VOLTAS
A TATA Enterprise

READY FOR
TODAY'S GROWTH.
PREPARED FOR
TOMORROW'S POTENTIAL.

ANNUAL REPORT
2020-21

REPORTING APPROACH

As a principal document, this Report captures an understanding of business verticals and practices and provides insight across economic, social and environmental areas. Aligned with our business strategy, it describes the material issues that influence our ability to create sustainable value.

SCOPE AND BOUNDARY

This Report uses a holistic approach and furnishes information for the year ended 31 March, 2021. Information on all business segments, that we operate in for creating value in short, medium and long term, is adequately summarised.

FRAMEWORKS

While compiling this Report, we followed the principles of Integrated Reporting <IR> as laid out by the International Integrated Reporting Council (IIRC) that aims to address the needs of our various stakeholders. The Company fully complies with the NSE and BSE listings and SEBI guidelines. The statutory reports, including the Directors' 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.

LEADERSHIP ACCOUNTABILITY

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.

Investor Information

Market Capitalisation as at 31 March, 2021	₹ ~ 33,000 crores
CIN	L29308MH1954PLC009371
BSE Code	500575
NSE Symbol	VOLTAS
Bloomberg Code	VOLT:Natl
Dividend Proposed	500% or ₹ 5 per share
AGM Date	27 August, 2021

An electronic version of this Report is available online at:
https://voltas.com/inv_finance

Scan this QR code to navigate investor related information

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.

ACROSS THE PAGES

CORPORATE REVIEW: 02-71

STATUTORY REPORTS: 72-157

FINANCIAL STATEMENTS: 158-324

ABOUT VOLTAS

A Premier Air Conditioning, Engineering Solutions and a Projects Specialist Company

Voltas ('Voltas' or 'The Company' or 'We') is a part of the Indian multinational conglomerate, the TATA Group. The Company, with its 'Make in India' philosophy, has steadily moved forward in the fields of Air Conditioning and Cooling Products (Unitary Products), Engineering Projects and Engineering Products & Services. Carving a niche for itself, Voltas is also present in the Home Appliance segment through its 50:50 Joint Venture with Arçelik (VoltBek).

We have a long-standing commitment to serve our customers through an array of products and solutions. All our efforts are focussed towards reimagining cooling, convenience and comfort to develop products and services that add value to the future. To this end, customer-centricity becomes our driving force, pushing us towards building an efficient tomorrow.

TOTAL INCOME
₹ **7,745** crores

PROFIT BEFORE TAX
₹ **709** crores

PROFIT AFTER TAX
₹ **529** crores

EXPLORING A WORLD FULL OF OPPORTUNITIES TO ADD CONVENIENCE AND COMFORT

Today, the business landscape is fast evolving, and while the opportunities are immense, it demands a higher sense of agility. At Voltas, we progress towards a sustainable tomorrow, constantly converting challenges into opportunities.

The global crisis of COVID-19 brought along multitude of constraints. However, we managed to wade through such challenging times by learning and adapting to meet the need of the hour. We are prioritising innovation today knowing it is the key to unlocking growth for tomorrow.

In line with this belief, we shifted our focus on to redefining our offerings by concentrating on customer needs and comfort to bring about a transformational change. Thus, adapting and harnessing the potential that the industry has to offer.

Leveraging the power of automation coupled with convenience, we are weaving our larger vision of sustainable development into our long-term goals. We are confidently stepping forward and swiftly adapting to the significant changes shaping our industry. As we prepare to offer innovative and superior products and solutions, our emphasis is on providing convenience and comfort in the most sustainable way. Every decision and every action at Voltas is driven by this ethos. And as we inch forward with rigour,

we are ready for ***today's growth,***

while being prepared for ***tomorrow's potential.***

INNOVATIONS FOR CUSTOMERS AND THEIR EVOLVING NEEDS

At Voltas, innovation is one of the key pillars of our long-term value creation journey. It is an ongoing process of discovering new ideas every day as we prepare for the challenges posed by the 'New Normal'. Futuristic innovations drive our endeavours to cater to the needs of tomorrow. This approach helps us move closer to our goal of adding convenience and comfort through our products and services.

At Home

Efficient and technologically advanced consumer durables

At Offices

Multiple solutions designed for prioritising health and safety at workplace

Mom & Pop/Kirana Stores

Commercial refrigerators designed to keep food fresh and increasing shelf life

At Textile Parks

A range of customised and uniquely crafted solutions, ensuring cost-efficient manufacturing and operational processes

At Mining & Construction Sites

Smart and sustainable product support offerings for the industry

Infrastructure

Innovative solutions for international and domestic infrastructural projects including MEP, Rural Electrification, and Water Treatment among others

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 – Our Guiding Force

We are guided by the Tata Values that direct our strategies, conduct and actions. We are conscious of the fact that a healthy business thrives under sustainable practices. Our Values and Mission integrate our purpose to foster a well-functioning society and a healthy environment.

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 insights to develop innovative solutions.

CULTURAL PILLARS

swift

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

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

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

FROM THE MD'S DESK

Image credit : Forbes India

GOING FORWARD, WE ARE POSITIVE ABOUT EASING AND IMPROVING OF CONSUMER SENTIMENTS. WITH CHANGING LIFESTYLES POST COVID-19 AND RISING DEMAND FOR CONSUMER DURABLES AND APPLIANCES, WE ARE OPTIMISTIC ABOUT OUR GROWTH STORY.

Dear Shareholders,

It gives me great pleasure to present to you this year's Integrated Report – a document that distinctly exhibits our purpose, potential and the context we operate within. It perfectly encapsulates our comprehensive strategy of value creation and strategic decisions that have helped us thrive as a market leader.

2020-21 – a year that could easily be termed as one-of-its-kind – threw several challenges and brought about tremendous changes for all of us. It was a year dominated by crises and defined by heroic responses. Underpinned by our strong resolve, we, at Voltas, took cautious but confident steps in the right direction to benefit from the current changing and emerging trends.

With the customer at the centre of our universe and all our business operations, we continued to focus on providing value to all our stakeholders at large. In addition, being celebrated for our determination and resilience, we were prompt in adopting the 'New Normal' and pushing the boundaries through this pandemic. It is my pleasure to share with you our performance in 2020-21.

Fortunate to be a Consumer Durables Company with a robust portfolio to deliver in a COVID-19 world and beyond, Voltas made substantial progress despite these unusual circumstances. While there was a 1.8% decline in the Consolidated Total Income for the fiscal year, Profit after Tax was higher by 1.5% at ₹ 528.79 crores. The Balance Sheet as of 31 March, 2021, remained healthy with strong reserves, adequate cash and minimal borrowings. These results keep me optimistic about the coming months. I'm confident that brand Voltas will bounce back, playing an integral role in shaping India as the world's manufacturing hub.

There were a number of things that worked in our favour. One of these being Voltas' need to always have a well-thought contingency plan to bolster against unprecedented challenges. This credo is clearly reflected in the way we cushioned ourselves last year. With the perspective of self-reliance in mind, we focused on **design and thinking-led product development, consumer centricity and digitalisation.** We prioritised our business continuity plan based on these pillars. We worked in synergy to deliver our core brand promise of convenience and comfort to our customers in India and across the world. Keeping all this in mind, we continued to plan for the future, as always. Voltasites across the world have a common goal to be swift and agile in imbibing capabilities to move forward across businesses and industries.

Going forward, we are positive about easing and improving of consumer sentiments. With changing lifestyles post COVID-19, rising demand for consumer durables and appliances, we are optimistic about continuing our growth journey. Our focus on building the orderbook, following a cautious and risk mitigated approach, will support the Project business. The decision to restructure the businesses will start reaping benefits in near term across all verticals. We are optimistic that the overall industry in financial year 2021-22 will be touching the pre-COVID-19 levels.

I take this opportunity to thank our Board for their invaluable inputs and support. I look forward to their continued support and guidance for many years to come. Most importantly, I would like to thank our employees for their contribution, hard work, dedication, and drive which ensured that we remained competitive in the market during such unprecedented times.

I am certain that our ability to think proactively and comprehend the emerging future trends will propel us to move onto our next course of growth to meet the potential that tomorrow has to offer.

Regards,

Pradeep Bakshi

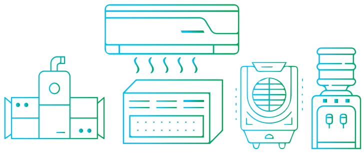
Managing Director & CEO

Voltas Limited

BUSINESS VERTICALS

A balanced mix of products and solutions

UNITARY PRODUCTS



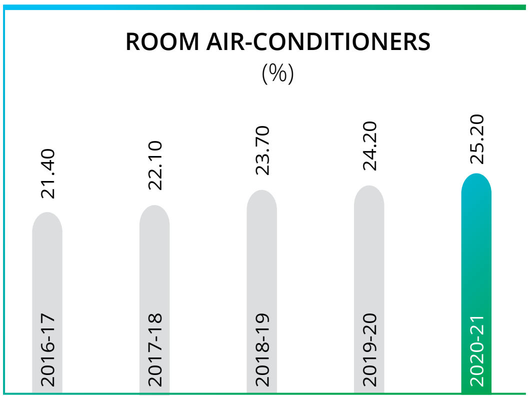
Our Expertise

- Over six decades of experience
- Undisputed market leader in Room ACs
- One of the leading players in Air Coolers, Commercial Refrigeration and Commercial AC segments

Our Offerings

- Air Conditioners (ACs)
- Air Coolers
- Freezers
- Visi Coolers
- Water Dispensers
- Variable Refrigerant Flow (VRF)
- Cassette ACs
- Chillers
- Tower ACs
- Customer Care

MARKET SHARE (YTD, MARCH)



TOUCH POINTS

22,000+

SKUs

574+

What kept us busy last year

Launched a series of products designed keeping Indian consumer trends in mind. We designed and introduced a range of UVC-based ACs to proactively respond to the rising needs of health and safety. We continued expanding our presence across product categories, including the launch of the well-accepted five stage Maha-Adjustable Inverter AC. *See more on page 80...*

ENGINEERING PROJECTS

Our Expertise

- Well-established market position in the Projects business across geographies
- Strong track record of offering solutions to complex problems

Our Offerings

Domestic Projects Business (DPG)

- Mechanical, Electrical and Plumbing (MEP)
- Rural Electrification
- Water Treatment
- Operations and Maintenance

International Operations Business Group (IOBG)

- MEP
- Heating, Ventilation and Air Conditioning (HVAC)
- Water Management

What kept us busy last year

We continued to contribute towards nation building during the pandemic. Forming a part of the essential services, our teams across HVAC, Electrical, Water and Waste water Treatment solutions continued making the impact even during COVID-19 lockdowns. We also successfully worked on marquee projects in the Solar EPC, Healthcare, Building and Defence sectors.

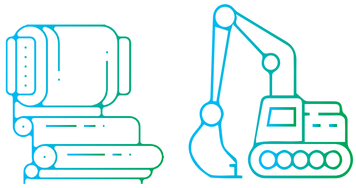
See more on page 84...

ORDERBOOK

₹ 6,635 crores

DPG - AIIMS, Nagpur

ENGINEERING PRODUCTS AND SERVICES



Our Expertise

- Well-established relations with leading global Textile and Mining OEMs
- Delivering exceptional customer services
- Unparalleled and uninterrupted service support during the pandemic

Our Offerings

Textile Machinery Division

- Capital Equipment
- Machinery
- Accessories
- Allied Machinery
- Services for Both Spinning and Post Spinning

Mining & Construction Equipment (M&CE)

- Operations and Maintenance
- Capital Equipment

What kept us busy last year

The Textile Machinery team at Voltas consciously directed all its efforts towards after-sales services in both Spinning and Post Spinning verticals. The team also expanded its product lines to include special services while receiving orders. On the other hand, the M&CE team successfully negotiated and extended equipment under annual maintenance contracts despite lockdown related constraints.

See more on page 87 and 88

MARKET SHARE OF SPINNING MACHINERY

60%

AVERAGE YEARS OF ASSOCIATION WITH MAJOR TEXTILE PRINCIPALS

10+

M&CE - Powerscreen Machine

VOLTBEK

Our Expertise

- Strong domestic presence in Consumer business
- Solution-centric approach to meet customer needs
- Cutting-edge technology at affordable prices

Our Offerings

- Refrigerators
- Washing Machines
- Microwaves
- Dishwashers

SKUs
283

SKUS LAUNCHED IN 2020-21
89

CONSUMER TOUCHPOINTS
6,000

BILLING POINTS
1,000+

SKUs OF REFRIGERATOR
144

What kept us busy last year

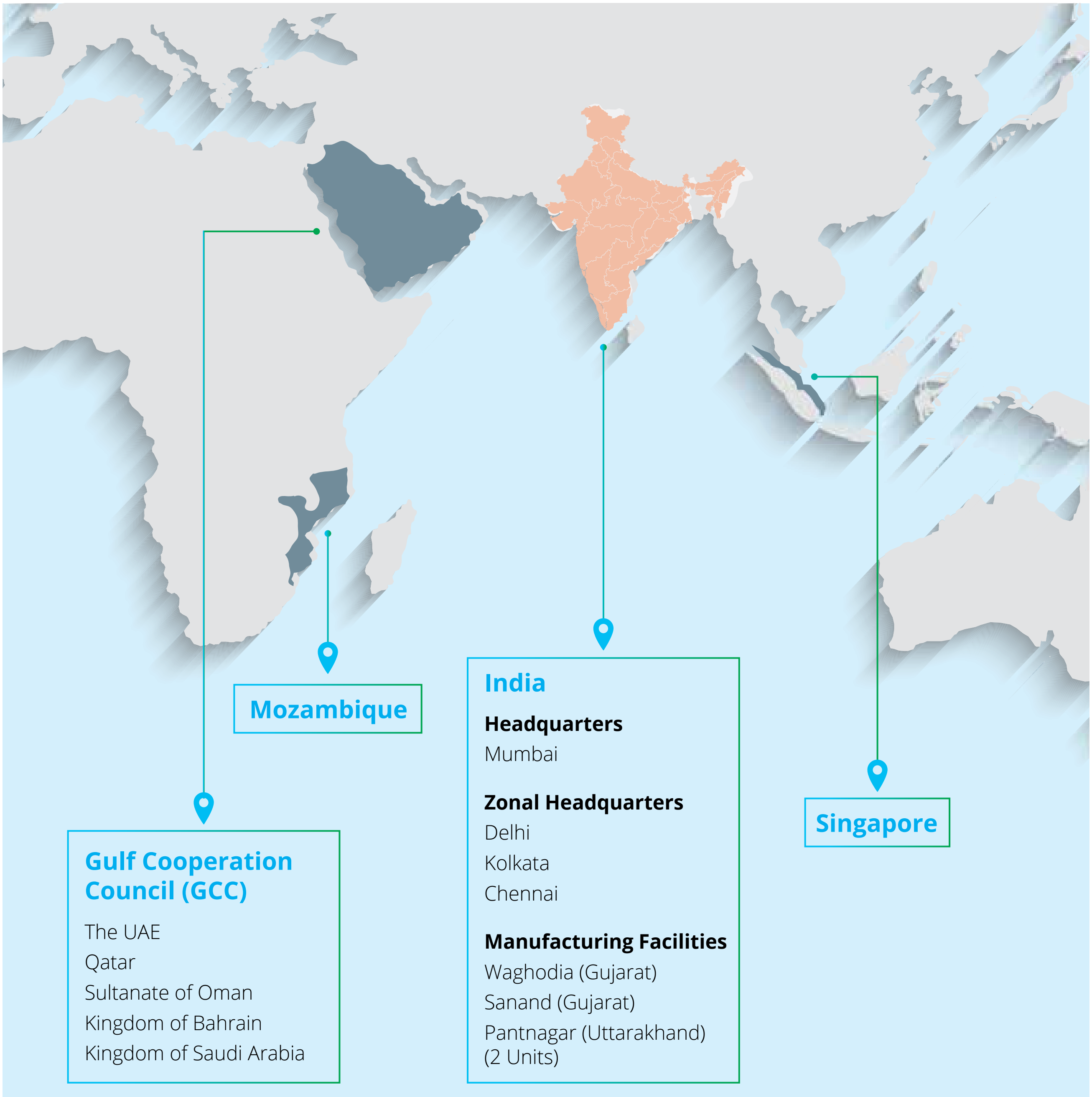
We successfully completed the first year of operations at the Sanand facility and the factory has been optimised at around 50,000 units a month. We also expanded our channel reach and focussed on new technologies, enabling the Brand to achieve market-leading position in dishwashers. Moreover, we also digitally enabled the after-sales-service initiatives through online content.

See more on page 89...

Voltas Beko - A range of Consumer Durables

OUR FOOTPRINT

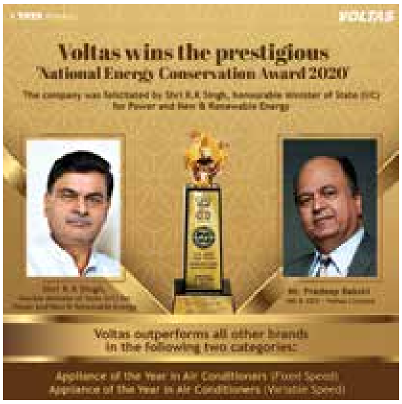
Expanding our horizon to meet tomorrow's needs



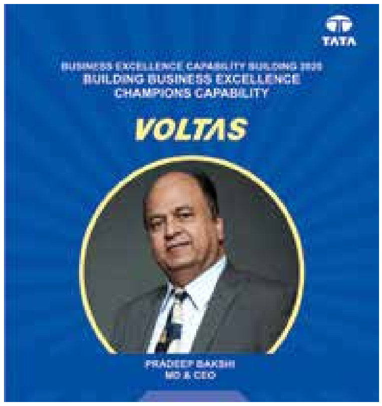
This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company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

AWARDS AND RECOGNITIONS

A testimony to our strength, values, integrity and reliability



|||||| **'National Energy Conservation Award 2020'** from the Ministry of Power



|||||| Tata Business Excellence Group Award for **'Business Excellence Capability Building 2020'**

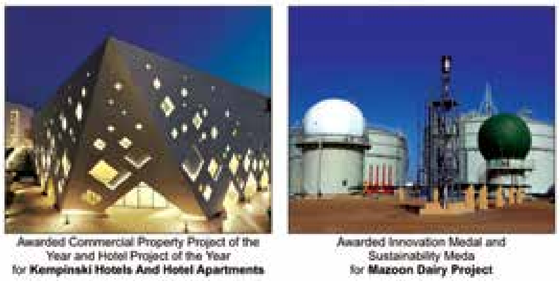
|||||| Tata Son's **'Making Customer Smile Award'**

|||||| Utkarsh's **'Best OEM Performance Award'**

||||||| **'Best Workplace Practices Award'** during COVID-19 by the Indian Chamber of Commerce (ICC) Innovation Contest

||||||| **'Best Safety Auditing Practice 2020'** Award by the Global Safety Summit

||||||| **'MEP Contractor of the Year'** and **'MEP Project of the Year'** by Big Project Middle East Awards 2020



||||||| National Winners in Four Categories **(Innovation, Sustainability, Hotel Project of the Year, and Commercial Property of the Year)** by Middle East Economic Digest Award 2020

Construction Week's Power 100 - 2020 Ranking

Voltas has won many awards in the last few years from the prestigious ITP - Construction week and MEP Magazines. These awards along with it's market acceptance has improved Voltas positions in the GCC market. It is notable that, Construction Week Oman Awards 'Contractor of the Year Award 2019' is a commendation that celebrates individual excellence, corporate prowess, project success, and sustainable efforts across multiple categories in the construction segment. Brand Voltas has been celebrated multiple times on this platform and was awarded as one of the largest MEP contractors in the Sultanate in 2019

The platform also celebrated the contribution of individuals in this sector. We are delighted to share that Mr. A.R. Suresh Kumar has moved up 8 spots on the Power 100 Annual Ranking - for Powerlist from the GCC's construction industry in this year's edition of the magazine. This is truly a moment of pride, as the Vice President and Head of IOBG entered the power list only last year!

In his 32 years with Voltas, A. R. Suresh Kumar has been an integral part of the International business in the last 22 years.

check here for the detailed article

5 Major Honors at the Construction Week Oman Awards 2021, including **'Contractor of the Year'** and **'Sustainability Initiative of the Year'**

Workplace Safety and Health (WSH) Awards 2020 for Thomson East Coast Line Project, Singapore

Annual **Safety, Health & Management (SHE) Award 2020** by Land Transport Authority, Singapore

VOLTAS: ADDING CONVENIENCE AND COMFORT TO LIFE EVERY DAY

In pursuit of a better tomorrow

Our products and services find uses across different locations: home, workplace, retail & commercial spaces to manufacturing and even mining & construction sites. We strive to provide innovative products and solutions that add convenience to life. In our pursuit to offer a better tomorrow, we persistently look for opportunities that help add value to our end-products.

Residential

Our diverse range of RACs – Window, Split & Inverter; and Air Coolers for home ventilation and cooling – are engineered and manufactured to adapt to the diverse Indian climatic conditions.

Our home appliance range – Refrigerators, Washing Machines, Dishwashers and Microwaves – are meticulously crafted to suit the needs of Indian households with higher energy efficiency.

Mom & Pop/Kirana Stores

Our commercial refrigerators – Hard Tops, Glass Tops, Curved Glass Top, Deep Freezers and Convertible Freezers – store food and other perishable items fresh, while increasing their shelf lives.

Offices

Our Water Coolers – used to dispense cold and hot water – offer prominent features like water purification and energy efficiency and are available in various capacities and compact designs.

Institutions

Our range of room and commercial ACs are designed and manufactured to maintain optimal temperature for comfort. They are also best suited for computer server rooms and warehouses.

Grocery Stores

Our Chocolate Coolers, used for maintaining the required temperature for serving chocolates, are designed in the most space-efficient way to offer greater visibility.

Textile Parks

We sell and service capital machinery for the textile industry that integrate technology with engineering solutions designed to achieve higher productivity with optimum operating and maintenance costs.

Mining and Construction Sites

Our products like Rear and Bottom Dump Trucks, Bulldozers, and Electric Power Shovels, among others, help make our customers' mining & construction operations smoother.

Buildings, Industry and Infrastructure

Under our Electro-mechanical projects divisions, we offer end-to-end solutions that integrate electrical and mechanical disciplines. These solutions are designed to help our customers resolve their complex problems in the core areas of Infrastructure, Built Environment, Water Treatment and Electrification.

We offer turnkey solutions for Mechanical, Electrical, HVAC (Heating, Ventilation & Air Conditioning), Plumbing, Fire Fighting, ELV & Specialised Systems. We also provide Facility Management Services, Annual Maintenance Contracts, Retrofits & Energy Management services. Under Water Management, we offer Water & Waste Water Treatment solutions: Sewage Treatment Plants (STPs), Effluent Treatment Plants (ETPs) and Reverse Osmosis Plants (RO).

OPERATING ENVIRONMENT AND STRATEGY

Today's response for tomorrow's responsibility

We operate in a constantly evolving environment where customer preferences are fast-changing. This, coupled with stringent Government regulations, necessitate our business strategies to be more dynamic than ever. Today, the Home Appliance segment is rapidly moving towards energy-efficient systems with cutting-edge technologies, while the Infrastructure sector requires calibration to more developing needs. As a result, there is an enormous demand for sustainable products, creating significant opportunities.

The need for innovating healthcare features within products

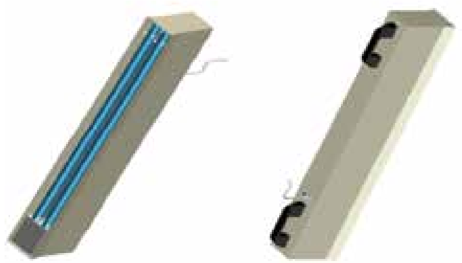
The pandemic has reinforced focus on health and safety, with consumers being drawn to products with health-related functionalities. Features like anti-bacterial filters, virus-eliminating UV solutions, and disinfectants have gained traction and are expected to continue to do well post COVID-19. Responding to the need, we collaborated with our engineering partners to launch a series of products and introduced Super UVC LED-based PureAir Inverter ACs that effectively kill 99.9% of germs and pathogens.

VOLTAS ALFA FRESH

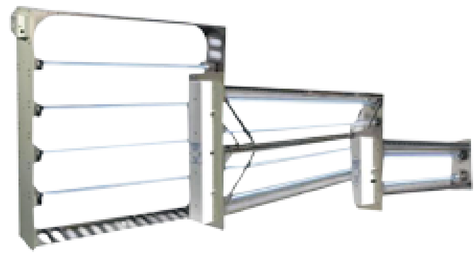
Alpha Fresh Coolers

VOLTAS Pure Air
5 Stage Inverter AC

PureAir ACs



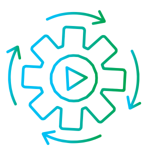
UV Handheld



RUKS GermiTron

RUKS CoiloTron

UV Cart System



Growing need for automation within products

The 'New Normal' witnessed a substantial increase in the time spent on household chores. This led to consumers starting to invest in automated and technologically advanced products to ease their lives. Thus, increasing demand for convenience-led product categories (Washing Machines, Microwaves, and Dishwashers). Further, phased lockdowns impacted labour resources adversely, leaving businesses to find efficient ways to function remotely.

The subsequent pent-up demand for remotely operated systems and machines with minimal human intervention created multiple opportunities for us.

We aspire to constantly innovate and provide technology enhancements through our automated products and systems. Our modern dishwashers, washing machines and other durables, come with add-on features and the latest technology for delivering convenience.

The rising concern for climate change and demand for energy efficiency

To protect and preserve our environment, it is essential to lower greenhouse gas emissions to counter climate change and reduce energy consumption. As a pioneer in energy-efficient products, our endeavour has constantly been towards minimising the environmental impact of our business and operations. In line with this, our range of Adjustable Inverter ACs, will help us harness the emerging opportunities in energy-efficient RACs while reducing carbon emissions. Additionally, we have completely phased out the use of R-22 Refrigerant in our RAC products and switched over to R-32 Refrigerant with zero ODP (Ozone depleting potential) and extremely low GWP (Global Warming Potential). This will result in saving CO_2 equivalent to 1.02 million tons per year and power saving of 336 GWH at customer's end due to high energy efficiencies.

Homegrown products to gain traction

The Indian Government's 'Make in India' campaign is expected to gain further momentum. Supporting the 'Aatmanirbhar Bharat' initiative, Indian brands are expected to increasingly become self-reliant with consumers showing an affinity towards homegrown products. Voltas has always diligently walked the path of nation-building. As a brand, we have constantly strived to give the Indian consumer the best. With this ambition, we proudly launched our first factory in Sanand, Gujarat, to manufacture consumer durables for our JV company, Voltbek Home Appliances. With this we are confident of meeting the needs of Indian customers while optimally leveraging the 'Make in India' initiative, the PLI scheme and many other initiatives launched by the Government of India.

Online vs offline to still hold true

Social distancing has considerably transformed the consumer buying journey by making it 'phygital'. Greater use of the internet – social media, online search and e-commerce touchpoints – has led to the digitalisation of consumers' shopping experience. But even today, the in-store shopping experience is irreplaceable. Responding to the trends, we have actively diversified in the online retail space while organically growing in the offline space too. Our recent launches of the 'Experience Zone' and extension of our Exclusive Brand Outlet (EBO) networks are specially curated to enhance the overall customer experience. This optimally positions us to benefit from both offline and online retail expansion.

Additionally to strengthen our online presence and build brand image, we launched various digital initiatives. We aired DIY (Do It Yourself) video service tutorials, in addition to video demonstrations for dealers.

Government's push on economic development

The Government has undertaken various measures to revive the economy from pandemic–induced disruption. Increased spending on infrastructure development - electricity, ports & airports, and water & sanitation–has been one of the many key focus areas for the Government. An additional ₹ 5.5 lakhs crores capital expenditure was announced under the Union Budget. Last year, when the COVID-19 pandemic hit our nation, there was an emphasis on handwashing as a safety measure. This further burdened the already stressed water resources, making it even more crucial to use water optimally. Our presence in the water segment allowed us to work on significant projects under *Namami Gange* scheme in the water treatment space earlier. With good experience in this field, we would like to leverage the potential opportunities emanating from this space in future.

The Government's increased focus on empowering the rural market, augurs well for us as our expertise in the sector will help us make the most of it through electrifying rural India.

Voltas has commissioned 2.5 GW of solar projects in 2020-21 with its deep domain knowledge and superior project management and execution capabilities. Our experience and expertise across projects have helped us become a partner of choice for companies looking to go solar.

Globally growing demand for HVACs

Several emerging trends shaping the commercial HVAC industry suggest that future technologies will be focussed on system efficiency and renewable energy. An increase in construction activities is further leading to growth in the market of HVAC systems. Our domestic projects business focusses on building technologies and abilities to serve diverse emerging needs from the sectors we operate in. The recent upgradations, enhancements and launches of UV-powered offerings for Air and Surface disinfectants in the HVAC segment, positions us to gain significantly from the opportunities coming forth.

VALUE CREATION MODEL

Accretive business model for a sustainable journey

INPUT

FINANCIAL CAPITAL:

Operating Working Capital	₹ 1,685 crores
Owners Funds	₹ 4,993 crores
Debt (mainly overseas operations)	₹ 261 crores
Total Assets	₹ 8,655 crores
Shareholders' Equity	₹ 4,938 crores
Total Capital Employed	₹ 5,029 crores

MANUFACTURED CAPITAL:

Existing manufacturing locations	4
Facilities added in last 5 years (Waghodia & Sanand)	2
Manufacturing capacity (Consumer durables)	2.3 million units
Manufacturing capacity (Commercial products)	0.7 million tons

INTELLECTUAL CAPITAL:

Investment in R&D	₹ 17 crores
R&D team strength	50
Research & Development centres	4

HUMAN CAPITAL:

Investments towards employee training & safety programmes	₹ 1 crore
Training programes	2,000+ modules
Employee engagement Initiatives (nos.)	23
Average work experience of senior management	20+ years
Total employees (India & Overseas)	8,600+

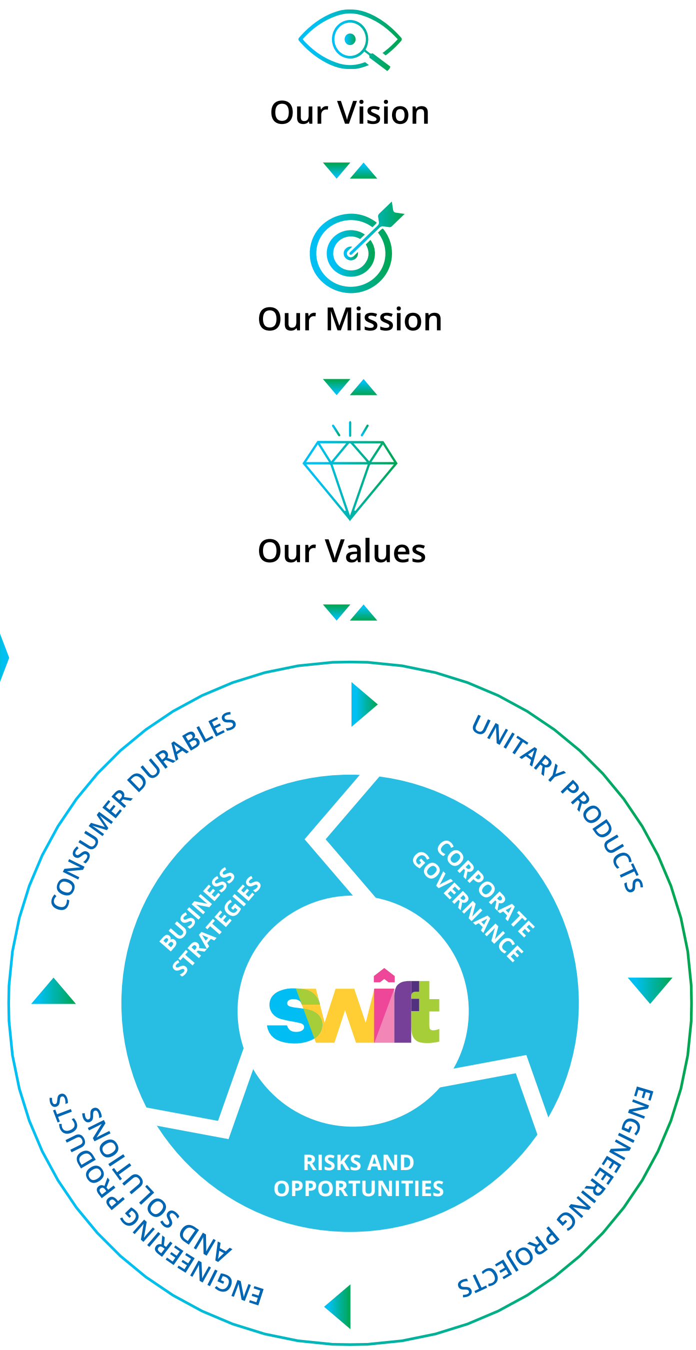
NATURAL CAPITAL:

Renewable Energy Capacity	1,270 kWp
Trees Planted around the Facilities	1,185
Energy consumption	38,156 Gj
Water Consumption	57,116 KL
Energy Efficiency/Energy Saving initiatives	331 kWp

SOCIAL AND RELATIONSHIP CAPITAL:

CSR Spend	₹ 11.71 crores
No. of EBOs	190+
Touchpoints	22,000+

BUSINESS MODEL



OUTPUT	STAKEHOLDER GROUP	SDG

FINANCIAL CAPITAL:

Market Capitalisation	₹ 33,150 crores
Return on Capital Employed	13.29%
Return on Equity	10.64%
Dividend Payout Ratio	29%
Total Income	₹ 7,745 crores
Profit Before Tax	₹ 709 crores
Profit After Tax	₹ 529 crores
Credit Ratings (ICRA)	AA+
Debt: Equity ratio	0.05:1
EPS (per share)	₹ 15.87

Stakeholder group: Investors, Customers, Business Partners

MANUFACTURED CAPITAL:

Number of units sold (consumer products)	1.5 million+
Sales of commercial products (tonnage)	1.75 lakh tons
No. of units produced (Voltbek)	1 million+

Stakeholder group: Customers, Employees

INTELLECTUAL CAPITAL:

New SKUs launched during the year	104
Total no. of 5 star SKUs	99
Market share	
Room AC	25.20%
Window AC	36.00%
Inverter AC	21.50%

Stakeholder group: Customers, Employees

HUMAN CAPITAL:

Turnover per permanent employee	₹ 2.55 crores
Percentage of employees trained	62.5%
Total training mandays	30,483
Lost time injury frequency rate	0.07

Stakeholder group: Employees

NATURAL CAPITAL:

Quantum of water recycled	3,063 KL
E-waste recycled	9,505 Tons
Renewable energy generated	1,004 kWp

Stakeholder group: Communities, Customers, Employees

SOCIAL AND RELATIONSHIP CAPITAL:

Lives impacted through CSR interventions	5.75 lakhs
Social media presence (online Impressions)	202 million
Customer satisfaction index	76%
Grievance resolution time (average)	32 Hours

Stakeholder group: Communities, Customers, Retailers, Distributors

SDG:

- 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

26,465.54
28,161.92
26,465.54
198.45
64%
85%

BUILDING A SOUND FOUNDATION TODAY FOR A PROGRESSIVE TOMORROW

Achieving financial excellence by capitalising on opportunities

FINANCIAL CAPITAL

BUILDING A SOUND FOUNDATION TODAY FOR A PROGRESSIVE TOMORROW

Achieving financial excellence by capitalising on opportunities

We believe a structured environment aids greater efficiency and performance. Our sound financial practices coupled with cost austerity measures helped us fight the pandemic-induced slowdown. Our comprehensive portfolio of products and solutions enabled us to preserve our returns at reduced risks. We thus weathered difficulties in the short term, while building a platform for sustainable and profitable growth in the long term.

CONSOLIDATED FINANCIALS

Government-imposed lockdowns in 2020-21 affected both the industry and the Company's growth. The strength of our brand and our wide-spread distribution network helped us navigate through the year, and retain our bottom line.

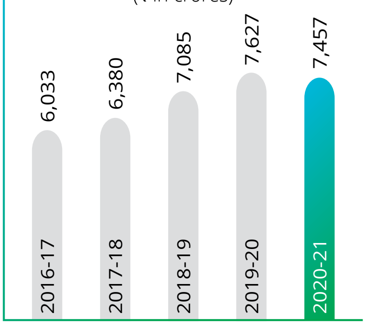
In our quest for growth and sustainability, it was imperative for us to ensure minimal borrowings and maintain a robust balance sheet through strong internal accruals.

During the year, the pandemic-induced lockdowns did impact our operational cash flow, but our healthy cash reserves helped us navigate through these times comfortably. Our focus on collection and recovery of sales, once the situation eased towards the end of the financial year, helped us strengthen our cash flows further by the year end.

With a healthy balance sheet, strong cash generation from operations (of ₹ 556 crores) coupled with cost austerity measures and focus on banking our profits, we managed to steadily grow our cash and cash equivalents to ₹ 2,465 crores. We continue to stay committed to our shareholders and proposed a higher dividend of 500%, even in these unusual times.

Sales and Services

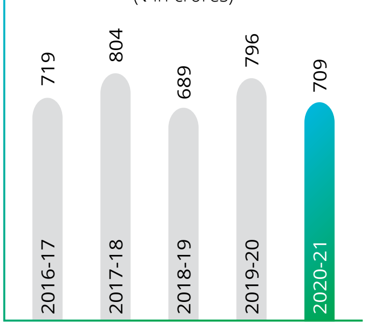
(₹ in crores)



Despite a wash-out of sales in Q1 owing to the lockdown, we managed to minimise the de-growth by a steadfast recovery in product sales and a healthy execution of projects

Profit Before Exceptional Items and Tax

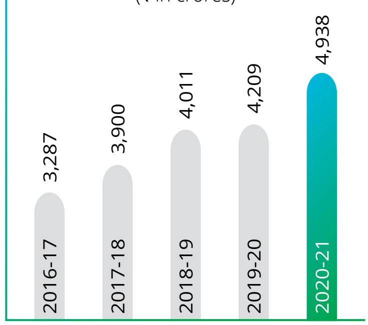
(₹ in crores)



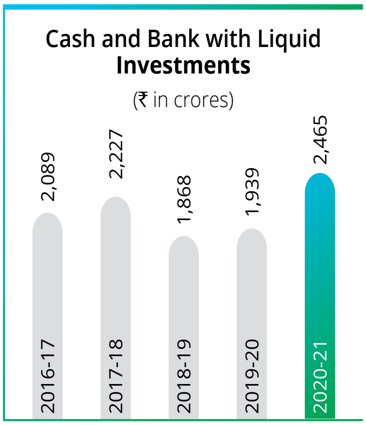
Profits largely maintained despite environmental constraints

Net Worth

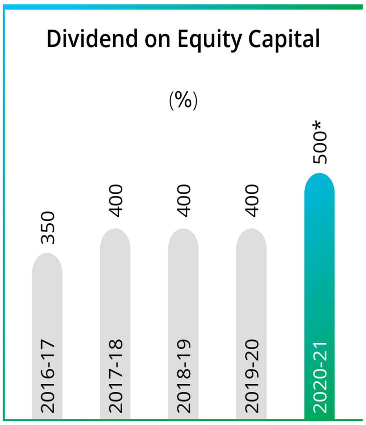
(₹ in crores)



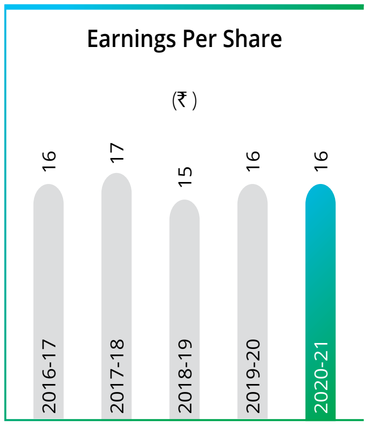
Networth improved



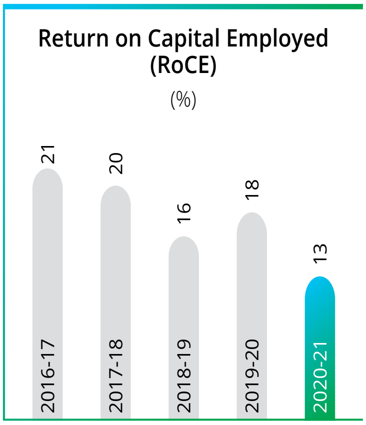
A stronger business recovery in the later part of the year across divisions helped achieve a strong cash position



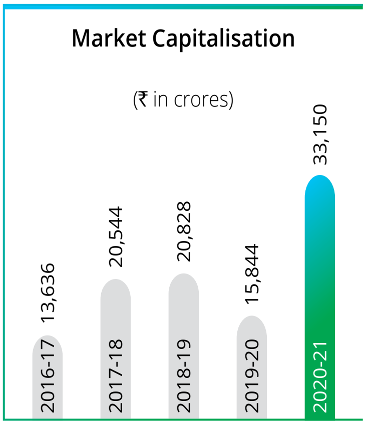
Higher dividend proposed in the current year



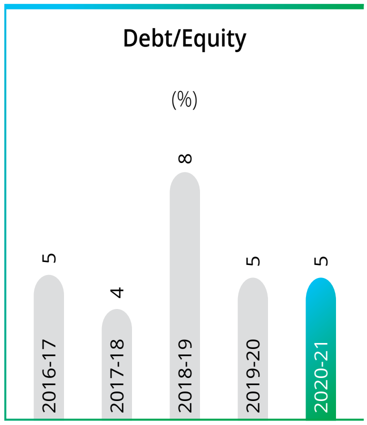
EPS maintained despite pandemic



Subdued profits amidst the pandemic resulted in dip in RoCE for the year.



Strong Company fundamentals coupled with investor confidence helped Voltas register a life time high of ₹ 1131.20 per share in February 2021- a market capitalisation of ₹ 37,429 crores



Debt mainly to fund overseas operations

CAPITAL TRADE-OFFS

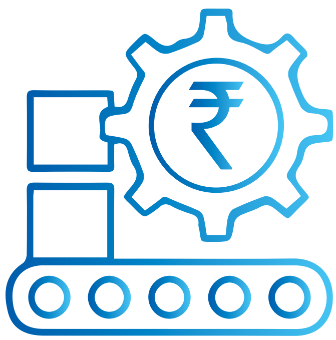
FINANCIAL CAPITAL

CAPITAL IMPACTED	STAKEHOLDER IMPACTED
Manufactured	Employees
Intellectual	Customers
Human	Communities
Social	Government
Natural	Shareholders
	Vendors


KARAM

EVOLVING BEYOND BOUNDARIES

Growing through customer-centric products and solutions



MANUFACTURED CAPITAL

EVOLVING BEYOND BOUNDARIES

Growing through customer-centric products and solutions

In our quest for self-reliance, Voltas has always been ahead of the curve. We consciously manufacture products and design solutions in India to cater to the changing trends. At the same time, we also actively look for prospects by exploring newer geographies to widen and strengthen our reach. Responding to the Government's 'Make in India' initiative, our endeavour is to manufacture locally while catering to customers globally. We are confident that our manufacturing capabilities and solution-centric mindset will augment the growth opportunities in this direction.

MFG CAPACITY FOR VOLTBEK

50,000 per month

Voltbek's Sanand Facility

- One of the first white goods appliances units in the State of Gujarat
- Enroute to creating an OEM base for home appliances while boosting employment opportunities in the region
- Focussed on increasing portfolio and developing innovative products, specifically designed for Indian consumers

Direct Cool Refrigerator Assembly Line at Sanand

Post COVID-19-related relaxations, production at the Sanand factory has been optimised at around 50,000 units a month. Our products continue to be accepted well in the market, and we are happy to evidence significant demand pull from the trade.

As a part of 'Make in India' strategy, import of ACs with refrigerant (CBU) has been banned by the Government. This will negatively impact several 'import and sell' fringe players, helping control market fragmentation. At Voltas, we have always remained conscious of the need to increase localisation and have over the years, consistently reduced the risk of over dependence on imports. Certain components like compressors, a hitherto import item is now available in India. Meanwhile, together with investment in moulds and balancing equipment to improve the throughput of our existing manufacturing unit in Pantnagar, efforts to expand our facilities in Waghodia for our AC and Commercial Refrigeration factory are being fast tracked. We also continue to explore the possibility of setting up a manufacturing facility in South India. We will, alongside, make sufficient arrangements to ensure there is no dearth of inventory to meet the expected demand of the under-penetrated Indian markets.

AC quality control and testing line at Pantnagar

COVID-19 Challenges and Opportunities

The Indian economy, just like many other nations, faced severe setbacks reducing footfall in marketplaces. Owing to its dependency on China, the consumer durables industry faced a supply chain disruption. Backed by our robust manufacturing setup, we managed to insulate ourselves from this adversity. While we did not witness any major supply side issues, the country-wide lockdowns impacted the sales of consumer durables across the industry.

On the consumption front, consumers started managing household chores without support staff. Consumers are also becoming increasingly self-reliant. We expect this trend to increase focus on investment towards automated, technologically superior, and comfort products – offering ease in daily lives. The shift in consumption pattern is expected to augur well for companies like us who are present in this space, rooted in India, offering a well-balanced product basket.

Despite the supply chain disruption and labour-related constraints imposed by the pandemic, we continued to execute and deliver projects in timely and cost-efficient manner.

CAPITAL TRADE-OFFS

MANUFACTURED CAPITAL

CAPITAL IMPACTED	STAKEHOLDER IMPACTED
Financial	Employees
Intellectual	Customers
Human	Communities
Social	

Some of our marquee MEP projects

KPCL Ash Water Treatment Plant, Bellary, Karnataka

AIIMS, Nagpur

Dhirubai Ambani International Convention and Exhibition Center (DAICEC), Mumbai

Delhi Metro Rail Corporation (DMRC), Delhi

Gandhinagar Railway and Urban Development Corporation Ltd (GARUD), Gandhinagar, Gujarat

Gulguli Pumping Station, Cuttack, Odisha

Commercial Boulevard, Qatar

Qasr Al Hosn, Abu Dhabi, UAE

Place Vendome Mall, Qatar

DEWA Headquarters - Al Sheraa Building, Dubai, UAE

Fujairah International Airport Expansion, Fujairah, UAE

National Food Products Company - Effluent Treatment Plant, Kizad, Abu Dhabi, UAE

AIR CONDITIONERS
AIR COOLER
DISH WASHER
VOLTAS beko
Introducing the new
Table Top Dishwasher.

