGM to access and participate in the Meeting may contact NSDL on **evoting@nsdl.co.in** or call on toll free No. 1800-222-990 or contact Mr. Amit Vishal, Senior Manager - NSDL at **amitv@nsdl.co.in** or call on +91 22 24994360.

B. INSTRUCTIONS FOR REMOTE E-VOTING BEFORE / DURING THE AGM:

The instructions for remote e-voting before the AGM are as under:

The way to vote electronically on NSDL e-voting system consist of ‘Two Steps’ which are mentioned below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under “Shareholder/Member” section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your User ID details are given below:

- In case Members are holding shares in demat account with NSDL, User ID is the combination of 8 character DP ID followed by 8 digit Client ID.

Example: If your DP is IN300*** and Client ID is 12***** then your User ID is IN300***12*****.

- In case Members are holding shares in demat account with CDSL, User ID is combination of 16 digit Beneficiary ID.

Example: If your Beneficiary ID is 12***** then your User ID is 12*****.

- In case Members are holding shares in physical mode, User ID is the combination of EVEN + Folio No.

Example: If Folio is V***** and EVEN is 113083 then User ID is 113083V*****.

5. Your password details are given below:
 - (a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
 - (b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will request you to change your password.
 - (c) How to retrieve your 'initial password'?

If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL in your mailbox from evoting@nsdl.com. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
 - (a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - (b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - (d) Members can also use the one-time password (OTP) based login for casting the votes on the e-voting system of NSDL.
7. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-voting will open.

Step-2: Cast your vote electronically on NSDL e-voting system.

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company, which is **113083**.
4. Now you are ready for e-voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the Resolution, you will not be allowed to modify your vote.

The instructions for e-voting during the AGM are as under:

- (i) The procedure for remote e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the Meeting is being held through VC/OAVM.
- (ii) Only those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

General Guidelines for Members

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://www.evoting.nsdl.com> to reset the password.

2. In case of any queries/grievances pertaining to remote e-voting (before the AGM and during the AGM), you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free number.: 1800-222-990 or send a request at evoting@nsdl.co.in or contact Mr. Amit Vishal or Ms. Pallavi Mhatre or Mr. Pratik Bhatt from NSDL at the designated e-mail IDs: **evoting@nsdl.co.in** or **amitv@nsdl.co.in** or **pallavid@nsdl.co.in** or **pratikb@nsdl.co.in** or at telephone numbers: +91 22 24994360 / 4545 / 4738.

By Order of the Board of Directors

V.P. Malhotra

Vice President – Taxation, Legal
& Company Secretary
ACS No. 7634

Mumbai, 29th May, 2020

Registered Office:

Voltas House 'A',
Dr. Babasaheb Ambedkar Road,
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Tel: 91 22 66656666
Fax: 91 22 66656231
CIN: L29308MH1954PLC009371
e-mail: shareservices@voltas.com
website: www.voltas.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 6 to 8 of the accompanying Notice dated 29th May, 2020.

2. Item No. 6:

At the Sixty-Fourth Annual General Meeting (AGM) of the Company held on 27th August, 2018, the Members had approved the appointment and terms of remuneration of Mr. Pradeep Kumar Bakshi (DIN: 02940277) as the Executive Director of the Company for a period of 3 years with effect from 1st September, 2017 and subsequently, as the Managing Director and Chief Executive Officer (MD & CEO) of the Company with effect from 10th February, 2018 for the remainder period, up to 31st August, 2020. At the last AGM held on 9th August, 2019, the Members had also approved the revision in the existing terms of remuneration of Mr. Pradeep Kumar Bakshi.

Mr. Pradeep Kumar Bakshi is a Science graduate from Delhi University and holds Post Graduate Diploma in Marketing Management. During his career spanning over 3 decades, Mr. Pradeep Kumar Bakshi has worked with various reputed Multinational and Indian companies in the Consumer Appliances domain before joining Voltas in November 2001. Mr. Pradeep Kumar Bakshi grew to the position of President & Chief Operating Officer - Unitary Products Business Group (UPBG) of the Company in August 2013 and took additional responsibility of Mining & Construction Equipment business with effect from 1st April, 2014. He had strategized various initiatives to drive high levels of Revenue and Profitability at UPBG by adopting a lean and flexible business model, meticulous market mapping and pioneering the concept of energy efficient ACs in India. Taking into consideration his wide knowledge and experience, Mr. Bakshi was appointed as an Executive Director for a period of three years with effect from 1st September, 2017 and as the MD & CEO with effect from 10th February, 2018 for the remainder period upto 31st August, 2020. Mr. Bakshi is also on the Board of Universal Comfort Products Limited, a wholly-owned subsidiary and Voltbek Home Appliances Private Limited, a joint venture company for Consumer Durables. Under his leadership, the Company has progressed well, both in terms of turnover and profitability, especially the Products businesses.