FOSTERING A 'SWIFT' CULTURE BACKED BY INNOVATION

Investing in technology to foster innovation

INTELLECTUAL CAPITAL

FOSTERING A 'SWIFT' CULTURE BACKED BY INNOVATION

Investing in technology to foster innovation

The corporate culture at Voltas fosters innovation to support value creation. Using cutting-edge technology, we persistently provide products and services, that are engineered for higher efficiencies. Our differentiated positioning is propelled by intelligent design and innovative solutions providing cost-effectiveness.

Product & Solution Innovations:

- Introduced new Voltas PureAir AC – a UV-based split inverter AC – tested at an NABL Accredited Lab. It has been found effective in killing 99.9% of viruses, bacteria, fungi, yeast and mould
- Introduced the new air filtration feature within the Voltas Alpha Fresh Air Cooler, which comes with purification advantage
- Introduced a new line of Ultraviolet Light-based (UVC) surface disinfectant solutions in addition to the engineered UVC-based air and duct disinfectant solutions

Using Digitalisation for Enabling Higher Efficiencies

Our businesses and functions are digitally enabled to better connect with the end-users and customers. The digital initiatives adopted in the past have helped us transition as we adapted to the trends enforced by the pandemic-led lockdowns. In addition to our 'SWIFT' training modules for developing our workforce, our digital initiatives also include:

Online

- Customer surveys seeking consumer insights
- Tracking of shipments
- Mobile-based applications for front-line sales demonstrators and service technicians
- Employee engagement tools

Quality Test being Conducted at Pantnagar facility

Conceptualisation and Designing of Product Prototypes at our R&D Centre

IT Initiatives

We focussed on digitalisation to explore new business opportunities systematically. In pursuit of this, several new applications, processes and modules were added through Web and Mobility, Analytics, Robotic Process Automation (RPA) and Integration with 3rd Party Systems.

Many new developments were undertaken, and functionalities were added across all the major applications. Franchisee Payout, Invoice Processing Automation, AMC Modules, DSC Consignment Process, Defective Spares Challan Process, Alternate Material STO and Minimum Stock Level Fulfilment were some of the major projects undertaken in Siebel and SAP.

We added a number of new applications to our IT landscape to support the core business processes, such as, OptiExim for Import Process and ClearTax implementation for all the GST and E-Way bill requirements.

Improving the Efficiency of our Processes

We are focussing on improving automation in our processes. To achieve this, we have streamlined our supply chains to offer affordable and technologically superior products to more consumers. As we prioritise automation, our plan is to reach beyond our already existing 22,000+ consumer touchpoints. We are committed to leveraging supply chain management optimisation through all our manufacturing plants in Waghodia, Pantnagar and Sanand.

Through the right usage of technology, we are:

- Ramping up our manufacturing prowess
- Enhancing supply chain management
- Upgrading warehouse management systems
- Gaining insights through consumer engagement

Ensuring Continuity through Digitisation

During the pandemic, to increase the efficiency of our technicians working at the sites of 'essential services' companies, we used the HandyTrain mobile application. This application contains technical content for the users, resolves queries and troubleshoots, and conducts assessments and certifications for our technicians in a streamlined manner. This was also extended to over 28,000 workforce including contract and last-mile workers. Thus, helping us serve customers in need of assistance for urgent repairs during the pandemic.

WORKFORCE EMPOWERED WITH HANDYTRAIN APPLICATION

28,000

MAHA-ADJUSTABLE INVERTER AIR CONDITIONERS

Based on the cultural insight of Indians opting to 'adjust', the Voltas' Maha-Adjustable Inverter AC comes with a unique value proposition of 'Flexible Air Conditioning' that allows the user to choose from multiple tonnage options.

SKUs OF MAHA ADJUSTABLE AC

22

FEATURES:

- Adjustable range from 0.75 Ton, 1 Ton, 1.2 Ton, 1.5 Ton or 2 Ton depending on the ambient heat or number of people in the room; leading to savings and reduction of running cost
- Super UVC: The PureAir AC, in this range, comes with Super UVC technology and TiO2-coated air filtration system
- Superdry Mode: Controls the humidity levels in the room by quick dehumidification
- Eco-friendly Refrigerant: Green R-32 Refrigerant which is environment-friendly
- High Ambient Cooling: Keeps user comfortable even at 52°C

VOLTAS maha ADJUSTABLE™ INVERTER AC

FRESH AIR COOLERS

Launched new Voltas Fresh Air Coolers with the unique Smart Humidity Controller which optimises the humidity in a room. It has 3-Sided Honeycomb Padding for the ultimate cooling experience and cools large spaces easily using Turbo Air Throw.

FEATURES:

- Smart Humidity Controller: Optimises the humidity in the air
- Mosquito Repellent: Resists mosquito breeding and keeps them away
- Turbo Air Throw: Large fan size delivers powerful air throw to cool large spaces
- 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

SKUs OF VOLTAS FRESH AIR COOLERS

46

SKUs OF AIR PURIFIERS

3

VOLTAS FreshAir® Coolers

RO-ENABLED WATER DISPENSERS

FEATURES:

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

WIDER CHOICE OF COMMERCIAL REFRIGERATION EQUIPMENT

Strengthened overall portfolio by introducing 43 SKUs of commercial refrigeration products, including Convertible Freezer, Freezer on Wheel and Curved Glass Freezer

FEATURES:

- Convertible models with galvanised iron inner sheet
- Full glass door visi-coolers
- Glass top models with LED
- New table-top chocolate coolers
- FOW (Freezer on Wheels) models
- Condensing units for supermarket equipment

COLD ROOM

Designed to meet today's demand for varied industries, our cold room refrigeration systems are eco-friendly, energy efficient and IOT enabled.

ECO-FRIENDLY WATER COOLERS

FEATURES:

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

SKUs OF WATER COOLERS

28

PRODUCT SOLUTIONS

RUKS COILOTRON

Developed by Voltas and Canada-based Ruks Engineering Limited, ensures near total elimination of Mould, Fungi, and Microbes on Cooling Coil and Drain Pan.

FEATURES:

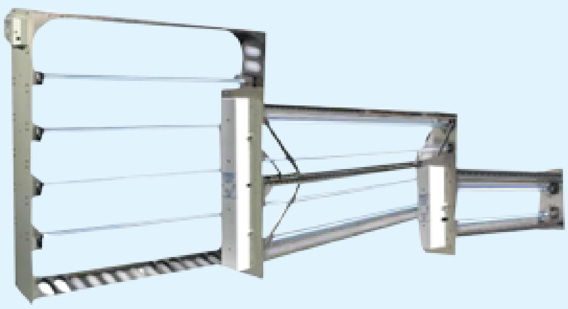
- Complete elimination of endotoxin and pathogens on coil
- Improves heat transfer efficiency up to 20%
- Suitable for new or retrofit installations and easy to install
- High energy output of 425 mA lamps emitting at 253.7 nM
- Two lamps per fixture for increased energy and spread
- High reflective mirror surface with 86% specular reflectivity
- Highest lamp life in industry

RUKS GERMITRON

The RUKS GermiTron Ultraviolet Germicidal Irradiation (UVGI) System can kill 90% of bacteria and virus, per pass. This indoor air quality and bactericidal management system has a scientifically proven design with computerised selection to assure delivery of specified or target kill rate.

FEATURES:

- Customised design to suit airflow and duct size
- Average rated life of lamps is 16,000 hours
- High energy output 800 mA lamps installed in frame mounted Quartz Sleeve
- Environmentally friendly, easy and quick lamp change
- Does not operate at ultra-low wavelength thereby preventing production of ozone

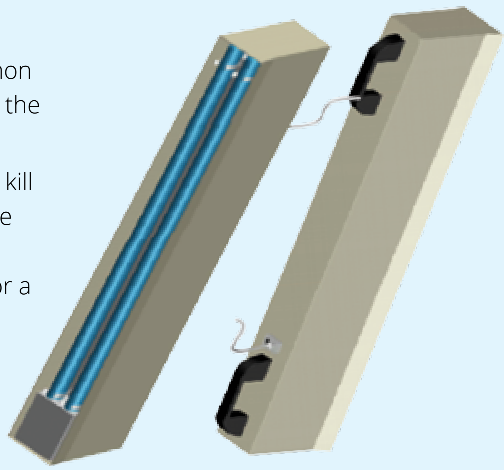


HANDHELD

HandHeld is a portable disinfection unit, designed for rapid sanitation of any surface.

FEATURES:

- Lightweight and portable
- Perfect solution to rapidly disinfect raised surfaces, recessed vertical surfaces, and angled surfaces
- Safe for use on any common surface, including food, at the recommended exposure
- HandHeld exceeds 99.9% kill rate of COVID-19 when the target surface is within six inches of the UV lamps, for a duration of 1 second

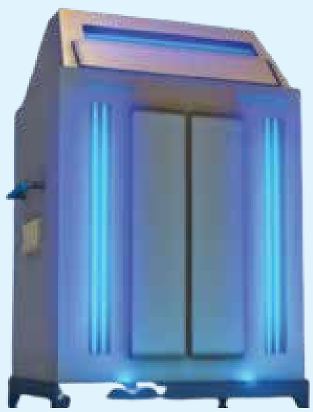


UV CART SYSTEM

UV Cart System is designed to deliver high germicidal intensity, adequate to sanitise the area and inactivate the micro-organisms in a short time. UV Cart System is designed with UVGI Fixtures.

FEATURES:

- Contains 2 lamps to ensure deep penetration over the surface
- Multiple UVGI Fixtures in one frame designed for larger coverage
- Customised profiled aluminium reflector mirror surface with specular reflectivity of 86%
- Disinfects walls, ceiling, floor in one movement
- High output lamp of 425 mA each, with a rated lamp life of 12000 hours



VOLTAS BEKO HOME APPLIANCES

REFRIGERATORS

Our portfolio includes refrigerators with industry-defining features and combination of unique patented technologies – Harvest Fresh and Store Fresh.

FEATURES

- StoreFresh + Technology: 30 Days freshness of fruits and vegetables
- Neofrost Dual Cooling Technology: Maintains same temperature right from top to bottom of the crisper, ensuring no mixing of odours between compartments
- Active Fresh Blue Light Technology: Simulates natural lighting conditions, keeps food fresh

SKUs OF REFRIGERATORS
144

PLANNED LAUNCHES

- Frost-free range with StoreFresh technology refrigerators in diverse design and colour patterns
- Direct Cool refrigerator portfolio, with features like Active Fresh Blue Light and Rapid Cooling in major capacities, all with standard BEE Star Rating

MICROWAVE

Our range of microwave oven includes Solo, Grill and Convection model types; as well as combinations of the same. These microwaves are designed to suit the needs of a household in India.

FEATURES:

- Auto cook program
- Ample room for large size containers
- Perfect aesthetics look which complement cooking and kitchen
- Advanced feather touch digital display
- Active defrost technology

SKUs OF MICROWAVE
12

WASHING MACHINES

Our washing machine range is built on the principles of industry-defining USPs. The wide portfolio of washing machines cater 7.5 to 14 kg capacities.

FEATURES:

- Stain Expert function: Helps remove 26 types of dominant stains
- Steam Wash: Softens dirt, releases wrinkles and sanitises clothes
- ProSmart Inverter Motor: Enhances washing machine's performance while consuming less energy and with brushless motor

SKUs OF FRONT LOAD WASHING MACHINES
28

SKUs OF TOP LOAD WASHING MACHINES
18

PLANNED LAUNCHES

- 5 Star Rated Top Load Washing Machine: With industry-defining USPs like Fountain Wash and Adjustable Jet function
- Semi-Automatic Twin Tub Category: Will introduce Stainless Steel Tub Machine and Hygiene Boost Series

DISHWASHERS

Our range of dishwashers, available in full sizes and as table-tops, are perfect to meet the needs of Indian kitchens. They are especially designed to rinse heavy soiled pots and pans that are synonymous to the Indian style of cooking.

SKUs OF DISHWASHERS

8

FEATURES:

- Saves power and water with ProSmart™ Inverter Motor
- Designed with 360° rotating head
- Magnetic motor designed for less vibrations and mechanical noises
- GlassShield™ Technology for better protection against glass corrosion
- SteamGloss™ Technology for reducing droplets size and improving glossiness

CAPITAL TRADE-OFFS		CAPITAL IMPACTED	STAKEHOLDER IMPACTED
	INTELLECTUAL CAPITAL	Financial	Customers
		Manufactured	Employees
		Social and Relationship	

BUILDING COMPETENCIES

Fostering a high-performance culture

HUMAN CAPITAL

BUILDING COMPETENCIES

Fostering a high-performance culture

We believe in consistently upskilling our employees' competencies. This prepares our people to adapt and excel in a rapidly evolving environment while keeping up with changing trends. As a Company, our focus is towards encouraging diversity and inclusion across our organisation. During the year, we regularly engaged with our employees digitally to assess their strengths, while also finding ways of improving their skills and productivity.

TRAININGS AND WORKSHOPS CONDUCTED

30,483 Mandays

HANDYTRAIN APP AND PERCIPIO OFFERS

2,000+ Modules

Under the aegis of our Vision 2025, numerous initiatives were undertaken during the year. In line with this, we collaborated with Bain & Co. to revamp the entire organisational structure. We looked at span and layer to bring more efficiency into the structure, hired industry professionals, invested in upskilling, digitalisation and employee engagement to build a future-ready organisation.

The Company acknowledges skilling and employability enhancement as crucial factors in developing self-reliance among community youth and women. In line with this endeavour, Voltas has adopted it as its flagship programme. Over time, the Company has ventured into offering both, technical as well as non-technical courses. The Company upgrades skills of the existing technicians and helps them with certification to boost their confidence and work opportunities.

Learning and Development

Voltas' Learning and Development (L&D) solutions are now completely digital. 'HandyTrain', our mobile application, enables a deeper reach right up to the last person in the field. We conduct multiple training programmes and undertake initiatives to promote organisation's ethos (Parichay – Prevention of Sexual Harassment, Tata Code of Conduct), Safety (Institution of Occupational Safety and Health, National Examination Board in Occupational Safety and Health) across technical, functional and behavioural areas of development. All of the L&D programmes are created keeping the organisation's focus areas and individual development needs in mind. These programmes are designed based on the requirements identified through performance reviews, career development, and managerial inputs.

Being Digital First

We realise the importance and role of an engaged workforce in providing a competitive edge to an organisation. In line with this we also undertook digital initiatives spanning across areas of emotional wellbeing, financial wellbeing, physical wellbeing, Reward and Recognition (R&R).

We also have a well-rounded Employee Engagement calendar across all locations. Launched six years ago, we have been running the Hi-5 program successfully

Nurturing and upskilling our talent has always been a priority at Voltas. During the year, we paid special attention and invested in talent development across levels. We also conducted several digital learning programmes which were assigned to participants based on their development reports.

Health and Medical well-being

Adapting a more holistic approach towards our people policy, we renewed our employees' insurance policies in April 2021. These policies included Group Medical Coverage Policy (GMC), Group Personal Accident Policy, GMC Policy for parents/in-laws and Group Term Life Policy and Unnamed Group Personal Accident Policy for our workforce on third-party roll, introduced in 2018-19. Additionally, we also extensively used our HandyTrain mobile app, to create awareness about the safety measures and precautions required to combat COVID-19.

HandyTrain app launched for online learning and development

Covid-19 vaccination drive at Voltas

Nurturing an inclusive workplace

We pay special attention to our commitment to provide a safe-for-all and harassment-free work environment. We also periodically conduct programmes across all locations to raise awareness on critical issues like gender equality, sensitivity at workplace and redressal mechanism in case of complaints. This exercise is done through one-on-one meetings. We use tools like the manual on Sexual Harassment of Women at Workplace released by the Ministry of Women and Child Development, Government of India, POSH Classroom trainings and E-learning portal as part of our E-modules. These initiatives encourage employees to be fearlessly vocal and help sustain a harassment-free workplace.

Fighting COVID-19 as a Team

Voltas proactively monitored the situation and engaged with Government and medical authorities to ensure a safe environment for its employees. It continuously worked on strategies to keep up with the changes in the external environment.

Amongst all, employee health and safety were the topmost priority. Further, while providing a flexible work environment, we ensured a balance between safety and business deliverables. Besides, the following are the preventive measures that we undertook to enhance our employees experience in times of crisis:

Our dedicated team ensuring continuous supply of essential services even during lockdowns

Prevention

- Equipped offices and sites with fixed & portable thermometers, SPO2 meters and sanitiser spraying machines
- Provided face masks, PPE kits, face shields, touch-free hand sanitisers to housekeeping and security staff
- Conducted regular RT-PCR tests at Mumbai and Delhi offices for all employees
- Organised a vaccination drive at Thane, Chennai, Cochin, Coimbatore and Pantnagar
- Ensured Safe and hygienic food and lodging for project site employees in India and GCC countries

Mitigation

- Doctor-on-call services and stress helpline activated for employees and family members
- Ambulance evacuation in emergencies wherever possible
- Salary advances released for permanent and contract employees to deal with medical emergencies
- Settled bills, in hospitals where cash-less facility was not available
- Enhanced insurance coverage for hospitalisation and in case of death for third-party employees, including coverage for immediate family members

UV DISINFECTION BOXES INSTALLED ACROSS
ALL OFFICES

Blood donation at Azaiba Muscat, Oman

CAPITAL TRADE-OFFS

HUMAN CAPITAL

CAPITAL IMPACTED	STAKEHOLDER IMPACTED
Financial	Customers
Manufactured	Employees
Intellectual	
Social and Relationships	

COMMITTED TO VALUE-CREATION

Investing in relationships to create shared value for all

SOCIAL & RELATIONSHIP CAPITAL

COMMITTED TO VALUE-CREATION

Investing in relationships to create shared value for all

Our potential to succeed as a business depends on our ability to engage with our key stakeholders. We have constantly aspired to sustainably create outcomes that add value to lives. We aim to improve our stakeholders' experiences while effectively working in tandem with them. Our active engagement with them provides us with good insights and inputs. These inputs become our basis for forming strategies.

CUSTOMER

Our customers form the crux of every business decision. For us, understanding their needs is critical for developing contemporary technologies. Innovative product development, closely tied to demographic trends, is imperative for offering our customers ingenious products and solutions in the years to come.

Inauguration of Voltas' first state-of-art Experience Zone at Faridabad

Voltas Experience Zone at Bengaluru

We aim to be the market leaders across product categories in the times to come. In this pursuit we are leverage our existing distribution network to expand our footprint while opening more Exclusive Brand Outlets (EBOs) across the markets in Metros, Tier 2 and Tier 3 cities. Thus, enabling us to cater the rising demand for consumer durables in these markets.

Experience Zones

During the year, we launched our 'Experience Zones' – centres that showcase an extensive range of Voltas Air Conditioning and Cooling products and the latest range of Home Appliances. With customer-centricity forming the core of all our innovations, these stores offer a unique shopping experience to our consumers. They also help meet the growing demand for technologically advanced and best-in-class appliances. Our ambition is to have an Experience Zone in each and every major city.

EXCLUSIVE BRAND OUTLETS
190+

LAUNCHED NEW BRAND SHOPS
54

Customer Driven

'Customer-centricity' is our utmost priority, and it forms the nucleus of our business. Our way of designing products and services begins with our understanding of customers need. Driven by this thought, we ensured that our customers do not face any inconvenience, and extended help wherever and however possible during the pandemic. Right through the phased lockdowns, we offered virtual services by sharing online DIY (Do It Yourself) videos. This initiative helped us resolve our consumers' concerns regarding maintenance and other issues. We also digitally enabled the after-sales-service initiatives through online content.

Amid the lockdown, we continued rolling out contextual digital campaigns. We encouraged people to be 'Maha-Adjustable' during the lockdown and received a positive response from consumers. We further reinforced our relationship by launching the new enhanced version of the Voltas Maha-Adjustable Inverter AC. The launch was backed by an in-depth study of 'India's Cooling Habits' conducted by Voltas during 2020-21, thus reflecting our understanding of our consumers and their preferences.

COVID-19 and the consequential lockdowns added the burden of domestic chores, putting a lot of pressure on families, especially for those working-from-home. Our dishwashers, built keeping Indian cooking in mind, cleans heavily soiled dishes. It comes specially designed with a 360° rotating head which helps water reach the nooks and corners of dishes.

During the year, to augment our customer service proposition, we provided additional convenience and comfort through various initiatives. We commenced offering extended Comprehensive Warranty schemes on our ACs, Chest Freezers, Chest Coolers and on Washing Machines and Refrigerators. Along with this, we also started offering Easy Finance Offers through multiple NBFCs, and cash-back offers through numerous credit and debit cards.

As a step forward, we also nurtured the Government of India's 'Made in India' campaign by reviving our 'India ka Dil, India ka AC' commercial. We advertised/promoted videos showcasing 'Vocal for Local' – encouraging usage of our products.

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 22,000 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 now 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 190+ 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.

Voltas' Brand Shop at Raja Garden, New Delhi

Going the Extra Mile

Voltas has been instrumental in the nation's fight against the pandemic. During the lockdowns, we serviced 50,000 TR of Air Conditioning across 100+ hospitals. In last one year, the Company built multiple Covid-19 compliant wards by installing state-of-art UV devices across hospitals.

Additionally, our Operation & Maintenance (O&M) teams provided real time services to the 'Essential Services' sites where customers needed the operation, maintenance and breakdown support.

VOLTAS AC AIR FILTER CLEANING PROCESS

VOLTAS WINDOW AC CLEANING PROCESS

COMMUNITIES

As a Company operating across diverse geographies, Voltas leverages its global corporate citizenship to make tangible contributions towards the common good of the community at large. Together with our employees and partners, we strive to improve the society making it a better place for the generations to come.

VISION

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 programmes in skilling, education, and community development.

CSR SPEND

₹ **11.71** crores

BENEFICIARIES

1.75 lacs +

Sustainable Livelihood

We acknowledge the importance of skilling and employability in encouraging self-reliance among community youth and women. Our flagship programme recognises this need and hence, we have ventured into offering technical and non-technical courses. We focus on upgrading the skills of our existing technicians and help them with certification – boosting their confidence and work opportunities. Recognition of Prior Learning is an effective training initiative that has been undertaken for over three years now. It has positively impacted the work efficiency, productivity and income of the existing unskilled and semi-skilled technicians. We aim to share domain expertise with various stakeholder groups, including trainers from ITIs and other private organisations. The idea is to help the Room Air-Conditioner (RAC) industry with the knowledge and expertise it has developed over six decades of rich experience. Safety is another crucial area that falls within our CSR initiative periphery. Safety instructions are imparted under all Voltas's training-based programmes.

Farmer training conducted at Umrewadi Block Dharur

Seed treatment training at Umrewadi

Skill development training conducted by Voltas

Training Program on Brazing

Brazing is a critical skill in the HVAC industry. There is always a shortage of skilled Brazers in the market, and very few ITI institutes offer RFM course in their syllabus. To manage these challenges and develop skilled workforce considering the current and future requirements, we have developed an internal training module to train more Brazers. Our skill development programs have improved the skill index of the contract base associates and even enhanced up-skilling of the existing workforce.

The program started in the month of October 2020. Under this initiative, we trained 40 Brazers internally, including 8 female associates. We are also planning to start training for the welding and other critical skills like Wiring, Pressure testing, and Vacuuming to mitigate the challenges in sourcing skilled workforce.

Brazing training provided to improve skill index of the contract base associates

Udaan

Purpose: Productivity Enhancement of the Waghodia plant through collaborative approach.

This program was conducted to enhance the productivity of employees at Waghodia plant. Special training was given to the supervisory cadre of employees for team building, leadership skill, collaborative approach, simulation exercises and project works.

This training has moulded the thinking process of supervisors and we are confident of productivity improvements at the Waghodia plant.

Team building activity conducted under Udaan initiative

Productivity enhancement training provided under Udaan

Community Development

Voltas sees community development as a foundation for improving lives. The Company focusses on key and fundamental community issues such as education, health and water. The Company believes, and hence emphasises, on community participation as one of the most crucial factors in achieving sustainable development. During the year, the Company carried out two projects under Education which entailed:

a) Supporting the brightest students from the most-marginalised communities in nine districts of Kerala for higher education and preparing them for their future careers.

b) Providing vocational skill development programme for the communities surrounding the Company's Pantnagar facility in Uttarakhand.

COVID-19 Response

The Company supported its rehabilitative intervention for the pandemic-impacted migrant labourers in Uttar Pradesh. The project was implemented by the Tata Trusts and focused on food security, making Government schemes available, providing livelihood opportunities, and policy advocacy.

Plumbing training being imparted to students at plumbing lab

UTTAR PRADESH PROGRAMME REACH

2,100
GRAM PANCHAYATS

65
BLOCKS AND

10
DISTRICTS

BENEFICIARIES

4 lacs +

TRADE-OFFS

SOCIAL AND RELATIONSHIP CAPITAL

CAPITAL IMPACTED	STAKEHOLDER IMPACTED
Financial	Communities
Manufactured	Employees
Intellectual	Shareholders
	Regulatory bodies
	Vendors

TOWARDS A SUSTAINABLE FUTURE

Future-driven outlook for a greener tomorrow

NATURAL CAPITAL

TOWARDS A SUSTAINABLE FUTURE

Future-driven outlook for a greener tomorrow

At Voltas, we have been actively undertaking initiatives to augment smart and energy-efficient practices in our business activities. With the objective of cutting our carbon footprint, we are consciously working towards reducing, reusing, and recycling. As a part of our sustainability journey, we have been passionately striving to work towards issues like renewable energy, energy efficiency and clean technology.

Voltas aims to manage environmental risks and opportunities, especially climate change, with a long-term perspective. Climate change and its ramifications are already being observed across the world. Its severity is bound to keep increasing unless mankind takes charge to reverse the damage consciously. It is imperative for us to influence the environmental impact of our entire value chain, from suppliers to customers. This includes our procurement process, operations, and the impact of our products and services before, during and after use.

Creating long-term and sustainable benefits for the countries we operate within, lies at the heart of our business model. We have adopted a holistic perspective in the execution and reporting of sustainability activities. Doing things sustainably is one of the main pillars of our strategies and is aimed at integrating environmental issues into decision-making processes.

SKUs WITH 5 STAR ENERGY EFFICIENCY RATING
99

WATER RECYCLED IN 2020-21
3,063 KL

E-WASTE RECYCLED
9505 TONNAGE

Product Engineering

We are consistently working to introduce products and technologies that lead to more energy savings than the ones currently available in the market. We continue providing path-breaking technology, engineered to adapt our customers' needs. The differentiated positioning of energy efficiency is based on intelligently designed innovative products and solutions. It doubles up to provide both, cost-effectiveness and the highest levels of energy efficiency.

Energy

Re-emphasising our commitment to a greener tomorrow, we installed solar power systems at our head office in Mumbai and factory in Waghodia. These systems have the potential to generate a total of 1,270 kWp of renewable energy.

RENEWABLE ENERGY SOURCED AT MUMBAI HO AND WAGHODIA FACILITY

1,270 kWp

Voltas commissions first solar project in Dubai For SirajPower

Refrigerants

We have effectively minimised our carbon footprint without compromising product performance or customer comfort. We closely work with Government institutions while meeting the norms in all the segments that we operate within. We have consciously decided to phase out hydrochlorofluorocarbon (HCFC) components – one of the man-made greenhouse gases – across our product categories. For our Room Air Conditioners & Commercial Refrigeration products, we switched to R-32 refrigerant entirely, in RACs. R-32 refrigerant is known for its zero ODP (Ozone depleting potential) and extremely low GWP (Global warming potential) – almost 1/3rd of its R-22 variant. This is likely to result in CO2 equivalent saving of 1.02 Million Tons per year and power saving of 336 GWH at the customers' end due to high energy efficiencies.

Moreover, we also switched to using a 5 mm Heat exchanger in RAC, which saved copper near about 5 Metric ton and reduced the C02 emissions. These improvements were made to enhance the overall quality and improve the performance of our outdoor units. Our objective is to fight climate change and lower the impact of these harmful gases on the overall environment.

Our R&D team, in collaboration with leading 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 refrigerant with a lower global warming potential and zero ozone depletion potential.

Similar initiatives were adopted for Commercial Refrigeration products and Air Handling units as we switched over to Cyclopentane as the foaming agent. Well before the Commercial Refrigeration industry introduced these changes, our R&D team has already started testing the usage of green refrigerants in few models of chest freezer and visi coolers.

R-12 AND R-11 PHASED OUT IN FAVOR OF THE MOST ENERGY EFFICIENT REFRIGERANT

R-32

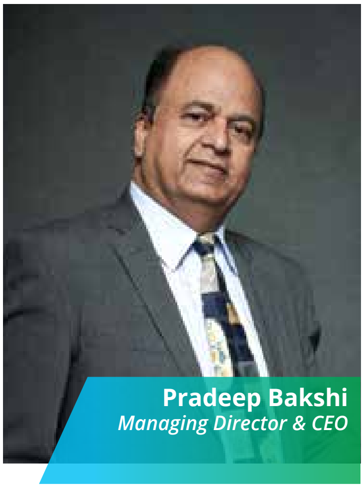
TRADE-OFFS		CAPITAL IMPACTED	STAKEHOLDER IMPACTED
	NATURAL CAPITAL	Financial	Communities
		Intellectual	Customers
		Social	

STRONG, EFFICIENT AND ACCOUNTABLE

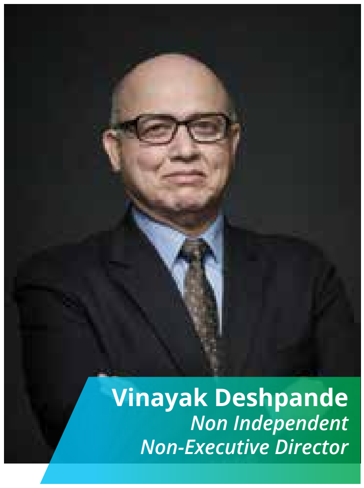
Cultivating strong corporate governance with high ethical standards

BOARD OF DIRECTORS

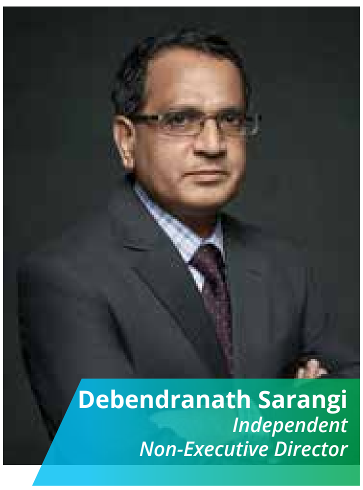
Noel Tata
Chairman
C C M



Pradeep Bakshi
Managing Director & CEO
M M M M M



Vinayak Deshpande
Non Independent Non-Executive Director
C C



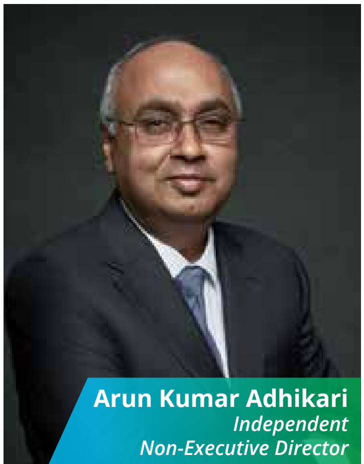
Debendranath Sarangi
Independent Non-Executive Director
M M

Bahram N. Vakil
Independent Non-Executive Director
M M C

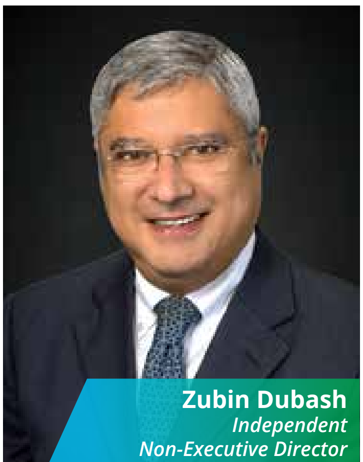
Anjali Bansal
Independent Non-Executive Director
M M M M

Voltas believes that strong and effective corporate governance helps nurture a culture of integrity. It leads to positive performance and helps create a sustainable business. Thus, increasing the accountability of all individuals and teams within the Company.

Hemant Bhargava
Non Independent
Non-Executive Director



Arun Kumar Adhikari
Independent
Non-Executive Director
M
M

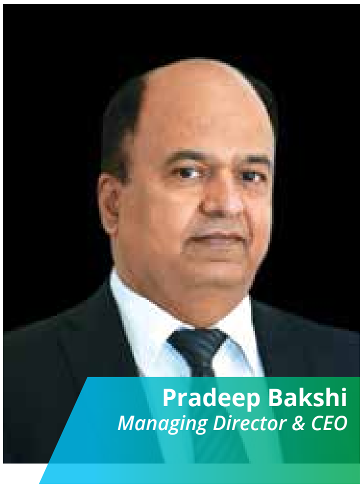


Zubin Dubash
Independent
Non-Executive Director
C
C

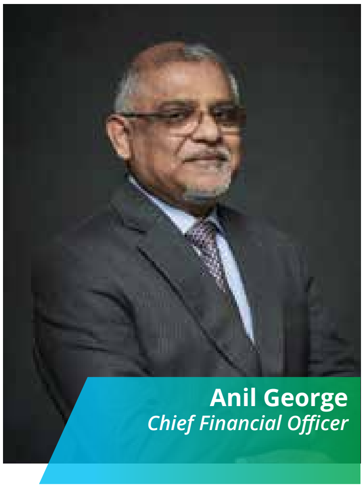
Saurabh Mahesh Agrawal
Non Independent
Non-Executive Director

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

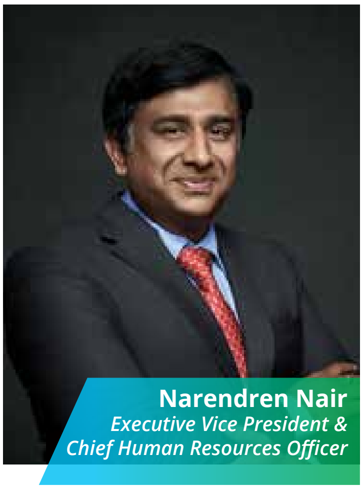
CORPORATE MANAGEMENT TEAM



Pradeep Bakshi
Managing Director & CEO



Anil George
Chief Financial Officer



Narendren Nair
Executive Vice President & Chief Human Resources Officer

Jayant Balan
Chief Executive Officer, Voltbek Home Appliances Private Limited

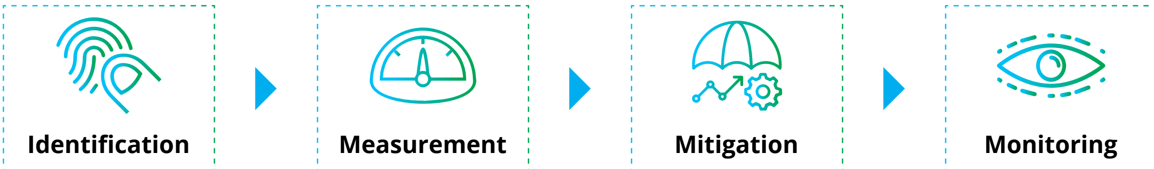
Dinesh Singh
Vice President & Chief Strategy Officer, Corporate Planning

ASSESSING TODAY, PROTECTING TOMORROW

Identifying and enhancing risk mechanism

Voltas has a comprehensive and robust risk management policy and framework in place. It covers all the business units at the corporate level. These units, along with the management, reviews and addresses risks periodically. The material risks that can impact the Company's value creation process are prioritised and mitigation plans are formulated. A collective and distilled view of all the inputs is further taken to develop a corporate risk matrix. This is then reviewed 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:

- Increase in commodity prices and higher ocean freight may impact margins
- Climate change causing shorter summers, which in turn, may affect sales of cooling products and hamper channel sentiments
- Imposition of higher import tariffs may impact profitability
- Short-term impact on business due to the continued presence of Coronavirus Pandemic on account of:
  - a) Potential Economic slowdown
  - b) Loss of business during peak summer season
  - c) Disruption in supply chain in case of re-imposition of lockdown
  - d) Liquidity concerns and deferred investments primarily by smaller private players
- Potential currency volatility and possible inflation may have the potential to dilute our earnings
- Risks pertaining to health and safety of employees in plants and other facilities
- Exposure of sensitive data due to cyber attacks

Mitigating Brand Loyalty Related Risks

Our consistent focus is on finding a resilient business model to counter unseen challenges from diverse industry sectors, fuelled by the ongoing pandemic. Business models are designed for flexibility to appropriately pursue/alter the course of our actions as the situation evolves. We believe in actively engaging with all our stakeholders, be it consumers, channel partners, suppliers or employees. It is absolutely critical to ensure sustainability of our business ecosystem. In our quest for lasting brand loyalty, we are focusing on the changing consumer needs and proactively fortifying our value proposition to meet their expectations. Business restructuring will help us focus on B2C and B2B businesses, independent of each other, while expanding growth of each individually.

Mitigating Supply Chain Related Risks

Our strong dealer relationships have stood the test of the time. We continuously engage with them to flourish our relationships, while focusing on expanding our reach deeper. The addition of Voltas Beko products to our portfolio, further gives our brand a leverage, whilst extracting cost synergies out of marketing, distribution and service spends. The underpenetrated nature of the products we sell provides ample runway for sustained growth in the future. We are also channelling our efforts towards developing a robust local supply chain ecosystem. This will help ring fence ourselves from any unexpected eventualities in the future.

Mitigating Operation Related Risks

The onset of the Coronavirus pandemic has accelerated the digital transformation of our Company. We adopted a 'Work From Anywhere' policy and institutionalised various steps to improve safety of our employees. We put a robust protocol for following social distancing norms and sanitisation practices in place, across all our locations.

Mitigating Forex Risks

We have a well-defined and continuously monitored forex policy, for hedging currency exposure in place. Our presence and earnings from the Middle East projects and Mozambique also act as a natural hedge against exchange volatility. Moreover, our balance sheet with ample cash resources works as our strength in difficult times like COVID-19. It helps us plough on with longer-term strategic investments and other growth imperatives.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman
Noel Tata

Managing Director & CEO
Pradeep Bakshi

Directors
V. Deshpande
D. Sarangi
Bahram N. Vakil
Anjali Bansal
Hemant Bhargava
Arun Kumar Adhikari
Zubin Dubash
Saurabh Agrawal

Chief Financial Officer
Anil George

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 Tata
Anjali Bansal

SHAREHOLDERS RELATIONSHIP COMMITTEE

Chairman
Noel Tata

Members
Bahram N. Vakil
Pradeep Bakshi

CORPORATE MANAGEMENT

Managing Director & CEO
Pradeep Bakshi

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)
Union National Bank
HSBC Bank Middle East Limited
First Abu Dhabi Bank
Doha Bank
HSBC Bank Limited

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

SHARE REGISTRAR
TSR Darashaw Consultants
Private Limited
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli West, Mumbai - 400 083
Tel: +91-22-6656 8484
Fax: +91-22-6656 8494
Email: csg-unit@tcplindia.co.in

Management Discussion & Analysis

MANAGEMENT DISCUSSION & ANALYSIS

Voltas Consumer Product Portfolio

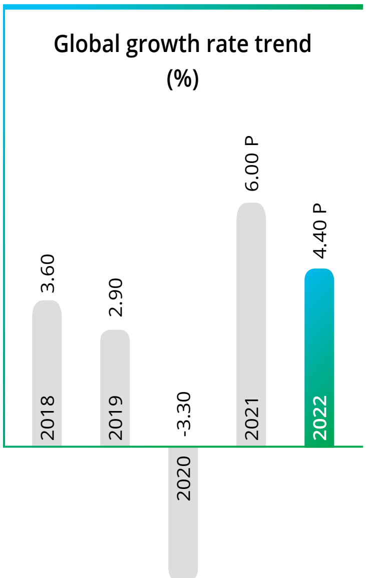
GLOBAL ECONOMIC OVERVIEW

The year witnessed economies across the globe undergo significant disruption caused by the coronavirus (COVID-19) pandemic, which spread at an alarming speed, infecting millions of people worldwide. Fundamental deficiencies in the global system, weakened business operating models and various challenges came to the forefront. From lockdowns disrupting supply chains to movement-limiting restrictions handicapping small businesses, the year tested resilience and perseverance across geographies.

A series of strict government-imposed lockdowns observed to contain the virus spread resulted in a global recession. The impact thereof has only been surpassed by the two World Wars and the Great Depression over the past century and a half. Collectively, these safety measures led to reduced cross-border travel and also led to many job losses. As a result, Gross Domestic Products (GDPs) plunged to record lows across economies.

In the first half of 2020, the global Foreign Direct Investment's (FDI) flow across developed economies witnessed a dip. Lockdown-imposed travel restrictions caused a sluggish demand for crude oil, resulting in a dramatic decline of oil prices in the international markets. However, with eased lockdowns and rapid deployment of policy support by central banks and Governments, the global economy gradually started looking up in the second half of 2020, and for the year as a whole is estimated to have contracted 3.3%. In advanced economies, the initial contraction was less severe than anticipated. Despite a determined vaccination drive, the ensuing recovery has been dampened by a second wave of infections, and perhaps even a third in some countries.

Responding to the economic effects of the pandemic, the US Federal Reserve slashed interest rates to near zero, leading to some amount of consumer rebound. Meanwhile, China is witnessing growth led by the industrial sector and strong exports, the recovery gradually broadening to the service sector and consumer demand as well. On the other hand, Europe fell marginally behind with the resurgence of new cases – slowing down the momentum of economic recovery from the pace it had started with. These developments aside, the recent progress in coronavirus vaccines has boosted confidence, lifting recovery optimism globally, albeit in a gradual manner.



P: Projected

(Source: IMF, World Bank)

Disclaimer: The World Economic Outlook (WEO) 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 2021 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 12 May, 2021, has been showcased here.

Key Overseas Market of Voltas

- The World Bank forecasts the economic activity in the Middle East to modestly recover to an anticipated 3.7% in 2021, based on broad based containment of the pandemic and the US having successfully brokered a deal between key regional players to ease political tensions.
- The United Arab Emirates (UAE) suffered from the fallout of reduced global demand for oil due to the contraction of economic activities worldwide – including transportation and international travel. Although, its economy is estimated to shrink by 5.9% in 2020, a bounce back to 3.1% in 2021 is anticipated given the recommencement of economic activities.
- Qatar's GDP contracted 2.6% in 2020 on the back of sluggish economic activities, accompanied by postponement of contracts on non-core, FIFA world cup-related investment projects and savings in operational spend. It is expected to grow at 2.4% in 2021, owing to growing natural gas production and a rebound in domestic demand.
- Oman's GDP growth rate contracted by an estimated 6.4% in 2020 because of lower oil prices and the outbreak of the COVID-19 pandemic. An increase in gas output and infrastructure spending plans is expected to help growth recover over 2021-22.
- Saudi Arabia is expected to grow by 2.9% in 2021 based on an anticipated boost in the activity due to the resumption of public capital investment projects.
- Mozambique's GDP growth contracted by 0.5% in 2020, and the economy is anticipated to gradually recover to 2.1% and 4.7% in 2021 and 2022, respectively. While the economy registered its first contraction in 2020 in nearly three decades, a growth rebound over the medium-term, supported by coal and aluminum exports is expected.

(Source: World Bank, IMF)

INDIAN ECONOMIC OVERVIEW

The year 2020 started on a rather weak note for the Indian economy. From recording the decade's slowest GDP growth rate at the beginning of 2020 to entering a technical recession towards the later part, the year was full of uncertainties. The phased-out lockdowns severely impacted employment, business, trade, manufacturing, and service activities across sectors. The Reserve Bank of India (RBI) promptly responded and implemented remedial measures like lowering interest rates, announcing fiscal stimulus packages and allowing loan moratorium facilities, among others, for the economy's revival.

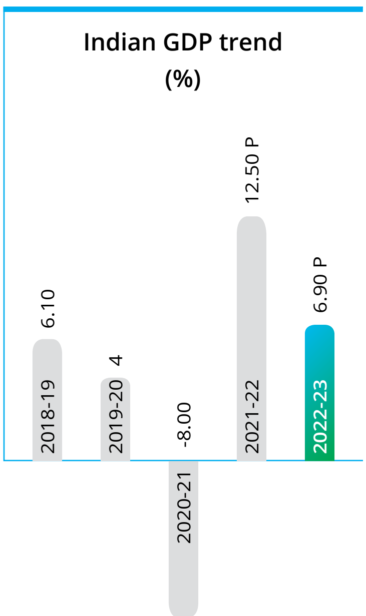
The demand side, especially from the consumption and investment perspective, persistently mirrored weakness during the year. The supply side saw the sharpest contraction, followed by trade, manufacturing, hotels, and transport services. Consumer Price Index (CPI) inflation remained high during most of the year while the unemployment rate – as calculated by the Centre for Monitoring Indian Economy (CMIE) – which was in excess of 20% in the earlier quarters declined, but remained in and around 10% in the later quarters.

GDP contracted sharply in Q1 2020-21 (24.4% Y-o-Y) due to the imposition of the country-wide lockdown. The contraction moderated to 7.3% Y-o-Y in Q3

Air conditioner assembly line at Voltas' Pantnagar factory

2020-21, while growth returned to positive territory in Q4 2020-21, at 0.4%. The National Statistical Office released second advanced estimates for 2020-21 with a GDP contraction of 8%, in line with the World Economic Outlook (WEO) projection.

Meanwhile, after a tough year, the Index of Industrial Production (IIP) witnessed a growth of 22.4% in March 2021. On the other hand, the retail inflation rate measured by the CPI eased to around 4.2% in April 2021. GDP growth turned positive in Q4 2020-21 and GST collection for the second half of the year remained consistently ahead of the ₹1 lakh crores benchmark. Exports witnessed a growth of 57% to some ₹2,50,000 crores, according to the data compiled by the Department of Commerce. The Government, through Union Budget 2021-22, promoted 'Atmanirbhar Bharat' with duty hikes to support the 'Make in India' campaign, while also encouraging overseas investments. Additionally, a slew of announcements across sectors, such as healthcare and core infrastructure, are further expected to boost the growth prospects.



P: Projected (Source: IMF)

Growth Drivers and Outlook

After an initial contraction of nearly 24% in Q1 2020-21, the economy bounced back to pre-pandemic levels in the later part. The Pent-up demand proved to be the key driver of the rebound. As the lockdowns started easing, production of consumer non-durables shot up, soon followed by consumer durables. Household financial savings fueled this rebound and the vaccination drive both in India and across the world, boosted the consumer confidence. Going forward, the growth in the medium term is expected to be propelled by the still recovering service demand, observed at 75% of the pre-COVID levels. The Government's ambitious Production Linked Incentive (PLI) scheme, a stable tax policy, and low-interest rates is expected to support the growth.

Global growth is projected at 6% in 2021 (on a weaker base), moderating to some 4.4% in 2022. The projections reflect additional fiscal support in several large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility. However, new variants of the virus, third wave-based lockdowns, logistical and storage-related issues with vaccine distribution are important factors to gauge and bear in mind.

In India, the economy showed decisive and good signs of recovery. However, with the second COVID-19 wave hitting India in March 2021, the growth momentum is further likely to be impacted. The curve of COVID-19 cases and mobility trends will directly bear on the level of economic activity. This is likely to be accompanied by key downside risks emanating from: inflation with upward pressure on prices due to rising input costs, oil prices, unemployment and increasing non-performing assets of banks. All eyes are on the Government's strong containment measures like testing, fast-tracked and quicker progress in vaccination which should hopefully, support the economy.

(Source: NCAER, Economic times, IMF – World Economic Outlook, April 2021, Business Today, National Statistics Office)

BUSINESS OVERVIEW

Voltas with its proud Tata legacy, is India's undisputed leader in Cooling Products, and the No. 1 Room Air Conditioner brand. The Company is also an engineering solutions provider and a project specialist. With a rich experience of over six decades in the industry, the Company enjoys a strong market position in the project business in both the domestic and international markets of the Middle East, Southeast Asia, and Africa.

Voltas has an extensive product portfolio encompassing Unitary Products, Engineering Products and Services, and Engineering Projects. Under its Unitary Product segment, the Company offers a wide product portfolio ranging from Air Conditioners, Air Coolers, Water Dispensers to Water Coolers and Commercial Refrigeration products. Additionally, the Company is also present in the white goods market through its joint venture (Voltbek) with a Turkish company. The R&D capabilities of Arçelik and Voltas' strong home presence cum distribution reach with more than 22,000 touchpoints will help Voltbek breakeven and achieve its target of 10% market share by 2024-25 in the Home Appliance segment.

Apart from Consumer Durables, Voltas offers engineering solutions for a wide spectrum of industries. It covers areas such as MEP (Mechanical, Electrical and Plumbing) and HVAC (Heating, Ventilation and Air Conditioning), electro-mechanical projects, electrification, textile machinery, mining and construction equipment, water management and treatment, cold chain solutions, building management systems, and indoor air quality management. During the pandemic, Voltas undertook proactive measures and initiatives by developing and upgrading medical facilities – helping these facilities become COVID-19 compliant for fighting against the pandemic. The Company played a crucial role in maintaining the HVAC systems of various hospitals, cold storage units for dairy and blood banks, and power distribution centers, among others.

With an emphasis on sustained profitable growth and the need for increased focus on B2C and B2B verticals, the Board has approved the transfer of its domestic project business relating to MEP / HVAC and Water projects, M&CE (Mining & Construction Equipment) business and TMD (Textile Machinery Division) to its wholly owned subsidiary Universal MEP Projects & Engineering Services Limited ('UMPESL') (formerly known as Rohini Industrial Electricals Limited), by slump sale. A Business Transfer Agreement (BTA) was executed on 24 March, 2021 and the transaction is expected to be completed by September 2021. As part of the proposed restructuring, the Product Solutions (Commercial Air conditioning) that was earlier reported under Segment 'B' will be moved to Unitary Products segment 'A' w.e.f. 1 April, 2021.

Business Structure in the Current Year

VOLTAS

UNITARY PRODUCTS
- Air Conditioners
- Air Coolers
- Commercial Refrigeration Products

ENGINEERING PROJECTS
- Domestic including Product Solutions (Commercial Air Conditioning)
- International

ENGINEERING PRODUCTS AND SERVICES
- TMD
- M&CE

VOLTAS BEKO
A 50:50 joint venture between Voltas and Arçelik
- Refrigerators
- Washing Machines
- Dishwashers
- Microwave Ovens

Business Structure in 2021-22 (post BTA)

VOLTAS

UNITARY PRODUCTS
- Air Conditioners
- Air Coolers
- Commercial Refrigeration Products
- Product Solutions (Commercial Air Conditioning)

ENGINEERING PROJECTS
- International

UNIVERSAL MEP PROJECTS & ENGINEERING SERVICES LIMITED (UMPESL) formerly Rohini Industrial Electricals Limited

ENGINEERING PROJECTS
- Domestic

ENGINEERING PRODUCTS AND SERVICES
- TMD
- M&CE

VOLTAS BEKO
A 50:50 joint venture between Voltas and Arçelik
- Refrigerators
- Washing Machines
- Dishwashers
- Microwave Ovens

UNITARY COOLING PRODUCTS (UCP)

Air Conditioners (ACs)

During the year, the AC industry is estimated to have de-grown by around 29%. This negative growth was owing to a combination of COVID-19 lockdowns and weaker consumer sentiments. That said, the Voltas UCP AC business limited its de-growth to 13% during the fiscal, partially overcoming the lockdown impact and re-emphasizing its Brand credentials. With a 25.2% market share, the business retained its leadership position with a wide margin of close to 1,000 bps compared to its nearest competitor. The business witnessed a swift recovery post easing of lockdowns, thanks to its agility in implementing timely market strategies and consumer campaigns. Q4 2020-21 was particularly successful with a volume growth of 16% in ACs and incremental growth of 22% in the Inverter AC sub segment. Favourable mix benefits from higher sale of Inverter ACs combined with supply chain efficiencies and sensible marketing spends, led to an increase in segment margins.

On the operational front, and in line with the Government's emphasis on 'Make in India', the Company has taken appropriate steps for increasing its dependence on local markets. Going forward, the dependence on imports will be even further reduced.

The business remains steadfastly committed to customer satisfaction and innovation and has launched the new enhanced version of the Voltas Maha Adjustable Inverter AC. The launch was inspired by the recent 'India's Cooling Habits' study conducted by Voltas, and bears testimony to the fundamental belief of offering superior quality high technology products that are both affordable and accessible. The Voltas 2021 AC product range has been enhanced to include over 570+ SKUs. The Company's constant efforts to give the market, energy efficient products and solutions has been well recognised as Voltas is the proud recipient of the 'National Energy Conservation Award 2020' awarded by the Ministry of Power.

Opportunities and Outlook

In India, AC penetration is still hovering at 6% -7% compared to the 90% in developed countries. This provides a huge potential for Voltas to grow and sustain its industry leadership position. Further, the average temperature of the Indian subcontinent is expected

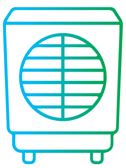
to rise which translates to higher demand for ACs in the country. The recent disruption in the supply chain caused by the pandemic and political tensions with China in general, has boosted confidence about India, and many steps are being taken to make it an internationally preferred manufacturing destination. Government's decision to make India a global manufacturing hub for ACs – 'Atmanirbhar Bharat', the much-awaited PLI Scheme for white goods, etc. are definite catalysts. Serious money has also been allocated – for e.g. ₹6,200 crores for White goods PLI, which will in turn boost incremental investment, and generate over ₹49,000 crores of revenue and around 4 lakh additional jobs.

ACS SOLD DURING THE YEAR

1.2+ Mn

CONVENTION TO INVERTOR SALES RATIO

30:70



Air Coolers

Despite the loss of the limited seasonal window for sale of Air Coolers in Q1 owing to the lockdown, the sub-vertical performed reasonably well during the year. While a certain amount of inventory build-up with trade became unavoidable, an increased number of variants and SKUs, together with appropriate trade schemes, helped secure a more expansive distribution footprint across the sub-dealer network. The business segment is also glad to report that the brand successfully maintained its image of a high quality, appropriately priced product helping to secure the number two position in the market.

As part of the 2021 plan, Voltas launched 46 SKUs of Fresh Air Coolers under various sub-categories such as Personal, Window, Tower and Desert Air Coolers. The new range comprise Windsor, with a 4-sided cooling advantage, Epicool with style and ultra-cooling, Virat with a sturdy metal body, and Alfa Fresh with purification advantage.

Opportunities and Outlook

Climate is the primary factor driving the Air Cooler market in India. The Indian climate is largely characterised by long hot summers, which commence in April and continue until October with temperatures often reaching up to 45°C. In this context Air Coolers represent affordable cooling given that the price, running cost, and maintenance cost of Air Coolers are significantly lower than ACs. Additionally, it represents an environment-friendly cooling alternative to conventional AC systems. Increasing disposable income, the Government's efforts for rural electrification, and strengthening of the residential sector act as key growth drivers. With a wide range of Air Coolers and the introduction of advanced features, Voltas plans to leverage its deep presence across India and hasten its progress towards a larger market share.

Newly launched air cooler designed for Indian tropical climate

Commercial Refrigeration

The category's dependence on the consumption of impulse purchase items like ice creams, chocolates and beverages is well known. Consecutive lockdowns therefore impacted the performance of this category during the first half of the fiscal. The scenario however changed with the easing of lockdown and the category made a strong comeback to register a 6% growth. The change in consumer mindset along with the expansion of mini 'cold chain' facilities across Mom & Pop / Kirana-type Stores in Tier 2 and Tier 3 cites underpinned the growth. A simultaneous focus on building relationships with B2B partners, combined with channel expansion and revival of demand from OEM's contributed in sales of Commercial Refrigeration products during the year.

The Company also strengthened its overall portfolio by introducing 43 SKUs of Commercial Refrigeration products, including Convertible Freezer, Freezer on Wheel and Curved Glass Freezer. The Company launched 18 SKUs of Water Dispensers and 28 SKUs of Water Coolers. Voltas is also introducing a range of Cold Room solutions for the B2B segment in the current year.

Opportunities and Outlook

Increasing demand for packaged food and beverages coupled with the growing hospitality sector are the significant demand drivers of commercial refrigeration in India. On the other hand, lifestyle changes and rapid urbanization drive the commercial refrigeration market through increased food safety regulations and consumer demand for frozen and chilled products. Furthermore, rapid growth in the organised retail sector (hypermarkets and supermarkets) adds to the existing demand for commercial refrigerators. With a diverse product mix of technologically advanced commercial refrigerators at affordable prices, Voltas will continue to be a partner of choice for all.

As is well known, the brand competes with a large number of global competitors in the Indian market space. Additionally, it also relies on imported components. But the undeniable edge that Voltas has over other brands, is its local connect. The existing distribution network extensively built over the years helps it cater for a larger audience across the length and breadth of India.

Our wide range of commercial refrigeration products designed for Indian needs

24/7

Product Solutions (Commercial Air Conditioning)

Being a turnkey solution provider, the segment is engaged in the activities of manufacturing, engineering, selling, R&D and lifecycle management of Commercial AC's. The segment principally caters to products from the country's smallest ducted split AC to the largest centrifugal chiller. It manages and executes electro-mechanical projects, either directly or through a wide pan India network of System Solution Providers. Voltas also provides customer care lifecycle offerings encompassing 24x7 O&M contracts, retrofit system design and execution, predictive maintenance through remote monitoring, and spares support across Tier 1 to Tier 4 cities.

During the year under review, the business faced multiple challenges owing to the pandemic-related lockdowns. These challenges included the adversities faced by the channel partners, like payment delays, non-acceptance of documentation, lower than normal rates, not to speak about travel and logistics issues. Voltas' responsibility was to help its partners come out of these issues through interactions with the end-user/customer. This end-to-end connect approach of Voltas helped its several partners to tide over these difficult times. Overall, the team earned a lot of confidence and goodwill from customers through the period of the pandemic, especially during the complete lockdown. Despite the pandemic and the slowdown in B2B opportunities, Voltas' overall performance was close to that of the previous year.

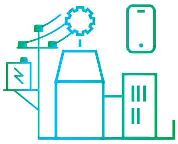
Opportunities and Outlook

As the country expands economically, the scope of HVAC needs across infra spaces, built environment and industry is also expected to multiply manifold. To keep these systems ticking without impeding productivity, evolved lifecycle management systems will create more opportunities for the Customer Care business. The contribution, therefore, to the Company's top line and bottom-line will continue to grow. Additionally, due to the pandemic, there is an increasing demand for indoor air quality space solutions, including Ultraviolet Germicidal Irradiation (UVGI) Products, automated duct cleaning, and filtration, owing to escalated hygiene-related concerns. Restructuring of Product Solutions team will simultaneously create a KAM (Key Account Management) team, whose in-depth knowledge of emerging segments and buyers will create value.

In the Product Solutions segment, Voltas competes with many organised and unorganised players. The Company recognises that technologically superior product offerings and excellent after-sales services can enhance customer centricity. The Product Solutions and Customer Care business accordingly compliments and supports the product offerings, providing an umbrella of services which none of the other players currently offer. Voltas has a vast network of qualified technicians spread across India. Voltas also completed a surveillance audit during the year for Occupational Health & Safety (OHS) & Emergency Medical service (EMS), making it the only company with these safety certifications in the HVAC domain.

Commercial refrigerator factory at Waghodia

ENGINEERING PROJECTS



Domestic Projects Group (DPG): Infrastructure Solutions

As one of the leading providers of integrated end-to-end solutions in electro-mechanical projects, the Company continued making contributions towards nation-building through this vertical. Voltas' prowess across this vertical entails HVAC, electrical, water and waste water treatment solutions across various industrial, infrastructure and built environment segments, covering Government as well as Private sectors. The business bagged some landmark projects in the Solar EPC, Healthcare, Building and Defence sectors. The Infrastructure Solutions business recorded the year-end order booking at ₹1,535 crores.

The year 2020-21 proved challenging for the DPG business due to the COVID-19 pandemic, which impacted the overall business performance. Factors like the non-availability of requisite skilled labour, restricted access to job sites, and mandatory social distancing norms slowed down the pace of work at the beginning of the year under review. Additionally, management of inward transport and receipt of materials, parts and components also presented some challenges based on the source of supply. In view of the same, the Management undertook necessary measures to address the concerns. In the second half of 2020-21, the situation improved with the gradual easing of restrictions. Enquiries, particularly for Infrastructure projects, including metros, electricals, and water treatment, among others, picked up.

The Company strengthened the electrical business with its credentials in solar EPC business with Azure Power and S.B. Energy, Rajasthan orders. Further, it bagged most orders under the MEP business from the healthcare and building segments. It also supported construction and upgradation of COVID-19 medical facilities at various locations across India through MEP project services during the pandemic.

Voltas commissioned two sewage treatment plants for the water business in Patna at Beur (43 MLD) and Karmalichak (37 MLD), as part of the Namami Gange Mission. It was inaugurated by Prime Minister Narendra Modi on 15 September, 2020. The Company additionally implemented some key initiatives, including Digital Project Monitoring, Vendor Portal, Monitoring of Sites through web cameras for safety and centralised bidding and estimation for risk mitigation. It also streamlined the focus towards gaining profitable orders in healthcare, data centres, water treatment & supply, sub-stations, State Discoms and solar EPC segments; improving margins apart from better receivables management in the quarters to come.

DMRC project, Delhi

Opportunities and Outlook

The allocation of ₹5.5 lakh crores unveiled in the Union Budget 2021 is expected to help revive investments. This is anticipated to open up opportunities in the Infrastructure Construction space. In Electrical Business, key opportunities exist in Sub-stations, State Discoms and solar EPC segments. In MEP business, significant opportunities are expected from Metros, Buildings and Healthcare space. Data Centres and Defence are some of the emerging segments which could also present good opportunities. In the Water business, key opportunities exist in Water Treatment and Supply and STPs (Sewage Treatment Plants). The Government of India has invested and planned to provide tapped water connections to every household in urban and rural areas in the next few years. This, along with STPs and networks planned across the country, provides ample opportunities for business growth. With its vast experience in Water and Waste Water Treatment plants and EPC contracts, Voltas is well poised to take up these opportunities.

Infrastructure is a crucially important sector for the overall development of any country. In India, it is considered the economy's backbone, as it integrates projects on a large scale and strengthens its competitiveness on a global level. Pandemic apart, the sector faces challenges in the form of economic slowdown, liquidity crisis and rise in commodity prices. The delay in order finalisations and slower execution occasioned by the second wave of the pandemic may further dent the sector and will need to be closely watched. Nonetheless, the Government's push is expected to help Voltas leverage its capabilities and benefit from the opportunities lying ahead.

Zero Liquid Discharge Plant For Bank Note Paper Mill, Mysore

International Projects

Voltas' International Operations Business Group (IOBG) has a long and distinguished track record of executing several iconic projects in the Middle East countries – the UAE, Qatar, Oman, Bahrain and the KSA – as an MEP sub-contractor.

IOBG managed the challenges posed by the pandemic well. On one hand, it maintained and safeguarded the health of its employees as a foremost priority. On the other, it collaborated with other stakeholders and supply chain partners to ensure timely project progress. The market was affected by fewer enquiries and awards during most part of the year. However, the business is well poised to secure opportunities as positive sentiments, and consumer confidence gradually return. The business also took this opportunity to step up its efforts with digitisation and automation for efficiency and effectiveness of operations.

The focus and economic stimulus of the regional Governments is directed towards infrastructure and hospitality projects. Rules and regulations are also being revised to incentivise foreign investments and participation. Major events such as Expo in the UAE and the FIFA World Cup in Qatar are further expected to fuel business activities. Saudi Arabia continues progressing with mega projects, previously announced, targeting regional tourism. The UAE leads in the drive towards sustainability and the adoption of digital technology.

During the year, Voltas IOBG has been recognised via multiple prestigious awards such as MEP Middle East Awards 2020, Construction Weeks Oman Award 2020, MEED Projects 2020 National & GCC Awards, Annual SHE Award 2020 and Big Project Middle East Award 2020. The Company also ranked third in the Top MEP Contractors List 2020 in UAE.

The total order book for the International operations business as on 31 March, 2021, was ₹ 2,435 crores. These orders have been selected carefully and hold the promise of better margins in the period ahead.

Opportunities and Outlook

The UAE continues to be the most promising market for this vertical. With a good foothold in Qatar, Oman and Bahrain, the business will target viable and sound project opportunities. With its local subsidiary in the KSA doing well, the business has a presence on the ground to allow it to profitably participate in select opportunities related to larger projects.

The pandemic's impact was felt on ongoing and planned projects in terms of delays and funding constraints. On the brighter side, economic stimulus and the vaccination drive, especially in the UAE, are bringing positive sentiments back to the Region. Viability of projects, funding availability and a committed intent to see projects through to conclusion, will be the criteria to be assessed carefully for new projects. This will help manage the risk of delays and non-payments. Prices are likely to remain under pressure primarily due to budget and funding constraints of clients and undercutting by contractors desperate for business. An increase in commodity prices will also need to be cautiously factored into the pricing for new projects.

NFPC Effluent Treatment Plant, Abu Dhabi

ENGINEERING PRODUCTS AND SERVICES

Textile Machinery Division (TMD)

The COVID-19 pandemic severely impacted the first quarter of the financial year. However, despite adversities, the TMD team directed all efforts towards maximising its revenue by gaining a higher market share across every product line. A step up in focus towards TMD's after-sales product basket in both spinning and post-spinning verticals made up for the revenue loss in the Q1 2020-21.

The market share of spinning machinery witnessed a recovery to end above 60% compared to 55% last year. TMD undertook several new initiatives in the after-sales product lines, including special services, which further helped improve the performance. The division witnessed substantial growth in the machinery for mink blankets with a 50% market – obtaining key orders for Shima Seiki Flat Knitting machine.

LMW Machine sold by Voltas

Opportunities and Outlook

The growth potential of the textile industry continues to be promising, owing to significant opportunities in the domestic and international markets. The long-term prospects for Indian textiles players vis-à-vis China has improved as a consequence of various political tensions. The 'Make in India' programme is expected to gain further momentum in the textile industry, both in classical textiles and technical textiles. The Government of India's announcement of setting up seven mega textile parks will help to make the industry globally competitive. Besides, the Government is also planning to accelerate the export of synthetic garments, supported by the PLI scheme.

TMD is fully equipped to address the majority of the textile industry's needs. Voltas is a 'one-stop' solution provider through a comprehensive portfolio of products and solutions. The Company has rolled out strategies to grow revenue and strengthen market leadership across its offerings. These strategies have enabled the Company to de-risk the industry's cyclical nature with sustainable and profitable growth.

With an increase in COVID-19 cases and the lockdown imposed in certain States, the Company foresees a short-term hindrance in the industry's growth. The impact of this could stretch for a couple of quarters depending on the intensity of the second wave.

Mining and Construction Equipment (M&CE)

Apart from its Indian Business, M&CE caters to and supports Vale's mining operations in Mozambique. Activities at Mozambique largely remained insulated from the pandemic. The team successfully negotiated and extended equipment under annual maintenance contracts, much in line with its future plans.

However, the domestic business took a hit due to the pandemic. It caused delays in infrastructure projects and restricted running of mining sites, thus impacting the crushing and screening equipment and parts sales. However, subsequent easing of lockdown and the Government's push on infrastructure projects revived the demand for the same. Crushing and screening business thus witnessed a spurt in equipment demand in the second half of 2020-21, as both Iron Ore and Road Infrastructure segments registered a growth. Moving ahead, Coal India is expected to remain the biggest purchaser of mining equipment and services in the next few years.

Opportunities and Outlook

In Mozambique, there are immense opportunities for servicing Hitachi Equipment and Epiroc drills. The same is currently being serviced by their respective OEMs. For India's mining sector, the divisions' cost-effective proposition for multi-brand equipment service for upcoming Coal India tenders holds promise. The existing Service set up, coupled with decades-long experience and strong customer relationship, will enable M&CE to execute contracts directly with Coal India. With respect to crushing and screening, the service set up in Iron ore belt of Barbil / Joda will be a significant factor driving customer preference for Powerscreen machines. Rungta mines, an existing customer, is expected to be a major player in the Odisha and Jharkhand Iron ore mining auction for 2021-22.

As far as Mozambique operations are concerned, one challenge would be countering Vale's internal cost reduction target. However, the quality of personnel and service rendered would help the Company engage in meaningful discussions, as also garner further contracts at reasonable margin levels. In the case of crushing and screening equipment, market share of 60% in Voltas' managed territory is expected to attract further competition.

Letourneau L 950 loaders serviced by Voltas at Mozambique

VOLTBEK HOME APPLIANCES PRIVATE LIMITED (Voltbek)

Voltbek is a 50:50 joint venture between Voltas and Arçelik, which caters to the home appliances market, with a target of achieving a 10% market share in the next few years. The Consumer durables portfolio is a logical extension of the strategy of Cooling Products at Voltas. Within two years of its launch, Voltbek has already established itself as one of the fastest-growing consumer durables brands, and aims to become the market leader across its chosen product categories in the longer term.

Despite COVID-19 and other challenges, the JV maintained its growth trajectory particularly in the second half as demand returned on the back of a buoyant festive season. The overall sales crossed the remarkable milestone of a million units during the course of the financial year, establishing Voltas.Beko as one of the fastest growing brands in the country. The JV was particularly aided by the operationalisation and rapid ramp-up of production at its manufacturing facility in Sanand, Gujarat. The Direct Cool Refrigerators manufactured at the Sanand factory have been well accepted by the trade partners and customers due to its customisation to the Indian conditions. The factory is operating to full-capacity on a three-shift basis and expansion plans are underway to ramp up capacity to over 1 million refrigerator units by mid-2021. A Washing Machine line with a capacity of ~ 5,00,000 units per annum is also being built-up on the same premises.

Rapid expansion of the channel and the focus on new technologies related to freshness, hygiene and sanitisation, saw Voltbek record significant growth across all its categories including refrigerators, washing machines and microwave ovens. Voltbek was also able to achieve a market leading position in dishwashers, which saw a significant growth in sales post the outbreak of the pandemic. This led to an improvement in operating performance, and the JV is confident of meeting its long-term aspirations related to market share and operating margins while becoming a leading player in the home appliances segment in India by 2025.

Semi-automatic washing machine

Based on industry forecasts, the Consumer Durables market in India is slated to grow at 10% - 12% per annum in the medium to long-term, given the low penetration in these categories, and other macro-economic developments.

Opportunities and Outlook

The Indian consumer durable market is huge, and most of it remains untapped going by the relatively low penetration of consumer appliances as compared to global markets. Refrigerators and consumer electronics goods is expected to witness higher demand from the rural Indian space. The demand growth will accelerate with rising disposable income, easy access to credit and the Government's ambitious plans to invest significantly

Double door refrigerator

in rural electrification. Additionally, the Production Linked Incentive (PLI) Scheme is likely to provide policy support, complementing the goal of making the country a global production hub for manufacturers. This provides an opportunity for the existing players in the industry to further explore and capitalize on the same.

Voltbek faces competition from major global giants, deeply rooted in the industry and Indian homes. While it has to deal with the scale and reach of its competitors with respect to network and product portfolio, a major strength for Voltbek is the leverage it enjoys from the extensive Voltas distribution network, not to mention brand association with Voltas and the house of Tata. With the commencement of Direct Cool (DC) refrigerator manufacture in India, it also enjoys the tag of 'Make in India'. The brand is well placed to make the most of consumer preference and changing trends in the Indian market.

FINANCIAL PERFORMANCE: CONSOLIDATED

Financial performance as a measure of operational performance:

(A) GROSS SALES/INCOME FROM OPERATIONS (SEGMENT REVENUES)

₹ in crores

	2020-21	2019-20	Change	Change%
Segment - A (Unitary Cooling Products for Comfort and Commercial use)	**3,531**	4,049	(518)	(13)
Segment - B (Electro - Mechanical Projects and Services)	**3,566**	3,246	320	10
Segment - C (Engineering Products and Services)	**360**	332	28	8
Total	**7,457**	7,627	(170)	(2)

Owing to the COVID related restrictions in the peak season for UCP business, the consolidated segment revenue for 2020-21 was marginally lower by 2% at ₹7,457 crores as compared to ₹7,627 crores last year.

(B) EXCEPTIONAL ITEMS

₹ in crores

	2020-21	2019-20	Change	Change%
Exceptional Items	**-**	(51)	51	(100)

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

(C) EMPLOYEE BENEFITS EXPENSE

₹ in crores

	2020-21	2019-20	Change	Change%
Employee Benefits Expense	**602**	672	(70)	(10)

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. The reduction in expense is mainly on account of the re-alignment of manpower as per business requirement, especially for project business.

(D) FINANCE COSTS

₹ in crores

	2020-21	2019-20	Change	Change%
Interest	**26**	21	5	24

Finance costs primarily pertain to interest paid on overdraft facilities from banks for execution of overseas projects. Finance cost during the year also includes temporary working capital facility taken to meet the interim fund requirements of the Company.

(E) PROFITABILITY

₹ in crores

	2020-21	2019-20	Change	Change%
Profit Before Tax	**709**	744	(35)	(5)
Profit After Tax	**529**	521	8	2

Consolidated Profit before Tax in 2020-21 at ₹709 crores was lower due to impact of Government led lockdown in the peak season (Q1) for Unitary Cooling Products business which, to a large extent was off-set by smart recovery in the subsequent quarters, pick up in pace in execution of projects in Q4 also helped overall recovery.

Financial Position : Consolidated

(A) BORROWINGS (Non-current and Current)

₹ in crores

	2020-21	2019-20	Change	Change%
Borrowings	**261**	218	43	20

Borrowings represent working capital facilities availed for the execution of overseas projects and financial lease obligation as per the requirements of Ind-AS 116.

(B) INVESTMENTS

₹ in crores

	2020-21	2019-20	Change	Change%
Non-Current Investments	**2,797**	1,823	974	53
Current Investments	**249**	520	(271)	(52)
Total	**3,046**	2,343	703	30

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. Increase in Mutual Funds was over ₹300 crores during the year apart from subscribing to Rights Shares of certain strategic investments.

(C) INVENTORIES

₹ in crores

	2020-21	2019-20	Change	Change%
Raw Materials, Components, Stores and Spares	**364**	274	90	33
Work-in-Progress (net)	**10**	7	3	43
Finished Goods	**366**	196	170	87
Stock-in-Trade of Goods (for trading)	**539**	992	(453)	(46)
Total	**1,279**	1,469	(190)	(13)

Stock-in-trade of goods was higher in 2019-20, primarily in Unitary Cooling Products business for sales during the summer peak season. The nation-wide lockdown and restrictions imposed on transportation in March 2020 led to accumulation of inventory. The subsequent opening of the markets and easing of Government restrictions helped optimise the inventory levels by 31 March, 2021.

(D) TRADE RECEIVABLES

₹ in crores

	2020-21	2019-20	Change	Change%
Current Trade Receivables (net)	**-**	6	(6)	(100)
Non-current Trade Receivables (net)	**1,801**	1,827	(26)	(1)

Trade receivables of business have reduced, depicting the focus on collections by all businesses.

(E) OTHER ASSETS

₹ in crores

	2020-21	2019-20	Change	Change%
Other Current Financial Assets	109	136	(27)	(20)
Other Non-current Financial Assets	96	91	5	5
Contract Assets	1,064	899	165	18
Other Current Assets	226	417	(191)	(46)
Other Non-current Assets	117	118	(1)	(1)

Other financial assets (current and non-current) comprise security deposits, deposits with customer and fixed deposits. Other assets (current and non-current) primarily include balance with Government authorities and capital advances. 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 of completion method, in line with the accounting standards.

(F) LIABILITIES AND PROVISIONS

₹ in crores

	2020-21	2019-20	Change	Change%
Current Liabilities	3,504	3,714	(210)	(6)
Non-current Liabilities	122	126	(4)	(3)

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, and trade guarantees and contingencies, among others.

FINANCIAL PERFORMANCE: STANDALONE

Financial performace as a measure of operational performance:

(A) GROSS SALES/INCOME FROM OPERATIONS (SEGMENT REVENUES)

₹ in crores

	2020-21	2019-20	Change	Change%
Segment - A (Unitary Cooling Products for Comfort and Commercial use)	**3,531**	4,049	(518)	(13)
Segment - B (Electro - Mechanical Projects and Services)	**2,361**	2,791	(430)	(15)
Segment - C (Engineering Products and Services)	**360**	332	28	8
Total	**6,252**	7,172	(920)	(13)

Total revenue for 2020-21 was lower by 13% at ₹ 6,252 crores as compared to ₹7,172 crores last year on account of loss of sales due to lockdown in peak season for Unitary Cooling Products business (Segment A).

(B) OTHER INCOME

₹ in crores

	2020-21	2019-20	Change	Change%
Other Income	**220**	250	(30)	(12)

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

(C) EXCEPTIONAL ITEMS

₹ in crores

	2020-21	2019-20	Change	Change%
Exceptional Items	**-**	(55)	55	(100)

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

(D) EMPLOYEE BENEFITS EXPENSE

₹ in crores

	2020-21	2019-20	Change	Change%
Employee Benefits Expense	**465**	521	(56)	(11)

Employee benefits expense comprise salary, wages, commission to Directors, Company's contribution to Provident Fund and other funds gratuity and staff welfare expenses. The reduction in expense is mainly on account of re-alignment of manpower as per business requirement especially for project business.

(E) FINANCE COSTS

₹ in crores

	2020-21	2019-20	Change	Change%
Interest	**19**	9	10	111

Finance cost primarily pertain to overdraft facilities availed for overseas projects and also temporary working capital facility taken to meet the interim fund requirements of the Company.

(F) DEPRECIATION AND AMORTISATION EXPENSES

₹ in crores

	2020-21	2019-20	Change	Change%
Depreciation and Amortisation Expenses	**30**	29	1	3

The charge for depreciation on fixed assets is higher for the year as compared to the previous year as it also includes depreciation on Right-to-use Assets as per Ind AS 116.

(G) OTHER EXPENSES

₹ in crores

	2020-21	2019-20	Change	Change%
Other Expenses	**591**	647	(56)	(9)

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. Lower expenses in 2020-21 depicts savings in marketing spends for the year and other austerity measures taken on discretionary spends by the Management.

(H) PROFITABILITY

₹ in crores

	2020-21	2019-20	Change	Change%
Profit Before Tax	**733**	813	(80)	(10)
Profit After Tax	**570**	595	(25)	(4)

Profit before Tax for the year was lower due to lower sales of Unitary Cooling Products business in Q1(2020-21).

Financial Position : Standalone

(A) BORROWINGS (Non-current and Current)

₹ in crores

	2020-21	2019-20	Change	Change%
Borrowings	**108**	88	20	23

Borrowings were primarily for the execution of overseas projects, which were higher due to additional working capital facilities taken during the year.

(B) INVESTMENTS

₹ in crores

	2020-21	2019-20	Change	Change%
Non-current Investments	**3,194**	2,121	1,073	51
Current Investments	**249**	520	(271)	(52)

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 under review, the Company made additional investments of ₹150 crores in its wholly owned subsidiary - Universal MEP Projects & Engineering Services Limited (erstwhile Rohini Industrial Electricals Limited) and ₹75 crores in Voltbek Home Appliances Private Limited and increased its holdings in Mutual Funds by over ₹300 crores.

(C) INVENTORIES

₹ in crores

	2020-21	2019-20	Change	Change%
Raw Materials, Components, Stores and Spares	**359**	266	93	35
Work-In-Progress (net)	**10**	7	3	43
Finished Goods	**365**	196	169	86
Stock-In-Trade of Goods (for trading)	**539**	992	(453)	(46)

Stock-in-trade of goods was higher in 2019-20, primarily in Unitary Cooling Products business for sales during the summer peak season. The nation-wide lockdown and restrictions imposed on transportation in March 2020 led to accumulation of inventory. The subsequent opening of the markets and easing of Government restrictions helped optimise the inventory levels by 31 March, 2021.

(D) TRADE RECEIVABLES

₹ in crores

	2020-21	2019-20	Change	Change%
Trade Receivables	**1,452**	1,432	20	1

Trade receivables were higher by 1% as compared to the previous year.

(E) CASH AND CASH EQUIVALENTS

₹ in crores

	2020-21	2019-20	Change	Change%
Cash and Cash Equivalents	**314**	183	131	72

Cash and bank balance at the year-end stood at ₹314 crores.

(F) OTHER ASSETS

₹ in crores

	2020-21	2019-20	Change	Change%
Other Current Financial Assets	**137**	148	(11)	(7)
Contract Assets	**648**	768	(120)	(16)
Other Non-current Financial Assets	**89**	84	5	6
Other Current Assets	**164**	378	(214)	(57)
Other Non-current Assets	**109**	110	(1)	(1)

Other financial assets (current and non-current) mainly comprise security deposit and fixed deposit with maturity of more than 12 months and security deposits. Other assets (current and non-current) comprise balance with Government authorities, capital advances 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

₹ in crores

	2020-21	2019-20	Change	Change%
Current Liabilities	**2,888**	3,307	(419)	(13)
Non-current Liabilities	**104**	111	(7)	(6)

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.

Note: Pursuant to the Scheme of Merger ('the Scheme'), as approved by the National Company Law Tribunal, Mumbai, on 11 September, 2020, Universal Comfort Products Limited, a wholly owned subsidiary company, has been merged with the Company effective 1 April, 2019 (Appointed Date). Consequently, the effect of the Merger has been considered in the above financial results in accordance with Ind AS 103 – 'Business Combinations' and standalone financial results for 2019-20 presented above have been restated.

Risks and Concerns

The Company has a structured approach for identifying and mitigating risks. It has a risk management framework in place with defined roles and responsibilities at different levels. The Risk Management team reviews the overall risks and identifies the critical risks like price risk, forex risk, and environment risk, among others. All inherent risks are measured, monitored and regularly reported to the Management. The Company has adequate mitigation plans based on the probability of their occurrence, potential impact and volatility. The emerging risks are discussed periodically with the Management and the Risk Management Committee comprising three Independent Directors, to ensure implementation of a proper control mechanism.

Internal Control System

The Company has established an internal control framework commensurate with its size, scale and complexity of its business operations. This framework has documented policies and procedures covering all financial and operating functions. The controls are designed in line with the requirements of the Companies Act, 2013, and the Guidance Note issued by the Institute of Chartered Accountants of India. The control framework aims to provide reasonable assurance about the proper maintenance of accounting records. Thus, ensuring the reliability of financial reporting, monitoring of operations and compliance with applicable laws and regulations.

The Company's internal audit function is headed by the Chief Internal Auditor who is supported by a team of qualified professionals. The Chief Internal Auditor reports to the Board Audit Committee. The internal audit function's structure is based on the co-sourcing model viz., in-house team and a reputed external firm, for carrying out internal audits. This helps bring in external perspective, industry benchmarks and best practices. Internal audit assures the Board and the Audit Committee on the design, adequacy and operating effectiveness of the internal control system.

The internal audit function carries out a focused and risk-based annual internal audit plan approved by the Audit Committee. The scope and coverage of audits include review and reporting on key process risks, adherence to operating guidelines and statutory compliances. It also includes recommending improvements for monitoring and enhancing the efficiency of operations. The Board Audit Committee/Board periodically reviews significant internal audit findings. The Audit Committee also reviews the status of agreed-upon actions on issues highlighted in the previous internal audit reports and monitors the adequacy and reliability of financial reporting, internal control and risk management systems.

Internal audit carries out independent testing of operating effectiveness of internal controls. Based on the assessment carried out and evaluations of the results thereafter, the Board of Directors is of the opinion that the Company had adequate Internal Financial Controls system, operating effectively as at 31 March, 2021.

Human Resource and Industrial Relations

Under the aegis of our Vision 2025, numerous initiatives were undertaken during the year to meet the goals. HR has looked at span and layer to bring more efficiency into the structure, hired proficient professionals from the industry, invested in upskilling, digitalisation and employee engagement to build a future-ready organisation.

Voltas' Learning and Development (L&D) solutions are now digital. 'HandyTrain', the mobile app, warrants a deeper reach right up to the last person in the field. HandyTrain was extensively used for creating awareness about the safety measures and precautions required to combat COVID-19. Different pieces of training are conducted based on Organisation (Parichay, Prevention of Sexual Harassment, Tata Code of Conduct), Safety (Institution of Occupational Safety and Health, National Examination Board in Occupational Safety and Health), Technical, Functional and Behavioural. These programmes are designed and based on the requirements identified through performance reviews, career development, and managerial inputs.

HR undertook digital initiatives spanning across areas of emotional, financial and physical well-being, Reward and Recognition (R&R) and a well-rounded Employee Engagement calendar across all locations. Adopting a more holistic approach towards People's Policy, the Company has: employees' insurance policies in place, including Group Medical Coverage Policy (GMC), Group Personal Accident Policy, GMC Policy for parents/in-laws and Group Term Life Policy and Unnamed Group Personal Accident Policy for the workforce on a third-party roll.

HR also periodically conducted programmes across all locations for increasing awareness on critical issues like gender equality, sensitivity at the workplace and redressal mechanism in case of complaints. It used tools like the Manual on Sexual Harassment of Women at Workplace released by the Ministry of Women and Child Development, Government of India, POSH Classroom training and E-learning portal as part of E-modules. Together these encourage employees to be fearlessly vocal and help promote a harassment-free workplace.

The total staff strength of Voltas Limited (standalone) as on 31 March, 2021, stood at 5,556, including 2,939 contract staff. On a consolidated basis, the total manpower was 8,617.

Cautionary Statement

The statement, forming a part of this Report, may contain certain forward-looking remarks within the meaning of applicable Securities Laws and Regulations. Many factors could cause the actual results, performances, or achievements of the Company to be materially different from any future results, performances, or achievements. Significant factors that could make a difference to the Company's operations include domestic and international economic conditions, changes in government regulations, tax regime and other statutes.

Highlights

Sr. No.			2020-21	2019-20	2018-19	2017-18	2016-17
1.	**SALES AND SERVICES**	₹	**7,457**	**7,627**	**7,085**	**6,380**	**6,033**
2.	**OTHER INCOME (INCLUDING OTHER OPERATING INCOME)**		**288**	**262**	**226**	**222**	**274**
3.	**COST OF SALES AND SERVICES (incl. Excise Duty)**	₹	**5,579**	**5,555**	**5,262**	**4,591**	**4,298**
4.	**OPERATING, ADMINISTRATION AND OTHER EXPENSES**		**1,396**	**1,470**	**1,307**	**1,210**	**1,271**
5.	Staff Expenses (included in 3 & 4)	₹	(602)	(672)	(642)	(587)	(618)
	Number of Employees (including Contract Staff)	Nos.	8,617	8,821	8,261	8,118	8,429
6.	**OPERATING PROFIT**	₹	**709**	**795**	**689**	**804**	**719**
7.	**EXCEPTIONAL INCOME/(EXPENSES)**	₹	**—**	**(51)**	**(12)**	**1**	**1**
8.	**PROFIT BEFORE TAXATION**	₹	**709**	**744**	**677**	**805**	**720**
	Percentage to Sales and Services	%	9.5	9.8	9.6	12.6	11.9
	Percentage to Total Net Assets	%	13.5	16.5	15.3	19.9	20.7
9.	**TAXATION**	₹	**180**	**223**	**163**	**227**	**200**
10.	**PROFIT AFTER TAXATION**	₹	**529**	**521**	**514**	**578**	**520**
	Percentage to Sales and Services	%	7.1	6.8	7.3	9.1	8.6
	Percentage to Shareholders' Funds	%	10.6	12.2	12.5	14.8	15.7
11.	**PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY**	₹	**525**	**517**	**508**	**572**	**517**
12.	**RETAINED PROFIT**	₹	**397**	**372**	**353**	**437**	**414**
13.	**DIVIDEND ON EQUITY CAPITAL**	₹	**165**	**132**	**132**	**132**	**116**
	Percentage	%	500	400	400	400	350
14.	**PROPERTY, PLANT AND EQUIPMENT INCLUDING OTHER INTANGIBLE ASSETS (AT COST)**	₹	**564**	**550**	**518**	**470**	**460**
15.	**DEPRECIATION**	₹	**317**	**300**	**294**	**290**	**278**
16.	**INVESTMENTS**	₹	**3,046**	**2,343**	**2,386**	**2,754**	**2,268**
17.	**NET CURRENT AND NON-CURRENT ASSETS**	₹	**1,905**	**1,234**	**1,716**	**1,108**	**1,008**
18.	**DEFERRED TAX ASSET (NET)**	₹	**56**	**71**	**99**	**5**	**20**
19.	**TOTAL NET ASSETS**	₹	**5,254**	**4,498**	**4,425**	**4,047**	**3,478**
20.	**SHARE CAPITAL**	₹	**33**	**33**	**33**	**33**	**33**
21.	**OTHER EQUITY**	₹	**4,960**	**4,247**	**4,077**	**3,872**	**3,274**
22.	**EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY**		**4,993**	**4,280**	**4,110**	**3,905**	**3,307**
	Equity per Share (Book Value)	₹ †	*149.22	*127.20	*121.21	*117.88	*99.93
	Earnings per Share	₹ †	*15.87	*15.63	*15.35	*17.30	*15.64
	Number of Shareholders	Nos.	1,50,995	1,25,527	1,19,915	1,07,457	1,08,646
	Share Prices on Stock Exchange - High	₹ †	*1131	*741	*665	*675	*425
	- Low	₹ †	*428	*449	*471	*401	*267
23.	**BORROWINGS**	₹	**261**	**218**	**315**	**142**	**171**
	Debt/Equity Ratio	%	5	5	8	4	5
	(Percentage to Shareholders' Funds)						

Notes :
1. All amounts are Rupees in crores except those marked †
2. Figures from 2011-12 onwards are based on Consolidated Financial Statements.
3. Previous year's figures have been regrouped / reclassified, wherever necessary.
4. Figures for 2015-16 onwards are as per Ind AS. The figures for preceding years are as per old IGAAP.
5. Operating profit from 2015-16 onwards includes share of profit / (loss) of joint ventures and associates.
6. *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).
7. ** denotes value below ₹ 50 Lakhs

2015-16	2014-15	2013-14	2012-13	2011-12	1994-95	1984-85	1974-75	1964-65	1954-55	Sr. No.
5,720	**5,166**	**5,280**	**5,567**	**5,208**	**811**	**266**	**159**	**42**	**10**	**1.**
164	**148**	**123**	**107**	**109**	**8**	**2**	**	**	**	**2.**
4,114	**3,619**	**3,891**	**4,220**	**3,813**	**604**	**211**	**138**	**35**	**8**	**3.**
1,242	**1,227**	**1,194**	**1,186**	**1,135**	**192**	**56**	**19**	**5**	**2**	**4.**
(635)	(590)	(595)	(633)	(600)	(100)	(32)	(10)	(4)	(1)	5.
8,741	8,424	9,101	10,191	11,611	10,667	8,147	7,252	5,082	2,324	
534	**468**	**318**	**268**	**369**	**23**	**1**	**2**	**2**	**	**6.**
29	**46**	**22**	**12**	**(150)**	**(1)**	—	—	—	—	**7.**
563	**514**	**340**	**280**	**219**	**22**	**1**	**2**	**2**	**	**8.**
9.8	9.9	6.4	5.0	4.2	2.7	0.5	1.0	5.9	2.5	
18.3	23.1	16.3	14.8	12.9	5.0	1.1	4.6	18.3	6.5	
170	**128**	**94**	**73**	**57**	**	—	**1**	**1**	**	**9.**
393	**386**	**246**	**207**	**162**	**22**	**1**	**1**	**1**	**	**10.**
6.9	7.5	4.7	3.7	3.1	2.7	0.5	0.5	2.3	1.4	
14.0	18.4	13.5	12.7	11.0	13.2	4.1	6.7	17.6	9.1	
387	**384**	**245**	**207**	**162**	—	—	—	—	—	**11.**
309	**286**	**174**	**146**	**101**	**10**	**	**	**1**	**	**12.**
86	**74**	**61**	**53**	**53**	**12**	**1**	**1**	**	**	**13.**
260	225	185	160	160	35	10	12	15	5.5	
484	**459**	**461**	**451**	**424**	**307**	**50**	**12**	**4**	**1**	**14.**
280	**266**	**251**	**240**	**219**	**107**	**16**	**6**	**1**	**	**15.**
1,946	**1,094**	**732**	**407**	**312**	**82**	**5**	**1**	**1**	—	**16.**
901	**902**	**1,116**	**1,247**	**1,160**	**149**	**66**	**29**	**9**	**3**	**17.**
31	**35**	**24**	**22**	**24**	—	—	—	—	—	**18.**
3,082	**2,224**	**2,082**	**1,887**	**1,701**	**431**	**105**	**36**	**13**	**4**	**19.**
33	**33**	**33**	**33**	**33**	**34**	**10**	**6**	**3**	**2**	**20.**
2,778	**2,069**	**1,786**	**1,593**	**1,445**	**131**	**20**	**6**	**3**	**	**21.**
2,811	**2,102**	**1,819**	**1,626**	**1,478**	**165**	**30**	**12**	**6**	**2**	**22.**
*84.96	*55.59	*48.29	*44.81	*41.21	50	305	191	216	1,027	
*11.70	*11.62	*7.42	*6.28	*4.90	7	12	13	38	93	
1,05,465	99,973	1,03,543	1,16,804	1,20,098	84,180	45,237	14,395	7,356	150	
*360	*301	*164	*138	*189	176	470	211	276		
*211	*149	*63	*73	*72	92	356	125	183		
271	**122**	**263**	**261**	**223**	**266**	**75**	**24**	**7**	**2**	**23.**
10	6	14	16	15	162	253	200	136	151	

REPORT OF THE BOARD OF DIRECTORS

To the Members

Your Directors present their Sixty-Seventh Annual Report and the Audited Statement of Accounts for the year ended 31 March, 2021.