In view of his wide knowledge and experience of business operations, especially of UPBG, and taking into consideration his performance and contribution to the Company, the Board of Directors have at its Meeting held on 29th May, 2020 based on the recommendation of the Nomination and Remuneration Committee (NRC), re-appointed him as the MD & CEO of the Company for a further period of five years with effect from 1st September, 2020, subject to approval of the Members at the AGM.

Brief information of Mr. Pradeep Kumar Bakshi is given in the Annexure to this Notice.

The main terms and conditions of re-appointment of Mr. Pradeep Kumar Bakshi (hereinafter referred to as MD & CEO) are as follows:

1. Tenure of Appointment:

For a period of five years with effect from 1st September, 2020.

2. Nature of Duties:

The MD & CEO shall devote his whole time and attention to the business of the Company and shall perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and direction of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associate companies and/or subsidiaries, including performing duties as assigned to the MD & CEO from time to time by serving on the Boards of such associate companies and/or subsidiaries or any other executive body or any committee of such a company.

3. Remuneration:

- (a) Basic Salary: In the range between ₹7,00,000 per month and up to ₹12,00,000 per month.

The annual increments which will be effective 1st April each year, will be decided by the Board based on the recommendations of the NRC and the Audit Committee, if required, and will be performance-based and take into account the Company's performance as well.

- (b) Benefits, Perquisites, and Allowances:

Details of Benefits, Perquisites and Allowances are as follows:

- (i) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g., gas, electricity, and water charges) for the said accommodation OR house rent, house maintenance and utility allowances aggregating 85% of Basic Salary per annum (in case residential accommodation is not provided by the Company).

- (ii) Hospitalisation, Transport, Telecommunication and other facilities, as per the Rules of the Company:
 - (a) Hospitalisation and medical expenses for self, spouse and dependent children.
 - (b) Cars, with drivers provided, maintained by the Company for official and personal use or allowances in lieu thereof.
 - (c) Telecommunication facilities including broadband, internet and fax.
 - (d) Housing loan facility.
 - (e) Personal accident insurance.
- (iii) Other perquisites and allowances as may be recommended by the NRC and approved by the Board of Directors, subject to overall limit not exceeding ₹3.00 crores per annum.
- (iv) Contribution to Provident Fund, Superannuation Fund or Annuity Fund or National Pension Fund and Gratuity Fund as per the Rules of the Company.
- (v) Leave and encashment of unavailed leave as per the Rules of the Company.

(c) Commission:

In addition to Salary, Benefits, Perquisites and Allowances, the MD & CEO would be paid such remuneration by way of Commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company based on the recommendation of NRC, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD & CEO will be based on his performance as evaluated by the Board or the NRC and approved by the Board and will be payable annually, after the Annual Accounts have been approved by the Board.

(d) Incentive Remuneration:

Incentive Remuneration could be paid annually, upto an amount not exceeding 200% of basic salary at the discretion of the Board, based on certain performance criteria and such other parameters as may be considered appropriate from time to time.

The Board on the recommendation of the NRC, will take appropriate decision on payment of incentive remuneration or commission, after taking into consideration the performance of the Company on certain defined qualitative and quantitative parameters (as decided by the Board from time to time); industry benchmarks of remuneration and performance of Mr. Pradeep Kumar Bakshi.

4. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of MD & CEO, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, incentive remuneration, benefits, perquisites and allowances subject to such further approvals as may be required under the Act, as amended from time to time.

5. Insurance:

The Company will take an appropriate Directors' and Officers' Liability Insurance Policy and pay premium for the same. The Company shall maintain such insurance cover for his entire term, subject to the terms and conditions of such policy in force from time to time.

6. Personnel Policies:

All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company, shall also be applicable to the MD & CEO, unless specifically provided otherwise.