1. Financial Results

₹ in crores

	Consolidated		Standalone	
	2020-21	2019-20	2020-21	2019-20*
Total Income	**7,745**	7,889	**6,598**	7,457
Profit for the year after meeting all expenses but before interest, depreciation and exceptional items	**830**	917	**782**	905
Interest	**26**	21	**19**	9
Depreciation and amortization	**34**	32	**30**	29
Profit before exceptional items	**770**	864	**733**	868
Share of Profit/(Loss) of Joint Ventures and Associates	**(61)**	(69)	**-**	-
Exceptional items (Net)	**-**	(51)	**-**	(55)
Profit before tax	**709**	744	**733**	813
Tax expenses	**180**	223	**163**	218
Profit after tax	**529**	521	**570**	595
Other Comprehensive Income (Net)	**321**	(190)	**329**	(210)
Total Comprehensive Income	**850**	331	**899**	385

* Pursuant to the Scheme of Merger as approved by the National Company Law Tribunal, Mumbai, on 11 September, 2020, Universal Comfort Products Limited, a wholly owned subsidiary company, has been merged with the Company effective 1 April, 2019 (Appointed Date). Consequently, the effect of the Merger has been considered in the above financial results in accordance with Ind AS 103 – 'Business Combinations' and the stand-alone financial results for 2019-20 presented above have been restated.

2. Operations

It's been over a year since COVID-19 was declared a pandemic. While multiple levels of lockdowns have been witnessed across the globe, in India, the earlier sense of a successful disease containment no longer exists. The second wave currently being experienced can be described as a tsunami, with greater severity and impact across sections of the society. Human death toll apart, there are signs of extreme social and economic challenges all across the world. The efficacy of vaccines given multiple mutations of the virus remains a question mark, although they hold out the promise of reducing the severity and frequency of infections. On a positive note, there are however several green shoots of gradual recovery from the pandemic, hopefully leading to a stronger rebound, across the length and breadth of the world.

Along with the twist and turns of the pandemic and political tensions, the year also witnessed significant events - North American markets cheered the results of US elections, Brexit became a reality, and in the Middle East, the US brokered a deal between key Regional players, paving the path for normalised relations. Before India got stuck with second wave, Q4 showed an upliftment in general business and consumer confidence. Manufacturing and Service PMI (Purchasing Manager's Index) had picked up, GST collections touched an all-time high, Auto sales achieved double-digit growth and Job markets had shown signs of steady recovery. Meanwhile prices of key commodities such as copper, steel, plastics, etc. have increased by around 70%, while sea freight has grown over 3 times.

The IMF (International Monetary Fund) has projected a stronger recovery in 2021 and 2022 for the global economy compared to their previous forecast, with growth projected to be 6% in 2021 and 4.4% in 2022. Projections for India remains buoyant with projected growth of 12.5% in 2021 and 6.9% in 2022. However, the jury is still out as the impact of the second wave remains rather indeterminate, amidst already stressed Government resources.

Lockdown in Q1, the peak season of Unitary cooling business affected the growth of the AC industry and the Company. However, the strength of the Voltas brand and its enviable distribution network shone through each of the other Quarters, helping the business post a strong recovery both across top and bottom line. Voltas ended the year with a minimal de-growth of 13% as compared to previous year, the performance being backed by pent up demand and Channel partner eagerness to secure their share of inventory amidst fears of supply chain disruptions and price escalation.

Appropriate focus on the Inverter sub-category with competitive pricing and larger number of SKUs has yielded a favourable outcome – Inverter growth in Q4 was 22.5% ahead of the previous year and now contributes over 77% of Split ACs sold in Q4, compared to 70% for the similar period in the previous year. That apart, Voltas continued to maintain a YTD February 2021 market share of 22% in Inverter ACs. In terms of the overall AC market, Voltas continued to retain its undisputed leadership with a YTD February 2021 market share of 25.6% at multi-brand outlets.

Substantial build-up of Air Cooler inventory with Trade, owing to the lockdown which had disrupted the limited seasonal window available for its sale, impacted the performance of the Air Cooler vertical. However, acceptance of fresh SKU models by the market, exports and achievement of a breakthrough with certain key dealers and increasing billing points helped recovery of lost sales. Based on January 2021 exit numbers, Voltas is now at the number two position, having achieved a market share of 10.6%. At the same time, Channel expansion, together with a healthier model mix and greater B2B account focus, helped deliver a stellar performance in the Commercial Refrigeration vertical.

Labour shortage owing to multiple lockdowns and demand reduction impacted project business. Given the overall subdued sentiment, there were hardly any fresh investments from the Private sector, and Project completion has continued to remain in limbo amidst serious liquidity concerns. However, the deemed 'essential services' tag for project activities in Middle East, ensured the pace of existing work and security from the travails of COVID-19. Unfortunately, the Project business continues to experience a client driven propensity to delay certifications, postpone grant of extension of time (EOTs) although contractually entitled, and a tendency to withhold payment against due receivables.

Nevertheless, given the difficult times and circumstances, the Company has performed well and has reported a consolidated total income from operations of ₹ 7,745 crores, a marginal dip of 2% as compared to ₹ 7,889 crores last year and a consolidated profit before tax of ₹ 709 crores as compared to ₹ 744 crores in previous year.

The Company's Balance Sheet continues to remain healthy with minimal borrowings which are required primarily for the overseas operations. While operational cash flow during the first six months have been weak given the context of the lockdown and AC sales lost out in the peak season, recovery of product sales in later periods amidst focus on collection in the project business, has strengthened the cash flow by end of the year.

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 outbreak of COVID-19 pandemic led to an unprecedented health crisis. It severely disrupted economic activities and global trade while weighing on consumer sentiments. The pandemic has suddenly forced a new way of life for the world to adapt. Voltas judiciously analysed and assessed fundamental ways in which the pandemic altered its operations, highlighting new priorities, capabilities, and outlooks.

As the COVID-19 pandemic began to spread around the world from the end of January 2020, Voltas first ensured the safety and health of its employees. The Company actively gathered COVID-19 related information needed to create awareness and implement appropriate safety measures amongst employees.

The risk-intelligent culture, embedded across the Company, helped develop and adopt a multi-pronged strategy. It effectively helped respond to the evolving pandemic situation. Employees and communities' health and safety continued being the foremost priority. Voltas focussed on running operations safely and efficiently to service its customers. Further, Handy Train, the Company's mobile application, was extensively used to create awareness about the safety measures and precautions required to combat COVID-19. Voltas prudently adopted 'Work from Home' (WFH) policy even before the lockdowns were announced. Employees were provided necessary software to facilitate a smoother remote working experience without any technical interruptions. A virtual meeting room software 'Cisco' was also set up to ensure smooth functioning of all business functions. Initiatives like awareness programmes related to COVID-19, technical trainings and programmes at the Voltas' Virtual Campus in collaboration with SkillSoft (a 24*7 learning platform), among others, helped build a culture of continuous learning despite lockdowns.

The pandemic not only affected many aspects of the Company's operations, but also brought along several changes in market conditions. Voltas' operations in the manufacturing and project sites witnessed a temporary suspension. The beginning of the lockdown coincided with Room Air Conditioners (RAC) business' peak season thereby impacting the performance of the Company. However, the sales gradually picked up with the easing of lockdowns. The business operations in the international markets also suffered with various governments imposing restrictions on business activities.

The Company's Unitary Cooling Products and Domestic Projects Businesses continued partnering the nation during this period – catering essential services in the healthcare and infrastructure sector. Despite challenges, the Project teams were operational across 260 sites. They continued providing customers with operational, maintenance and breakdown support during this difficult time. Factors like the non-availability of requisite skilled labour, restricted access to job sites and mandatory social distancing norms considerably slowed down the pace of Project work at the beginning of the year. The international operations of M&CE continued progressing fairly, but the domestic operations took a hit due to the pandemic. It caused delays in infrastructure projects and restricted running of mining sites. However, easing of lockdowns and Indian Government's push on infrastructure projects rejuvenated demand for the same.

The Board of Directors proactively took cognisance of the economy's slowdown and the liquidity crisis. Cross-functional teams were formed to manage supply chain and iron out logistic-related issues. All these efforts were put keeping the constraints imposed by the lockdown in mind to ensure plant operations as planned. Provisions were made for delay in collection of receivables and various cash conservation methods were also adopted. The Company undertook these measures along with cautious plans on the capital expenditure without impacting the long-term strategic plans.

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 keeping in mind the shareholders interest in these difficult times, the Directors recommend a higher dividend of ₹ 5 per equity share of ₹ 1 each (500%) for the year 2020-21 (2019-20: 400%). The dividend would result in a cash outflow of ₹ 165.44 crores, reflecting pay out of 29%, well in line with the Company's Dividend Policy.

The dividend on Equity Shares is subject to the approval of the Shareholders at the Sixty-Seventh Annual General Meeting (AGM) scheduled to be held on 27 August, 2021. The Register of Members and Share Transfer Books of the Company will remain closed from 13 August, 2021 to 27 August, 2021 (both days inclusive) for the purpose of payment of the dividend for the financial year ended 31 March, 2021 and the AGM.

6. Finance

Despite the significant cost and liquidity pressures exerted by the pandemic, the Company continued with a strong balance sheet and negligible borrowing. On one hand, cash reserves were systematically nurtured to ensure adequate liquidity to ride out potential disruptions. On the other hand, Voltas retained its capacity to fund its future growth ambitions comprehensively.

The minimal borrowing in the Company's balance sheet represents fund-based borrowings for Voltas' overseas operations; domestic borrowing being largely confined to non-fund-based facilities. Meanwhile, an external rating agency reconfirmed the credit rating of AA+ for the long-term and A1+ for short-term borrowing, thus helping the Company borrow at the most optimum rates.

While day-to-day business decisions such as procurement of orders or extension of credit in the market is based on a firm understanding of the risks entailed, they are equally underlined by the all-important ability to collect cash. That apart, the difficulties of the current environment further emphasized the organizational need to focus on austerity measures, constantly driving synergy, and keeping a tight rein on working capital. These actions resulted in improved margins for the Company while also generating cash surplus during the year.

Notwithstanding the Company's best efforts, the disruption in sales, owing to the lockdown in the peak season, resulted in higher-than-expected inventory and overall working capital for the Products segment. However, multiple efforts and initiatives taken by the Company for securing the supply chain helped accrue cost savings and gain flexibility to bounce back during the post lockdown period, especially in the later part of the year. The year also witnessed a steep increase across commodity prices which were partly passed on to end customers. While product margins were protected, the Company, in tandem, ensured appropriate balance vis-à-vis its competitor offerings, successfully holding and increasing its market share. It is worthwhile to note that despite the lockdown-related loss of sales during the peak season in Q1, Voltas contained its de-growth well below the industry level and continues to be the profitable market leader in the Room Air Conditioner category.

In the Project business, over ₹ 2,800 crores of new orders were added in the domestic and international markets, providing suitable revenue visibility in the periods ahead. Compared to certain legacy orders, the intrinsic quality of new orders have improved as a result of additional due diligence, risk identification and mitigation, not to mention the higher bid margins suggested by an internal Project Review Committee. The carry-forward order book for Domestic projects at ₹ 4,200 crores comprised orders across Water, HVAC, Rural Electrification and Urban infra-activities. The international order book of ₹ 2,435 crores represents MEP work, mainly across UAE, Qatar and Oman. However, execution challenges at the beginning of the year, cautious margin recognition policy and conservative provisioning policy owing to the liquidity stress kept the bottom line somewhat subdued. Despite early challenges, better execution of running projects and improved cash collection, especially in the later part of the year, reduced the impact of the pandemic and helped the Projects business segment post reasonable turnover and results for the year.

With an eye on sustained profitable growth, while enhancing focus on both B2C and B2B verticals, the Board, during the year, approved the transfer of its domestic B2B businesses to its wholly owned subsidiary. Accordingly, B2B business relating to MEP/HVAC and Water projects, Mining and Textiles are proposed to be transferred to Universal MEP Projects & Engineering Services Limited ('UMPESL') (formerly known as Rohini Industrial Electricals Limited), by slump sale through a Business Transfer Agreement executed on 24 March, 2021. The proposed transfer of businesses is subject to satisfaction of certain Conditions Precedent to the Closing Date and the Management is targeting 30 September, 2021 as the Closing Date or such other date as may be mutually agreed between the Company and UMPESL. As a step towards strengthening the capital structure of the wholly owned subsidiary (UMPESL), the Company made an investment of ₹ 150 crores by subscribing to the Rights Equity Shares of UMPESL during the year under review.

Meanwhile, the Manufacturing Plant of the Joint Venture company, Voltbek Home Appliances Private Limited (Voltbek) at Sanand completed its first year of operation. Despite various disruptions and multiple limitations on production and supply chain caused by the COVID-19 pandemic, the factory successfully produced high-quality Direct Cool (DC) refrigerators, which were very well accepted in the market and demonstrated significant demand pull from the trade. While the current emphasis is on maximizing production to meet the increasing demand for DC refrigerators, plans have been drawn to also commence manufacture of Frost-free refrigerators over the coming months, followed by Top load fully automatic washing machines. These measures represent a further step towards localization and strengthening the overall supply chain. To facilitate capital expansion and support the longer-term manufacturing strategy, the Company has made further investment of ₹ 75 crores during the year, thereby increasing its total investment in the joint venture to ₹ 410 crores. Simultaneously, the Company continued to aggressively leverage its distribution and other synergies to optimize the cost in line with projections and meet its targets.

The year 2020-21 witnessed significant volatility in the interest rates owing to various measures undertaken by the Central Bank to purposefully infuse market liquidity and keep the economy afloat. These, in turn, had an impact on the average yield of the investment portfolio. The Company's investment policy considers the three all-important aspects of safety, security and liquidity, in consonance to which, it currently has investments of over ₹ 2,000 crores (mutual funds, debentures and bonds).

Exchange rates were fairly volatile during the year under review, given multiple factors such as US elections, woes of the pandemic and multiple interventions by Central banks of various countries across the globe. Voltas has a well-defined forex policy, based on which currency exposure was continuously monitored to hedge forward risk in a timely and efficient manner. Earnings from the Company's overseas projects in the Middle East, and Mining support activities in Mozambique also serves as a natural hedge against exchange volatility.

Considering all the ramifications of the pandemic (including a complete washout of peak season in Q1) and the depressed Business environment during the year, it is gratifying to note that the Company's total income for the full year, at ₹ 7,745 crores remained more or less in line with that of the previous year. At the PAT level, the Company was marginally ahead of the previous year at ₹ 529 crores. Total Comprehensive Income was higher at

₹ 850 crores, given the positive change in valuation of the Company's investments. Voltas ended the year with an Earnings per share of ₹ 15.87 (Face Value per share of ₹ 1) ahead of the previous year.

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. To assess the progress made by various companies in the group, the Tata Business Excellence Group (TBExG) conducts external assessments across Tata companies. TBEM has been conceived to deliver strategic direction and drive business improvements at the Tata group. Voltas has consistently benefited from the adoption of TBEM concepts for over two decades.

The Unitary Products Business Group and Voltas.Beko participated in the Data Maturity External Assessment (DMA) based on the TCS 'DATOM' framework in January 2021. The objective was to assess the progress made by Voltas in DATA Excellence. The Company's score was in the 75th percentile on the overall level.

Based on the outcome of the External TBEM and DMA Assessments, the Company developed and implemented comprehensive action plans to take its Business Excellence journey forward. Voltas has benchmarked the processes with the companies within and outside the Tata Group. The Company has developed more than 80 Business Excellence champions, 25 Data Excellence Champions and, 8 Data Maturity Assessors to facilitate seamless progression on the Business Excellence journey.

Voltas has been recognised by the Tata Business Excellence Group for 'Building Business Excellence Champions Capability 2020' at the BEC virtual session hosted on 12 January, 2021. The recognition was conferred upon Mr. Pradeep Bakshi, MD & CEO, Voltas Limited.

TBExG launched the TATA Competitive Intelligence (TCI) process on 14 August, 2020 with the objective of helping companies in the Group to effectively understand the market and competition through competitive intelligence. The booklet contains eleven best practices followed in the TATA Group, of which, three practices are from Voltas.

1. Voltas: UPBG – Usage of Competitor Information in Multiple Ways
2. Voltas: TMD – Win/Loss Analysis
3. Voltas: TMD – Competitive Intelligence gained through Trade Shows/Symposium

Learning programs/missions were organised at other TATA companies to learn/share on key areas like Customer Network Management, Quality Management System, HR-Contract Labour Management, Innovation Management, and other areas. Looking into the importance of managing key accounts effectively, KAM (Key Account Management) programs were implemented in Infra Projects and Product Solutions. After successful implementation, the same was initiated in the Textile Machinery Division.

Voltas kicked off the internal Improvement program initiatives at the manufacturing plant of UPBG (Product Solutions segment) at Waghodia. The plant started the 5S program and implemented 1S level successfully and achieved results on productivity, space and, inventory optimisation.

The Company participated and won the 'Making Customers Smile' contest organised by the TATA Group.

The Company participated in Tata Ideas monthly eHackathon on Monetizing Assets and Data Analytics and received innovative ideas for solution implementation. The Company also participated in Tata Innovista, a Tata Group level contest to recognise and celebrate the innovation. During 2020-2021, Voltas registered 9 entries in the TATA Innovista 2021 cycle and is awaiting the results.

8. IT Initiatives

The year 2020 brought along unprecedented challenges for everyone. The COVID-19 pandemic has impacted lives and livelihood like none before. With the announcement of the lockdown in India in March 2020, remote work saw a steep rise, making 'Work from Home' (WFH) the new norm. Voltas, quickly adapted to the changes in the external environment. The Company's IT team immediately responded to the employees and stakeholders' changing needs. This also called for enhanced IT Security and VPN to be provided to all employees for enabling WFH setup. Processes were changed to enable remote support and the transition was smooth with minimal disruption to work and zero security incidents.

Right through the year, several other improvements were carried out to support IT Security and Infrastructure. Web Application Firewall (WAF), new VPN client for enhanced security and ease of use, NextGen EDR Solution for all endpoints and servers, Managed File Transfer Solution, New Test Environment for isolation of Test Servers in the Data Centre, and New Advanced Firewall for the Data Centre were some of the many IT Security initiatives undertaken and successfully completed. A lot of IT capacity and version upgrade activities were also completed – New network switches in the Data Centre, New Power9 server for increased performance, increase in backup capacity of DR Servers and backup servers for all new locations, new servers in the Windows Farm and increased bandwidth of multiple links including DC-DR among others. One of the significant projects under the IT Infra space included the seamless transition of support from the on-site team to TCS ICC. Thus, increasing the support window and adoption of best practices.

Applications and Digital:

During the year, the Company also witnessed various re-organisations. Under such circumstances, the Company's IT team ensured that all the systems and applications were configured perfectly in line with the Company's new structure.

Many new developments were undertaken and functionalities were added across all the major applications. Franchisee Payout, Invoice Processing Automation, AMC Modules, DSC Consignment Process, Defective Spares Challan Process, Alternate Material STO and Minimum Stock Level Fulfilment were some of the major projects undertaken in Siebel and SAP.

Voltas has also added a number of new applications to its IT landscape for supporting the core business processes.

The Company emphasised and focused on digitalisation. Several new applications, processes and modules were added through Web and Mobility, Analytics, Robotic Process Automation (RPA) and Integration with 3rd Party Systems.

Some key initiatives on Web and Mobility entailed Safety Portal, Vendor Assessment Portal, Daily Project Reporting, Discounting Portal and Fiori for PO and Contract approval. Many new processes were also taken up for automation through RPA. Moreover, a few new dashboards and interactive reports were developed on the Company's Analytics platform. To eradicate manual interactions with 3rd Parties, many new interfaces were established with banks, partners like Tata Cliq and external applications like Delhivery.

Collectively, all the work and development during the year, with regards to IT Security and Infra, has helped Voltas transition to the new requirements.

9. Safety and Health

Voltas has always believed that a positive safety culture plays an imperative role in the Company's values. Voltas places safety and health of its people at utmost priority. The Board through a S-H-E Committee periodically assesses, amends, and upgrades the requirements of the evolving safety culture. These changes and modifications are executed in alignment with the Company's three-phased five years' plan, namely, the Immediate Action Plan (Phase-I - September 2019 to March 2020), Intermediate Action Plan (Phase-II - April 2020 to March 2022) and Sustainability of Action Plans (Phase-III - April 2022 to March 2025). The success of these changes is critically evaluated and closely monitored by the Company's 3 tier committees – the S-H-E Board Committee and a Steering Committee comprising the Corporate Management Group and Corporate SHE Committee.

During the first phase, Voltas recognised and trained 47 safety leaders, externally, from each of the businesses. Apart from 100% internal site audits, the Company successfully conducted training and created awareness within a stipulated time.

In the second phase, Voltas further included training reinforcements of the top Management and BU Heads. This training was conducted via quarterly meetings of the safety managers with the Company's MD & CEO and CHRO, along with SHE Committee Head. Certification audit of ISO:9001, ISO:14001 and ISO:45001 for the Electrical business (RIEL) and ISO:14001 and ISO:45001 for Water management business were also successfully conducted. Additionally, surveillance audit of IMS (Integrated Management System) at O&M (Customer Care) and Pantnagar plant was completed. Moving to the Company's digitisation initiatives, Voltas launched a new safety portal, which integrates hazard and incident reporting, a platform for vendors' management, and a visitors' management system, among others.

During the year, Voltas conducted competency-building training for 110 Safety Officers, 123 Service Managers, 900 Service Franchisee (SF) Owners, and 2,426 SF Technicians in UPBG Services. Additionally, 247 participants from UPBG Sales and Marketing teams were externally trained on road safety and defensive driving techniques. After the successful completion of its 'Road Safety' campaign, the Company also launched 'Working at Height' campaign for 2020-21. A total of 32 office locations were audited in the second phase and 47 local admin-in-charge were trained internally. Further ensuring consistency and resilience of safety controls, Voltas audited 98 major projects and offices with a weighted score on the Tata Group Safety Standards Compliances. This was done over and above the regular safety inspections and audits of sites, manufacturing units, customer care premises, offices, and warehouses.

The successful and effective implementation of the first two phases of the Company's five years' plan helped run its business uninterruptedly, even during the lockdown. Amid the pandemic, a 24*7 helpline was launched to support and counsel the Company's employees. It promptly introduced a 'Work from Home' policy, ensuring employees' safety. The Company successfully conducted 118 virtual training sessions, creating awareness on COVID-19 precautions to be followed. These sessions witnessed participation of 1,569 employees and 8,269 workers across the organisation.

The improvement of Company's Safety Standards attracted lot of positive acknowledgement. The Company received several appreciation letters and awards in recognition of its enhanced Safety Standards from various clients including Reliance Industries and West Bengal State Electricity Distribution Company Limited.

10. Sustainability Development

For Voltas, community is family. All its interventions for social good are need-based and sustainable. The Company endeavours to reach out to the most-marginalised ones and those at the bottom of the pyramid. It believes in undertaking affirmative actions for each of its CSR initiatives. With every passing year, it has only strengthened its CSR interventions for optimum impact. The CSR framework has been designed in accordance to the Tata Ethos and adhering to the priority community needs. The Company keenly observes the efficacy and relevance of the thrust areas defined in the framework. Currently, it is carrying out all its activities under the broader gambit of three important verticals - Sustainable Livelihood, Community Development and Issues of National Importance.

Sustainable Livelihood emphasises on skill-development and on making marginalised youth and women employable. Under the Community Development vertical, it undertakes initiatives pertaining to quality education, health and water. Under Issues of National Importance, the Company aims to address national-level concerns such as disaster management, affirmative action, and sanitation. The Company's CSR department has adopted the 3E principle of Engage, Equip and Empower. This ensures empowerment of the communities by emphasising on their participation and ownership in the development process.

(a) Sustainable Livelihood

The Company acknowledges skilling and employability enhancement as crucial factors in developing self-reliance among community youth and women. In line with this recognition, Voltas has adopted it as its flagship programme. Over the period, the Company has ventured into offering both, technical as well as non-technical courses. The Company upgrades skills of the existing technicians and helps them with certification to boost their confidence and work opportunities. Recognition of Prior Learning is an effective training initiative that has been undertaken for over three years now. It has positively impacted work efficiency, productivity and income of the existing unskilled as well as semi-skilled technicians. The Company also aims to share domain expertise with various stakeholder groups, including trainers from ITIs and other private organisations. The idea is to help the RAC industry with knowledge and expertise that it has developed over six decades of rich experience. Safety is another crucial area that falls within the Company's CSR initiative periphery. Safety instructions are imparted under all Voltas's training-based programmes.

(b) Community Development

Voltas sees community development as a foundation for improving lives. Under this vertical, the Company focusses on priority and fundamental community issues such as education, health and water. During the year, the Company carried out two projects under 'Education Voltas' which:

(a) Supports brightest students from the most-marginalised communities in nine districts of Kerala for higher education. It is also preparing them for their future careers;

(b) Revolves around the operational area of Voltas in Uttarakhand.

The Company helped in refurbishing Government schools with its focus on water and sanitation. The project, encapsulating quality education in the second phase, started with firming up the infrastructure to make it a well-equipped place for studying. During COVID-19, Voltas provided safety kits to the students who graduated to become RAC technicians. Additionally, the Company also supported a long-term rehabilitative intervention for the pandemic-impacted migrant labourers in Uttar Pradesh. The project was implemented by the Tata Trust and focused on food security, making Government schemes available, providing livelihood opportunities, and policy advocacy. It reached out to 2,100-gram panchayats, 65 blocks and 10 districts of Uttar Pradesh, and positively impacted around 4,00,000 beneficiaries directly.

(c) Issues of National Importance

The three sub-themes under this vertical – Disaster Management, Sanitation and Affirmative Action – for Scheduled Caste and Scheduled Tribe communities talk about intensity of the country's issues.

Voltas undertook participatory groundwater management at the Beed district of Maharashtra. This initiative was aimed at long-term intervention to address water scarcity in the perennially drought-prone area of Beed. Under phase two of the programme, six needy villages were identified for participatory groundwater management. The programme aimed at improving the lives of people through adoption of integrated approach for water resource management, sustainable agriculture and livelihood enhancement.

This programme, therefore, aims at reducing the impacts of drought by undertaking various water-conservation and recharging measures with people's participation. The programme is expected to benefit around 13,000 people, covering 3,036 families. Of this, around 40% families fall under SC / ST / NT categories.

During 2020-21, trainings on crop management, included Integrated Pest Management, Integrated Nutrient Management and Watershed Management. 497 farmers benefitted from the training and on-field demonstrations.

The Company installed water level indicators to sensitise and train the community to improve water productivity and follow regulatory norms on water usage. Six orientation trainings on effective operations of Village Water Committee were provided to 171 farmers from the project villages. The Village Water Committee acts as an apex body to plan and implement water and agriculture-related activities in the village and monitor water usage. 486 families directly benefitted from the area treatment for water conservation, covering 632 hectares of land.

Trainings are provided to women Self Help Groups (SHGs) to generate awareness on significance of collective action and effective functioning of SHGs, and assessing viable business opportunities. Fifteen such trainings were provided to 484 participants. Two training sessions were conducted on goat-rearing and poultry, for which, 59 women participated.

Under Affirmative Action, Voltas is making an effort to reach out to SC/ST youth through its exclusive programmes. Apart from electrical or plumbing training through a skilling centre at Panvel or stitching and tailoring classes at Bethany, Panvel, these programmes aim at supporting the beneficiaries to be gainfully employed.

Under National Importance, Voltas also initiated an integrated sanitation project in Waghodia, near Vadodara in partnership with the Tata Trust. It mainly had four components: Household Toilets; School Sanitation; Solid Waste Management and Menstrual Hygiene Management.

The project is being implemented in five villages around Voltas' Waghodia Plant. The project emphasises on community participation and convergence with Government programmes and schemes. Despite the pandemic, the project reached out to 3,644 community members in 2020-21. This long-term project has both hardware activities such as HH toilets and soak-pit construction, and software activities like training and capacity building.

11. Corporate Social Responsibility (CSR)

Disclosure as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 in prescribed form is enclosed as Annexure I to the Directors' Report.

During the financial year 2020-21, the Company has spent ₹ 11.71 crores (2% spend requirement was ₹ 11.50 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 2020-21 are disclosed in the Corporate Governance Report.

12. Subsidiary/Joint Ventures/Associate Companies

As on 31 March, 2021, the Company has 7 operational 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://www.voltas.com/images/_ansel_image_collector/DETERMINING_MATERIAL_SUBSIDIARY_POLICY_1.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 room air conditioners has been merged into Voltas pursuant to an Order passed by the National Company Law Tribunal (NCLT), Mumbai Bench, on 11 September, 2020. The merger became effective on 26 November, 2020, upon filing of the Certified True Copy of the NCLT Order with the Registrar of Companies and UCPL ceased to exist.

- Universal MEP Projects & Engineering Services Limited (UMPESL) (formerly known as Rohini Industrial Electricals Limited), a wholly owned subsidiary of the Company, is engaged in the business of rural electrification work and EPC projects related to solar power. UMPESL has reported turnover of ₹ 322 crores and profit before tax of ₹ 18 crores approx. in 2020-21 as compared to ₹ 451 crores and ₹ 12 crores approx. respectively, in the previous year.
- The performance of Voltbek Home Appliances Private Limited (Voltbek), the joint venture with Arecelik A.S. for Consumer White Goods was better in terms of sales volumes as compared to 2019-20. Voltbek commenced manufacturing of Direct Cool (DC) Refrigerators from its Sanand factory in Gujarat. Voltbek has plans to commence in-house manufacturing of Frost Free (FF) Refrigerators and Top Load Washing machines from Sanand factory and has targeted to more than double its sales volume in 2021-22. Voltas as one of the main shareholders (49%) has provided funds in the form of capital infusion and similar capital contribution is also made by the foreign JV partner. The paid-up capital of Voltbek as on 31 March, 2021 was ₹ 837 crores. During 2020-21, the Company invested ₹ 75 crores in the share capital of Voltbek and the Company's total investment in Voltbek (49% share) was ₹ 410 crores approx.

Except as mentioned above, there have been no material changes in the nature of the business of the subsidiaries, including associates and joint ventures during the financial year 2020-21.

13. Number of Board Meetings

During 2020-21, eleven Board Meetings were held on 14 April, 2020; 29 May, 2020; 19 June, 2020; 15 July, 2020; 14 August, 2020; 7 October, 2020; 12 October, 2020; 6 November, 2020; 20 January, 2021; 12 February, 2021 and 16 March, 2021. Most of the Board Meetings were held through Video Conferencing.

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 the Annual Report and is also available on https://www.voltas.com/images/_ansel_image_collector/DISCLOSURE_OF_REMUNERATION_POLICY_FOR_DIRECTORS.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 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 their own 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 16 March, 2021 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

The performance of the individual Directors, performance and role of the Board/ Committees was also discussed at the Board Meeting held on 12 May, 2021. 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 2020-21 does not contain any qualification, reservation or adverse remarks, except for Key Audit Matters.

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 2020-21 and they have been reappointed as Cost Auditors of the Company for the financial year 2021-22. 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 2020-21. Their Secretarial Audit Report, in prescribed Form No. MR-3, is annexed to the Directors Report as Annexure III, 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 2021-22.

19. Audit Committee

The Audit Committee 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. The Board has accepted the recommendations made by the Audit Committee from time to time. Details of Audit Committee Meetings held during the year 2020-21 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. The Company has formulated a Risk Management Policy to establish an effective and integrated framework for the risk management process. During 2020-21, two Meetings were held on 12 November, 2020 and 23 February, 2021 wherein, 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 Tata	0.63
Mr. Vinayak Deshpande	0.42
Mr. Debendranath Sarangi	5.36
Mr. Bahram N. Vakil	5.59
Ms. Anjali Bansal	5.39
Mr. Hemant Bhargava	2.26
Mr. Arun Kumar Adhikari	5.36
Mr. Zubin Dubash	4.18
Mr. Saurabh Agrawal (w.e.f. 21 January, 2021)	*
Executive Directors	
Mr. Pradeep Bakshi Managing Director & CEO	52.34
Mr. Anil George Deputy Managing Director & CFO (ceased to be Deputy Managing Director upon completion of his term on 31 August, 2020, however, continued as the 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 2020-21. However, in line with the internal guidelines, no commission is paid to Mr. Noel Tata, Mr. Vinayak Deshpande and Mr. Saurabh Agrawal 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 Tata	5.88
Mr. Pradeep Bakshi	(14.47)
Mr. Anil George (up to 31-8-2020)	*
Mr. Vinayak Deshpande	33.33
Mr. Debendranath Sarangi	36.83
Mr. Bahram N. Vakil	44.76
Ms. Anjali Bansal	68.81
Mr. Hemant Bhargava	>100
Mr. Arun Kumar Adhikari	79.92
Mr. Zubin Dubash	*
Mr. Saurabh Agrawal (w.e.f. 21 January, 2021)	*
Mr. V. P. Malhotra (Company Secretary)	(18.22)

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

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

(4.69%)

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

2,617 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:

As part of austerity measure due to COVID-19 pandemic, there was no salary increase across all employees of the organisation, including the managerial personnel. On the contrary, senior leadership team took a salary reduction in 2020-21.

(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. Noel Tata retires by rotation and being eligible, offer himself for re-appointment. Mr. Anil George ceased to be Deputy Managing Director of the Company upon completion of his term on 31 August, 2020. However, in view of request made, he continued to serve as the Chief Financial Officer of the Company. The Company has identified his successor who is expected to join by June 2021.

On the recommendation of NRC, the Board had appointed Mr. Saurabh Agrawal as an Additional Director (Non-Executive, Non-Independent) of the Company with effect from 21 January, 2021. In accordance with the provisions of Section 161(1) of the Act, Mr. Saurabh Agrawal holds office up to the date of the forthcoming AGM and is eligible for appointment as a Director of the Company. Notice under Section 160 of the Act has been received from a Member proposing the appointment of Mr. Saurabh Agrawal as Director of the Company. The Resolution seeking approval of the Members for appointment of Mr. Saurabh Agrawal as a Director, including his brief profile forms part of the Notice of the 67th AGM of the Company.

The Members had at the 63rd AGM held on 28 August, 2017 appointed Mr. Arun Kumar Adhikari as an Independent Director of the Company to hold office for five consecutive years from 8 June, 2017 up to 7 June, 2022. Pursuant to the provisions of the Act and based on the recommendation of NRC, the Board recommends, the re-appointment of Mr. Arun Kumar Adhikari for a second term of five consecutive years from 8 June, 2022 to 7 June, 2027. The approval of the Members through a Special Resolution is being sought at this AGM and forms part of the Notice.

Mr. Pradeep Kumar Bakshi, Managing Director & CEO of the Company has also been appointed as the Managing Director of Universal MEP Projects & Engineering Services Limited for a period of 5 years with effect from 1 April, 2021.

None of the other 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 Kumar Bakshi (Managing Director & CEO), Mr. Anil George (Chief Financial Officer) 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 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://www.voltas.com/images/_ansel_image_collector/WHISTLE_BLOWER_POLICY_1.pdf

29. Particulars of loans, guarantees or investments under Section 186 of the Act during 2020-21

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 8,9,18 and 44 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, except for the proposed transfer of domestic B2B businesses to UMPESL and execution of BTA to that effect. However, as the transaction is not yet consummated, the details of such contracts or arrangements in Form AOC-2 does not form part of the Report, as the same is not applicable for the year under review.

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 2020-21. 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. Annual Return

Pursuant to Sections 92(3) and 134(3)(a) of the Act, the Annual Return (Form MGT-7) is available on the Company's website at the link: http://voltas.com/images/Investor/schedule-announcements/download/Voltas_Form_MGT-7_-_Annual_Return_2020-21.pdf

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 ('POSH Act') and the Rules there under. As per the requirement of POSH Act, the Company has formed an Internal Committee to address complaints pertaining to sexual harassment at work place. During 2020-21, one pending complaint of 2019-20 was resolved and settled amicably. The Company did not receive any new complaints in 2020-21.

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: 12 May, 2021 **Noel Tata**

Place: Mumbai Chairman

Annexure I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

for financial year 2020-21

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014]

1. **Brief outline on Corporate Social Responsibility (CSR) Policy of the Company:**

The CSR Policy articulates the Company's approach and commitment to sustainable and inclusive social development by improving the quality of life of the communities it serves. Engage, Equip and Empower is the cross-cutting theme of various projects initiated under the three verticals namely: Sustainable Livelihood, Community Development and issues of National Importance. Sustainable livelihood is the flagship program which focusses on building employability of Youth from underprivileged section of the Society. Community Development deals with Water, Health and Education and emphasizes on community participation and ownership and works on projects for sustainable outcomes. Issues of National Importance deals with the thematic areas like Disaster Management, Sanitation and Affirmative Action.

2. **Composition of the CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Noel Tata	Chairman, Non-Independent, Non-Executive Director	2	2
2	Mr. Pradeep Bakshi	Member, Managing Director & CEO	2	2
3	Mr. Bahram N. Vakil	Member, Independent Director	2	2
4	Ms. Anjali Bansal	Member, Independent Director	2	2

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:**

The CSR activities undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR Committee composition, CSR Policy and projects/ programs undertaken by the Company along with the implementing agencies / partners are available on links given below:

(i) CSR Committee composition and CSR Policy:

https://www.voltas.com/images/_ansel_image_collector/CSR_Policy_%28Revised%29_11102021.pdf

(ii) CSR projects or programs undertaken by the Company:

https://www.voltas.com/images/_ansel_image_collector/CORPORATE_SOCIAL_RESPONSIBILITY_PROJECTS__PROGRAMMES.pdf

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:**

The Company had in 2019-20 voluntarily conducted Impact Assessment for six of its projects with an objective of having better insights, making course corrections if required and re-designing it to become more impactful, going forward. The Company takes cognisance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and has initiated steps to conduct impact assessment of CSR projects through an independent agency. There are no projects undertaken or completed after 22 January, 2021, for which the impact assessment report is applicable in the financial year 2020-21.

5. **Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any:**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
Nil			

6. **Average net profit of the Company as per Section 135(5):** ₹ 575.01 crores.

7. (a) **Two percent of average net profit of the Company as per Section 135(5):** ₹ 11.50 crores.

   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil.

   (c) **Amount required to be set-off for the financial year, if any:** Nil.

   (d) **Total CSR obligation for the financial year (7a+7b-7c):** ₹ 11.50 crores.

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (₹ in crores)	Amount Unspent (₹ in crores)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
11.71	Nil	NA	NA	Nil	NA

   (b) **Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in crores)	Amount spent in the current financial year (₹ in crores)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in crores)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
				State	District						Name	CSR Registration Number
Nil												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the Project (₹ in crores)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
1	Participatory Groundwater and Sustainable Agriculture project	(xii)	Yes	Maharashtra	Beed	0.86	No*	Action for Food Production	CSR00000747
2	Employability Enhancement through Non - Technical training	(ii)	Yes	Odisha	Bhubaneshwar	0.56	No*	EduBridge Learnings Pvt. Ltd.	Registration is in process
3	Skill Training in Refrigeration, Air Conditioning and Plumbing	(ii)	Yes	Uttarakhand	Pantnagar	0.49	No*	Greysim Learnings Foundation	CSR00000153
4	Skill Training in Plumbing, Electrical and Automotive sector	(ii)	Yes	Maharashtra	Thane, Raigad	0.77	No*	Pratham Education Foundation	CSR00000258
5	Skill Training in Refrigeration and Air Conditioning	(ii)	Yes	Maharashtra Uttar Pradesh West Bengal Uttar Pradesh Madhya Pradesh Jharkhand Telangana Bihar	Thane Aligarh Midnapur Hardoi Chhindwara Jamshedpur Karimnagar Muzaffarpur	1.41	No*	Tata Community Initiative Trust (TCIT)	CSR00002739
6	Scholarship and mentoring support to academically bright and needy students for their higher education	(ii)	No	Kerala	Major Districts in Kerala State	0.19	No*	CETA Galaxy Charitable Trust	CSR00007168

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/ No)**	**Location of the project**		**Amount spent for the Project (₹ in crores)**	**Mode of implementation - Direct (Yes/No)**	**Mode of implementation - Through implementing agency**	
				State	**District**			**Name**	**CSR Registration Number**
7	Recognition of Prior Learning for RAC and CAC technicians	(ii)	Yes	Haryana Punjab Uttar Pradesh Delhi Telangana Karnataka	Hissar Gurgaon Faridabad Ludhiana Bhatinda Agra Muzaffar Nagar Lucknow North & South Delhi Pratapganj Hyderabad Bengaluru	0.56	No*	Keypath India Pvt. Ltd.	Registration is in process
8	Skill Training in Refrigeration and Air Conditioning	(ii)	Yes	Andhra Pradesh Delhi Telnagana	Srikakulam Delhi Hyderabad	0.27	No*	GMR Varalakshmi Foundation	CSR00000851
9	Skill Training in Refrigeration and Air Conditioning	(ii)	Yes	Maharashtra	Thane	0.16	No	Father Agnel Technical Institute	CSR00003513
10	Skill Training in Refrigeration and Air Conditioning	(ii)	Yes	Maharashtra	Thane	0.01	No	Bosco Boys	CSR00007817
11	Skill Training in Refrigeration and Air Conditioning	(ii)	Yes	Maharashtra Jharkhand	Thane Jamshedpur	0.42	Yes		
12	Tool Kits for Students from Skill Training Centres	(ii)	No	PAN India		0.20	Yes		
13	Functional English program for students from Voltas's Skill Training Centres	(ii)	No	PAN India		0.12	No	Step-Up Charitable Trust	CSR00007140
14	Support to girls (belonging to SC/ST) for Auxiliary Midwifery Nursing Course	(ii)	Yes	Maharashtra	Raigad	0.02	No	Women India Trust	CSR00005429

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/ No)**	**Location of the project**		**Amount spent for the Project (₹ in crores)**	**Mode of implemen-tation - Direct (Yes/No)**	**Mode of implementation - Through implementing agency**	
				State	**District**			**Name**	**CSR Registration Number**
15	Nutritional and educational support to the Tribal children	(i)	Yes	Maharashtra	Raigad	0.03	No	The Bethany Society	CSR00008712
16	Rehabilitative measures for the migrant workers impacted due to COVID pandemic.	(xii)	No	Uttar Pradesh	Across State	3.00	No	Tata Education and Development Trust	CSR00003775
17	COVID Relief measure (healthcare)	(xii)	Yes	West Bengal	Kolkata	0.40	No	Tata Medical Centre Trust, Kolkata	CSR00002920
18	Animal adoption program at Jamshedpur	(iv)	Yes	Jharkhand	Jamshedpur	0.07	No	Tata Steel Zoological Society	CSR00007552
19	Providing PPE kits for Hospital staff and patients	(i)	Yes	Tamil Nadu	Chennai	0.17	No	Medical Research Foundation	CSR00002623
20	Providing PPE kits for frontline workers	(i)	Yes	Maharashtra	Mumbai	0.17	No	Taj Public Service Welfare Trust	CSR00000540
21	Providing dry ration to Tribal families	(xii)	Yes	Maharashtra	Raigad	0.07	No	The Bethany Society	CSR00008712
22	Support to the libraries restoring historical books	(v)	No	PAN India		0.10	No	Marg Foundation	CSR00006830
23	Supporting children for their Education	(ii)	No	PAN India		0.05	No	Child Rights and You	CSR00000805
24	School Infrastructure Projects	(ii)	Yes	Uttarakhand	Shivpur, Anandkhera, Chandan Nagar, Rajpura, Dineshpur	0.16	Yes		
25	Restoration of Arts and Culture	(v)	Yes	Karnataka	Bangalore	0.05	No	India Foundation for the Arts	CSR00009664
26	Support towards environmental policies	(iv)	Yes	Delhi		0.20	No	Vidhi Centre for Legal Policy	CSR00000775

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the Project (₹ in crores)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
27	Support for welfare of Armed Forces	(vi)	Yes	Delhi		0.02	No	Armed Forces Flag Day Fund	Registration is in process
28	Support for life threatening diseases	(i)	Yes	Maharashtra	Thane	0.22	No	KARO Trust	CSR00008234
29	Palliative Care to Cancer Patients	(i)	Yes	Maharashtra	Thane	0.20	No	The Jimi Bilimoria Foundation	CSR00001543
30	Providing PPE Kits for frontline workers	(xii)	Yes	Gujarat	Waghodia	0.02	No	Vadodara Gram Zillah Credit & Multi Society Limited	--
31	Conservation and Digitization of Books	(v)	Yes	Maharashtra	Mumbai	0.01	No	The Asiatic Society of Mumbai	Registration is in process
32	Supporting girls for building their employability skills	(ii)	Yes	Maharashtra Karnataka	Mumbai Pune Bengaluru	0.05	No	Human Capital for Third Sector	CSR00001437
33	Support for Enhancing vocational skills for women in Catering trade	(ii)	Yes	Madhya Pradesh	Indore	0.10	No	Sir Ratan Tata Institute	CSR00007435
					Total	**11.13**			

* Some part of the funds were also spent directly by the Company.

Note: The projects/programs as referred to above are implemented on annual basis.

(d) Amount spent in Administrative Overheads: ₹ 0.58 crore

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 11.71 crores

(g) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (₹ in crores)
(i)	Two percent of average net profit of the Company as per section 135(5)	11.50
(ii)	Total amount spent for the financial year	11.71
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.21
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	0.21

9. (a) **Details of Unspent CSR amount for the preceding three financial year(s):**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Nil							

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in crores)	Amount spent on the project in the reporting Financial Year (₹ in crores))	Cumulative amount spent at the end of reporting Financial Year (₹ in crores)	Status of the project -Completed / Ongoing
Nil								

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):**

(a) **Date of creation or acquisition of the capital asset(s):** None

(b) **Amount of CSR spent for creation or acquisition of capital asset:** Nil

(c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:** Not Applicable

(d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** Not Applicable

11. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5):**
Not Applicable

Pradeep Kumar Bakshi
Managing Director & CEO
Place : Delhi

Noel Tata
Chairman - CSR Committee
Place : Mumbai

Date : 12 May, 2021

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 utilised solar rooftop as an alternate renewable source of energy generating 282 MW electrical energy resulting in a reduction in 240 Ton of carbon footprint.

(b) For utility air distribution, instead of a large air compressor having 150 HP /110 KWH motor, switched to a smaller compressor of 10 HP/ 15 KWH which was used on alternate days, based on the process requirement. This has resulted in saving 17.2 MWH electricity and 14.69 Ton of carbon footprint per month.

(c) Switched over to usage of 5 mm Heat exchanger in Room Air conditioners which saved copper of approx. 5 Metric ton and reduced the C02 emissions.

(d) Saving of Energy by 16.5 MWH and carbon foot print by 14 Tons per year through following projects-

- Installation of daylights on the rooftop in factory (Saving of 6098 KWH of energy and 5.2 Tons of CO_2 per year).
- Automatic operation of Water Pump for testing Defence AC (Saving of 315 KWH and 0.27 Ton of CO_2 per year).
- Switching over to Trans vector type pneumatic cleaning air guns (10080 KWH energy saving and 8.6 Tons of CO_2 reduction per year).

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) Indigenously designed and manufactured prototype of the Non-Modular Side Discharge Inverter VRF (Variable Refrigerant Flow) series up to 12 HP. The same is under testing and validation.

(b) Manufactured and tested twin compressor Oil Free Magnetic Bearing Centrifugal Chiller of capacity up to 180TR.

(c) Introduced chest freezer with zero ozone depleting potential (ODP) and almost NIL global warming potential with Hydrocarbon refrigerant for reducing global environment impact.

(d) Designed and developed Infrared sensor based Touchless Faucet to make Water Cooler more apt during COVID-19 pandemic.

(e) Launched Silica based Nano Coating technology filters in Air conditioners which kills bacteria and virus effectively. It has proven antiviral activity and certified effectiveness of 3 years (effectively 25 washes as per international standards).

(f) Launch of Voltas Maha adjustable inverter AC with a unique 5-Stage adjustable mode which runs on different tonnages, as per customer needs, depending on the ambient temperature or number of people in the room, thereby saving electricity.

(g) Pure Air ACs with UVC (Ultraviolet C) Sterilisation technology which is effective in killing 99.9% viruses, bacteria, fungal, yeast & mould.

RESEARCH & DEVELOPMENT (R&D):

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

(a) In the area of Energy Efficiency and HCFC Phase Out:

(i) Developed new series of Air Cooled and Water Cooled Screw Chillers with energy efficient VFD (Variable Frequency Drive) certified by AHRI (Air Conditioning, Heating and Refrigeration Institute).

(ii) Launch of 3 TR and 4 TR models with R32 refrigerant and rotary compressors.

(b) Products and Processes Developed through in-house technology:

(i) Enhanced range of Inverter Ductable Air-conditioners up to 18 TR capacity.

(ii) Introduction of rotary option in 6 TR Inverter Ductable to reduce cost.

(iii) Developed Vapour Absorption Chiller working simultaneously on dual heat source - Steam and Hot Water.

(iv) NABL (National Accreditation Board for Testing and Calibration Laboratories) accreditation of 30 TR Psychometric Test facility as per ISO 17050.

(v) Launched Window and Split ACs with lower size IGT (Inner Grooved Tube) of 5 mm.

(vi) Introduced 150-150 ISI marked Water Cooler.

EXPENDITURE ON RESEARCH & DEVELOPMENT:

The Company has incurred Research & Development expenditure of ₹ 14.48 crores (including capital expenditure of ₹ 3.94 crores) during 2020-21.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earnings in foreign exchange: ₹ 109.74 crores

Expenditure in foreign currency: ₹ 0.02 crore

Value of import on CIF basis: ₹ 727.87 crores

On behalf of the Board of Directors

Noel Tata

Mumbai, 12 May, 2021

Chairman

Annexure III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2021

[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 authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31 March, 2021 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, 2021 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 Act, 1936
2. Payment of Bonus Act, 1965

3. Minimum Wages Act, 1948
4. Industrial Disputes Act, 1948
5. Industrial Employment (Standing Orders) Act, 1946
6. Payment of Gratuity Act, 1972
7. Employees Provident Fund and Miscellaneous Provisions Act, 1952
8. Factories Act, 1948
9. Income-tax Act, 1961 and Rules
10. 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
18. E-waste Management Rules, 2016
19. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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 Director, 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 Act 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, if any, 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-Sixth Annual General Meeting (AGM) held during 2020-21.**

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. National Company Law Tribunal (NCLT), Mumbai Bench, had passed an Order on 11 September, 2020 approving the Scheme of Merger by Absorption of Universal Comfort Products Limited (UCPL), a wholly-owned subsidiary with the Company. The merger was effective from 26 November, 2020, upon filing of Certified True Copy of the NCLT Order with the Registrar of Companies. The Appointed Date of merger was 1 April, 2019.
2. Mr. Pradeep Kumar Bakshi was re-appointed as Managing Director & CEO of the Company for a further period of 5 years commencing from 1 September, 2020 at the 66th AGM of the Company.
3. The Company has entered into a Business Transfer Agreement on 24 March, 2021 with UMPESL to transfer its B2B domestic projects business - Mechanical, Electrical and Plumbing / Heating, Ventilation and Air-Conditioning and Water projects, Mining and Construction Equipment business and Textile Machinery business to UMPESL, as a going concern on a slump sale basis. Due intimation to the Stock Exchanges (BSE and NSE) was made by the Company.

M/s N. L. Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
UDIN: F008663C000280330

Bhaskar Upadhyay
Partner
FCS: 8663
CP. No. 9625
PR No.: 700/2020

Date: 12 May, 2021
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: F008663C000280330

Bhaskar Upadhyay
Partner
FCS: 8663
CP. No. 9625
PR No.: 700/2020

Date: 12 May, 2021
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, on the standards of values, ethics and business principles. The Whistle Blower Policy of the Company provides a mechanism for the employees to approach the Chairman of Board Audit Committee/Ethics Counsellor and disclose information that may evidence unethical or improper activity concerning the Company.

2. BOARD OF DIRECTORS

(a) Composition

The present Board comprises 10 members: 9 Non-Executive Directors (NEDs) and a Managing Director & CEO. Of the 9 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 Wholetime Director of any listed company and does not serve as an Independent Director in more than 7 listed companies. The Independent Directors are appointed for a term of five years, subject to maximum of 2 terms of five years each or up to 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 2020-21, a separate Meeting of Independent Directors of the Company was held on 16 March, 2021 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 https://www.voltas.com/images/_ansel_image_collector/FAMILIRIZATION_PROGRAMME_FOR_INDEPENDENT_DIRECTORS_1.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 NEDs, 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 66th Annual General Meeting (AGM) held on 21 August, 2020 passed an Ordinary Resolution and approved payment of commission to NEDs not exceeding 1% or 3% per annum of the net profits of the Company as the case may, to be calculated in accordance with the provisions of the Act for that particular year. The aforesaid Resolution was for the financial years commencing from 1 April, 2020.

(e) Other provisions as to Board and Committees

During 2020-21, eleven Board Meetings were held, mostly through video conferencing on the following dates and the gap between two consecutive Board Meetings did not exceed 120 days.

14 April, 2020; 29 May, 2020; 19 June, 2020; 15 July, 2020; 14 August, 2020; 7 October, 2020; 12 October, 2020; 6 November, 2020; 20 January, 2021; 12 February, 2021 and 16 March, 2021.

Due to COVID-19 pandemic lockdown situation in the Country and as permitted by the Ministry of Corporate Affairs (MCA), most of the Board/Committees Meetings during 2020-21 were held through video conferencing.

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 (Committees being Audit Committee and Shareholders' Relationship Committee as per Regulation 26(1) of the Listing Regulations), across all the public 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, 2021. 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) Caegory and attendance

The names, categories, position and Director Identification Number (DIN) 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, 2021) are given below:

Name of Directors	Category	Board Meetings Attended during 2020-21	Attendance at the last AGM held on 21 August, 2020	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 Tata (Chairman) DIN: 00024713	Non Independent Non-Executive	11	Yes	5	--	2
Mr. Pradeep Kumar Bakshi (Managing Director & CEO) DIN: 02940277	Non Independent Executive	11	Yes	--	--	--
Mr. Anil George* (Deputy Managing Director & CFO) DIN: 00590939	Non Independent Executive	5	Yes	NA	NA	NA
Mr. Vinayak Deshpande DIN: 00036827	Non Independent Non-Executive	10	Yes	6	1	3
Mr. Debendranath Sarangi DIN: 01408349	Independent Non-Executive	11	Yes	4	--	1
Mr. Bahram N. Vakil DIN: 00283980	Independent Non-Executive	11	Yes	4	--	2
Ms. Anjali Bansal DIN: 00207746	Independent Non-Executive	11	Yes	8	--	5
Mr. Hemant Bhargava DIN: 01922717	Non Independent Non-Executive	11	Yes	3	--	2
Mr. Arun Kumar Adhikari DIN: 00591057	Independent Non-Executive	11	Yes	4	--	2

Name of Directors	Category	Board Meetings Attended during 2020-21	Attendance at the last AGM held on 21 August, 2020	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. Zubin Dubash DIN: 00026206	Independent Non-Executive	11	Yes	1	--	1
Mr. Saurabh Agrawal** DIN: 02144558	Non Independent Non-Executive	2	NA	6	--	3

Represents Chairmanship/Membership of Audit Committee and Shareholders Relationship Committee in all public limited companies as per Regulation 26(1)(b) of Listing Regulations.

*Mr. Anil George ceased to be the Deputy Managing Director upon completion of his term on 31 August, 2020. He, however, continues to be the Chief Financial Officer (CFO) of the Company.

** Mr. Saurabh Agrawal was appointed as Non-Executive Director of the Company with effect from 21 January, 2021.

(h) Directorship held in other listed entities (including debt listed entities) as on 31 March, 2021

(1) Mr. Noel Tata

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

(4) Mr. Bahram N. Vakil

	Name of the listed entity	Category
(i)	Trent Limited	Independent Director

(5) Ms. Anjali Bansal

	Name of the listed entity	Category
(i)	Bata India Limited (upto 31 March, 2021)	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
(vi)	Piramal Enterprises Limited	Independent Director

(6) Mr. Hemant Bhargava

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

(8) Mr. Zubin Dubash

	Name of the listed entity	Category
(i)	Computer Age Management Services Limited	Director

(9) Mr. Saurabh Agrawal

	Name of the listed entity	Category
(i)	Tata Steel Limited	Director
(ii)	The Tata Power Company Limited	Director

Mr. Pradeep Bakshi, Managing Director & CEO of the Company is not a Director of 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 specializing 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 and 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 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 Tata is currently the Managing Director of Tata International Limited, which is a global trading and distribution company. He is also 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 aspired 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 38 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. Vinayak Deshpande, Non-Executive Director of the Company is a graduate in Chemical Engineering (1980) from IIT, Kharagpur. He has over 37 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.

(4) Mr. Debendranath Sarangi, Independent Director of the Company is a retired IAS officer (1977 batch) from the Tamil Nadu Cadre. Mr. Sarangi has done 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.

(5) 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 to take appropriate decisions.

(6) 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.

(7) 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.

(8) 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.

(9) 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.

(10) Mr. Saurabh Agrawal is a Chemical Engineer from IIT Roorkee and has done his Post Graduate Management degree from IIM Kolkata. He is a Whole-time Director and the Group Chief Financial Officer of Tata Sons Private Limited. In his career spanning over two decades, Mr. Agrawal has been the Head of Investment Banking in India for Bank of America Merrill Lynch and also Head of Corporate Finance business in India and South Asia for Standard Chartered Bank. Mr. Agrawal has a wide-ranging experience in strategy and capital markets and has helped various large Indian and Global corporates raise over US$10 billion from the capital markets. In his advisory capacity, Mr. Agrawal has advised several business groups like Tatas, AV Birla, GMR, ICICI, Bharti, DLF etc.

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. All members of BAC are financially literate and have relevant finance and/or audit exposure. The Managing Director & CEO, Chief Financial Officer (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

Six Meetings of BAC were held during the financial year 2020-21 on the following dates through video conferencing:

28 May, 2020; 13 August, 2020; 24 September, 2020; 5 November, 2020; 19 January, 2021 and 11 February, 2021.

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

Name of Members	No. of Meetings attended
Mr. Debendranath Sarangi	6
Mr. Arun Kumar Adhikari	6
Mr. Zubin Dubash	6

The quorum of BAC Meetings is two Members or one third of the Members, whichever is greater. Mr. Zubin Dubash attended the last AGM 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 firms;

- 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 eight unlisted subsidiary companies, of which two are Indian subsidiaries. One Indian subsidiary which was dormant, with no business activities or employees, assets and liabilities has 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. Universal Comfort Products Limited (UCPL), the wholly owned subsidiary was amalgamated with the Company pursuant to a Scheme of Merger by Absorption which was approved by the National Company Law Tribunal (NCLT), Mumbai Bench by its Order dated 11 September, 2020. UCPL ceased to exist and was dissolved without winding up upon filing of the certified true copy of the NCLT Order with ROC on 26 November, 2020. During 2020-21, name of Rohini Industrial Electricals Limited (wholly owned Indian subsidiary) was changed to Universal MEP Projects & Engineering Services Limited.

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://www.voltas.com/images/_ansel_image_collector/DETERMINING_MATERIAL_SUBSIDIARY_POLICY_1.pdf

As defined in Regulation 16(1)(c) of Listing Regulations, during 2020-21, none of the Indian subsidiaries 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 Indian wholly-owned subsidiary of the Company.

5. RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprise Mr. Zubin Dubash (Chairman), Mr. Debendranath Sarangi and Mr. Arun Kumar Adhikari. During 2020-21, two Meetings were held on 12 November, 2020 and 23 February, 2021 through video conferencing. 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 http://voltas.com/images/_ansel_image_collector/RELATED_PARTY_TRANSACTIONS_POLICY_1.pdf

The Audit Committee had granted omnibus approval upto certain threshold limits for RPTs during 2020-21 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 No. 46), 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 2020-21. 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. During 2020-21, with the approval of the Audit Committee and the Board of Directors, the Company has entered into a Business Transfer Agreement (BTA) with its wholly-owned subsidiary, Universal MEP Projects & Engineering Services Limited (UMPESL) to transfer its domestic B2B businesses of the Company relating to Projects business comprising Mechanical Electrical and Plumbing (MEP) / Heating, Ventilation and Air Conditioning (HVAC) and Water projects, Mining and Construction Equipment (M&CE) business and Textile Machinery Division (TMD) business to UMPESL as a going concern on slump sale basis.

7. MANAGERIAL REMUNERATION

(a) Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) comprise Mr. Bahram N. Vakil (Chairman), Ms. Anjali Bansal (Independent Director) and Mr. Noel Tata (Non-Executive Director). During 2020-21, five Meetings were held on 29 May, 2020; 31 July, 2020; 6 November, 2020; 20 January, 2021 and 25 January, 2021, mostly through video conferencing. The attendance of each member of the Committee is given below:

Name of Members	No. of Meetings attended
Mr. Bahram N. Vakil	5
Mr. Noel Tata	5
Ms. Anjali Bansal	5

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 AGM 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 Key Managerial Personnel (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 Managing Director (MD) / Executive Director (ED), KMPs and Senior Management;

(x) Review matters related to remuneration and benefits payable upon retirement and severance to MD/ED, 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://www.voltas.com/images/_ansel_image_collector/DISCLOSURE_OF_REMUNERATION_POLICY_FOR_DIRECTORS.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 and Deputy Managing Director (upto 31 August, 2020) is reviewed by the NRC based on certain criteria such as industry benchmarks, Company's performance and the responsibilities shouldered by them. The remuneration of the Managing Director and Deputy Managing Director comprises salary, perquisites, allowances and benefits and commission or incentive remuneration. Annual salary increment and commission or incentive remuneration is decided by the NRC within the overall ceilings prescribed under the Act and in line with the terms and conditions approved by the shareholders. The recommendation of the NRC is placed before the Board for its approval. Revision in pension amounts payable to the retired Managing Directors/Executive Directors from time to time, are 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 66th AGM held on 21 August, 2020, approved payment of commission to NEDs of a sum not exceeding 1% per annum or 3% per annum of the net profits of the Company as the case may be calculated in accordance with the provisions of the Act for that particular financial year. The aforesaid Resolution was for financial years commencing from 1 April, 2020. Commission for financial year 2020-21 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 2020-21 and their shareholding in the Company as on date are given below:

- Non-Executive Directors

Name of Directors	Commission for 2020-21* (₹ in lakhs)	Sitting Fees paid in 2020-21 (₹ in lakhs)	No. of Shares held
Mr. Noel Tata	--	5.40	--
Mr. Vinayak Deshpande	--	3.60	--
Mr. Debendranath Sarangi	33.00	5.70	--
Mr. Bahram N. Vakil	44.00	5.70	--
Ms. Anjali Bansal	42.00	6.00	--
Mr. Hemant Bhargava**	20.00	3.30	--
Mr. Arun Kumar Adhikari	33.00	5.70	--
Mr. Zubin Dubash	43.00	5.70	--
Mr. Saurabh Agrawal***	--	0.60	--

*payable in 2021-22.

** Sitting fees was paid to Mr. Hemant Bhargava. Commission is payable to LIC.

*** Mr. Saurabh Agrawal is appointed as Non-Executive Director with effect from 21 January, 2021.

In accordance with internal Group guidelines, no commission is payable to Mr. Noel Tata, Mr. Vinayak Deshpande and Mr. Saurabh Agrawal 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 2020-21, except as stated above.

- Remuneration of Executive Directors

Name of Directors	Salary ₹ in lakhs	Perquisites and allowances including retrial benefits ₹ in lakhs	Commission for 2020-21* ₹ in lakhs	No. of Shares held
Mr. Pradeep Bakshi	84.00	149.67	209.75	--
Mr. Anil George**	33.50	43.23	70.00	1000

* payable in 2021-22.

**Mr. Anil George ceased to be the Deputy Managing Director (DMD) upon completion of his term on 31 August, 2020. Therefore, the remuneration stated above is for part of the year in his capacity as DMD.

Notes:

(a) As per the terms of appointment, Mr. Pradeep Bakshi is entitled to terminate his 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.

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

(c) Due to COVID-19 pandemic, followed by an unprecedented lockdown across the country, senior managers and leadership team, including the MD and DMD had, as part of austerity measure and in order to preserve cash, undergone a salary reduction for the year 2020-21.

(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 Tata, is the Chairman and Mr. Bahram N. Vakil, Independent Director and Mr. Pradeep Bakshi, Managing Director & CEO are Members of SRC. Mr. Anil George ceased to be a Member of SRC upon completion of his term as DMD on 31 August, 2020. During 2020-21, two Meetings of SRC were held on 6 November, 2020 and 12 February, 2021 through video conferencing, and the same 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 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 2020-21, 15 complaints were received from SEBI/Stock Exchanges which were suitably dealt with and attended. As on 31 March, 2021, 2 complaints were pending, which were attended and suitably replied.

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 Committees.

(a) Corporate Social Responsibility (CSR) Committee comprise Mr. Noel Tata (Chairman), Mr. Bahram N. Vakil, Mr. Pradeep Bakshi and Ms. Anjali Bansal. A CSR Policy has been formulated by the Committee, which has been approved by the Board, to undertake CSR projects/activities. During 2020-21, two Meetings were held on 12 October, 2020 and 12 February, 2021 by video conferencing. 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 2020-21, five Meetings were held by video conferencing on 1 July, 2020; 31 August, 2020; 22 September, 2020; 14 December, 2020 and 23 February, 2021.

(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, CFO and Ms. Anjali Bansal, Independent Director of the Company are members of the Investment Committee. During 2020-21, two Meetings were held on 12 November, 2020 and 12 March, 2021 by video conferencing. 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) was reconstituted comprising Mr. Noel Tata, Mr. Bahram N. Vakil, Ms. Anjali Bansal, Mr. Zubin Dubash and Mr. Pradeep Bakshi. Mr. Anil George is a permanent invitee for COB Meetings till his retirement. The COB periodically meet to discuss and guide the Management on various strategic issues. During 2020-21, five Meetings were held by video conferencing on 2 September, 2020; 8 September, 2020; 5 October, 2020; 22 December, 2020 and 9 March, 2021.

(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 2020-21, two Meetings were held on 16 September, 2020 and 7 January, 2021 by video conferencing.

(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 2020-21, two Meetings of S-H-E Committee were held on 13 October, 2020 and 7 January, 2021 by video conferencing. The Company also conducts Safety audits by cross-functional teams at project sites.

10. GENERAL BODY MEETINGS

The 64th and 65th AGMs were held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020. The 66th AGM was held through video conferencing/other audio visual means as permitted by the MCA and Securities and Exchange Board of India (SEBI). The date and time of the AGMs held during preceding three years are as given below.

Date of AGM	Time
64th AGM- 27 August, 2018	3.00 p.m.
65th AGM- 9 August, 2019	3.00 p.m.
66th AGM- 21 August, 2020	3.00 p.m.

There was no matter that required to be passed by a Special Resolution at the Sixty-Fourth AGM and Sixty-Sixth AGM of the Company.

The following Special Resolutions for reappointment of Independent Directors for second term of five years were passed at the 65th AGM:

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

(ii) Mr. Bahram N. Vakil with effect from 1 September, 2019 up to 31 August, 2024.

(iii) Ms. Anjali Bansal with effect from 9 March, 2020 up to 8 March, 2025.

During 2020-21, no Special Resolution was passed through postal ballot and no Extraordinary General Meeting was held.

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

As required under Regulation 36(3) of Listing Regulations, particulars of Director/s seeking appointment/ reappointment are given in the Explanatory Statement annexed to the Notice of the Sixty-Seventh AGM to be held on 27 August, 2021.

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 SEBI, MCA 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. Concerns received under the Tata Code of Conduct are 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 2020-21. 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 ₹ 4,000 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' LOC [fund base and non-fund base bank facilities].
- **Consolidated payment to Statutory Auditors**

  During 2020-21, ₹ 3.06 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 Subsidiary	Total
(1)	Statutory Audit fees including tax audit fees	2.34	0.25	2.59
(2)	Other services	0.39	0.03	0.42
(3)	Reimbursement of expenses	0.05	*	0.05
	Total	**2.78**	**0.28**	**3.06**

* less than ₹ 50,000

- The Company has complied with the mandatory requirements of Listing Regulation and has unqualified financial statements. The Directors freely interact with the Management on information that may be required by them. The Management also shares with the Board, changes/proposed changes in relevant laws and regulations and their implication on the Company. The Company has not adopted the discretionary requirements in regard to maintenance of Non-Executive Chairman's office and sending half-yearly financial results to the shareholders at their residence.
- **Dividend Distribution Policy**

  The Company has formulated Dividend Distribution Policy which is available on the website of the Company.
- **Commodity price risk or foreign exchange risk and hedging activities**

  The Company does not deal in commodity and hence the disclosure pursuant to SEBI Circular dated 15 November, 2018 is not required. Foreign exchange risk and hedging activities are covered separately in the Annual Report.
- The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been made in Directors' Report.

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.
- 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

	Friday, 27 August, 2021 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, 2021 (c) Second Quarter Results – By 14 November, 2021 (d) Third Quarter Results – By 14 February, 2022 (e) Results for the year ending 31 March, 2022 – By 30 May, 2022
Date of Book closure	Friday, 13 August, 2021 to Friday, 27 August, 2021 (both days inclusive).
Dividend Payment date	Dividend, if declared would be paid on or after 1 September, 2021.
Listing on Stock Exchange	- BSE Limited (BSE) P.J. Towers, Dalal Street, Mumbai 400 001 - National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai 400 051

The Company has paid the listing fees to BSE and NSE for the year 2021-22.

Stock Code

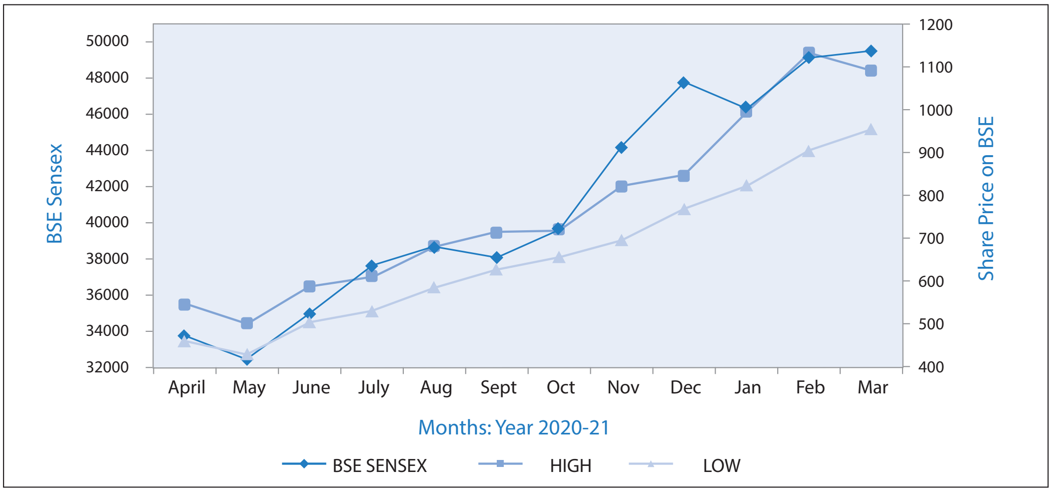
- BSE	500575
- NSE	VOLTAS
- ISIN for NSDL/CDSL	INE226A01021

- **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 Limited (BSE)				National Stock Exchange of India Limited (NSE)			
		High ₹	Low ₹	No. of Shares Traded	Turnover ₹ in crores	High ₹	Low ₹	No. of Shares Traded	Turnover ₹ in crores
2020									
April	33,718	545.45	461.25	11,24,786	56.67	545.60	460.50	4,17,96,734	2110.26
May	32,424	503.00	428.00	17,33,495	79.98	496.50	427.45	6,63,62,036	3,051.48
June	34,916	587.15	505.00	17,06,322	93.99	587.50	506.00	6,79,10,690	3,740.44
July	37,607	611.25	529.40	13,52,437	77.80	611.45	529.60	5,17,70,821	2,987.97
August	38,628	681.85	585.75	12,98,700	82.09	682.00	585.60	5,30,51,802	3,349.98
September	38,068	713.70	627.00	20,88,964	139.62	713.50	625.60	4,45,23,300	2,989.72
October	39,614	721.00	656.55	14,40,695	100.23	721.50	656.35	4,62,81,591	3,208.79
November	44,150	820.95	696.20	18,25,517	139.45	820.80	696.10	5,27,86,977	4,017.20
December	47,751	844.95	768.50	11,87,127	97.46	844.95	768.40	3,27,30,708	2,668.69
2021									
January	46,286	995.20	822.30	14,22,804	130.13	995.60	820.05	4,46,37,336	4,082.85
February	49,100	1,131.20	903.50	21,88,834	226.96	1,132.00	903.10	5,69,24,185	5,904.49
March	49,509	1,091.00	954.00	15,98,354	164.23	1,091.90	953.65	3,91,97,530	4,010.49

The performance of the Company's scrip (Equity Shares of ₹ 1 each) on the BSE as compared to the BSE sensex:



- **Distribution of shareholding as on 31 March, 2021**

No. of equity shares held	No. of Shareholders	No. of Shares held	% of Issued Share Capital
Upto 5000	1,53,293	3,57,58,318	10.82
5001 to 10000	884	62,73,192	1.90
10001 to 20000	378	52,72,830	1.59
20001 to 30000	108	26,80,371	0.81
30001 to 40000	63	21,98,081	0.66
40001 to 50000	40	18,34,256	0.55
50001 to 100000	93	64,97,565	1.96
100001 and above	229	27,03,70,127	81.71
Total	**1,55,088**	**33,08,84,740**	**100.00**
Physical Mode	**8,472**	**57,22,633**	**1.73**
Electronic Mode	**1,46,616**	**32,51,62,107**	**98.27**
- **NSDL**	**69,924**	**30,25,96,916**	**91.45**
- **CDSL**	**76,692**	**2,25,65,191**	**6.82**

- **Shareholding Pattern as on 31 March, 2021**

Category	No. of Shares held	% of Issued Share Capital
Tata Group of companies	10,02,53,480	30.30
Mutual Funds and UTI	8,05,59,595	24.35
Foreign Portfolio Investors	4,75,93,450	14.38
Insurance companies	3,89,70,467	11.78
Bodies Corporate / others	76,78,346	2.32
Alternate Investment Funds	31,08,923	0.94
Non Resident Indians	28,81,386	0.87
Investor Education and Protection Fund Authority	25,34,835	0.77
Central Government Corporations and Banks	13,09,399	0.39
Foreign national	1,783	0.00
Public/Individuals	4,59,93,076	13.90
Total	**33,08,84,740**	**100.00**

- **Shareholders holding more than 1% Equity Shares of the Company as on 31 March, 2021**

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	1,59,48,326	4.82
Mirae Asset Mutual Fund	1,19,70,499	3.62
Tata Investment Corporation Limited	99,62,330	3.01
HDFC Mutual Fund	80,96,062	2.45
HDFC Life Insurance Company Limited	80,81,836	2.44
Franklin India Mutual Fund	70,81,220	2.14
DSP Mutual Fund	64,99,316	1.96
Aditya Birla Sun Life Trustee Company Private Limited	62,89,863	1.90
ICICI Prudential Mutual Fund	46,91,080	1.42
Axis Mutual Fund	45,80,836	1.38
Canara Robeco Mutual Fund	40,95,277	1.24
Nippon Life India Trustee Limited	38,50,890	1.16
Tata Mutual Fund	37,45,500	1.13
SBI Life Insurance Company Limited	34,85,610	1.05

Registrar and Transfer Agent	TSR Darashaw Consultants Private Limited Unit : Voltas Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai 400083. Tel : 022-66568484 Fax : 022-66568494 email:csg-unit@tcplindia.co.in website : https://www.tcplindia.co.in
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	98.27% of the share capital has been dematerialised as on 31 March, 2021.
Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	The Company has not issued GDRs/ADRs/Warrants or any Convertible instruments.
Plant locations	The Company's manufacturing activities are located at: (i) Plot No.1-5, Sector 8, I.I.E. Pantnagar Industrial Area, Dist. Udham 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 and Transfer Agent at the address mentioned aforesaid. Shareholders holding shares in electronic mode should address their correspondence to the respective Depository Participants.

- **Unclaimed Dividends**

  Pursuant to Section 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, 2021 ₹ in crores
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	1.15
28 August, 2017	2016-17	28 September, 2024	1.51
27 August, 2018	2017-18	27 September, 2025	1.21
9 August, 2019	2018-19	9 September, 2026	1.15
21 August, 2020	2019-20	21 September, 2027	1.00

  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 2020-21, transferred 4,89,014 shares (physical), 8,964 shares (held in demat) and ₹ 0.63 crore to IEPF Authority in respect of dividend declared by the Company for 2012-13 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 and 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 and 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. Further, SEBI vide its circular dated 2 December, 2020 had fixed 31 March, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and 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@tcplindia.co.in 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**

  Shareholders presently holding shares in physical form are 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 and 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 and Transfer Agent – TSR Darashaw Consultants Private Limited or made available by the Depositories.

  In compliance with MCA Circular dated 5 May, 2020 read with Circulars dated 8 April, 2020, 13 April, 2020 and 13 January, 2021 and SEBI Circulars dated 12 May, 2020 and 15 January, 2021, Notice of 67th AGM along with the Annual Report 2020-21 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 2020-21 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 and 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 and 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, 2021 affirmed compliance of their respective Codes of Conduct adopted by the Company and confirmation to that effect has been given by each of them.

Date: 12 May, 2021
Place: Delhi

Pradeep Bakshi
Managing Director & CEO

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) Regulations, 2015]

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, 2021, 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	Date of cessation
1.	Mr. Noel Tata	00024713	27 January, 2003	--
2.	Mr. Pradeep Kumar Bakshi*	02940277	1 September, 2017	--
3.	Mr. Anil George	00590939	1 September, 2017	1 September, 2020
4.	Mr. Vinayak Deshpande	00036827	14 February, 2012	--
5.	Mr. Debendranath Sarangi	01408349	1 September, 2014	--
6.	Mr. Bahram N. Vakil	00283980	1 September, 2014	--
7.	Ms. Anjali Bansal	00207746	9 March, 2015	--
8.	Mr. Hemant Bhargava	01922717	23 May, 2017	--
9.	Mr. Arun Adhikari	00591057	8 June, 2017	--
10.	Mr. Zubin S. Dubash	00026206	9 August, 2019	--
11.	Mr. Saurabh Mahesh Agrawal	02144558	21 January, 2021	--

*Mr. Pradeep Kumar Bakshi was reappointed as Managing Director and Chief Executive Officer of the Company for a period of 5 years with effect from 1 September, 2020 and the same was approved by the Shareholders at the 66th Annual General Meeting (AGM) of the Company held on 21 August, 2020 through Video Conferencing.

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**
Practising Company Secretaries
UIN: P1996MH055800
UDIN: F008663C000280352

Bhaskar Upadhyay
Partner
FCS No. 8663
COP No. 9625
PR No.: 700/2020

Date: 12 May, 2021
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) and (t) 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 March 31, 2021 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 ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of 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 March 31, 2021 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 April 01, 2020 to March 31, 2021:

      (a) Board of Directors;

      (b) Audit Committee;

      (c) Annual General Meeting (AGM);

      (d) Nomination and Remuneration Committee;

      (e) Stakeholders 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 March 31, 2021, referred to in paragraph 4 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: 038730
UDIN: 21038730AAAAAT2572

Place: Mumbai
Date: 12 May, 2021

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 principles of Social, Environmental and Economic responsibility of business which are prescribed in the National Voluntary Guidelines (NVG) issued by the Ministry of Corporate Affairs. The guidelines encompass the 9 Principles and core elements for each of these Principles.

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 :**

   2020-21

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 eight major International Locations: Dubai, Abu Dhabi, Qatar, Oman, Kingdom of Saudi Arabia, Mozambique, Bahrain and Singapore.

   (ii) Number of National Locations :

   The business activities of Voltas are carried out via the branch / territory / area offices located across India. Voltas has its manufacturing units located at Pantnagar 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, 2021)

1. **Paid up Capital (INR) financial details**

   ₹ 33.08 crores

2. **Total Turnover (INR) – Standalone**

   ₹ 6,252 crores

3. **Total profit after taxes (INR) - Standalone**

   ₹ 570.30 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 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, emphasizes on critical issues like skilling for employability building, Education, Water and Sanitation.

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

- Skilling and Employability building Development Program
- Health Care Support to "Interventions for Migrants impacted by COVID- 19"
- Community Development (Water & Sanitation)
- Disaster Relief

Section C: Other Details

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

Yes, Voltas has 7 operational subsidiaries of which, 1 is located in India and 6 are situated overseas:

Subsidiary (India):

1. Universal MEP Projects & Engineering Services Limited (UMPESL), formerly Rohini Industrial Electricals Limited

Subsidiaries (Overseas):

1. Weathermaker Limited (Dubai, United Arab Emirates)
2. Saudi Ensas Company for Engineering Services W.L.L. (Jeddah, Kingdom of Saudi Arabia)
3. Voltas Oman L.L.C. (Muscat, Sultanate of Oman)
4. Lalbuksh Voltas Engineering Services & Trading L.L.C. (Muscat, Sultanate of Oman)
5. Voltas Qatar W.L.L. (Doha, Qatar)
6. Voltas Netherlands B.V. (Amsterdam, The Netherlands)

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

No, the subsidiary companies do not participate in the BR initiatives of the parent company. They take up BR initiatives in their own capacity, if applicable.

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 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	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the 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/policy 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. There are policies for Sustainability, E-waste, CSR, Safety, and Respect for Gender which are formulated for Voltas. These policies encompass most of the BR Policy principles.								
3	Does the policy conform to any National? / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The essence and intent of the Tata Code of Conduct (TCOC), encompasses all applicable National Laws.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	The CSR Committee/Board of Directors of Voltas have approved the BR Policy and the policy has been signed by the Managing Director.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The CSR Committee oversees the implementation of the BR Policy.								
6	Indicate the link for the policy to be viewed online?	Refer table below.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The BR policy 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.								

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Does the Company have in-house structure to implement the policy/policies	There are in-house structures instituted in Voltas for the implementation of these policies.								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	There is a mechanism in place for the employees to report any potential concern or any instance of violation of the TCOC, known as the Whistle Blower mechanism. It covers all aspects of BR. Also, to respond to the investor grievances, there is an investor grievance mechanism. Further, the customer complaints mechanism records the grievances of customers on product and service quality and other issues, if any.								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	All policies applicable to Voltas are evaluated internally.								

Web-links of the Policy:

NVG Principle	Web-link
Principle 1: Ethics, transparency & accountability	http://voltas.com/images/_ansel_image_collector/TATA_CODE_OF_CONDUCT_FOR_VOLTAS_EMPLOYEE_2.pdf
Principle 2: Sustainability in life-cycle of product	http://voltas.com/images/_ansel_image_collector/TATA_CODE_OF_CONDUCT_FOR_VOLTAS_EMPLOYEE_2.pdf
Principle 3: Employee well-being	Intranet: Employee Self Service Portal ==> Policies Section http://voltas.com/images/_ansel_image_collector/POLICY_ON_RESPECT_FOR_GENDER_%28POSH%29_1.pdf
Principle 4: Stakeholder engagement	http://voltas.com/images/_ansel_image_collector/AFFIRMATIVE_ACTION_POLICY.pdf
Principle 5: Promotion of human rights	http://voltas.com/images/_ansel_image_collector/TATA_CODE_OF_CONDUCT_FOR_VOLTAS_EMPLOYEE_2.pdf
Principle 6: Environmental protection	http://voltas.com/images/_ansel_image_collector/SAFETY_HEALTH_ENVIRONMENT_POLICY_1.pdf https://voltas.com/assets/img/sustainability/corp_gov/pdf/99574.pdf
Principle 7: Responsible public policy advocacy	http://voltas.com/images/_ansel_image_collector/TATA_CODE_OF_CONDUCT_FOR_VOLTAS_EMPLOYEE_2.pdf
Principle 8: Inclusive growth	https://www.voltas.com/images/_ansel_image_collector/CSR_Policy_%28Revised%29_11102021.pdf
Principle 9: Customer value	http://voltas.com/images/_ansel_image_collector/TATA_CODE_OF_CONDUCT_FOR_VOLTAS_EMPLOYEE_2.pdf

2. Governance related to BR

1. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to 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-2021 is under development 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?**

   The policy covers all employees, suppliers, contractors, channel partners and business partners, 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 and are ingrained in all activities related to business and otherwise. The locational Ethics Counsellors ensures cascading of the policy at branches, manufacturing plants, and offices. The Policy has been adopted by UMPESL, the Company's wholly owned subsidiary in India.

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

   15 complaints received. 12 resolved satisfactorily (80%) in 2020-21. No complaint was received under the Whistle Blower Policy of the Company.

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 areas 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. **Adjustable Air-conditioning Technology:** Voltas Maha Adjustable Inverter AC has a unique 5-Stage adjustable mode which runs on different tonnages, as per customer needs, depending on the ambient temperature or number of people in the room. Hence, it not only provides comfort, but also saves electricity costs. Five Stage Adjustable Mode delivers predefined lower and higher cooling capacity by controlling inverter compressor's running frequencies. This technology has the potential of additional energy saving by approximately 15% over a normal Inverter Air-conditioner.
   2. **UVC Sterilisation Technology:** Introduced Pure Air AC with state of the art Super UVC LED system, with peak emission wavelength of 180nm to 280nm, which quickly disinfects the indoor air by killing germs and pathogens like virus and bacteria. Voltas Pure Air AC also has TIO2 (Titanium Oxide) coated air filtration system, which removes harmful gases and VOC (Volatile organic compounds) from indoor air to make the air healthy for human consumption. Tested at a NABL Accredited Lab, the Voltas Pure Air AC has been found to be effective in killing viruses, bacteria, Fungal, Yeast & Mould.
   3. **Anti-Microbial Coating:** To improve the hygienic living conditions, Antimicrobial coating in pre-filters is introduced in the entire range of Room Air-conditioners. This does not allow pathogen to stick on surface, disinfect the surface itself by neutralizing the microbes and minimize the colonization of microorganism. It is a silica based Nano Coating technology which is insoluble in Water, tested and approved by NABL lab, proven antiviral activity and certified its effectiveness of 3 years as per international standards (equivalent to 25 filter washes).
   4. **Air Cooled and Water Cooled Screw Chillers:** Voltas has developed Air Cooled and Water Cooled Screw Chillers with Variable Frequency Drive (VFD), which is certified by Air Conditioning Heating and Refrigeration Institute (AHRI), to meet the 4 and 5-Star energy efficiency requirement as per Bureau of Energy Efficiency norms.
   5. **3 TR and 4 TR Ductable Split Unit models** with R-32 refrigerant having low Global Warming Potential (GWP).
   6. **Vapour Absorption Chillers:** Voltas has developed Vapour Absorption Chillers, which utilizes the waste heat from exhaust gases of DG sets, jacket hot water and low-pressure waste steam to improve the overall energy efficiency.

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?

   Voltas is consistently optimizing its process and incorporating environment friendly technologies and solutions to achieve resource efficiency.

   At Waghodia manufacturing facility, savings worth 40,000 litres of water, per month was achieved by introducing Helium Leak Test that replaced the Coil Submerged Leak testing for testing of products.

A reduction in transportation cost and emissions linked to logistics of oxygen supply was minimised as a result of an oxygen generator installed for brazing and gas cutting operations.

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

Voltas is the market leader for room air conditioners in India and known for its energy efficient products and solutions. Voltas has significantly increased contribution of energy efficient inverter models in FY21 resulting into energy saving of 336K MWh equivalent to approximately 285 million ton CO2 emission reduction.

During FY21, hydrochlorofluorocarbon (HCFC) refrigerant (high ODP, high GWP) has been phased out with HFC refrigerant (zero ODP, low GWP) which has resulted into an equivalent carbon emission reduction of approximately 1 million ton of CO2.

Energy efficient electric chillers save 0.1 input kW / TR, resulting in significant power savings during its use.

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

Voltas has well defined procedures for the sourcing and supply chain management. Voltas is committed to support environment by reducing its plastic footprint due to the packaging and is encouraging reusable plastic polybags.

Voltas has identified key risks in supply chain and sourcing, i.e. Geo-political Risks and Climate Change Risks, Safety Risks, Regulatory Risks and Business Risks. In order to address the above-mentioned risks, Voltas has well defined standard operating procedures and policies to ensure lead time, quality, business viability, safety, environmental compliances. The Company is sourcing from local suppliers who have the capacity to meet the required standards prescribed under the Energy Efficiency norms.

Along with the well laid out procedure for selecting the supplier, Voltas conducts quality assessment, onsite audit and quarterly performance review of the suppliers.

Voltas is navigating to reduce the import dependency. At present ~99% of the import transportation is done through seaways which is relatively economical and environment friendly solution. All the warehouses are located near the sea-ports, factories and at close proximity to markets to minimize the road transportation and there is optimization of vehicles usage.

To mitigate the risks involved in importing of goods with delays in transit times and uncertainty of fluctuations in pricing, Voltas has developed the capacities within India and is moving towards 100% localization.

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

Presently 100% of Indoor Units (IDUs) are manufactured in India. For other critical components of RAC (Compressor, PCBs and Motors), local sourcing has been developed maintaining QCD (Quality, Cost and Delivery) norms and approximately 30% of these components were locally sourced in FY21. 100% of the components being used in the Company's products such as Compressors, Motors etc., are complying with the high energy efficiency norms.

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?

Voltas supports the national vision and mission of Aatmanirbhar Bharat and supports local and small to medium enterprises 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 the 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.

Voltas conducts various activities for the vendors to improve their capacity and capability:

(i) extends technical support to OEMs, supports enterprises and vendors in designing and developing the required components.

(ii) guides vendors and supports enterprises in terms of automation and selection of process specific equipment to improve productivity and quality.

(iii) supports in developing testing jigs and fixtures at vendor's premises to expedite the checking and approval process.

(iv) conducts regular training, and capacity building programs for the vendors and supply chain partners. Further quality assessment and formal audits are carried out on regular basis.

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, and 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 2020-21.

   In addition, 6 MT of scrap copper tubes have been recycled and converted to usable copper tubes.

   Some of the other waste materials like scrap oil, and batteries are recycled through the authorised vendors.

Principle 3

1. **Please indicate the Total number of employees**

	Number of Employees (As on 31 March, 2021)
Permanent & Contract (India & Overseas) including Employees on Third Party Rolls	5,556
Apprentices	22

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

	Number of employees
Contractual - India & Overseas	India – 1,773 Overseas – 1,166

3. **Please indicate the Number of permanent women employees**

   There are - 145 permanent women employees in India and overseas.

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

   The Company strongly believes in the principle of no discrimination. Presently, 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 2,306 all over India, including General Staff (Union and Federation Members). Around 6.50% 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.**

   During 2020-21, Voltas has not received any complaint relating to sexual harassment. 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?**

   71.33% employees have participated in the safety training provided by Voltas.

   Out of overall 2,868 people (including contract), 2,436 have undergone behavioural training representing 85% approx.

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
   - NGOs
   - 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, scheduled caste and scheduled tribe communities 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 emphasizes on Sustainable livelihood, Education, Water, and Sanitation. While working on the said issues with the underprivileged community, community participation and sustainable development is at the forefront. On the backdrop of COVID-19 pandemic, under various long term projects with respect to skilling and employability building for youth and women, irrigation and improved agricultural practices for farming community, water and sanitation and Affirmative Action in 2020-21, 175,072 beneficiaries have been reached out.

Through a project called Mission Gaurav, Voltas supported in rehabilitating around 4 lakh migrant labours from Uttar Pradesh, who were impacted by COVID pandemic.

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 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?**

15 TCOC related complaints were received of which, 12 have been resolved satisfactorily (80%) during 2020-21. No complaint was received under the Whistle Blower Policy of the Company.