7. Other terms of Appointment:

- (i) The MD & CEO shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
- (ii) The terms and conditions of the re-appointment of the MD & CEO may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the MD & CEO, subject to such approvals as may be required.
- (iii) The appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration, which shall be limited to provisions of salary, benefits, perquisites, allowances and any pro-rated incentive remuneration (paid at the discretion of the Board) in lieu of such notice.
- (iv) The employment of the MD & CEO may be terminated by the Company without notice or payment in lieu of notice:
 - (a) if the MD & CEO is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required to render services; or
 - (b) in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the MD & CEO of any of the stipulations contained in the Agreement between the Company and the MD & CEO.
 - (c) in the event the Board expresses its loss of confidence in the MD & CEO.

- (v) In the event the MD & CEO is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.
- (vi) Upon the termination by whatever means of the MD & CEO's employment:
 - (a) the MD & CEO shall immediately cease to hold offices held by him in any holding company, subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and unless the Board of Directors of the Company decide otherwise, shall resign as trustee of any trusts connected with the Company;
 - (b) the MD & CEO shall not without the consent of the Company, at any time thereafter represent himself as connected with the Company or any of the subsidiaries or associate companies.
- (vii) Mr. Pradeep Kumar Bakshi is re-appointed as a Director by virtue of his employment in the Company and his appointment is subject to the provisions of Section 167(1)(h) of the Act. Mr. Pradeep Kumar Bakshi is liable to retire by rotation.
- (viii) The terms and conditions of re-appointment of the MD & CEO also include clauses pertaining to adherence with the Tata Code of Conduct, Intellectual Property, non-competition / conflict of interest with the Company, non-solicitation and maintenance of confidentiality.
- (ix) The MD & CEO covenants with the Company that he will not during the continuance of his employment with the Company accept any other directorships in any company or body corporate, without the prior written consent of the Board.
- (x) If and when the Agreement expires or is terminated for any reason whatsoever, Mr. Pradeep Kumar Bakshi will cease to be the MD & CEO and also cease to be a Director of the Company. If at any time, Mr. Pradeep Kumar Bakshi ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the MD & CEO and the Agreement shall forthwith terminate. If at any time, Mr. Pradeep Kumar Bakshi ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and MD & CEO of the Company. However, the Board may at its discretion decide that Mr. Pradeep Kumar Bakshi may continue as a Director of the Company.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of re-appointment and remuneration of Mr. Pradeep Kumar Bakshi as specified above are now being placed before the Members for their approval.

The Board commends the Ordinary Resolutions at Item No. 6 of the Notice for approval by the Members.

Except Mr. Pradeep Kumar Bakshi and his relatives, none of the other Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, in the Resolution set out at Item No. 6 of the Notice.

3. **Item No. 7:**

The Members had, at the Sixty-First AGM of the Company held on 3rd August, 2015, approved payment of commission to the Directors (other than the Managing Director and Executive Director/s) of an amount not exceeding one per cent per annum of the net profits of the Company for each year, for a period of five financial years commencing from 1st April, 2015.

Taking into consideration the increased role of Directors in the emerging competitive environment and the added responsibilities, higher level of oversight and the valuable contributions made by the Non-Executive Directors, it is proposed to continue with the payment of commission to the Non-Executive Directors of the Company. Accordingly, in terms of Section 197 of the Act, it is proposed that the Directors (apart from the Managing Director and Executive Director/s) be paid for each financial year commencing 1st April, 2020, a commission not exceeding one per cent or three per cent of the net profits of the Company, as the case may be, computed in accordance with the Act. Such remuneration will be distributed amongst all or some of the Directors at the discretion of the Board on the recommendation of NRC, in such proportion and manner as the Board may from time to time determine, taking into consideration parameters such as attendance at Board and Committee Meetings, contribution at or other than at Meetings, etc. in accordance with the directions given by the Board as prescribed under the Remuneration Policy of the Company.

The above commission shall be in addition to sitting fees payable to the Director(s) for attending meetings of the Board/Committees or for any other purpose whatsoever as may be decided by the Board.

As per the Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all fees/compensation, payable to Non-Executive Directors shall be fixed by the Board of Directors and shall require approval of Members in General Meeting. However, no approval of Members is required if payment of Sitting fees to Non-Executive Directors is made within the limits prescribed under the Act. The Sitting fees paid to the Non-Executive Directors including Independent Directors of the Company are well within the limits prescribed under the Act.