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

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.**

Voltas has been the pioneer in introducing energy efficient products in India and has introduced India's 1st energy efficient Air-conditioners many years ago, before it was mandated by Government of India (GOI). Voltas has also been the recipient of National Energy Conservation Award for 4 times. In FY21, the entire range of Air-conditioners were produced with R-32 refrigerant which have low GWP and Zero Ozone Depletion Potential (ODP). Use of high energy efficient inverter compressors, brushless DC motors and low size Inner grooved copper tube are some of the key initiatives taken for RAC manufacturing. The Company is supporting the National vision of Aatmanirbhar Bharat i.e. Self-Reliant India by extending support to the local vendors in building capacity and developing domestic supplier base for the key components.

The product details can be viewed at: www.myvoltas.com

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

Yes, the Company has identified the potential environment risks.

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 down gradation of environment.

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

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

As per Voltas clean energy initiative, solar energy installation with 700 KW potential is installed at Waghodia plant.

Further, the Company has achieved energy savings to the tune of 16.5 MWh during the year, which corresponds to 14 ton CO_2 reduction Greenhouse Gases (GHG) emissions. Some of the initiatives are listed below:

(i) Installation of daylights on the rooftop in factory resulting in power savings of 6,098 kWh and reduction of 5.2 tons of CO_2 per year.

(ii) Automatic operation of water pump for testing defence AC, resulting in power savings to the tune of 315 kWh and reduction of 0.27 ton of CO_2 per year.

(iii) Adoption of trans vector type pneumatic cleaning air guns resulting in power savings of 10,080 kWh and reduction of 8.6 tons of CO_2 per year.

Other initiatives include, use of High Velocity Low Speed (HVLS) Fans for ventilation in the factory premises and use of Battery operated forklifts and BT trucks for material handling.

Voltas has replaced all the conventional lights with LED lights at Head office and is adopting this practice in other office locations across India.

In addition, Renewable energy utilization in 2020-21 across all the offices was 503 MW.

Voltas is executing various MEP projects conforming to Green Building Standards as per rating systems by agencies like The Indian Green Building Council (IGBC), thereby facilitating and promoting energy efficient designs in buildings. These projects contribute significantly towards sustainability.

https://www.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?

Emissions and waste generation due to the operations and business activities are within the permissible limits given by CPCB/SPCB for the financial year 2020-21.

The target for 2020-21 towards E-waste was 9,500 metric tonnes (MT), whereas, the Company achieved 9,504 MT.

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 FY 2020-21.

Principle 7

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

Voltas is a member of following associations:

- Refrigeration and Air-conditioning Manufacturers Association (RAMA)
- BIS (Bureau of Indian Standards)
- ODS Committee formed by MoEF & CC (Ministry of Environment, Forest, and Climate Change)
- CEAMA (Consumer Electronics and Appliances 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)

As a leader in Air conditioning space, Voltas has active participation across all the industry associated meetings, seminars and forums. Voltas is regularly engaging with its stakeholders to address their concerns by creating the shared value.

Voltas is also actively participating in Hydrofluorocarbons phase out Management Plan (by MoEF & CC - Ozone Cell) program for doing research on new refrigerants which has lower GWP and zero ODP.

Voltas has partnered with ISHRAE and participated in various forums and events related to renewable energy and environmental aspects.

Principle 8

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

While ensuring social responsibility, in pursuit of the policy designed by Voltas, the Company is committed to undertake effective interventions under its three verticals namely (a) Sustainable livelihood (b) Community Development and (c) Issues of National Importance. Each vertical is based on the needs spelt out by the community and move towards sustainable development.

While implementing these projects, some of the common threads are, Community participation, Affirmative Action and Gender Inclusion.

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

   For Voltas, it is crucial that all its CSR projects are designed and implemented with quality and sustainable outcomes at its core. Hence, the Company emphasises on selection of reputed NGOs and Foundations as the partners in designing and implementing the programs. The Company takes into cognisance the subject matter expertise, experience, organisational stability, its reach, presence in various locations and overall performance in the past. The Company also emphasises on regular monitoring based on various indicators.

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

   Voltas believes in undertaking impact assessment studies for all its long-term projects with an aim of having better insight, making course corrections, if required and then designing the impact way forward. The Company also ensures that the impact assessment studies are done only when the projects are mature enough to be assessed. This period ranges between three to five years.

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 2020-21 towards community development projects was ₹ 2.40 crores, on projects relating to Education, Health, Improved Agriculture, Water and Sanitation, across Mumbai, Beed in Maharashtra, Attapadi in Kerala, Pantnagar in Uttarakhand and Waghodia 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.**

   Voltas's approach of Engage Equip and Empower calls for community participation and ownership from the initiation of every project. The participation ensures that community is engaged end-to-end from decision making to implementation. Also, an exit plan is built with the initiation of the project so that the local institutions and community leaders are trained or build capacities for them to take it forward effectively.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

   0.6% of customer complaints/consumer cases are pending as on the end of financial year.

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)**.

   Voltas displays the relevant information on the product label as per the applicable laws and the nature of product.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

   No, there are no such pending cases against the Company.

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

   Yes, Voltas is actively engaged with customers through various initiatives. Customer feedback through survey is the part of annual process at Voltas. In 2020-21, Voltas has conducted the customer feedback survey, however due to the COVID-19 pandemic and lockdown, the survey was limited to the key customers with digital interface and corrective actions have been initiated and implemented.

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, 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and 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, 2021, 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, 2021. 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 for long term Mechanical, Electrical and Plumbing (MEP) contracts	
The Group's revenues include revenue from long-term Mechanical, Electrical and Plumbing (MEP) contracts amounting to INR 2,784.34 crores, disclosed under Note 35 'revenue from contracts with customers' as construction contract revenue 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: ▶ 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
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. Accuracy of revenues, onerous obligations and profits may deviate significantly on account of change in judgements and estimates. Group Management has assessed the impact of the ongoing economic slowdown and the associated uncertainties in the business environment on its estimates. (Refer Note 3 Significant Accounting Judgments, Estimates and Assumptions) Considering the variability of assumptions involved in estimation of revenues, the same has been considered as a key audit matter.	▶ 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. We assessed that, fluctuations in commodity and currency prices, delays, cost overruns related to the performance of work are appropriately taken into consideration while estimating costs to come and also assessed the accounting treatment of expected loss on projects including variable consideration which is recognized in accordance with the Group'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 56 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.
Recoverability of and Impairment Allowance of receivables and contract assets of Electro-Mechanical projects and services segment	
As at March 31, 2021, trade receivable and contract assets of Electro- mechanical projects and service segment amount to INR 2,356.77 crores.	Our audit procedures included the following: ▶ We evaluated the Group's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers. ▶ 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.

Key audit matters	How our audit addressed the key audit matter
Out of the total trade receivables and contract assets of Electro-mechanical projects and service segment, INR 1,160.10 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. As regards the receivables of this segment, the Group 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 Group 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 Group has also evaluated the possible effect from increased uncertainties in the current economic environment on the above estimates. (Refer Note 3 Significant Accounting Judgments, Estimates and Assumptions). 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.	▶ In respect of impairment allowance on receivables of this segment 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. ▶ 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 15 and Note 16 respectively and the related risks such as credit risk and liquidity risk in Note 52 of the consolidated Ind AS financial statements. ▶ We read and assessed the relevant disclosures in Note 58 to the consolidated Ind AS financial statements relating to management's assessment of the impact of the uncertain economic environment.

Information Other than the Financial Statements and Auditor's Report Thereon

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.

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.

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.

Responsibilities of Management for the Consolidated Ind AS financial statements

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.

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.

Those respective Board of Directors 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.

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, 2021 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, 2021 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, 2021 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 with reference to 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, 2021 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 45 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, 2021.

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
UDIN: 21038730AAAAAU9310
Place : Mumbai
Date : May 12, 2021

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 (hereinafter referred to as the "Holding Company") as of and for the year ended 31 March, 2021, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") , its associates 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 companies included in the Group, its associates 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 (ICAI). 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 with reference to 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 with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to 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 with reference to consolidated Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

A company's internal financial control with reference to 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 with reference to 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 With Reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 Group, its associates and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31,2021, 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 issued by the ICAI.

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
UDIN: 21038730AAAAAU9310
Place : Mumbai
Date : May 12, 2021

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH, 2021

₹ in crores

			Note	As at 31 March, 2021	As at 31 March, 2020
I	**ASSETS**				
	Non-current assets				
	(a)	Property, plant and equipment		238.37	240.23
	(b)	Capital work-in-progress		8.81	26.28
	(c)	Investment property		55.55	45.34
	(d)	Goodwill		72.31	72.31
	(e)	Right-of-use assets		13.29	13.03
	(f)	Other intangible assets		8.46	9.48
	(g)	Investments in joint ventures and associates		283.18	277.57
	(h)	Financial assets			
		(i) Investments	8	2,513.93	1,545.33
		(ii) Trade receivables	9	-	6.39
		(iii) Loans	10	0.17	0.22
		(iv) Other financial assets	11	96.08	91.12
	(j)	Income tax assets (net)		2.67	59.31
	(j)	Deferred tax assets (net)		55.77	72.87
	(k)	Other non-current assets		117.48	118.15
	Total non-current assets			**3,466.07**	**2,577.63**
	Current assets				
	(a)	Inventories		1,279.60	1,468.94
	(b)	Contract assets		1,063.72	899.34
	(c)	Financial assets			
		(i) Investments	8	249.32	520.39
		(ii) Trade receivables	16	1,800.93	1,827.25
		(iii) Cash and cash equivalents	17	448.15	269.56
		(iv) Other balances with banks	18	10.64	38.85
		(v) Loans	19	2.13	2.04
		(vi) Other financial assets	20	108.98	135.50
	(d)	Other current assets		225.94	416.56
	Total current assets			**5,189.41**	**5,578.43**
	TOTAL ASSETS			**8,655.48**	**8,156.06**
II	**EQUITY AND LIABILITIES**				
	Equity				
	(a)	Equity share capital		33.08	33.08
	(b)	Other equity		4,960.27	4,247.13
	Equity attributable to owners of the Company			**4,993.35**	**4,280.21**
	Non-controlling interests			36.10	36.49
	Total Equity			**5,029.45**	**4,316.70**
	Liabilities				
	Non-current liabilities				
	(a)	Contract liabilities		0.64	0.74
	(b)	Financial liabilities			
		(i) Borrowings	25	5.66	5.41
		(ii) Other financial liabilities	26	19.41	23.91
	(c)	Provisions		89.91	87.47
	(d)	Deferred tax liabilities (net)		-	1.42
	(e)	Other non-current liabilities		6.32	6.60
	Total non-current liabilities			**121.94**	**125.55**
	Current liabilities				
	(a)	Contract liabilities		421.55	556.92
	(b)	Financial liabilities			
		(i) Borrowings	30	254.95	212.44
		(ii) Trade payables	31		
		- Total outstanding dues of micro and small enterprises		160.42	35.47
		- Total outstanding dues of creditors other than micro and small enterprises		2,304.11	2,653.42
		(iii) Other financial liabilities	32	94.52	90.35
	(c)	Provisions		119.55	116.98
	(d)	Income tax liabilities (net)		75.95	6.08
	(e)	Other current liabilities		73.04	42.15
	Total current liabilities			**3,504.09**	**3,713.81**
	TOTAL LIABILITIES			**3,626.03**	**3,839.36**
	TOTAL EQUITY AND LIABILITIES			**8,655.48**	**8,156.06**
Summary of significant accounting policies			2		

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
Place : Mumbai
Date : 12 May, 2021

For and on behalf of the Board

Noel Tata
Chairman
Place : Mumbai

Anil George
Chief Financial Officer
Place : Mumbai

Pradeep Bakshi
Managing Director & CEO
Place : Delhi

V. P. Malhotra
Vice President - Taxation, Legal & Company Secretary
Place : Mumbai

Date : 12 May, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2021

₹ in crores

		Note	Year ended 31 March, 2021	Year ended 31 March, 2020
	Income			
I	**Revenue from operations**	35	7,555.78	7,658.08
II	**Other Income**	36	188.86	230.60
III	**Total Income (I + II)**		**7,744.64**	**7,888.68**
	Expenses			
	(a) Consumption of materials, cost of jobs and services		3,436.90	3,288.96
	(b) Purchases of stock-in-trade		1,862.26	2,568.27
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	37	279.30	(302.29)
	(d) Employee benefits expenses	38	601.68	671.72
	(e) Finance costs	39	26.15	21.10
	(f) Depreciation and amortisation expenses	40	33.89	31.96
	(g) Other expenses	41	734.28	744.76
IV	**Total Expenses**		**6,974.46**	**7,024.48**
V	**Profit before share of profit / (loss) of joint ventures and associates, exceptional items and tax (III - IV)**		**770.18**	**864.20**
VI	**Share of profit / (loss) of joint ventures and associates**		(60.97)	(68.70)
VII	**Profit before exceptional items and tax (V + VI)**		**709.21**	**795.50**
VIII	**Exceptional Items**	42	-	(51.19)
IX	**Profit before tax (VII + VIII)**		**709.21**	**744.31**
	Tax Expense			
	(a) Current tax		192.13	201.57
	(b) Adjustment of tax relating to earlier periods		-	(4.51)
	(c) Deferred tax charge / (credit)	12	(11.71)	26.20
X	**Total tax expense**	43	**180.42**	**223.26**
XI	**Net Profit for the year (IX - X)**		**528.79**	**521.05**
	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		342.18	(221.75)
	(ii) Income tax effect on (i) above	12	(19.64)	(3.19)
	(iii) Remeasurement gain / (loss) on defined benefit plans		5.40	15.16
	(iv) Income tax effect on (iii) above	12	(2.04)	0.85
	(b) Items that are to be reclassified to profit or loss			
	Exchange gain / (loss) on translation of foreign operations		(4.65)	19.13
XII	**Other Comprehensive Income [net of tax]**		**321.25**	**(189.80)**
XIII	**Total Comprehensive Income [net of tax] (XI + XII)**		**850.04**	**331.25**
	Profit /(loss) for the year attributable to :			
	– Owners of the Company		525.14	517.18
	– Non-controlling interests		3.65	3.87
			528.79	**521.05**
	Other Comprehensive income for the year attributable to :			
	– Owners of the Company		321.86	(193.16)
	– Non-controlling interests		(0.61)	3.36
			321.25	**(189.80)**
	Total Comprehensive Income for the year attributable to :			
	– Owners of the Company		847.00	324.02
	– Non-controlling interests		3.04	7.23
			850.04	**331.25**
XIV	**Earnings per share:**			
	Basic and Diluted (₹) (Face value ₹ 1/- per share)	44	15.87	15.63

Summary of significant accounting policies 2

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
Place : Mumbai
Date : 12 May, 2021

For and on behalf of the Board

Noel Tata
Chairman
Place : Mumbai

Pradeep Bakshi
Managing Director & CEO
Place : Delhi

Anil George
Chief Financial Officer
Place : Mumbai

V. P. Malhotra
Vice President - Taxation, Legal & Company Secretary
Place : Mumbai

Date : 12 May, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2021

A. EQUITY SHARE CAPITAL

	₹ in crores
Balance as at 31 March, 2019	33.08
Changes in equity share capital	*
Balance as at 31 March, 2020	33.08
Changes in equity share capital	-
Balance as at 31 March, 2021	**33.08**

B. OTHER EQUITY:

₹ in crores

	Reserves and Surplus (Refer Note 23)								Items of Other Comprehensive income (Refer Note 23)		Total attributable to owners of the Company	Non-controlling interests	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Capital Reserve on Consolidation	General Reserve	Staff Welfare Reserve	Legal Reserve	Retained earnings	Equity instruments fair value through other comprehensive income	Exchange difference on translation of foreign operations			
Balance as 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
Net 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 (net of tax)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**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	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**
Net profit for the year	-	-	-	-	-	-	-	525.14	-	-	525.14	3.65	528.79
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	3.97	322.54	(4.65)	321.86	(0.61)	321.25

₹ in crores

	Reserves and Surplus (Refer Note 23)								Items of Other Comprehensive income (Refer Note 23)		Total attributable to owners of the Company	Non-controlling interests	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Capital Reserve on Consolidation	General Reserve	Staff Welfare Reserve	Legal Reserve	Retained earnings	Equity instruments fair value through other comprehensive income	Exchange difference on translation of foreign operations			
Total comprehensive income for the year (net of tax)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**529.11**	**322.54**	**(4.65)**	**847.00**	**3.04**	**850.04**
Payment of dividend	-	-	-	-	-	-	-	(132.35)	-	-	(132.35)	-	(132.35)
Dividend paid by subsidiary to minority	-	-	-	-	-	-	-	-	-	-	-	(3.43)	(3.43)
Transfer to General Reserve	-	-	-	-	20.00	-	-	(20.00)	-	-	-	-	-
Transfer to Capital Reserve	12.69	-	-	(12.69)	-	-	-	-	-	-	-	-	-
Share issue expenses of a subsidiary company	-	-	(1.51)	-	-	-	-	-	-	-	(1.51)	-	(1.51)
Balance as at 31 March, 2021	**14.25**	**1.26**	**4.77**	**-**	**1,418.15**	**0.01**	**2.68**	**2,857.90**	**626.85**	**34.40**	**4,960.27**	**36.10**	**4,996.37**

* value below ₹ 50,000/-

Summary of significant accounting policies Note 2

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
Place : Mumbai
Date : 12 May, 2021

For and on behalf of the Board

Noel Tata
Chairman
Place : Mumbai

Pradeep Bakshi
Managing Director & CEO
Place : Delhi

Anil George
Chief Financial Officer
Place : Mumbai

V. P. Malhotra
Vice President - Taxation, Legal & Company Secretary
Place : Mumbai

Date : 12 May, 2021

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2021

₹ in crores

		Year ended 31 March, 2021		Year ended 31 March, 2020	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	Profit before tax		709.21		744.31
	Adjustments for :				
	Share of (profit) / loss of joint ventures and associates	60.97		68.70	
	Depreciation and amortisation expenses	33.89		31.96	
	Allowance for doubtful debts and advances	140.03		71.92	
	Unrealised foreign exchange (gain) / loss (net)	(20.84)		24.64	
	Interest income	(13.03)		(34.03)	
	Dividend income	(4.84)		(18.56)	
	(Gain) / loss arising on financial assets measured at Fair Value through Profit or Loss (FVTPL) (net)	(95.57)		(96.52)	
	Finance costs	26.15		21.10	
	Liabilities/provisions no longer required written back	(19.65)		(12.01)	
	(Gain) / loss on disposal of property, plant and equipment	(0.66)		(3.75)	
	Rental income	(32.31)		(38.17)	
			74.14		15.28
	Operating profit before working capital changes		**783.35**		**759.59**
	Changes in Working Capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	189.34		(369.22)	
	Trade receivables	(87.01)		(50.51)	
	Contract assets	(187.88)		(130.28)	
	Other financial assets	8.64		2.18	
	Other non-financial assets	191.34		(100.00)	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	(182.30)		290.00	
	Contract liabilities	(135.47)		225.47	
	Other financial liabilities	34.18		(1.34)	
	Other non-financial liabilities	30.65		8.15	
	Provisions	(19.44)		34.46	
			(157.95)		(91.09)
	Cash generated from operations		625.40		668.50
	Income tax paid (Net of refunds)		(69.29)		(206.05)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**556.11**		**462.45**
B.	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of property, plant and equipment and intangible assets	(20.82)		(90.50)	
	(including capital advances and capital work-in-progress)				
	Proceeds from disposal of property, plant and equipment	2.17		7.28	
	(Investment in)/proceeds from fixed deposits	29.42		(84.76)	
	Purchase of investments	(1,173.89)		(1,797.59)	
	Proceeds from sale of investments	848.22		1,673.42	
	Interest received	20.76		29.07	

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2021 (Contd...)

₹ in crores

		Year ended 31 March, 2021		Year ended 31 March, 2020	
	Dividend received:				
	– joint ventures and associates	6.99		6.95	
	– others	4.52		8.32	
	Rent received	31.83		36.52	
	Rental deposits (repaid) / received	(5.11)		0.80	
	NET CASH FLOW USED IN INVESTING ACTIVITIES (B)		**(255.91)**		**(210.49)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of equity instruments of the Company (Calls-in-Arrears and security premium)	-		-	
	Share issue expenses	(1.51)		-	
	Repayment of loans during the year	(511.00)		(205.69)	
	Proceeds from loans taken during the year	553.45		100.00	
	Interest paid	(21.18)		(21.21)	
	Payment of lease liability	(5.48)		(4.10)	
	Dividend paid including taxes thereon	(135.79)		(162.66)	
	NET CASH FLOW USED IN FINANCING ACTIVITIES (C)		**(121.51)**		**(293.66)**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**178.69**		**(41.70)**
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**269.28**		**310.98**
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**447.97**		**269.28**
	Non-Cash Investing and Financing transaction				
	Net gain arising on financial assets measured at FVTPL	95.57		88.42	
	Lease liabilities	10.29		14.11	
		105.86		**102.53**	
	Cash and cash equivalents at the end of the year consist of:				
	Cash and cash equivalents at the end of the year (Refer Note 17)		448.15		269.56
	Effect of exchange difference on restatement of foreign currency Cash and cash equivalents		(0.18)		(0.28)
			447.97		**269.28**

* value below ₹ 50,000/-

Summary of significant accounting policies Note 2

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
Place : Mumbai
Date : 12 May, 2021

For and on behalf of the Board

Noel Tata
Chairman
Place : Mumbai

Anil George
Chief Financial Officer
Place : Mumbai

Pradeep Bakshi
Managing Director & CEO
Place : Delhi

V. P. Malhotra
Vice President - Taxation, Legal & Company Secretary
Place : Mumbai

Date : 12 May, 2021

NOTES FORMING PART OF THE IND AS CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2021

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, 2021. 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, 2021 were approved by the Board of Directors and approved for issue on 12 May, 2021.

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 (Note 2 (H)) and financial instruments (Note 2 (R)) below.

The accounting policies adopted for preparation and presentation of financial statement have been consistent with the previous year.

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 3.

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, 2021.

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.

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 and Contingencies'.

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 recognized 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) Post-employment 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 recognizes 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

Capital work in progress is stated at cost. 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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (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 when the asset is derecognised.

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.

Transfers are made to (or from) investment properties only when there is a change in use.

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.

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 realizable 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 assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation 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 recognizes 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 recognized in the other comprehensive income (OCI). However, the Group 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 Subsidiaries, Associates and Joint Ventures, the Group makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the 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. BUSINESS COMBINATION UNDER COMMON CONTROL

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities or businesses are reflected at their carrying amounts after making adjustments necessary to harmonise the accounting policies. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. The identity of the reserves is preserved in the same form in which they appeared in the financial statements of the transferor and the difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

BB. 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.

2A. RECENT ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

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

Amendments to Schedule III of Companies Act, 2013 (as amended)

The Ministry of Corporate Affairs ("MCA") through a notification dated 24 March, 2021, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April, 2021. The key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive, and the Group will evaluate the same to give effect to them as required by law.

3. SIGNIFICANT ACCOUNTING, JUDGEMENTS ESTIMATES AND ASSUMPTIONS

In the application of the Group's accounting policies, which are described in Note 2, Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

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 recognize 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 15 and Note 16.

The Group reviews it's carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than it's 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 51.

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 45 (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 46.

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 33.

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.

4. PROPERTY, PLANT AND EQUIPMENT (OWNED, UNLESS OTHERWISE STATED)

₹ in crores

	Freehold Land	Buildings	Plant and Equipments	Office and EDP Equipments	Furniture and fixtures	Vehicles	Transferred to / from Investment property	Total Property, Plant And Equipment
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**
Gross carrying amount								
As at 31 March, 2020	29.51	203.61	172.63	83.94	31.09	19.30	(58.76)	481.32
Additions	-	5.50	19.27	8.56	2.91	-	-	36.24
Disposals	-	2.14	2.31	4.25	0.21	1.70	-	10.61
Transfers in / (out)	-	-	-	-	-	-	(12.02)	(12.02)
Exchange differences on consolidation	-	(0.21)	(0.41)	(0.24)	(0.06)	(0.39)	-	(1.31)
As at 31 March, 2021	**29.51**	**206.76**	**189.18**	**88.01**	**33.73**	**17.21**	**(70.78)**	**493.62**
Accumulated depreciation								
As at 31 March, 2020	-	53.82	109.05	53.35	21.08	17.21	(13.42)	241.09
Charge for the year	-	5.11	9.67	8.75	1.81	0.87	(1.14)	25.07
Disposals	-	1.09	2.23	3.92	0.17	1.69	-	9.10
Transfers in / (out)	-	-	-	-	-	-	(0.67)	(0.67)
Exchange differences on consolidation	-	(0.15)	(0.38)	(0.20)	(0.05)	(0.36)	-	(1.14)
As at 31 March, 2021	**-**	**57.69**	**116.11**	**57.98**	**22.67**	**16.03**	**(15.23)**	**255.25**
Net carrying amount as at 31 March, 2021	**29.51**	**149.07**	**73.07**	**30.03**	**11.06**	**1.18**	**(55.55)**	**238.37**

Footnote :

Buildings includes ₹ 0.0016 crore (31 March, 2020: ₹ 0.0016 crore) being cost of shares and bonds in Co-operative Housing Societies.

5. INVESTMENT PROPERTY

₹ in crores

	Freehold Land	Buildings	Total
Gross carrying amount			
As at 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**
Gross carrying amount			
As at 31 March, 2020	0.14	58.62	58.76
Additions	-	-	-
Transfers in / (out)	-	12.02	12.02
As at 31 March, 2021	**0.14**	**70.64**	**70.78**
Accumulated depreciation			
As at 31 March, 2020	-	13.42	13.42
Charge for the year	-	1.14	1.14
Transfers in / (out)	-	0.67	0.67
As at 31 March, 2021	**-**	**15.23**	**15.23**
Net carrying amount as at 31 March, 2021	**0.14**	**55.41**	**55.55**

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:

₹ in crores

	Year ended 31 March, 2021	Year ended 31 March, 2020
Rental income	32.31	38.17
Direct operating expenses (including repairs and maintenance) generating rental income (net of recoveries)	1.30	1.77
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income	3.16	3.49
Profit from investment properties before depreciation and indirect expenses	**27.85**	**32.91**
Depreciation	1.14	0.93
Profit arising from investment properties before indirect expenses	**26.71**	**31.98**

5. INVESTMENT PROPERTY(Contd...)

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

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Land	128.36	137.27
Building	682.94	662.06
	811.30	**799.33**

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.

6. 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 below)	5.69	11.65	17.34
Additions	-	1.35	1.35
As at 31 March, 2020	**5.69**	**13.00**	**18.69**
Accumulated depreciation As at 31 March, 2019	-	-	-
Ind AS 116 impact (Refer Note below)	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**
Gross carrying amount			
As at 31 March, 2020	5.69	13.00	18.69
Additions	-	4.74	4.74
Exchange differences on consolidation	-	(0.01)	(0.01)
As at 31 March, 2021	**5.69**	**17.73**	**23.42**
Accumulated depreciation			
As at 31 March, 2020	0.84	4.82	5.66
Charge for the year	0.06	4.43	4.49
Exchange differences on consolidation	-	(0.02)	(0.02)
As at 31 March, 2021	**0.90**	**9.23**	**10.13**
Net carrying amount as at 31 March, 2021	**4.79**	**8.50**	**13.29**

Footnotes:

During the previous year, the Group adopted Ind AS 116 'Leases' as at 1 April 2019 and on adoption following impacts were accounted:

(i) Right of use assets and an equal amount of lease liabilities of ₹ 11.65 crores were recognized as of 1 April, 2019.

(ii) Prepayments' related to previous operating lease were reclassified from other non-current assets to Right-of-use assets as at 1 April, 2019 of ₹ 4.93 crores (Gross Block: ₹ 5.69 crores and Accumulated Depreciation: ₹ 0.76 crore).

7. INTANGIBLE ASSETS

₹ in crores

	Manufacturing Rights & Technical Know- how	Software	Total Intangible Assets
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**
Gross carrying amount			
As at 31 March, 2020	10.04	58.74	68.78
Additions	-	2.18	2.18
Disposals	-	0.27	0.27
Exchange differences on consolidation	-	(0.10)	(0.10)
As at 31 March, 2021	**10.04**	**60.55**	**70.59**
Amortisation			
As at 31 March, 2020	10.04	49.26	59.30
Charge for the year	-	3.19	3.19
Disposals	-	0.26	0.26
Exchange differences on consolidation	-	(0.10)	(0.10)
As at 31 March, 2021	**10.04**	**52.09**	**62.13**
Net carrying amount as at 31 March, 2021	**-**	**8.46**	**8.46**

Footnotes :

₹ in crores

		As at 31 March, 2021	As at 31 March, 2020
(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

7. INTANGIBLE ASSETS (Contd...)

(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 Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited, a wholly owned subsidiary) of ₹ 71.36 crores (31-3-2020: ₹ 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.

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

- Discou nt rate in the range of 11.20% per annum (31-3-2020: 14.00% 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 (31-3-2020: 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.

8. INVESTMENTS

	Currency	Face Value	As at 31 March, 2021		As at 31 March, 2020	
			No.	₹ in crores	No.	₹ in crores
8 (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 Limited	₹	10	3,352	*	3,352	*
Terrot GmbH, Germany	EURO	1	2,60,900	-	2,60,900	-
Naba Diganta Water Management Limited	₹	10	47,97,000	9.22	47,97,000	8.31
				9.22		**8.31**
2 Investments in Joint Ventures :						
Voltas Water Solutions Private Limited (#)	₹	10	28,41,500	0.07	28,41,500	0.07
Universal Voltas L.L.C., UAE	AED	1,000	3,430	53.03	3,430	58.18
Olayan Voltas Contracting Company Limited, Saudi Arabia	SR	100	50,000	0.25	50,000	1.12
(including Share application money)						
Voltbek Home Appliances Private Limited	₹	10	41,01,34,900	220.68	33,51,64,900	209.96
Gross Investments in Joint Ventures				274.03		269.33
Less : Impairment in value of Investments (#)				0.07		0.07
				273.96		**269.26**
Investments accounted as per Equity Method				**283.18**		**277.57**

8. INVESTMENTS (Contd...)

		Currency	Face Value	As at 31 March, 2021		As at 31 March, 2020	
				No.	₹ in crores	No.	₹ in crores
B	**Other Investments**						
1	**Investments in Subsidiary Companies (at cost less impairment unless otherwise stated):**						
	Agro Foods Punjab Limited (Refer footnote 8 (a)	₹	100	2,80,000	-	2,80,000	-
	(Beneficial rights transferred pending transfer of shares)						
	Westerwork Engineers Limited (Under Liquidation) (#)	₹	100	9,600	1.09	9,600	1.09
	Gross Investments in Subsidiary Companies				1.09		1.09
	Less : Impairment in value of Investments (#)				1.09		1.09
					-		-
2	**Investments in Other Companies (Investments at Fair Value through Other Comprehensive Income) (Refer footnote 8 (d))**						
(a)	**Fully Paid Unquoted Equity Instruments**						
	Lakshmi Ring Travellers (Coimbatore) Limited	₹	10	1,20,000	40.64	1,20,000	28.03
	Agrotech Industries Limited	USD	1	3,67,500	-	3,67,500	-
	Tata International Limited (Refer footnote 8 (f))	₹	1,000	15,000	33.90	10,000	5.65
	Tata Services Limited (Refer footnote 8 (b))	₹	1,000	448	0.04	448	0.04
	Tata Industries Limited (Refer footnote 8 (b))	₹	100	13,05,720	20.72	13,05,720	20.72
	Tata Projects Limited	₹	100	1,35,000	178.41	1,35,000	147.48
	Premium Granites Limited	₹	10	4,91,220	-	4,91,220	-
	OMC Computers Limited	₹	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 Limited	₹	10	750	*	750	*
	Saraswat Co-operative Bank Limited	₹	10	10	*	10	*
	Super Bazar Co-operative Stores Limited	₹	10	500	*	500	*
					273.71		**201.92**
(b)	**Fully Paid Quoted Equity Instruments**						
	Lakshmi Automatic Loom Works Limited	₹	10	6,15,200	-	6,15,200	-
	Tata Chemicals Limited	₹	10	2,00,440	15.06	2,00,440	4.47
	Tata Consumer Products Limited	₹	1	2,28,501	14.59	2,28,501	6.74
	Lakshmi Machine Works Limited	₹	10	5,79,672	393.54	5,79,672	133.34
	Reliance Industries Limited (Refer footnote 8 (c))	₹	10	2,640	-	2,640	-
					423.19		**144.55**
					696.90		**346.47**

8. INVESTMENTS (Contd...)

		Currency	Face Value	As at 31 March, 2021		As at 31 March, 2020	
				No.	₹ in crores	No.	₹ in crores
3	**Investment in Preference Shares**						
	Fully Paid UNQUOTED (at amortised cost):						
	Tata Capital Limited						
	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**
4	**Investment in Unquoted Mutual funds (at fair value through profit or loss) (Refer footnote 8(e))**				**1,531.73**		**903.82**
5	**Investment in Debenture/Bonds (at amortised cost)**						
	Fully Paid QUOTED:						
	Tata Steel Limited						
	11.50% Perpetual Non Convertible Debentures	₹	10,00,000	-	-	292	29.26
	Tata Power Company Limited						
	10.75% Non Convertible Debentures	₹	10,00,000	500	52.98	500	53.40
	Rural Electrification Corporation Limited						
	8.01% Tax Free Bonds	₹	1,000	50,000	5.34	50,000	5.41
	7.17% Tax Free Bonds	₹	10,00,000	70	7.42	70	7.46
	5.75% Tax Free Bonds	₹	10,000	500	0.53	500	0.53
	8.18% Tax Free Bonds	₹	10,00,000	50	5.37	50	5.44
	National Housing Bank						
	8.26% Tax Free Non Convertible Debentures	₹	5,000	18,049	9.65	18,049	9.80
	Housing and Urban Development Corporation Limited						
	8.51% Tax Free Bonds	₹	1,000	1,50,000	16.13	1,50,000	16.40
	8.10% Tax Free Bonds	₹	1,000	-	-	2,53,400	26.19
	7.07% Tax Free Bonds	₹	10,00,000	50	5.33	50	5.36
	Indian Railway Finance Corporation Limited						
	8.35% Tax Free Bonds	₹	10,00,000	250	28.06	250	28.40
	Tata AIG General Insurance Co. Limited						
	8.52% Non Convertible Debentures	₹	10,00,000	-	-	30	2.90

8. INVESTMENTS (Contd...)

	Currency	Face Value	As at 31 March, 2021		As at 31 March, 2020	
			No.	₹ in crores	No.	₹ in crores
Tata International Limited						
9.85% Non Convertible Debentures	₹	10,00,000	500	49.99	-	-
Tata Motors Finance Limited						
11.50% Non Convertible Debentures	₹	10,00,000	500	54.50	500	54.49
				235.30		**245.04**
6 Investment in Others						
Government Securities	₹			*		*
				*		*
Other Investments				**2,513.93**		**1,545.33**
Total : Non-current Investments - Net				**2,797.11**		**1,822.90**
Footnotes :						
(i) Aggregate amount of quoted investments and market value thereof				658.49		389.59
(ii) Aggregate amount of unquoted investments				2,139.78		1,434.47
(iii) Aggregate amount of impairment in value of investments				1.16		1.16

Abbreviations for Currencies :

₹ : Indian Rupees　SR : Saudi Riyal　AED : United Arab Emirates Dirhams　RO : Omani Rial
USD : Unied States Dollar　EURO : European Union Currency

* value below ₹ 50,000/-

Footnotes:

8 (a) Under a loan agreement for ₹ 0.60 crore (fully drawn and outstanding) entered into between Agro Foods Punjab Limited (AFPL) and the Punjab State Industrial Development Corporation Limited (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.

8 (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.

8 (c) In respect of the Group's investment in 2,640 equity shares of Reliance Industries Limited, 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 and fair value on these shares has not been recognised.

8 (d) 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.

8 (e) 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.

8 (f) During the current year, the Company has subscribed to the rights issue of 5,000 equity shares at the designated rights issue price.

8. INVESTMENTS (Contd...)

	Currency	Face Value	As at 31 March, 2021		As at 31 March, 2020	
			No.	₹ in crores	No.	₹ in crores
8 (ii) Current Investments						
A Investment in Debenture/Bonds (at amortised cost)						
Fully Paid QUOTED:						
Rural Electrification Corporation Limited						
5.25% Tax Free Bonds	₹	10,000	-	-	500	0.50
Tata Steel Limited						
11.50% Perpetual Non Convertible Debentures	₹	10,00,000	292	29.21	-	-
11.80% Perpetual Non Convertible Debentures	₹	10,00,000	-	-	100	10.24
Tata AIG General Insurance Co. Limited						
8.52% Non Convertible Debentures	₹	10,00,000	30	2.96	-	-
Housing and Urban Development Corporation Limited						
8.10% Tax Free Bonds	₹	1,000	2,53,400	25.84	-	-
				58.01		**10.74**
B Investment in Unquoted Mutual funds (at fair value through profit or loss)				**191.31**		**509.65**
Total Current investments				**249.32**		**520.39**
Footnotes :						
(i) Aggregate amount of quoted investments and market value thereof				58.01		10.74
(ii) Aggregate amount of unquoted investments				191.31		509.65
(iii) Aggregate amount of impairment in value of investments				-		-

9. TRADE RECEIVABLES (NON-CURRENT) (AT AMORTISED COST)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Non-current trade receivables (Unsecured, considered good)	-	6.39
Non-current trade receivables	**-**	**6.39**

10. LOANS (NON-CURRENT) (AT AMORTISED COST)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Loans to Employees (Unsecured, considered good)	0.17	0.22
Total non-current loans	**0.17**	**0.22**

11. OTHER FINANCIAL ASSETS (NON-CURRENT) (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED) (AT AMORTISED COST)

₹ in crores

		As at 31 March, 2021	As at 31 March, 2020
(a)	Security deposits	11.04	14.42
(b)	Deposits with customers / others	5.42	5.37
(c)	Fixed deposits with remaining maturity of more than 12 months	79.44	71.28
(d)	Others	15.59	12.06
	Less: Impairment Allowance	15.41	12.01
Total other financial assets (Non-current)		**96.08**	**91.12**
Footnotes :			
(1)	Break up of security details of other financial assets (non-current)		
	(i) Unsecured, considered good	96.08	91.12
	(ii) Credit impaired	15.41	12.01
		111.49	**103.13**
(2)	Impairment Allowance		
	(i) Unsecured, considered good	-	-
	(ii) Credit impaired	15.41	12.01
		15.41	**12.01**

12. DEFERRED TAX

(a) The following is the analysis of deferred tax assets / (liabilities) presented in the consolidated balance sheet :

₹ in crores

		As at 31 March, 2021	As at 31 March, 2020
(i)	**Deferred Tax Assets**		
	Deferred tax assets	174.24	164.24
	Deferred tax liabilities	(118.47)	(91.37)
	Deferred Tax Assets (net)	**55.77**	**72.87**
(ii)	**Deferred Tax Liabilities**		
	Deferred tax assets	-	1.49
	Deferred tax liabilities	-	(2.91)
	Deferred tax liabilities (net)	**-**	**(1.42)**
	Reconciliation of deferred tax assets (net):		
	Opening balance	72.87	105.89
	Tax income/(expense) during the period recognised in profit or loss	11.71	(28.39)
	Tax income/(expense) during the period recognised in OCI	(21.68)	(2.34)
	Adjusted against tax liability	(0.10)	(2.29)
	Adjustment pursuant to amalgamation	(7.03)	-
	Closing balance	**55.77**	**72.87**

12. DEFERRED TAX (Contd...)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Reconciliation of deferred tax liabilities (net):		
Opening balance	(1.42)	(6.59)
Tax income/(expense) during the period recognised in profit or loss	-	2.19
Adjustment pursuant to amalgamation	1.42	-
Adjusted against tax liability	-	2.98
Closing balance	**-**	**(1.42)**

(b) The balance comprise temporary differences attributable to:

(i) Deferred Tax Assets

₹ in crores

	As at 31 March, 2020	Adjustment pursuant to amalgamation	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	Adjusted against tax liability	As at 31 March, 2021
Provision for employee benefits (including Voluntary Retirement Scheme)	38.63	0.10	(0.73)	(2.04)	-	35.96
Allowance for receivables, loans and advances	75.68	-	20.65	-	(0.10)	96.23
Provision for contingencies and claims	7.82	-	0.73	-	-	8.55
Unpaid statutory liabilities	3.61	-	(0.30)	-	-	3.31
Government Grants	-	1.39	0.31			1.70
Estimated loss on projects	1.60	-	(0.45)	-	-	1.15
Deferred Tax on unrealised profit	5.61	(5.61)	-	-	-	-
Unutilised brought forward loss and unabsorbed depreciation	16.94	-	(10.15)	-	-	6.79
MAT credit entitlement	8.91	-	4.67	-	-	13.58
Free Maintenance services	5.17	-	0.89	-	-	6.06
Others	0.27	-	0.64	-	-	0.91
Deferred Tax Assets	**164.24**	**(4.12)**	**16.26**	**(2.04)**	**(0.10)**	**174.24**
Property, plant and equipment and intangible assets	(25.93)	(2.91)	(1.77)	-	-	(30.61)
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(40.83)	-	-	(19.64)	-	(60.47)
Unrealised gains on fair valuation of Mutual funds	(24.61)	-	(2.78)	-	-	(27.39)
Deferred Tax Liabilities	**(91.37)**	**(2.91)**	**(4.55)**	**(19.64)**	**-**	**(118.47)**
Deferred Tax Assets (net)	**72.87**	**(7.03)**	**11.71**	**(21.68)**	**(0.10)**	**55.77**

12. DEFERRED TAX (Contd...)

(ii) Deferred Tax Liabilities

₹ in crores

	As at 31 March, 2020	Adjust-ment pursuant to amalga-mation	(Charged) / credited to statement of profit and loss	(Charged) / credited to other compre-hensive income	Adjusted against tax liability	As at 31 March, 2021
Provision for employee benefits	0.10	(0.10)	-	-	-	-
Government Grants	1.39	(1.39)	-	-	-	-
Deferred Tax Assets	**1.49**	**(1.49)**	**-**	**-**	**-**	**-**
Property, plant and equipment and intangible assets	(2.91)	2.91	-	-	-	-
Deferred Tax Liabilities	**(2.91)**	**2.91**	**-**	**-**	**-**	**-**
Deferred Tax Liabilities (net)	**(1.42)**	**1.42**	**-**	**-**	**-**	**-**

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

(i) Deferred Tax Assets

₹ in crores

	As at 31 March, 2019	(Charged) / credited to statement of profit and loss	(Charged) / credited to other compre-hensive income	Adjusted against tax liability	As at 31 March, 2020
Provision for employee benefits (including Voluntary Retirement Scheme)	37.58	4.25	(3.20)	-	38.63
Allowance for receivables, loans and advances	94.59	(18.91)	-	-	75.68
Provision for contingencies and claims	8.94	(1.12)	-	-	7.82
Unpaid statutory liabilities	4.54	(0.93)	-	-	3.61
Estimated loss on projects	10.45	(8.85)	-	-	1.60
Deferred Tax on unrealised profit	6.23	(0.62)	-	-	5.61
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**

12. DEFERRED TAX (Contd...)

(ii) Deferred Tax Liabilities

₹ in crores

	As at 31 March, 2019	(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 Grants	-	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)**

13. OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
(a) Balance with Government Authorities	78.81	81.89
(b) Capital advances	38.78	38.74
(c) Advance to suppliers	1.07	1.07
(d) Others	4.16	1.78
Less: Impairment Allowance	5.34	5.33
Total other non-current assets	**117.48**	**118.15**
Footnote :-		
Impairment Allowance :		
(a) Balance with Government Authorities	3.89	3.89
(b) Advance to suppliers	1.07	1.07
(c) Others	0.38	0.37
Total	**5.34**	**5.33**

14. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
(a) Raw materials and Components	363.77	273.74
(b) Work-in-progress	10.40	6.53
(c) Finished goods	365.62	196.47
(d) Stock-in-trade	539.45	991.77
(e) Stores and spares	0.36	0.43
Total Inventories	**1,279.60**	**1,468.94**
Inventories includes goods-in-transit:		
(a) Raw materials and Components	88.65	105.93
(b) Finished goods	2.08	-
(c) Stock-in-trade	9.88	117.96
Total goods-in-transit	**100.61**	**223.89**
Footnote :		
Provision for write-down on value of inventory recognised in statement of profit and loss	28.48	25.90

15. CONTRACT ASSETS (CURRENT) (UNSECURED)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Amount due from customers under construction contracts	1,163.48	974.30
Less: Impairment Allowance	99.76	74.96
Contract assets (Current) (Net)	**1,063.72**	**899.34**
Footnotes :		
(1) Break up of security details		
(i) Unsecured, considered good	1,144.59	956.59
(ii) Contract assets - credit impaired	18.89	17.71
	1,163.48	**974.30**
Less: Impairment Allowance	99.76	74.96
	1,063.72	**899.34**

(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, 2021, contract assets balances have increased as compared to 31 March, 2020 on account of delay in certification of work by the customers.

16. TRADE RECEIVABLES (CURRENT) (AT AMORTISED COST) (UNSECURED)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Trade receivables	2,143.99	2,081.13
Less: Impairment Allowance	343.06	253.88
Trade receivables (net)	**1,800.93**	**1,827.25**
Footnotes :		
(1) Break up of security details		
(i) Unsecured, considered good	1,963.09	1,943.29
(ii) Trade Receivables - credit impaired	180.90	137.84
	2,143.99	**2,081.13**
Less: Impairment Allowance	343.06	253.88
	1,800.93	**1,827.25**

(2) There is no significant movement in trade receivable balances as compared to 31 March, 2020.

(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 recognizes impairment allowance based on lifetime ECLs at each reporting date. ECL impairment loss allowance (or reversal) recognized during the period is recognized in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

(5) **Movement in impairment allowance on trade receivables and contract assets.**

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Balance at the beginning of the year	328.84	279.20
Allowances / (write back) during the year	135.83	74.32
Written off against past provision	(21.85)	(24.68)
Balance at the end of the year	**442.82**	**328.84**

17. CASH AND CASH EQUIVALENTS

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Cash on hand	0.02	0.10
Cheques on hand	13.97	1.44
Remittance in-transit	0.07	0.07
Balances with banks		
- On current accounts	418.06	220.44
- Fixed deposits with maturity less than 3 months	16.03	47.51
Total Cash and cash equivalents	**448.15**	**269.56**

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 55 (a).

(b) At 31 March, 2021, the Group had available ₹ 756.36 crores (31 March, 2020: ₹1,092.18 crores) of undrawn committed borrowing facilities.