Since the earlier Resolution passed by Members was valid upto financial year 2019-20, approval is sought from Members for paying commission to Non-Executive Directors as mentioned above.

The Board commends the Ordinary Resolution set out at Item No.7 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Non-Executive Directors of the Company to the extent of remuneration that may be received by such Directors, is concerned or interested in the Resolution mentioned at Item No.7 of the Notice.

4. Item No. 8:

The Company is required under Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, to have the audit of its cost records for products covered under the aforesaid Rules conducted by a Cost Accountant in practice. The Board of Directors of the Company had based on the recommendation of the Audit Committee approved the re-appointment and remuneration of M/s. Sagar & Associates, Cost Accountants (Firm Registration Number 000118) as the Cost Auditors to examine and conduct audit of cost records of the Company for the year ending 31st March, 2021, at a remuneration of ₹ 4 lakhs plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the audit. M/s. Sagar & Associates have furnished a certificate regarding their eligibility for appointment as Cost Auditor of the Company and confirmed that they are not disqualified under the provisions of Section 148(5) read with Sections 139 and 141(3) of the Act and their appointment would be within the limits prescribed under Section 141(3)(g) of the Act.

In accordance with the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is being sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the year ending 31st March, 2021.

The Board commends the Resolution at Item No. 8 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution at Item No. 8 of the Notice.

By Order of the Board of Directors

V. P. Malhotra

Vice President – Taxation, Legal

& Company Secretary

ACS No. 7634

Mumbai, 29th May, 2020

Registered Office:

Voltas House 'A',
Dr. Babasaheb Ambedkar Road,
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Tel: 91 22 66656666

Fax: 91 22 66656231

CIN: L29308MH1954PLC009371

e-mail: shareservices@voltas.com

website: www.voltas.com

Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting

[Pursuant to Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and Secretarial Standard - 2 on General Meetings]

Name of Director	Mr. Pradeep Kumar Bakshi	Mr. Vinayak Deshpande
Director Identification Number (DIN)	02940277	00036827
Date of Birth	1-4-1962	21-7-1957
Age	58 years	62 years
Date of first Appointment on the Board	1-9-2017	14-2-2012
Qualifications	B.Sc., PGDMM	B. Tech (Chemical Engineering), IIT, Kharagpur
Expertise in specific functional areas	Marketing and Business Management	Project Management, Strategy and Business Development
Directorship of other Boards as on 31st March, 2020	<ul style="list-style-type: none"> • Universal Comfort Products Limited • Voltbek Home Appliances Private Limited 	<ul style="list-style-type: none"> • Tata Projects Limited • Artson Engineering Limited • Kennametal India Limited • Signify Innovations India Limited • TRF Limited • Pune IT City Metro Rail Limited
Membership / Chairmanship of Committees of other Boards as on 31st March, 2020	<ul style="list-style-type: none"> • Universal Comfort Products Limited Nomination & Remuneration Committee – Chairman Corporate Social Responsibility Committee – Member 	<ul style="list-style-type: none"> • Kennametal India Limited Nomination & Remuneration Committee - Chairman Audit Committee - Member Risk Management Committee - Member • Signify Innovations India Limited Stakeholders Relationship Committee – Chairman Audit Committee – Member Nomination & Remuneration Committee – Member • Artson Engineering Limited Nomination & Remuneration Committee – Member Corporate Social Responsibility Committee – Member • Tata Projects Limited Corporate Social Responsibility Committee – Member • TRF Limited Stakeholders Relationship Committee – Member
Number of Meetings of Board attended during 2019-20	9	7
Relationship with other Directors/KMPs	None	None
Terms and conditions of appointment	Refer Item Nos. 4 & 6 of the Notice	Non-Executive Director. Refer Item No. 5 of the Notice
Details of remuneration last drawn (2019-20)	Refer Directors' Report / Corporate Governance Report for the year 2019-20	Refer Directors' Report / Corporate Governance Report for the year 2019-20
No. of Shares held:		
(a) Own	Nil	Nil
(b) For other persons on a beneficial basis	Nil	Nil

To,

TSR Darashaw Consultants Private Limited

Unit: Voltas Limited

6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Near Famous Studio,
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 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 till I/We hold the shares under the above mentioned Folio No.

Signature of Sole/ First holder

Place:

Date:

Note: Members holding shares in demat are requested to submit the Updation Form to their respective Depository Participant.