18. OTHER BALANCES WITH BANKS

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Fixed deposits with maturity greater than 3 months but less than 12 months	-	28.46
Earmarked balances - unpaid dividend Accounts	7.73	7.46
Margin money	2.91	2.93
Total Other Bank balances	**10.64**	**38.85**

Footnote :

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

19. LOANS (CURRENT) (AT AMORTISED COST)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Loans to employees (Unsecured, considered good)	2.13	2.04
Total loans (Current)	**2.13**	**2.04**

20. OTHER FINANCIAL ASSETS (CURRENT) (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED) (AT AMORTISED COST)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
(a) Security deposits	19.83	17.16
(b) Interest accrued	10.51	18.24
(c) Fixed deposits with remaining maturity of less than 12 months	38.13	47.24
(d) Others		
- Considered good	40.51	52.86
- Credit impaired	4.84	4.05
Less: Impairment Allowance	4.84	4.05
Total other financial assets (Current)	**108.98**	**135.50**

21. OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
(a) Balance with Government Authorities	112.28	246.47
(b) Advance to suppliers	65.87	88.37
(c) Gratuity fund (Refer Note 46)	9.95	12.42
(d) Prepaid expense	22.03	42.34
(e) Others		
- Considered good	15.81	26.96
- Credit impaired	0.52	0.53
Less: Impairment Allowance	0.52	0.53
Total other current assets	**225.94**	**416.56**

22. SHARE CAPITAL

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Authorised:		
1,10,00,00,000 (31 March, 2020: 1,10,00,00,000) Equity Shares of ₹ 1/- each	110.00	110.00
40,00,000 (31 March, 2020: 40,00,000) Preference Shares of ₹ 100/- each	40.00	40.00
	150.00	**150.00**
Issued, Subscribed and Paid up:		
33,08,84,740 (31 March, 2020: 33,08,84,740) Equity Shares of ₹ 1/- each	33.09	33.09
Less :Calls-in-Arrears [1,22,500 shares (31 March, 2020: 1,22,500 shares) [Refer footnote 22 (d)]	0.01	0.01
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 Share Capital			
	As at 31 March, 2021		As at 31 March, 2020	
	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 equity shares held by shareholders holding more than 5% shares in the Company:

Name of Shareholder	Class of Shares	Equity Share Capital			
		As at 31 March, 2021		As at 31 March, 2020	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
Tata Sons Private Limited	Equity	8,81,31,780	26.64	8,81,31,780	26.64

(d) As per the records of the Company, no calls remained unpaid by the Directors and Officers of the Company as on 31 March, 2021 (31-3-2020 : Nil).

23. OTHER EQUITY

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
(1) Capital Reserves	14.25	1.56
(2) Capital Redemption Reserve	1.26	1.26
(3) Securities Premium	4.77	6.28
(4) Capital Reserve on Consolidation	-	12.69

23. OTHER EQUITY (Contd...)

₹ in crores

		As at 31 March, 2021	As at 31 March, 2020
(5)	General Reserve	1,418.15	1,398.15
(6)	Staff Welfare Reserve	0.01	0.01
(7)	Exchange difference on translation of foreign operations through other comprehensive income	34.40	39.05
(8)	Legal Reserve	2.68	2.68
(9)	Equity instruments fair value through other comprehensive income	626.85	304.31
(10)	Retained Earnings	2,857.90	2,481.14
Total other equity		**4,960.27**	**4,247.13**

Movements in Other Equity

₹ in crores

		As at 31 March, 2021	As at 31 March, 2020
(1)	**Capital Reserve**		
	- As per last Balance Sheet	1.56	1.56
	- Transfer from capital reserve on consolidation	12.69	-
	- Closing Balance	**14.25**	**1.56**
(2)	**Capital Redemption Reserve**		
	- As per last Balance Sheet	**1.26**	**1.26**
(3)	**Securities Premium**		
	- As per last Balance Sheet	6.28	6.27
	- Received during the year	-	0.01
	- Share issue expenses of a subsidiary company	1.51	-
	- Closing Balance	**4.77**	**6.28**
(4)	**Capital Reserve on Consolidation**		
	- As per last Balance Sheet	12.69	12.69
	- Transfer to capital reserve	12.69	-
	- Closing Balance	**-**	**12.69**
(5)	**General Reserve**		
	- As per last Balance Sheet	1,398.15	1,378.15
	- Transfer from retained earnings	20.00	20.00
	- Closing Balance	**1,418.15**	**1,398.15**
(6)	**Staff Welfare Reserve**		
	- As per last Balance Sheet	**0.01**	**0.01**
(7)	**Exchange difference on translation of foreign operations through other comprehensive income**		
	- As per last Balance Sheet	39.05	19.92
	- Add / (less) : Exchange gain / (loss) on translation of foreign operations	(4.65)	19.13
	- Closing Balance	**34.40**	**39.05**
(8)	**Legal Reserve**		
	- As per last Balance Sheet	**2.68**	**2.68**

23. OTHER EQUITY (Contd...)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
(9) **Equity instruments fair value through other comprehensive income**		
- As per last Balance Sheet	304.31	525.20
- Changes during the year	322.54	(220.89)
- Closing Balance	**626.85**	**304.31**
(10) **Retained earnings**		
(a) As per last Balance Sheet	2,481.14	2,129.17
(b) Additions :		
- Net Profit for the year	525.14	517.18
- Transfer from other comprehensive income (Net of tax)	3.97	11.96
	529.11	**529.14**
(c) Deductions :		
- Dividend	132.35	132.35
- Dividend Distribution tax	-	24.82
- Transfer to General Reserve	20.00	20.00
	152.35	**177.17**
Closing Balance	**2,857.90**	**2,481.14**
Total other equity	**4,960.27**	**4,247.13**

DISTRIBUTION MADE AND PROPOSED

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Cash Dividends on Equity Shares declared and paid:		
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	-	24.82
	132.35	**157.17**
Proposed Dividend on Equity Shares:		
Dividend for the year ended 31 March, 2021: ₹ 5.00 per share	165.44	132.35
(31 March, 2020: ₹ 4.00 per share)		
	165.44	**132.35**

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.

23. OTHER EQUITY (Contd...)

Capital Reserve on Consolidation :

Capital Reserve on Consolidation represents the additional net assets received by the Parent Company on purchase of stake in Subsidiary. Pursuant to the Scheme of Merger, as approved by the National Company Law Tribunal, Mumbai, on 11 September, 2020, Universal Comfort Products Limited ('UCPL'), a wholly owned subsidiary company, has been merged with Voltas Limited, the Parent Company, effective the appointed date of 1 April, 2019. Accordingly, capital reserve on consolidation created on consolidation of UCPL in earlier period has been transferred to capital reserve.

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 and 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 2020-21. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the Statement of profit and loss.

Legal Reserve :

In case of some foreign subsidiaries, an amount equal to 10% of the annual net profit is transferred to Legal Reserve in compliance with 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.

24. CONTRACT LIABILITIES (NON-CURRENT)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Unexpired service contracts	0.64	0.74
Total Contract liabilities (Non-Current) :	**0.64**	**0.74**

25. BORROWINGS (AT AMORTISED COST) (NON-CURRENT)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Unsecured		
Lease Liabilities (Refer Note 55)	5.66	5.41
Total non-current borrowings	**5.66**	**5.41**

26. OTHER FINANCIAL LIABILITIES

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Non-current		
(i) Employee's payable - Voluntary Retirement Scheme	18.68	23.91
(ii) Others	0.73	-
Total other non-current financial liabilities	**19.41**	**23.91**

27. PROVISIONS (NON-CURRENT)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Provision for employee benefits :		
(i) Provision for gratuity (Refer Note 46)	46.13	47.76
(ii) Pension obligations (Refer Note 46)	37.87	32.87
(iii) Provision for compensated absences	0.18	0.22
(iv) Post retirement medical benefits (Refer Note 46)	5.73	6.62
Total non-current provisions :	**89.91**	**87.47**

28. OTHER NON-CURRENT LIABILITIES

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Deferred Government Grant	6.32	6.60
Total other non-current liabilities	**6.32**	**6.60**

Footnote :

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants

29. CONTRACT LIABILITIES (CURRENT)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
(a) Advances received from customers	222.48	349.02
(b) Unexpired service contracts	8.19	8.41
(c) Billing in excess of contract revenue	190.88	199.49
Total Contract liabilities (Current) :	**421.55**	**556.92**

Footnote :

Contract liabilities as at 31 March, 2021 are lower on account of execution of projects, for which advances were received from customers in previous year, resulting in recognition of revenue against which those advances were adjusted in current year.

30. BORROWINGS (AT AMORTISED COST) (CURRENT)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Secured		
(a) Term loans from Banks	113.69	42.84
(b) Working Capital loans from Banks	137.71	166.12
Unsecured		
(a) Lease Liabilities (Refer Note 55)	3.55	3.48
Total borrowings	**254.95**	**212.44**

30. BORROWINGS (AT AMORTISED COST) (CURRENT) (Contd...)

Footnotes :

(i) Term loans and working capital loans are secured against assignment of Contract dues on overseas projects.

(ii) Term loans are repayable within a period of 180 days.

(iii) Term loans from banks carry an average interest rate of 4.50% to 5.50% (31 March, 2020 : 3.79% to 5.25%)

(iv) Working capital loans from banks are repayable on demand.

(v) Working capital loans from banks carry an average interest rate of 1.60% to 9.00% (31 March, 2020 : 2.70% to 9.00%).

31. TRADE PAYABLES

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Trade payables :		
(i) Total outstanding dues of micro and small enterprises	160.42	35.47
(ii) Total outstanding dues of creditors other than micro and small enterprises	2,304.11	2,653.42
Total trade payables	**2,464.53**	**2,688.89**

Footnote :

Trade payables are non interest bearing and are normally settled on 30 days to 365 days credit term.

32. OTHER FINANCIAL LIABILITIES (CURRENT) (AT AMORTISED COST)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
(a) Deposits received from customers / others	39.44	44.68
(b) Interest accrued but not due on borrowings	0.24	-
(c) Payable for capital goods	2.05	2.05
(d) Unpaid dividends	7.73	7.46
(e) Rebate to customers	36.33	27.04
(f) Employee's payable - Voluntary Retirement Scheme	6.61	5.96
(g) Other financial liabilities	2.12	3.16
Total other financial liabilities	**94.52**	**90.35**

33. PROVISIONS

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
(a) Provision for employee benefits		
(i) Provision for gratuity (Refer Note 46)	5.82	6.84
(ii) Pension obligations (Refer Note 46)	3.50	3.03
(iii) Provision for compensated absences	29.46	36.30
(iv) Post retirement medical benefits (Refer Note 46)	0.33	0.43
(b) Provision for Trade Guarantees	46.98	39.82
(c) Provision for Contingencies for tax matters	33.46	30.56
Total provision (current)	**119.55**	**116.98**

Footnotes :

A. **Provisions for trade guarantees**		
Opening balance	39.82	51.84
Additional provisions recognised	51.22	36.74

33. PROVISIONS (Contd...)

	Less : Utilisation	36.06	46.30
	Less : Reversal	8.00	2.46
	Closing balance	**46.98**	**39.82**
B.	**Provision for Contingencies for tax matters**		
	Opening balance	30.56	26.40
	Additional provisions recognised	3.16	4.19
	Less : Utilisation	0.26	0.02
	Less : Reversal	-	0.01
	Closing balance	**33.46**	**30.56**

34. OTHER CURRENT LIABILITIES

₹ in crores

		As at 31 March, 2021	As at 31 March, 2020
(a)	Statutory obligations	71.93	41.06
(b)	Others	1.11	1.09
Total other current liabilities		**73.04**	**42.15**

35. REVENUE FROM OPERATIONS

₹ in crores

		Year ended 31 March, 2021	Year ended 31 March, 2020
Revenue from contracts with customers :			
(a)	Sale of products	4,029.92	4,598.99
(b)	Construction contract revenue	2,784.34	2,432.70
(c)	Sale of services	642.29	595.46
		7,456.55	**7,627.15**
Other operating income :			
(1)	Unclaimed credit balances / provision written back	19.65	12.01
(2)	Sale of scrap	6.72	9.29
(3)	Government grant	15.35	0.17
(4)	Business Support Services	57.42	9.28
(5)	Others	0.09	0.18
		99.23	**30.93**
Total revenue from operations		**7,555.78**	**7,658.08**

36. OTHER INCOME

₹ in crores

		Year ended 31 March, 2021	Year ended 31 March, 2020
(a)	Dividend Income		
	- From equity investments measured at FVTOCI	4.52	8.32
	- From mutual funds investments measured at FVTPL	0.31	10.24
(b)	Interest Income		
	- On sundry advances, deposits, customers' balances, etc.	0.03	0.04
	- On deposits with banks	4.17	4.25

36. OTHER INCOME (Contd...)

₹ in crores

	Year ended 31 March, 2021	Year ended 31 March, 2020
- On Income-tax refunds	8.82	0.33
- On financial instruments measured at amortized cost	26.72	29.41
(c) Gain on sale / fair valuation of financial assets measured at FVTPL	95.57	96.52
(d) Gain on sale / disposal of property, plant and equipment (net)	0.66	3.75
(e) Exchange differences (Net)	-	14.22
(f) Rental income	32.31	38.17
(g) Other non-operating income	15.75	25.35
Total other income	**188.86**	**230.60**

37. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in crores

	Year ended 31 March, 2021	Year ended 31 March, 2020
Inventories at the end of the year :		
- Finished Goods including stock-in-trade	905.07	1,188.24
- Work-in-progress	10.40	6.53
	915.47	**1,194.77**
Inventories at the beginning 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**
Net (increase) / decrease	**279.30**	**(302.29)**

38. EMPLOYEE BENEFITS EXPENSES

₹ in crores

	Year ended 31 March, 2021	Year ended 31 March, 2020
(a) Salaries, Wages and Bonus	553.41	611.73
(b) Contribution to Provident and other Funds	24.82	32.64
(c) Staff Welfare expenses	23.45	27.35
Total employee benefits expenses	**601.68**	**671.72**

39. FINANCE COSTS

₹ in crores

	Year ended 31 March, 2021	Year ended 31 March, 2020
Interest expense		
(a) on borrowings from banks and others	21.42	19.99
(b) on delayed payment of income tax	3.67	-
(c) on lease liabilities	1.06	1.11
Total finance costs	**26.15**	**21.10**

40. DEPRECIATION AND AMORTISATION EXPENSES

₹ in crores

	Year ended 31 March, 2021	Year ended 31 March, 2020
(a) Depreciation on property, plant and equipment	25.07	22.65
(b) Amortisation on intangible assets	3.19	3.51
(c) Depreciation on investment property	1.14	0.93
(d) Depreciation on Right-of-use assets	4.49	4.87
Total Depreciation and amortisation expenses	**33.89**	**31.96**

41. OTHER EXPENSES

₹ in crores

	Year ended 31 March, 2021	Year ended 31 March, 2020
(a) Consumption of Stores and Spares	4.78	5.40
(b) Power and Fuel	9.69	12.79
(c) Rent	40.21	44.82
(d) Repairs to Buildings	1.01	1.74
(e) Repairs to Plant and Machinery	10.41	9.93
(f) Insurance charges	14.21	11.63
(g) Rates and Taxes	2.51	2.69
(h) Travelling and Conveyance	37.93	54.23
(i) Payment to Auditors	4.30	4.39
(j) Legal and Professional fees	25.42	24.47
(k) Bad and Doubtful Debts / Advances [Refer footnote below]	140.03	73.61
(l) Exchange differences (Net)	15.96	-
(m) Corporate Social Responsibility (CSR)	11.71	12.21
(n) Outside service charges	119.73	103.52
(o) Clearing charges	73.09	75.75
(p) Freight and forwarding charges	81.05	100.83
(q) Commission on sales	8.07	7.71
(r) Advertising	20.88	71.96
(s) Printing and stationery	12.10	13.64
(t) Miscellaneous expenses	101.19	113.44
Total other expenses	**734.28**	**744.76**
Footnote :		
Bad and Doubtful Debts / Advances includes :-		
(a) Expected credit loss for contract assets and trade receivables	135.83	74.32
(b) Allowance for doubtful debts and advances	4.20	(0.71)
Total	**140.03**	**73.61**

42. EXCEPTIONAL ITEMS

₹ in crores

	Year ended 31 March, 2021	Year ended 31 March, 2020
Voluntary Retirement Scheme	-	(51.19)
Exceptional Items	**-**	**(51.19)**

Footnote :

During the previous 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 was disclosed as an exceptional item.

43. INCOME TAX

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31 March, 2021 and 31 March, 2020

₹ in crores

	Year ended 31 March, 2021	Year ended 31 March, 2020
Profit before tax	709.21	744.31
Indian statutory income tax rate	25.17%	25.17%
Income-tax expense at India's statutory income tax rate	178.49	187.33
Effect of adjustments to reconcile the expected tax expense to reported income tax expense:		
Effect of exempt income	(2.78)	(6.33)
Effect of unused tax losses	23.04	21.30
Effect of non-deductible expenses	3.50	6.40
Effect of income which is taxed at special rates	(15.27)	(11.39)
Adjustment of tax relating to earlier periods	-	(4.51)
Effect of different tax rates in the components	(5.24)	1.48
Change in Tax rate (Refer Note below)	-	32.92
Deferred tax on undistributed profit	-	(1.52)
Others	(1.32)	(2.42)
	180.42	**223.26**

Footnote :

During the previous year, 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), 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.

44. EARNINGS PER SHARE

₹ in crores

		Year ended 31 March, 2021	Year ended 31 March, 2020
(a)	Profit attributable to Equity shareholders - (₹ in crores)	525.14	517.18
(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)	15.87	15.63

45. COMMITMENTS AND CONTINGENCIES

(A) Commitments :

₹ in crores

		As at 31 March, 2021	As at 31 March, 2020
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	29.48	12.57

(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.

45. COMMITMENTS AND CONTINGENCIES (Contd...)

(B) Financial Guarantees :

The Group has issued financials guarantees to banks on behalf of and in respect of loan facility availed by its subsidiary and joint venture companies

₹ in crores

		As at 31 March, 2021	As at 31 March, 2020
(i)	Limits (Fund and Non Fund based)	1,963.91	1,820.39
(ii)	Against which outstanding balance	897.22	264.97

(C) Contingent liabilities:

Claims against the Group not acknowledged as debts

₹ in crores

		As at 31 March, 2021	As at 31 March, 2020
(i)	Sales tax / VAT matters	201.61	240.45
(ii)	Service tax matters	18.40	15.66
(iii)	Excise matters	19.89	19.51
(iv)	Contractual matters in the course of business	69.77	84.58
(v)	Customs duty matters	1.14	-
(vi)	Guarantees for terminated contract	336.78	345.78
(vii)	Income tax matters	14.76	10.04
		662.35	**716.02**

(D) There are numerous interpretative issues relating to the Supreme Court (SC) judgment 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.

46. 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.

46. EMPLOYEE BENEFITS (Contd...)

(a) The following table summaries 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:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Current service cost	3.69	4.37	9.30	9.40	-	-	0.22	0.25
Net interest expense	(0.83)	0.04	1.33	1.91	2.45	2.89	0.48	0.56
Past Service Cost	-	-	-	-	-	1.74	-	-
Components of defined benefit costs recognised in profit or loss	**2.86**	**4.41**	**10.63**	**11.31**	**2.45**	**4.63**	**0.70**	**0.81**
Remeasurement on the defined benefit plans:								
Return on plan assets	(1.72)	0.14	-	-	-	-	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-	(0.16)	(0.07)	-	-	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(3.85)	(4.17)	(3.98)	(2.60)	(0.46)	(2.89)	(0.07)	0.47
Actuarial (gains) / losses arising from experience adjustments	(3.95)	(1.27)	3.38	(3.95)	6.73	0.10	(1.31)	(0.92)
Components of defined benefit costs recognised in other comprehensive income	**(9.52)**	**(5.30)**	**(0.76)**	**(6.62)**	**6.27**	**(2.79)**	**(1.38)**	**(0.45)**
Change in benefit obligation								
Opening defined benefit obligation	44.49	57.93	54.60	50.37	35.90	37.13	7.05	7.24
Current service cost	3.69	4.37	9.30	9.40	-	-	0.22	0.25
Interest cost	3.03	4.51	1.33	1.91	2.45	2.89	0.48	0.55
Remeasurement (gains)/losses:								
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-	(0.16)	(0.07)	-	-	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(3.85)	(4.17)	(3.98)	(2.60)	(0.46)	(2.89)	(0.07)	0.47
Actuarial (gains)/losses arising from experience adjustments	(3.95)	(1.27)	3.38	(3.95)	6.73	0.10	(1.31)	(0.92)
Past service cost	-	-	-	-	-	1.74	-	-

46. EMPLOYEE BENEFITS (Contd...)

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Liability assumed on account of transfer in		0.05						
Transfer of obligation from Gratuity unfunded to Gratuity funded (refer footnote)	0.31	-	(0.31)	-	-	-	-	-
Exchange differences on foreign plans	-	-	(2.76)	5.02	-	-	-	-
Benefits paid	(3.52)	(16.93)	(9.45)	(5.48)	(3.25)	(3.07)	(0.31)	(0.54)
Closing defined benefit obligation	**40.20**	**44.49**	**51.95**	**54.60**	**41.37**	**35.90**	**6.06**	**7.05**

Footnote:

On amalgamation of UCPL with the Parent Company, employees covered under unfunded gratuity plan of erstwhile UCPL are now covered as part of gratuity funded plan of the Parent Company.

Change in plan assets

Opening fair value of plan assets	56.91	57.40
Interest income	3.86	4.47
Remeasurement gain / (losses) :		
Return on plan assets	1.72	(0.14)
Contributions from the employer	-	12.11
Refund of additional contribution of earlier years	(8.82)	-
Benefits paid	(3.53)	(16.93)
Closing fair value of plan assets	**50.14**	**56.91**

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans are as follows:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Present value of funded defined benefit obligation	(40.20)	(44.49)	(51.95)	(54.60)	(41.37)	(35.90)	(6.06)	(7.05)
Fair value of plan assets	50.14	56.91	-	-	-	-	-	-
Net (liability) / asset arising from defined benefit obligation	**9.94**	**12.42**	**(51.95)**	**(54.60)**	**(41.37)**	**(35.90)**	**(6.06)**	**(7.05)**

46. EMPLOYEE BENEFITS (Contd...)

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

Category of investments:	**Gratuity funded**	
	As at 31 March, 2021	**As at 31 March, 2020**
Government of India securities	45%	39%
Corporate bonds	45%	54%
Mutual funds	6%	3%
Others (Interest accrued, Balances with banks)	4%	4%
	100%	**100%**

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

	Gratuity funded		**Gratuity unfunded**		**Pension**		**Post retirement medical benefits**	
	As at 31 March, 2021 %	**As at 31 March, 2020 %**	**As at 31 March, 2021 %**	**As at 31 March, 2020 %**	**As at 31 March, 2021 %**	**As at 31 March, 2020 %**	**As at 31 March, 2021 %**	**As at 31 March, 2020 %**
Discount rate	6.49% and 6.96%	6.59% and 6.82%	2.00% to 3.10%	2.5% to 2.9% and 6.82%	6.96%	6.82%	6.96%	6.82%
Attrition Rate	1.00% - 12.00%	1.00% - 12.00%	2% to 25%	2.00%	1.00%	1.00%	1.00%	1.00%
Mortality Rate	**Indian Assured Lives Mortality (2006-08)**		**Indian Assured Lives Mortality (2006-08)**		**Indian Assured Lives Mortality (2006-08)**		**Indian Assured Lives Mortality (2006-08)**	
Expected rate of salary Increase / pension escalation / medical cost inflation	5.00%	6.00%	0% to 3.00%	2.00% to 8.00%	6.00%	6.00%	5.00%	5.00%

46. EMPLOYEE BENEFITS (Contd...)

(d) A quantitative sensitivity analysis for significant assumptions are as follow:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Projected benefit obligations on current assumptions	40.20	44.49	51.95	54.60	41.37	35.90	6.06	7.05
+1% increase in discount rate	(3.03)	(3.10)	(4.55)	(4.85)	(3.35)	(2.90)	(0.13)	(0.15)
-1% decrease in discount rate	3.50	3.54	5.39	5.78	3.88	3.37	0.18	0.20
+ 1% increase in salary/pension/medical cost inflation	3.33	3.51	5.39	5.75	3.85	3.34	0.14	0.16
-1% decrease in salary/pension/medical cost inflation	(0.91)	(3.13)	(4.61)	(4.91)	(3.38)	(2.93)	(0.14)	0.16
+1% increase in rate of employee turnover	0.55	(0.02)	0.40	(0.23)	NA	NA	(0.04)	(0.04)
-1% decrease in rate of employee turnover	(0.62)	0.02	(0.50)	0.26	NA	NA	0.03	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:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Within 1 year	3.88	2.78	6.21	7.06	3.50	3.03	0.33	0.43
Between 1 and 2 years	1.29	1.64	2.40	2.40	3.55	3.01	0.35	0.45
Between 2 and 3 years	3.29	2.82	2.98	2.63	3.59	3.00	0.36	0.47
Between 3 and 4 years	4.27	3.13	3.69	2.33	3.62	2.98	0.38	0.49
Between 4 and 5 years	3.24	4.57	2.97	3.24	3.63	2.97	0.38	0.51
Beyond 5 years	24.22	29.55	33.68	36.94	23.49	20.91	4.26	4.70

The contribution expected to be made by the Company during the financial year 2020-21 is ₹ 6.00 crores (31 March , 2020 ₹ 6.00 crores).

46. 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, 2021.

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

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Fair value of plan assets	313.38	281.69
Present value of defined obligation	307.72	277.89
Contribution during the year (Employee and Employer Contribution)	29.31	31.23

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

	As at 31 March, 2021 %	As at 31 March, 2020 %
Guaranteed Interest rate	8.65%	8.50%
Discount Rate for the remaining term to maturity of Interest portfolio	6.96%	6.82%

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.

47 (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 Specialized services.

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

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

Segment - 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.

47 (a) SEGMENT INFORMATION (Contd...)

1 SEGMENT REVENUE

₹ in crores

		2020-21	2019-20
(a)	Segment - A (Unitary Cooling Products for Comfort and Commercial use)	3,555.04	4,073.70
(b)	Segment - B (Electro - Mechanical Projects and Services)	3,566.38	3,246.14
(c)	Segment - C (Engineering Products and Services)	359.49	331.66
	Less : Inter segment revenue	24.36	24.35
	Segment Total	7,456.55	7,627.15
	Add : Other operating income	99.23	30.93
	Revenue from operations	**7,555.78**	**7,658.08**

Footnotes :

(i) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Group's total revenue.

(ii) The Group's reportable segments are organized based on the nature of products and services offered by these segments. Accordingly, additional disclosures for revenue information about products and services are not applicable.

2 SEGMENT RESULTS

₹ in crores

		2020-21	2019-20
(a)	Segment - A (Unitary Cooling Products for Comfort and Commercial use)	501.94	512.08
(b)	Segment - B (Electro - Mechanical Projects and Services)	108.77	170.38
(c)	Segment - C (Engineering Products and Services)	114.31	99.27
	Segment Total	725.02	781.73
	Less : (i) Finance costs	26.15	21.10
	(ii) Other unallocable expenditure net of unallocable income	(10.34)	(34.87)
	Profit before Exceptional items and Tax	709.21	795.50
	Exceptional items - unallocated	-	(51.19)
	Profit before Tax	**709.21**	**744.31**

3 SEGMENT ASSETS AND LIABILITIES

₹ in crores

		Segment Assets		Segment Liabilities	
		As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
(a)	Segment - A (Unitary Cooling Products for Comfort and Commercial use)	1,667.44	1,799.72	1,089.69	1,323.26
(b)	Segment - B (Electro - Mechanical Projects and Services)	3,027.94	3,124.26	1,935.82	2,023.28
(c)	Segment - C (Engineering Products and Services)	127.12	152.82	82.30	68.83
	Segment Total	4,822.50	5,076.80	3,107.81	3,415.37
	Unallocated	3,832.98	3,079.26	518.22	423.99
		8,655.48	**8,156.06**	**3,626.03**	**3,839.36**

47 (a) SEGMENT INFORMATION (Contd...)

4 INVESTMENTS AND SHARE OF PROFIT / (LOSS) IN JOINT VENTURES AND ASSOCIATES

₹ in crores

Segment	Company	Investments		Share of Profit / (Loss)	
		As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
B	Universal Voltas L.L.C.	53.03	58.18	2.99	8.85
B	Voltas Water Solutions Private Limited	-	-	-	-
B	Olayan Voltas Contracting Company Limited	0.25	1.12	(0.85)	(2.35)
B	Naba Diganta Water Management Limited	9.22	8.31	1.14	2.54
Unallocated	Voltbek Home Appliances Private Limited	220.68	209.96	(64.25)	(71.79)
Unallocated	Terrot GmbH	-	-	-	(5.95)
Unallocated	Brihat Trading Private Limited	-	*	-	-
		283.18	**277.57**	**(60.97)**	**(68.70)**

* value below ₹ 50,000/-

5 OTHER INFORMATION FOR SEGMENTS

₹ in crores

		Capital Expenditure		Depreciation and amortisation		Non-Cash Expenses Other than Depreciation and amortisation	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
(a)	Segment - A (Unitary Cooling Products for Comfort and Commercial use)	4.15	21.68	7.11	6.18	1.97	6.08
(b)	Segment - B (Electro - Mechanical Projects and Services)	9.46	16.97	12.92	12.60	138.90	67.68
(c)	Segment - C (Engineering Products and Services)	0.09	0.42	0.64	0.72	0.26	-
	Segment Total	13.70	39.07	20.67	19.50	141.13	73.76
	Unallocated	12.03	50.98	13.22	12.46	0.13	0.35
		25.73	**90.05**	**33.89**	**31.96**	**141.26**	**74.11**

47(b) INFORMATION OF GEOGRAPHICAL AREAS OF REPORTABLE BUSINESS SEGMENTS

₹ in crores

	2020-21	2019-20
Revenue by Geographical Market		
India	5,702.07	6,259.38
Middle East	1,619.62	1,178.84
Singapore	19.57	82.39
Others	115.29	106.54
	7,456.55	**7,627.15**
Non Current Assets		
India	497.73	510.60
Middle East	16.47	14.09
Singapore	0.06	0.13
Others	-	-
	514.26	**524.82**

48. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013

Name of the Entity	Country of Incorporation	Ownership in %	Net assets (total assets minus total liabilities)		Share of profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or loss	Amount ₹ in crores	As % of consolidated other comprehensive income	Amount ₹ in crores	As % of consolidated total comprehensive income	Amount ₹ in crores
			As at 31 March, 2021		Year ended 31 March 2021		Year ended 31 March 2021		Year ended 31 March 2021	
I Voltas Limited (Parent Company)			99.11	4,984.70	107.85	570.30	102.23	328.43	105.73	898.73
II Subsidiaries										
(a) **Indian**										
(1) Auto Aircon (India) Limited (Under strike off)	India	100.00	-	-	-	-	-	-	-	-
(2) Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited)	India	100.00	2.89	145.27	1.84	9.72	0.04	0.13	1.16	9.86
(b) **Foreign**										
(1) Lalbuksh Voltas Engineering Services and Trading L.L.C.	Sultanate of Oman	60.00	1.74	87.30	1.73	9.13	(0.41)	(1.32)	0.92	7.81
(2) Saudi Ensas Company for Engineering Services W.L.L.	Saudi Arabia	100.00	(0.04)	(1.95)	0.82	4.31	(0.51)	(1.64)	0.31	2.67
(3) Voltas Netherlands B.V.	The Netherlands	100.00	1.07	53.97	1.46	7.70	0.71	2.27	1.17	9.97
(4) Voltas Oman L.L.C. (99% through VNBV) (Increase in Ownership from 65% to 99% w.e.f. 19 May, 2020)	Sultanate of Oman	99.00	(1.25)	(62.78)	(8.67)	(45.83)	0.48	1.53	(5.21)	(44.31)
(5) Weathermaker Limited	Isle of Man	100.00	0.67	33.57	0.01	0.06	(0.22)	(0.71)	(0.08)	(0.64)
(6) Voltas Qatar W.L.L.	Qatar	97.00	3.22	162.09	12.51	66.13	(1.77)	(5.68)	7.11	60.44
(c) Non-controlling interests in all subsidiaries			(0.72)	(36.10)	0.69	3.65	(0.19)	(0.61)	0.36	3.04

48. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013 (Contd...)

Name of the Entity	Country of Incorporation	Ownership in %	Net assets (total assets minus total liabilities)		Share of profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or loss	Amount ₹ in crores	As % of consolidated other comprehensive income	Amount ₹ in crores	As % of consolidated total comprehensive income	Amount ₹ in crores
			As at 31 March, 2021		Year ended 31 March 2021		Year ended 31 March 2021		Year ended 31 March 2021	
III Joint Ventures										
(a) **Indian**										
(1) Voltas Water Solutions Private Limited	India	50.00	-	-	-	-	-	-	-	-
(2) Voltbek Home Appliances Private Limited	India	49.00	4.39	220.68	(12.15)	(64.25)	-	-	(7.56)	(64.25)
(b) **Foreign**										
(1) Olayan Voltas Contracting Company Limited	Saudi Arabia	50.00	0.00	0.25	(0.16)	(0.85)	0.17	0.56	(0.03)	(0.29)
(2) Universal Voltas L.L.C.	United Arab Emirates	49.00	1.05	53.03	0.57	2.99	(0.27)	(0.86)	0.25	2.13
IV Adjustments arising out of consolidation			(12.32)	(619.80)	(6.70)	(35.43)	(0.26)	(0.84)	(4.27)	(36.26)
V Associates										
(a) **Indian**										
(1) Naba Diganta Water Management Limited	India	26.00	0.18	9.22	0.22	1.14	-	-	0.13	1.14
(b) **Foreign**										
(1) Terrot Gmbh	Germany	20.07	-	-	-	-	-	-	-	-
			100.00	5,029.45	100.00	528.79	100.00	321.25	100.00	850.04

48. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013 (Contd...)

Name of the Entity	Country of Incorporation	Ownership in %	Net assets (total assets minus total liabilities)		Share of profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or loss	Amount ₹ in crores	As % of consolidated other comprehensive income	Amount ₹ in crores	As % of consolidated total comprehensive income	Amount ₹ in crores
			As at 31 March, 2020		Year ended 31 March 2020		Year ended 31 March 2020		Year ended 31 March 2020	
I Voltas Limited (Parent Company)			97.72	4,218.32	114.21	595.09	110.66	(210.04)	116.24	385.05
II Subsidiaries										
(a) **Indian**										
(1) Auto Aircon (India) Limited (Under strike off)	India	100.00	-	-	(0.01)	(0.04)	-	-	(0.01)	(0.04)
(2) Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited)	India	100.00	0.67	28.83	1.56	8.14	0.00	(0.01)	2.45	8.13
(b) **Foreign**										
(1) Lalbuksh Voltas Engineering Services and Trading L.L.C.	Sultanate of Oman	60.00	2.04	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	1.45	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 Limited	Isle of Man	100.00	0.79	34.21	0.59	3.07	(1.39)	2.63	1.72	5.70
(6) Voltas Qatar W.L.L.	Qatar	97.00	2.35	101.64	0.81	4.24	(4.46)	8.47	3.84	12.71
(c) Non-controlling interests in all subsidiaries			(0.85)	(36.49)	0.74	3.87	(1.77)	3.36	2.18	7.23

48. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013 (Contd...)

Name of the Entity	Country of Incorporation	Ownership in %	Net assets (total assets minus total liabilities)		Share of profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or loss	Amount ₹ in crores	As % of consolidated other comprehensive income	Amount ₹ in crores	As % of consolidated total comprehensive income	Amount ₹ in crores
			As at 31 March, 2020		Year ended 31 March 2020		Year ended 31 March 2020		Year ended 31 March 2020	
III Joint Ventures										
(a) **Indian**										
(1) Voltas Water Solutions Private Limited	India	50.00	-	-	-	-	-	-	-	-
(2) Voltbek Home Appliances Private Limited	India	49.00	4.86	209.96	(13.78)	(71.79)	-	-	(21.67)	(71.79)
(b) **Foreign**										
(1) Olayan Voltas Contracting Company 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	1.35	58.18	1.70	8.85	(0.09)	0.17	2.72	9.02
IV Adjustments arising out of consolidation			(10.07)	(434.82)	(4.95)	(25.78)	3.03	(5.75)	(9.51)	(31.50)
V Associates										
(a) **Indian**										
(1) Naba Diganta Water Management Limited	India	26.00	0.19	8.31	0.49	2.54	-	-	0.77	2.54
(b) **Foreign**										
(1) Terrot Gmbh	Germany	20.07		-	(1.14)	(5.95)	0.03	(0.05)	(1.81)	(6.00)
			100.00	4,316.70	100.00	521.05	100.00	(189.80)	100.00	331.25

49. 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	Associate
	Naba Diganta Water Management Limited	
	Terrot GmbH	
2	Universal Voltas L.L.C.	Joint Venture
	Olayan Voltas Contracting Company Limited	
	Voltas Water Solutions Private Limited	
	Voltbek Home Appliances Private Limited	
3	Mr. Pradeep Bakshi - Managing Director & CEO	Key Management Personnel
	Mr. Anil George - Chief Financial Officer - CFO (Deputy Managing Director and CFO till 31 August, 2020)	
	Mr. V. P. Malhotra - Vice President - Taxation, Legal & Company Secretary	
4	Non-Executive Directors	Directors
	Mr. Noel Tata - Chairman	
	Mr. Vinayak Deshpande	
	Mr. Hemant Bhargava	
	Mr. Saurabh Agrawal (w.e.f. 21 January, 2021)	
	Independent Directors	
	Mr. Debendranath Sarangi	
	Mr. Bahram N. Vakil	
	Ms. Anjali Bansal	
	Mr. Arunkumar Adhikari	
	Mr. Zubin Dubash	
5	Voltas Limited Provident Fund	Employee Benefit Funds
	Voltas Managerial Staff Provident Fund	
	Voltas Limited Employees' Gratuity Fund	
	Voltas Limited Managerial Staff Gratuity Fund	
	Voltas Limited Employees' Superannuation Scheme	
6	Tata Sons Private Limited	Promoter
7	Automotive Stampings and Assemblies Limited	Subsidiaries and Joint Ventures of Promoter
	C-Edge Technologies Limited	
	Ewart Investments Limited	
	Gurgaon Realtech Limited	
	Infiniti Retail Limited	
	MahaOnline Limited	
	Mikado Realtors Private Limited	
	TAL Manufacturing Solutions Limited	
	TATA Advanced Materials Limited	
	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	

49. RELATED PARTY DISCLOSURES (Contd...)

	Tata Autocomp Hendrickson Suspensions Private Limited (formerly known as Taco Hendrickson Suspensions Private Limited)	
	Tata Autocomp Katcon Exhaust Systems Private Limited (formerly known as Katcon India Private Limited)	
	Tata Autocomp Systems Limited	
	Tata Boeing Aerospace Limited (formerly known as Tata Aerospace 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 Elxsi Limited (ceased to be an associate and became a subsidiary w.e.f. 01.12.2020)	
	Tata Ficosa Automotive Systems Private Limited (Formerly known as 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 known as Tata Steel International (UK) Limited)	
	Tata Investment Corporation Limited	
	Tata International West Asia DMCC	
	Tata Lockheed Martin Aerostructures Limited	
	Tata Realty and Infrastructure Limited	
	Tata Sikorsky Aerospace Limited (formerly known as Tara Aerospace Systems Limited)	
	Tata Sky Broadband Private Limited (formerly known as Quickest Broadband Private Limited)	
	Tata Sky Limited	
	Tata Teleservices (Maharashtra) Limited	
	Tata Teleservices Limited	
	Tata Toyo Radiator Limited	
	TCS Foundation	
	TM Automotive Seating Systems Private Limited	
	TP Central Odisha Distribution Limited (w.e.f. 01.06.2020)	
	TRIF Real Estate And Development Limited (ceased w.e.f. 09.12.2019)	
	TRIL Amritsar Projects Limited (formerly known as TRIF Amritsar Projects Limited) (ceased w.e.f. 09.12.2019)	
	TRIL Infopark Limited	
	TRIL IT4 Private Limited (formerly known as Albrecht Builder Private Limited)	
	TRIL Urban Transport Private Limited	

49 (b) Related Party Transactions

₹ in crores

Sr. No.	Year	Transactions	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoters	Key Management Personnel	Directors	Employee Benefit Funds	Total
1	**2020-21**	**Purchases of stock-in-trade**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2019-20		-	2.66	-	-	-	-	-	2.66
2	**2020-21**	**Sale of Products**	**-**	**0.89**	**0.01**	**28.12**	**-**	**-**	**-**	**29.02**
	2019-20		-	0.62	0.02	42.92	-	-	-	43.56
3	**2020-21**	**Service Income - Other than Management fees**	**0.11**	**5.13**	**0.07**	**104.03**	**-**	**-**	**-**	**109.34**
	2019-20		0.15	0.16	0.07	95.23	-	-	-	95.61
4	**2020-21**	**Service Income - Management fees on vendor bill discounting**	**-**	**-**	**-**	**0.58**	**-**	**-**	**-**	**0.58**
	2019-20		-	-	-	0.26	-	-	-	0.26
5	**2020-21**	**Construction contract revenue** (Includes billed and unbilled revenue)	**-**	**-**	**-**	**12.77**	**-**	**-**	**-**	**12.77**
	2019-20		-	-	-	68.28	-	-	-	68.28
6	**2020-21**	**Interest Income**	**-**	**-**	**-**	**5.18**	**-**	**-**	**-**	**5.18**
	2019-20		-	-	-	8.66	-	-	-	8.66
7	**2020-21**	**Rental Income**	**-**	**0.56**	**-**	**7.59**	**-**	**-**	**-**	**8.15**
	2019-20		-	0.28	-	11.56	-	-	-	11.84
8	**2020-21**	**Dividend Income**	**-**	**-**	**-**	**3.66**	**-**	**-**	**-**	**3.66**
	2019-20		-	-	-	3.79	-	-	-	3.79
9	**2020-21**	**Sale of property, plant and equipment**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2019-20		-	0.01	-	-	-	-	-	0.01
10	**2020-21**	**Services received for execution of contracts**	**-**	**-**	**-**	**0.09**	**-**	**-**	**-**	**0.09**
	2019-20		-	-	-	0.07	-	-	-	0.07
11	**2020-21**	**Commission Received / Receivable**	**0.27**	**-**	**-**	**-**	**-**	**-**	**-**	**0.27**
	2019-20		0.41	-	-	-	-	-	-	0.41
12	**2020-21**	**Business support services**	**-**	**7.42**	**-**	**-**	**-**	**-**	**-**	**7.42**
	2019-20		-	9.14	-	-	-	-	-	9.14

49 (b) Related Party Transactions (Contd...)

₹ in crores

Sr. No.	Year	Transactions	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoters	Key Management Personnel	Directors	Employee Benefit Funds	Total
13	**2020-21**	**Remuneration Paid / Payable**	**-**	**-**	**-**	**-**	**9.17**	**2.15**	**-**	**11.32**
	2019-20		-	-	-	-	11.76	2.25	-	14.01
14	**2020-21**	**Sitting Fees**	**-**	**-**	**-**	**-**	**-**	**0.44**	**-**	**0.44**
	2019-20		-	-	-	-	-	0.39	-	0.39
15	**2020-21**	**Dividend Paid**	**-**	**-**	**35.25**	**4.76**	**-**	**-**	**-**	**40.01**
	2019-20		-	-	35.25	4.76	-	-	-	40.01
16	**2020-21**	**Tata Brand Equity**	**-**	**-**	**9.69**	**-**	**-**	**-**	**-**	**9.69**
	2019-20		-	-	11.20	-	-	-	-	11.20
17	**2020-21**	**Purchase of goods / services for execution of contracts**	**-**	**53.12**	**-**	**-**	**-**	**-**	**-**	**53.12**
	2019-20		-	11.22	-	0.46	-	-	-	11.68
18	**2020-21**	**Other Expenses- Received/Receivable**	**-**	**15.54**	**0.16**	**0.10**	**-**	**-**	**-**	**15.80**
	2019-20		-	75.46	0.14	0.66	-	-	-	76.26
19	**2020-21**	**Other Expenses- Paid/Payable**	**-**	**8.62**	**0.03**	**15.15**	**-**	**-**	**-**	**23.80**
	2019-20		-	3.71	0.27	15.16	-	-	-	19.14
20	**2020-21**	**Purchase of property, plant and equipment**	**-**	**0.11**	**-**	**1.69**	**-**	**-**	**-**	**1.80**
	2019-20		-	0.01	-	3.39	-	-	-	3.40
21	**2020-21**	**Acquisition of business (net consideration)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2019-20		-	-	-	0.24	-	-	-	0.24
22	**2020-21**	**Investments in Bonds / Debentures**	**-**	**-**	**-**	**48.46**	**-**	**-**	**-**	**48.46**
	2019-20		-	-	-	2.86	-	-	-	2.86
23	**2020-21**	**Redemption of Investments in Bonds / Debentures**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2019-20		-	-	-	101.25	-	-	-	101.25
24	**2020-21**	**Investments in Equity shares**	**-**	**74.97**	**-**	**8.25**	**-**	**-**	**-**	**83.22**
	2019-20		-	138.18	-	-	-	-	-	138.18

49 (b) Related Party Transactions (Contd...)

₹ in crores

Sr. No.	Year	Transactions	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoters	Key Management Personnel	Directors	Employee Benefit Funds	Total
25	**2020-21**	**Security deposit received**	**-**	**-**	**-**	**0.53**	**-**	**-**	**-**	**0.53**
	2019-20		-	-	-	0.01	-	-	-	0.01
26	**2020-21**	**Security deposit at the end of the year**	**-**	**-**	**-**	**7.50**	**-**	**-**	**-**	**7.50**
	2019-20		-	-	-	8.25	-	-	-	8.25
27	**2020-21**	**Security Deposit Refunded**	**-**	**-**	**-**	**0.78**	**-**	**-**	**-**	**0.78**
	2019-20		-	-	-	0.38	-	-	-	0.38
28	**2020-21**	**Provision for Debts and Advances at year end**	**-**	*	*	**0.93**	**-**	**-**	**-**	**0.93**
	2019-20		-	*	-	1.02	-	-	-	1.02
29	**2020-21**	**Advance Outstanding at year end**	**-**	**-**	**0.08**	**0.12**	**-**	**-**	**-**	**0.20**
	2019-20		-	0.08	0.14	0.12	-	-	-	0.34
30	**2020-21**	**Outstanding Share Application Money at year end**	**-**	**13.13**	**-**	**-**	**-**	**-**	**-**	**13.13**
	2019-20		-	13.13	-	-	-	-	-	13.13
31	**2020-21**	**Debit Balance Outstanding at year end**	**0.03**	**16.31**	**-**	**73.19**	**-**	**-**	**-**	**89.53**
	2019-20		0.03	21.98	-	126.74	-	-	-	148.75
32	**2020-21**	**Credit Balance Outstanding at year end**	**0.44**	**7.41**	**8.76**	**0.22**	**-**	**-**	**-**	**16.83**
	2019-20		0.24	2.30	10.04	0.98	-	-	-	13.56
33	**2020-21**	**Guarantees Outstanding at year end**	**-**	**73.54**	**-**	**-**	**-**	**-**	**-**	**73.54**
	2019-20		-	75.38	-	-	-	-	-	75.38
34	**2020-21**	**Contract Revenue in excess of Billing**	**-**	**-**	**-**	**3.00**	**-**	**-**	**-**	**3.00**
	2019-20		-	-	0.15	60.62	-	0.02	-	60.79
35	**2020-21**	**Billing in excess of Contract Revenue**	**-**	**-**	**-**	**4.15**	**-**	**-**	**-**	**4.15**
	2019-20		-	-	-	-	-	-	-	-
36	**2020-21**	**Contribution to Employee benefit fund**	**-**	**-**	**-**	**-**	**-**	**-**	**8.44**	**8.44**
	2019-20		-	-	-	-	-	-	21.13	21.13

* Value below ₹ 50,000/-

50. RESEARCH AND DEVELOPMENT EXPENDITURE

₹ in crores

	2020-21	2019-20
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centers		
(1) **Revenue expenditure**	**5.18**	**4.53**
UPBG, Pantnagar	3.02	1.36
EM&RBG, Thane	2.16	3.17
(2) **Capital expenditure**	**0.01**	**0.25**
UPBG, Pantnagar	0.01	0.07
EM&RBG, Thane	-	0.18
Expenditure at other R & D centres		
(1) **Revenue expenditure**	**7.63**	**3.38**
UPBG, Faridabad	5.37	2.22
EM&RBG, Waghodia	2.26	1.16
(2) **Capital expenditure**	**3.94**	**11.36**
UPBG, Faridabad	3.89	4.21
EM&RBG, Waghodia	0.05	7.15
Total R&D expenditure	**16.76**	**19.52**
(1) **Revenue expenditure**	**12.81**	**7.91**
UPBG	8.39	3.58
EM&RBG	4.42	4.33
(2) **Capital expenditure**	**3.95**	**11.61**
UPBG	3.90	4.28
EM&RBG	0.05	7.33

Business Segments :

UPBG : Unitary Cooling Products for Comfort and Commercial use.

EM&RBG : Electro - Mechanical Projects and Services.

51. FINANCIAL INSTRUMENTS

A. Financial instruments by category:

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

₹ in crores

	As at 31 March 2021					As at 31 March 2020				
	FVTPL	FVTOCI	Amortised cost	Total Carrying value	Total Fair value	FVTPL	FVTOCI	Amortised cost	Total Carrying value	Total Fair value
Financial assets										
Investments*	1,723.04	696.90	343.31	2,763.25	2,763.25	1,413.47	346.47	305.78	2,065.72	2,065.72
Loans	-	-	2.30	2.30	2.30	-	-	2.26	2.26	2.26
Trade receivables	-	-	1,800.93	1,800.93	1,800.93	-	-	1,833.64	1,833.64	1,833.64
Other financial assets	0.19	-	204.87	205.06	205.06	7.18	-	219.44	226.62	226.62
Cash and cash equivalents	-	-	448.15	448.15	448.15	-	-	269.56	269.56	269.56
Other balances with banks	-	-	10.64	10.64	10.64	-	-	38.85	38.85	38.85
	1,723.23	**696.90**	**2,810.20**	**5,230.33**	**5,230.33**	**1,420.65**	**346.47**	**2,669.53**	**4,436.65**	**4,436.65**
Financial liabilities										
Borrowings	-	-	260.61	260.61	260.61	-	-	217.85	217.85	217.85
Trade payables	-	-	2,464.53	2,464.53	2,464.53	-	-	2,688.89	2,688.89	2,688.89
Other financial liabilities	-	-	113.93	113.93	113.93	-	-	114.26	114.26	114.26
	-	**-**	**2,839.07**	**2,839.07**	**2,839.07**	**-**	**-**	**3,021.00**	**3,021.00**	**3,021.00**

* The above investment does not include 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".

The management assess that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, other financial assets, Trade payables, borrowings and Other financial liabilities 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.

B. Fair value hierarchy :

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

₹ in crores

	Level 1		Level 2		Level 3	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Financial assets						
At fair value through profit or loss						
- Investment	1,723.04	1,413.47	-	-	-	-
- Derivative financial assets	-	-	0.19	7.18	-	-
At fair value through Other Comprehensive Income						
- Investment	423.19	144.55	-	-	273.71	201.92
TOTAL	**2,146.23**	**1,558.02**	**0.19**	**7.18**	**273.71**	**201.92**

There are no financial liabilities at fair value through Profit and Loss.

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.

C. Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets :

₹ in crores

As at 1 April, 2019	203.25
Add: Fair valuation gain/(loss) recognised in OCI	(1.33)
Closing balance as at 31 March, 2020	201.92
Add: Fair valuation gain/(loss) recognised in OCI	63.54
Add: Investments made during the year	8.25
Closing balance as at 31 March, 2021	**273.71**

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial liabilities include 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 the short term borrowing significantly, therefore the Group'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 ₹ 4.31 crores (31 March, 2020: ₹ 3.53 crores) whereas a decrease in 25 bps change in 10 year Govt. bond yield would result in a profit of approximately ₹ 4.31 crores (31 March, 2020: ₹ 3.53 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 Group 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 amoounts of the material foreign currency denominated monetary assets and liabilities are as follows:

₹ in crores

Particulars	Liabilities		Assets	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
United States Dollar (USD)	298.96	543.39	52.66	88.17
United Arab Emirates Dirham (AED)	265.46	289.90	372.24	393.00
Qatari Riyal (QAR)	409.33	106.72	303.36	331.15
Singapore Dollar (SGD)	60.75	63.20	5.89	13.77
Omani Rial (OMR)	163.89	207.28	124.39	177.69

Foreign currency sensitivity

The following tables demonstrate the sensitivity of outstanding foreign currency denominated monetary items to a

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

reasonably possible change in exchange rates, with all other variables held constant. The impact on the Group'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, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
USD +5%	(9.64)	(5.81)	(7.21)	(4.35)
USD -5%	9.64	5.81	7.21	4.35
AED +5%	5.34	5.15	4.00	3.86
AED -5%	(5.34)	(5.15)	(4.00)	(3.86)
QAR +5%	(5.30)	11.22	(3.96)	8.40
QAR -5%	5.30	(11.22)	3.96	(8.40)
SGD +5%	(2.74)	(2.47)	(2.05)	(1.85)
SGD -5%	2.74	2.47	2.05	1.85
OMR +5%	(1.97)	(1.48)	(1.48)	(1.11)
OMR -5%	1.97	1.48	1.48	1.11

Details of notional value of derivative contracts entered by the Group and outstanding as at Balance Sheet date

₹ in crores

Particulars	As at 31 March, 2021	As at 31 March, 2020
Forward contracts - Buy (USD/INR)	53.58	338.96

The fair value of the Group's derivatives position recorded under financial assets and financial liabilities are as follows:

₹ in crores

Particulars	Liabilities		Assets	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Forex Forward Cover	-	-	0.19	7.18

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

(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.

₹ in crores

Particulars	Impact on other components of equity (OCI) As at 31 March, 2021	As at 31 March, 2020
NSE Nifty 50 - increase 5%	21.16	7.23
NSE Nifty 50 - decrease 5%	(21.16)	(7.23)

(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. The Group has a total recoverable of ₹ 315.99 crores from Redco Construction-Almana (Qatar) as at 31 March, 2021 which is more than 10% the total trade receivables and contract assets balances. There was no single customer that accounted for 10% or more of the total trade receivables and contract assets balance as at 31 March, 2020.

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 51 "Financial Instruments". The maximum credit exposure on financial guarantees given by the Group for various financial facilities is disclosed in Note 45 "Commitments and Contingencies."

(iii) Liquidity risk management:

Liquidity risk refers to the risk that the Group cannot meets its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that the funds are available for use as per the requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall due.

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

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 (31 March, 2021)	Less than 1 year	More than 1 year	Total
Non-derivatives			
Borrowings (*)	255.33	0.75	256.08
Lease Liabilities	3.55	7.65	11.20
Trade payables	2,464.53	-	2,464.53
Other financial liabilities	94.52	25.80	120.32
Total Non-derivative liabilities	**2,817.93**	**34.20**	**2,852.13**
Derivatives (net settled)	**-**	**-**	**-**

₹ in crores

Contractual maturities of financial liabilities (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	90.35	34.01	124.36
Total Non-derivative liabilities	**2,997.11**	**40.69**	**3,037.80**
Derivatives (net settled)	**-**	**-**	**-**

The amount included in Note 45(B) for financial guarantee contracts are the maximum amounts that the Group may be liable to settle under the respective arrangements for the full guaranteed amount if that amount is claimed by the counterparty for the guarantee. Based on the expectations as at the end of reporting period, the Group considers that it is more likely than not that such amount shall not be payable under the respective arrangements. However, this estimate is subject to change depending upon 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.

53. 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).

Name of entity	Place of business / country of incorporation	Beneficial Ownership interest held by the Group		Principal activities
		As at 31 March, 2021	As at 31 March, 2020	
Indian Subsidiaries :				
Universal Comfort Products Limited (Refer Note below)	India	NA	100%	Manufacturing of room air conditioners.
Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited)	India	100%	100%	Turnkey electrical and instrumentation projects.
Auto Aircon (India) Limited (under strike off)	India	100%	100%	No business activities.

53. INTEREST IN OTHER ENTITIES (Contd...)

Name of entity	Place of business / country of incorporation	Beneficial Ownership interest held by the Group		Principal activities
		As at 31 March, 2021	As at 31 March, 2020	
Agro Foods Punjab Limited	India			
(under liquidation. Refer footnote)				
Westerwork Engineers Limited	India			
(under liquidation)				

Note :
The entity is merged with the Parent Company w.e.f. 1st April, 2019.

Name of entity	Place of business / country of incorporation	Beneficial Ownership interest held by the Group		Principal activities
		As at 31 March, 2021	As at 31 March, 2020	
Foreign Subsidiaries :				
Voltas Netherlands B.V. (VNBV)	The Netherlands	100%	100%	Investment in overseas ventures undertaking turnkey projects and trading activities.
Weathermaker Limited	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. (99% through VNBV) (Increase in ownership from 65% to 99% w.e.f. 19 May, 2020)	Sultanate of Oman	99%	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 Limited (AFPL)

53. INTEREST IN OTHER ENTITIES (Contd...)

and the Punjab State Industrial Development Corporation Limited (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.

(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.

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Summarised balance sheet		
Current assets	120.51	126.02
Current liabilities	36.86	42.45
Net current assets	**83.65**	**83.57**
Non-current assets	7.50	8.72
Non-current liabilities	3.85	4.14
Net non-current assets	**3.65**	**4.58**
Net assets	**87.30**	**88.15**
Accumulated NCI	**34.92**	**35.26**

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Summarised statement of profit and loss		
Revenue	88.27	119.17
Profit for the year	9.13	13.52
Other comprehensive income	(1.32)	7.51
Total comprehensive income	**7.81**	**21.03**
Profit allocated to NCI	**3.65**	**5.41**
Dividend paid to NCI	**3.43**	**5.49**

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Summarised cash flows		
Cash flow from operating activities	2.80	0.40
Cash flow from investing activities	1.34	2.20
Cash flow from financing activities	(8.59)	(13.72)
	(4.45)	**(11.12)**

53. 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.

₹ in crores

Name of entity	Place of business	Principal activities	% of ownership interest	Relationship	Accounting method	Carrying amount	
						As at 31 March, 2021	As at 31 March, 2020
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	53.03	58.18
Olayan Voltas Contracting Company Limited	Kingdom of Saudi Arabia	Execution of maintenance and construction contracts, Water and sewage installation	50%	Joint venture	Equity method	0.25	1.12
Voltbek Home Appliances Private Limited	India	Engaged in the business of trading & manufacturing of Home Appliances	49%	Joint venture	Equity method	220.68	209.96
Immaterial joint ventures * (refer iv below)				Joint venture	Equity method	-	-
Immaterial associates (refer iii below)				Associates	Equity method	9.22	8.31
Total equity accounted investments						**283.18**	**277.57**

* Carrying value is Nil, since immaterial joint ventures are under liquidation.

53. INTEREST IN OTHER ENTITIES (Contd...)

(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.

₹ in crores

Summarised balance sheet	Universal Voltas L.L.C.		Olayan Voltas Contracting Company Limited		Voltbek Home Appliances Private Limited	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Current assets						
- Cash and cash equivalents	5.20	33.04	2.91	6.88	86.86	14.98
- Other assets	226.64	218.42	0.46	0.48	601.56	243.55
Current liabilities						
- Trade payables	121.06	110.03	2.30	3.91	293.02	91.41
- Other liabilities	(7.13)	15.54	0.32	0.78	399.48	163.86
Net current assets	117.91	125.89	0.75	2.67	(4.08)	3.26
Non-current assets	0.73	3.32	-	-	521.87	449.00
Non-current liabilities	10.44	10.52	0.24	0.44	67.35	23.74
Net non-current assets	(9.71)	(7.20)	(0.24)	(0.44)	454.52	425.26
Net assets	**108.20**	**118.69**	**0.51**	**2.23**	**450.44**	**428.52**

53. INTEREST IN OTHER ENTITIES (Contd...)

₹ in crores

Reconciliation to the carrying amounts:	**Universal Voltas L.L.C.**		**Olayan Voltas Contracting Company Limited**		**Voltbek Home Appliances Private Limited**	
	As at 31 March, 2021	**As at 31 March, 2020**	**As at 31 March, 2021**	**As at 31 March, 2020**	**As at 31 March, 2021**	**As at 31 March, 2020**
Opening net assets	118.73	104.92	2.24	6.56	428.49	293.02
Profit / (Loss) for the year	6.11	18.06	(1.69)	(4.70)	(131.12)	(146.52)
Other comprehensive income	(0.86)	0.34	0.56	0.35	0.06	*
Consolidation adjustment - foreign currency translation adjustment	(1.67)	9.23	(0.61)	0.03	(0.05)	-
Issue of equity shares during the year	-	-	-	-	153.00	281.99
Dividend paid	14.08	13.82	-	-	-	-
Closing net assets	108.23	118.73	0.50	2.24	450.38	428.49
Group's share in %	49.00	49.00	50.00	50.00	49.00	49.00
Group's share in closing net assets	53.03	58.18	0.25	1.12	220.68	209.96
Goodwill / (Capital Reserve)	-	-	-	-	-	-
Carrying amount (Gross)	53.03	58.18	0.25	1.12	220.68	209.96
Less : Impairment in value of Investments	-	-	-	-	-	-
Carrying amount (Net)	**53.03**	**58.18**	**0.25**	**1.12**	**220.68**	**209.96**

₹ in crores

Summarised statement of profit and loss:	**Universal Voltas L.L.C.**		**Olayan Voltas Contracting Company Limited**		**Voltbek Home Appliances Private Limited**	
	As at 31 March, 2021	**As at 31 March, 2020**	**As at 31 March, 2021**	**As at 31 March, 2020**	**As at 31 March, 2021**	**As at 31 March, 2020**
Revenue	352.48	258.71	-	5.28	636.93	290.16
Interest income	0.21	0.15	-	-	0.38	3.24
Depreciation and amortisation	0.59	0.77	-	-	27.78	3.83
Interest expense	-	-	-	-	5.29	1.40
Profit / (Loss) for the year	6.11	18.06	(1.69)	(4.70)	(131.12)	(146.52)
Other comprehensive income	(0.86)	0.34	0.56	0.35	0.06	*
Total comprehensive income	**5.25**	**18.40**	**(1.13)**	**(4.35)**	**(131.06)**	**(146.52)**

53. INTEREST IN OTHER ENTITIES (Contd...)

(iii) Commitments and Contingent liabilities in respect of associates and joint ventures:

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Group's share in Commitments	150.50	110.25
Group's share in Contingent liabilities	-	-

(iv) 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.

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Aggregate carrying amount of individually immaterial associates (Net)	9.22	8.31
Aggregate amount of the group's share of:		
Profit / (loss) for the year	1.14	(3.41)
Other comprehensive income	-	(0.05)
Total comprehensive income	1.14	(3.46)
Aggregate carrying amount of individually immaterial joint ventures (Net) *	-	-
Share of profits from associates for the year	1.14	(3.41)
Share of profits from joint ventures for the year	(62.11)	(65.29)
Total share of profits from associates and joint ventures for the year	**(60.97)**	**(68.70)**

* Carrying value is Nil, since immaterial joint ventures are under liquidation.

* Value below ₹ 50,000/-

54. 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 41)

₹ in crores

Nature of expenses	2020-21		
	Grouped Under		
	Consumption of materials, cost of jobs and services	Other expenses	Total
(1) Rent	1.21	40.21	41.42
(2) Power and Fuel	0.80	9.69	10.49
(3) Insurance charges	7.58	14.21	21.79
(4) Travelling and Conveyance	0.99	37.93	38.92
(5) Printing and Stationery	0.35	12.10	12.45
(6) Legal and Professional charges	0.53	25.42	25.95
(7) Clearing charges	0.36	73.09	73.45
(8) Outside Service charges	336.17	119.73	455.90
(9) Repairs to Plant and Machinery	0.02	10.41	10.43
(10) Other General expenses	16.08	101.19	117.27

₹ in crores

Nature of expenses	2019-20		
	Grouped Under		
	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

55. LEASES

Group as a lessee

The Group has lease contracts for its office premises and storage locations with lease term between 1 year to 6 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, 2021 and 31 March, 2020 is as follows

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Balance at the beginning	8.89	-
Ind AS 116 impact (Refer footnote below)	-	11.65
Additions	4.74	1.35
Accretion of interest	1.06	1.11
Payment of lease liabilities	5.48	5.22
Balance at the end	**9.21**	**8.89**

Footnote :
During the previous year, the Group adopted Ind AS 116 'Leases' and accordingly recognised Right-of-use assets and an equal amount of lease liabilities of ₹ 11.65 crores as of 1 April, 2019.

(b) The following are the amounts recognised in profit or loss

₹ in crores

	Year ended 31 March, 2021	Year ended 31 March, 2020
Depreciation on right-of-use assets	4.49	4.87
Interest expense on lease liabilities	1.06	1.11
Expense relating to short-term leases (Refer footnote c)	113.30	120.57
Total amount recognised in statement of profit and loss	**118.85**	**126.55**

(c) Details of carrying amount of right-of-use assets and movement during the period is disclosed under Note 6

Footnotes:

(a) The maturity analysis of lease liabilities are disclosed in Note 52 (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 41)

(d) The Group had total cash flows for leases of ₹ 5.48 crores on 31 March, 2021 (31 March, 2020 : ₹ 5.22 crores).

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 Company has the option under some of its leases to lease the assets for additional periods. An amount of ₹ 32.31 crores is recognised as lease income in the statement of profit and loss account for the year ended 31 March, 2021 (31 March, 2020 : ₹ 38.17 crores).

Minimum lease income for non-cancelable operating lease

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
(a) Not later than one year	5.59	7.01
(b) Later than one year but not later than five years	0.24	4.77
(c) Later than five years	-	-

56. REVENUE FROM CONTRACTS WITH CUSTOMERS

(A) Disaggregated revenue information

Disaggregation of the Company's revenue from contracts with customers are as follows

₹ in crores

	Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Segment - A (Unitary Cooling Products for Comfort and Commercial use)			
(a)	Sale of products	3,518.36	4,049.74
(b)	Sale of services	36.68	23.96
	Sub-total :	**3,555.04**	**4,073.70**
Segment - B (Electro - Mechanical Projects and Services)			
(a)	Sale of products	302.95	350.65
(b)	Construction contract revenue	2,784.34	2,432.70
(c)	Sale of services	479.09	462.79
	Sub-total :	**3,566.38**	**3,246.14**
Segment - C (Engineering Products and Services)			
(a)	Sale of products	232.97	222.95
(b)	Sale of services	126.52	108.71
	Sub-total :	**359.49**	**331.66**
	Less : Inter segment revenue	24.36	24.35
Total revenue from contracts with customers		**7,456.55**	**7,627.15**

(B) Set out below is the amount of revenue recognised from

₹ in crores

	Particulars	As at 31 March, 2021	As at 31 March, 2020
(a)	Amounts included in contract liabilities at the beginning of the year	455.58	250.96
(b)	Performance obligations satisfied in previous years	(0.80)	7.32

(C) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

₹ in crores

		Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
		Revenue as per contracted price	6,502.84	6,870.05
		Adjustments		
Add:	(a)	Unbilled on account of work under certification	1,144.59	956.59
Less:	(b)	Billing in excess of contract revenue	(190.88)	(199.49)
		Revenue from contract with customers	**7,456.55**	**7,627.15**

(D) Performance obligation

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March, 2021 is of ₹ 5,266.08 crores (31 March, 2020: ₹ 6,807.46 crores), out of which, majority is expected to be recognised as revenue within a period of one year.

57. 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.

58. IMPACT OF COVID-19

The Group has considered the possible impact of COVID-19 pandemic on its operations, liquidity position and recoverability of its asset balances at 31 March, 2021 based on the internal and external information upto the date of approval of these financial statements. The impact of COVID-19 may be different from that estimated 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.

59. Pursuant to the Scheme of Merger, as approved by the National Company Law Tribunal, Mumbai, on 11 September, 2020, Universal Comfort Products Limited, a wholly owned subsidiary company, has been merged with Voltas Limited, the Parent Company, effective the appointed date of 1 April, 2019.

60. The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette in September 2020 which could impact the contribution by the Group towards certain employment benefits. The effective date from which the changes and rules would become applicable is yet to be notified. Impact of the changes will be assessed and accounted in the relevant period of notification of relevant provisions.

61. The Board of Directors of Voltas Limited ('Parent Company') at its meeting held on 12 February, 2021, have approved the transfer of domestic B2B businesses of the Parent Company relating to Projects business comprising Mechanical, Electrical and Plumbing (MEP)/ Heating, Ventilation and Air-Conditioning (HVAC) and Water projects, Mining and Construction Equipment (M&CE) business and Textile Machinery Division (TMD) business to its wholly owned subsidiary viz. Universal MEP Projects & Engineering Services Limited ('UMPESL') (formerly Rohini Industrial Electricals Limited) by slump sale through a Business Transfer Agreement ('BTA'). The Parent Company has executed the BTA on 24 March, 2021 and the transaction is expected to be consummated by end of September 2021 or such other date as may be mutually agreed between the Parent Company and UMPESL.

62. EVENTS OCCURRING AFTER BALANCE SHEET

(i) The Directors have recommended final dividend of ₹165.44 crores at ₹ 5.00. 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.

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

As per our report of even date

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
Place : Mumbai
Date : 12 May, 2021

For and on behalf of the Board

Noel Tata
Chairman
Place : Mumbai

Anil George
Chief Financial Officer
Place : Mumbai

Pradeep Bakshi
Managing Director & CEO
Place : Delhi

V. P. Malhotra
Vice President - Taxation, Legal & Company Secretary
Place : Mumbai

Date : 12 May, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Voltas Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Voltas Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, 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, 2021, 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, 2021. 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
Revenue recognition for long term Mechanical, Electrical and Plumbing (MEP) contracts	
The Company's revenues include revenue from long-term Mechanical, Electrical and Plumbing (MEP) contracts amounting to ₹ 1,617.61 crores, disclosed under Note 34 'revenue from contracts with customers' as construction contract revenue, which are recognised over a period of time in accordance with the requirements of Ind AS 115, 'Revenue from Contracts with Customers'. Due to the nature of the contracts, revenue is recognised 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. Accuracy of revenues, onerous obligations and profits may deviate significantly on account of change in judgements and estimates. Management has assessed the impact of the ongoing economic slowdown and the associated uncertainties in the business environment on its estimates. (Refer Note 3 Significant Accounting Judgments, Estimates and Assumptions) Considering the variability of assumptions involved in estimation of revenues, the same has been considered as a key audit matter.	Our audit procedures included the following: ▶ 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. We assessed that, fluctuations in commodity and currency prices, delays, cost overruns related to the performance of work are appropriately 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 52 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.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Recoverability of and Impairment Allowance of receivables and contract assets of Electro-Mechanical projects and services segment</td></tr>
<tr><td>As at March 31, 2021, trade receivable and contract assets of Electro- mechanical projects and service segment amount to ₹ 1,591.63 crores.

Out of the total trade receivables and contract assets of Electro-mechanical projects and service segment, ₹ 483.75 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.

As regards the receivable of this segment, 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 3 Significant Accounting Judgments, Estimates and Assumptions).

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.</td><td>Our audit procedures included the following:

▶ We evaluated the Company's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers.

▶ 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 receivable of this segment 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 Company.

▶ 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 14 and Note 15 respectively and the related risks such as credit risk and liquidity risk in Note 50 of the standalone Ind AS financial statements.

▶ We read and assessed the relevant disclosures in Note 54 to the standalone Ind AS financial statements relating to management's assessment of the impact of the uncertain economic environment.</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
Impairment of Investments in Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited)	
The Company has an investment of ₹ 291.62 crores in its wholly owned subsidiary Universal MEP & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited) (UMEPESL) and Impairment allowance of ₹ 32.57 crores as of 31 March, 2021 (after considering reversal of Impairment amounting to ₹ 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. For the purposes of above impairment assessment, the Company engages specialists to determine value in use 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 UMEPESL was determined to be a key audit matter in our audit of the standalone Ind AS financial statements	Our audit procedures included the following: ▶ 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 UMEPESL. ▶ We assessed 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 and same are approved by UMEPESL Board of Directors. ▶ We tested the arithmetical accuracy of the models. ▶ We evaluated the accounting and disclosure of investments in the standalone Ind AS financial statements of the Company.

Information Other than the Financial Statements and Auditor's Report Thereon

The 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 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 Board of Directors 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, 2021 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 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, 2021 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 44 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: 21038730AAAAAV1911
Place : Mumbai
Date : May 12, 2021

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 property, plant and equipment.

(b) Property, plant and equipment 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 and audit procedures performed by us, 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 ₹ 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 Limited on behalf of all allottees.
Voltas House, 23 J N Heredia Marg, Ballard Estate, Mumbai 400001	0.01	The said building was taken on lease by Company from Bombay Port Trust. The Lease has expired on 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, 2021 and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us and audit procedures performed by 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.

(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 Realtes	Amount (INR in crores)
The Central Excise Act, 1944	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2002, 2009-10 to 2014-15	14.21
		Commissionerate	1981-82, 1983-84, 1985-86 to 1990-91, 1992-93 to 1993-94 1999-00 to 2000-01, 2004-05, 2009-10 2011-12, 2012-13	4.86

Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	1999-00 to 2002-03, 2004-05 to 2009-10,2017-18	12.03
		Commissionerate	2003-04 to 2015-16	5.10
Custom Act, 1962	Custom duty	Commissionerate	2019-20	0.99
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	1987-88 to 1991-92, 1996-97 to 1998-99, 2001-02 to 2005-06, 2008-09, 2010-11	13.62
		Appellate Tribunal	1986-87, 1997-98, 1999-00 to 2000-10, 2002-03 to 2014-15	11.73
		Appellate Revisional Board	2007-08, 2012-13 to 2015-16	2.83
		Commissioner (Assessment)	1988-89 to 1992-93, 1994-95, 1996-97, 1999-00 to 2000-01, 2002-03	1.15
		Commissioner of Appeals	1989-90 to 1990-91, 1994-95 to 2001-02, 2003-04, 2005-06 to 2017-18	80.45
Goods and Service Tax Act, 2017	Goods and Service Tax	High Court	2018-19	0.01
		Commissioner of Appeals	2018-19 to 2020-21	38.38

(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 and audit procedure performed by us, the Company has not raised any money way of public offer / debt instruments. The Company has utilised 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 and audit procedure performed by us, 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 and audit procedure performed by us, 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 and audit procedure performed by us, 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 and audit procedure performed by 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: 21038730AAAAAV1911
Place : Mumbai
Date : May 12, 2021

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE 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")

We have audited the internal financial controls with reference to standalone Ind AS financial statements of Voltas Limited ("the Company") as of March 31, 2021 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 ("ICAI"). 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 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these standalone 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 with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone 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 Company's internal financial controls with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Ind AS Financial Statements

A company's internal financial controls with reference to 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 controls with reference to 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 With Reference to Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to 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 with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2021, 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 issued by the ICAI.

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
UDIN: 21038730AAAAAV1911
Place : Mumbai
Date : May 12, 2021

STANDALONE BALANCE SHEET

AS AT 31 MARCH, 2021

₹ in crores

	Note	As at 31 March, 2021	As at 31 March, 2020 (Refer Note 55)
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	231.79	232.15
(b) Capital work-in-progress		8.81	26.28
(c) Investment property	5	55.55	45.34
(d) Right-of-use assets	6	10.84	12.97
(e) Other intangible assets	7	8.23	9.17
(f) Financial assets			
(i) Investments	8	3,193.97	2,121.26
(ii) Loans	9	0.17	0.22
(iii) Other financial assets	10	88.56	83.59
(g) Income tax assets (net)		2.67	62.00
(h) Deferred tax assets (net)	11	16.08	24.34
(i) Other non-current assets	12	109.25	109.50
Total non-current assets		**3,725.92**	**2,726.82**
Current assets			
(a) Inventories	13	1,273.90	1,460.45
(b) Contract assets	14	648.11	767.97
(c) Financial assets			
(i) Investments	8	249.32	520.39
(ii) Trade receivables	15	1,452.28	1,431.94
(iii) Cash and cash equivalents	16	313.71	183.29
(iv) Other balances with banks	17	10.64	18.10
(v) Loans	18	1.30	1.05
(vi) Other financial assets	19	137.16	147.60
(d) Other current assets	20	164.46	378.21
Total current assets		**4,250.88**	**4,909.00**
TOTAL ASSETS		**7,976.80**	**7,635.82**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	21	33.08	33.08
(b) Other equity	22	4,951.62	4,185.24
Total Equity		**4,984.70**	**4,218.32**
Liabilities			
Non-current liabilities			
(a) Contract liabilities	23	0.64	0.74
(b) Financial liabilities			
(i) Borrowings	24	4.00	5.41
(ii) Other financial liabilities	25	19.41	23.91
(c) Provisions	26	73.72	74.10
(d) Other non-current liabilities	27	6.32	6.60
Total non-current liabilities		**104.09**	**110.76**
Current liabilities			
(a) Contract liabilities	28	391.76	412.27
(b) Financial liabilities			
(i) Borrowings	29	104.46	82.99
(ii) Trade payables	30		
- Total outstanding dues of micro and small enterprises		150.99	216.82
- Total outstanding dues of creditors other than micro and small enterprises		1,906.85	2,361.08
(iii) Other financial liabilities	31	94.37	90.29
(c) Provisions	32	108.89	106.40
(d) Income tax liabilities (net)		63.17	3.33
(e) Other current liabilities	33	67.52	33.56
Total current liabilities		**2,888.01**	**3,306.74**
TOTAL LIABILITIES		**2,992.10**	**3,417.50**
TOTAL EQUITY AND LIABILITIES		**7,976.80**	**7,635.82**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
Place : Mumbai
Date : 12 May, 2021

For and on behalf of the Board

Noel Tata
Chairman
Place : Mumbai

Pradeep Bakshi
Managing Director & CEO
Place : Delhi

Anil George
Chief Financial Officer
Place : Mumbai

V. P. Malhotra
Vice President - Taxation, Legal & Company Secretary
Place : Mumbai

Date : 12 May, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2021

₹ in crores

		Note	Year ended 31 March, 2021	Year ended 31 March, 2020 (Refer Note 55)
	Income			
I	**Revenue from operations**	34	6,377.97	7,206.60
II	**Other Income**	35	219.96	250.39
III	**Total Income (I + II)**		**6,597.93**	**7,456.99**
	Expenses			
	(a) Consumption of materials, cost of jobs and services		2,617.72	3,117.50
	(b) Purchases of stock-in-trade		1,862.26	2,568.27
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	36	279.25	(302.05)
	(d) Employee benefits expenses	37	465.44	521.19
	(e) Finance costs	38	19.10	8.84
	(f) Depreciation and amortisation expenses	39	29.83	28.56
	(g) Other expenses	40	590.91	646.93
IV	**Total expenses**		**5,864.51**	**6,589.24**
V	**Profit before exceptional items and tax (III - IV)**		**733.42**	**867.75**
VI	**Exceptional Items**	41	-	(54.91)
VII	**Profit before tax (V + VI)**		**733.42**	**812.84**
	Tax Expense			
	(a) Current tax		176.48	188.94
	(b) Adjustment of tax relating to earlier periods		-	(4.51)
	(c) Deferred tax charge / (credit)	11	(13.36)	33.32
VIII	**Total tax expense**	42	**163.12**	**217.75**
IX	**Net Profit for the year (VII-VIII)**		**570.30**	**595.09**
	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		342.18	(221.75)
	(b) Income tax effect on (a) above	11	(19.64)	(3.19)
	(c) Remeasurement gain / (loss) on defined benefit plans		7.87	14.05
	(d) Income tax effect on (c) above	11	(1.98)	0.85
X	**Other Comprehensive Income [net of tax]**		**328.43**	**(210.04)**
XI	**Total Comprehensive Income [net of tax] (IX + X)**		**898.73**	**385.05**
XII	**Earnings per share:**			
	Basic and Diluted (₹) (Face value ₹ 1/- per share)	43	17.24	17.98

Summary of significant accounting policies — 2

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
Place : Mumbai
Date : 12 May, 2021

For and on behalf of the Board

Noel Tata
Chairman
Place : Mumbai

Pradeep Bakshi
Managing Director & CEO
Place : Delhi

Anil George
Chief Financial Officer
Place : Mumbai

V. P. Malhotra
Vice President - Taxation, Legal & Company Secretary
Place : Mumbai

Date : 12 May, 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2021

A. EQUITY SHARE CAPITAL

₹ in crores

Balance as at 31 March, 2019	33.08
Changes in equity share capital	*
Balance as at 31 March, 2020	33.08
Changes in equity share capital	-
Balance as at 31 March, 2021	**33.08**

B. OTHER EQUITY

₹ in crores

	Reserves and Surplus (Refer Note 22)						Items of Other Comprehensive Income (Refer Note 22)	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Staff Welfare Reserve	Retained earnings	Equity instruments fair value through other Comprehensive Income	
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**
Additions on amalgamation (Refer Note 55)	-	-	-	35.00	-	213.44	-	248.44
Adjustment pursuant to amalgamation (Refer Note 55)	10.69	-	-	-	-	(11.85)	-	(1.16)
Net profit for the year	-	-	-	-	-	595.09	-	595.09
Other comprehensive income for the year (net of tax)	-	-	-	-	-	10.85	(220.89)	(210.04)
Total comprehensive income for the year [net of tax]	**-**	**-**	**-**	**-**	**-**	**605.94**	**(220.89)**	**385.05**
Payment of dividends	-	-	-	-	-	(132.35)	-	(132.35)
Dividend distribution tax	-	-	-	-	-	(24.82)	-	(24.82)
Transfer to General Reserve	-	-	-	20.00	-	(20.00)	-	-
Premium on calls-in-arrears received	-	-	0.01	-	-	-	-	0.01
Balance as at 31 March, 2020	**12.25**	**1.26**	**6.28**	**1,386.83**	**0.01**	**2,474.30**	**304.31**	**4,185.24**
Net profit for the year	-	-	-	-	-	570.30	-	570.30
Other comprehensive income for the year (net of tax)	-	-	-	-	-	5.89	322.54	328.43

₹ in crores

	Reserves and Surplus (Refer Note 22)						Items of Other Comprehensive Income (Refer Note 22)	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Staff Welfare Reserve	Retained earnings	Equity instruments fair value through other Comprehensive Income	
Total comprehensive income for the year [net of tax]	-	-	-	-	-	576.19	322.54	898.73
Payment of dividends	-	-	-	-	-	(132.35)	-	(132.35)
Transfer to General Reserve	-	-	-	20.00	-	(20.00)	-	-
Balance as at 31 March, 2021	**12.25**	**1.26**	**6.28**	**1,406.83**	**0.01**	**2,898.14**	**626.85**	**4,951.62**

* value below ₹ 50,000/-

Summary of significant accounting policies Note 2
The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

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

per **Dolphy D'Souza**
Partner
Membership No.: 038730
Place : Mumbai
Date : 12 May, 2021

For and on behalf of the Board

Noel Tata
Chairman
Place : Mumbai

Pradeep Bakshi
Managing Director & CEO
Place : Delhi

Anil George
Chief Financial Officer
Place : Mumbai

V. P. Malhotra
Vice President - Taxation, Legal & Company Secretary
Place : Mumbai

Date : 12 May, 2021

STANDALONE CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2021

₹ in crores

		Year ended 31 March, 2021		Year ended 31 March, 2020 (Refer Note 55)	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	Profit before tax		733.42		812.84
	Adjustments for :				
	Depreciation and amortisation expenses	29.83		28.56	
	Allowance for doubtful debts and advances	81.37		39.45	
	Unrealised foreign exchange (gain) / loss (net)	(20.84)		24.64	
	Provision for diminution in value of investments (net)	0.86		3.72	
	(Gain) / loss on disposal of property, plant and equipment	0.11		(0.29)	
	Finance costs	19.10		8.84	
	Interest income	(11.96)		(33.13)	
	Dividend income	(26.18)		(32.91)	
	(Gain) / loss arising on financial assets measured at Fair Value	(101.46)		(103.72)	
	through Profit or Loss (FVTPL) (net)				
	Financial guarantee contract income	(1.12)		(1.19)	
	Liabilities/provisions no longer required written back	(19.03)		(9.00)	
	Rental income	(32.81)		(38.64)	
			(82.13)		(113.67)
	Operating profit before working capital changes		**651.29**		**699.17**
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	186.55		(374.62)	
	Trade receivables	(77.74)		(52.28)	
	Contract assets	99.12		(111.84)	
	Other financial assets	9.79		9.22	
	Other non-financial assets	214.04		(148.78)	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	(478.63)		346.77	
	Contract liabilities	(20.60)		123.31	
	Other financial liabilities	4.42		28.19	
	Other non-financial liabilities	33.68		6.29	
	Provisions	9.97		3.03	
			(19.40)		(170.71)
	Cash generated from operations		631.89		528.46
	Income tax paid (net of refunds)		(60.88)		(192.86)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**571.01**		**335.60**
B.	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of property, plant and equipment and intangible assets	(19.05)		(85.57)	
	(including capital advances and capital work-in-progress)				
	Proceeds from disposal of property, plant and equipment	1.41		3.24	
	Investment in fixed deposits	(8.45)		(39.45)	
	Purchase of investments	(1,323.89)		(1,797.59)	
	Proceeds from sale of investments	966.42		1,654.29	
	Interest received	19.47		28.36	

STANDALONE CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2021 (Contd...)

₹ in crores

		Year ended 31 March, 2021		Year ended 31 March, 2020 (Refer Note 55)	
	Dividend received				
	– subsidiaries	21.35		14.17	
	– others	4.52		8.49	
	Rent received	32.33		36.99	
	Rental Deposits (repaid) / received	(5.11)		0.80	
	NET CASH FLOW USED IN INVESTING ACTIVITIES (B)		**(311.00)**		**(176.27)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of equity instruments of the Company (Calls-in-Arrears and security premium)	-		*	
	Repayment of loans during the year	(361.00)		(34.06)	
	Proceeds from loans taken during the year	383.26		-	
	Interest paid	(14.67)		(8.87)	
	Payment of lease liability	(4.73)		(3.84)	
	Dividends paid including taxes thereon	(132.35)		(157.17)	
	NET CASH FLOW USED IN FINANCING ACTIVITIES (C)		**(129.49)**		**(203.94)**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**130.52**		**(44.61)**
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**183.01**		**227.62**
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**313.53**		**183.01**
	Non-Cash Investing and Financing transaction				
	Net gain arising on financial assets measured at FVTPL	95.57		95.62	
	Impairment / (reversal of impairment) of Investment (net)	0.86		3.72	
	Lease liabilities	5.53		13.75	
		101.96		**113.09**	
	Cash and cash equivalents at the end of the year consist of:				
	Cash and cash equivalents at the end of the year (Refer Note 16)		313.71		183.29
	Effect of exchange difference on restatement of foreign currency cash and cash equivalents		(0.18)		(0.28)
			313.53		**183.01**

* value below ₹ 50,000/-

Summary of significant accounting policies Note 2

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
Place : Mumbai
Date : 12 May, 2021

For and on behalf of the Board

Noel Tata
Chairman
Place : Mumbai

Anil George
Chief Financial Officer
Place : Mumbai

Pradeep Bakshi
Managing Director & CEO
Place : Delhi

V. P. Malhotra
Vice President - Taxation, Legal & Company Secretary
Place : Mumbai

Date : 12 May, 2021

NOTES FORMING PART OF IND AS STANDALONE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2021

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, 2021 were approved by the Board of Directors and approved for issue on 12 May, 2021.

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. Figures for the period ended 31 March, 2020 have been restated on account of amalgamation of Universal Comfort Products Limited, a wholly owned subsidiary, with the Company with appointed date of 1 April, 2019, refer Note 55 for further details.

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 (Note 2(E)) and financial instruments (Note 2 (O)) below.

The accounting policies adopted for preparation and presentation of financial statement have been consistent with the previous year.

The financial statements are presented in ₹ 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 3.

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 and Contingencies'.

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 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) Post-employment 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

Capital work in progress is stated at cost. 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, 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.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (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 when the asset is derecognised.

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.

Transfers are made to (or from) investment properties only when there is a change in use.

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 ₹, 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 : 1-6 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 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.

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 realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

M. TAXES ON INCOME

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation 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 recognised in the other comprehensive income (OCI). However, the Company 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 AS 103 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 recognised 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. BUSINESS COMBINATION UNDER COMMON CONTROL

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities or businesses are reflected at their carrying amounts after making adjustments necessary to harmonise the accounting policies. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. The identity of the reserves is preserved in the same form in which they appeared in the financial statements of the transferor and the difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

Y. 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.

2A. RECENT ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

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

Amendments to Schedule III of Companies Act, 2013 (as amended):

The Ministry of Corporate Affairs ("MCA") through a notification dated 24 March, 2021, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April, 2021. The key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

> Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

> Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

> Specified format for disclosure of shareholding of promoters.

> Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

> If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

> Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

> Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

3. 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 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

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 it 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 14 and Note 15.

The Company reviews it's carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than it's 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 48.

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 44 (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 45.

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 32.

4. PROPERTY, PLANT AND EQUIPMENT (OWNED, UNLESS OTHERWISE STATED)

₹ in crores

	Freehold Land	Buildings	Plant and Equipments	Office and EDP Equipments	Furniture and fixtures	Vehicles	Transferred to / from Investment property	Total Property, Plant And Equipment
Gross carrying amount								
As at 31 March, 2019	29.51	178.73	126.94	63.33	25.88	2.30	(58.77)	367.92
Addtions on amalgamation (Refer Note 55)		7.87	15.51	0.73	0.90	0.20		25.21
Adjustment pursuant to amalgamation (Refer Note 55)			(0.55)					(0.55)
Additions	-	10.85	21.05	11.47	2.36	0.12	-	45.85
Disposals	-	2.28	6.76	1.97	0.60	0.22	-	11.83
Transfers in / (out)	-	-	-	-	-	-	0.01	0.01
As at 31 March, 2020	**29.51**	**195.17**	**156.19**	**73.56**	**28.54**	**2.40**	**(58.76)**	**426.61**
Accumulated depreciation								
As at 31 March, 2019	-	40.92	83.97	39.09	17.39	1.67	(12.50)	170.54
Addtions on amalgamation (Refer Note 55)		3.47	8.22	0.67	0.63	0.19		13.18
Adjustment pursuant to amalgamation (Refer Note 55)			(0.30)					(0.30)
Charge for the year	-	4.11	7.65	7.49	1.47	0.12	(0.93)	19.91
Disposals	-	0.42	5.95	1.75	0.56	0.20	-	8.88
Transfers in / (out)	-	-	-	-	-	-	0.01	0.01
As at 31 March, 2020	**-**	**48.08**	**93.59**	**45.50**	**18.93**	**1.78**	**(13.42)**	**194.46**
Net carrying amount as at 31 March, 2020	**29.51**	**147.09**	**62.60**	**28.06**	**9.61**	**0.62**	**(45.34)**	**232.15**
Gross carrying amount								
As at 31 March, 2020	29.51	195.17	156.19	73.56	28.54	2.40	(58.76)	426.61
Additions	-	5.34	18.85	7.38	2.74	-	-	34.31
Disposals	-	1.76	1.69	4.25	0.22	0.20	-	8.12
Transfers in / (out)	-	-	-	-	-	-	(12.02)	(12.02)
As at 31 March, 2021	**29.51**	**198.75**	**173.35**	**76.69**	**31.06**	**2.20**	**(70.78)**	**440.78**
Accumulated depreciation								
As at 31 March, 2020	-	48.08	93.59	45.50	18.93	1.78	(13.42)	194.46
Charge for the year	-	4.24	9.26	7.60	1.73	0.11	(1.14)	21.80
Disposals	-	0.71	1.61	3.92	0.17	0.19	-	6.60
Transfers in / (out)	-	-	-	-	-	-	(0.67)	(0.67)
As at 31 March, 2021	**-**	**51.61**	**101.24**	**49.18**	**20.49**	**1.70**	**(15.23)**	**208.99**
Net carrying amount as at 31 March, 2021	**29.51**	**147.14**	**72.11**	**27.51**	**10.57**	**0.50**	**(55.55)**	**231.79**

Footnote :

Buildings includes ₹ 0.0016 crore (31 March, 2020: ₹ 0.0016 crore) being cost of shares and bonds in Co-operative Housing Societies.

5. INVESTMENT PROPERTY

₹ in crores

	Freehold Land	Buildings	Total
Gross carrying amount			
As at 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**
Gross carrying amount			
As at 31 March, 2020	0.14	58.62	58.76
Additions	-	-	-
Transfers in / (out)	-	12.02	12.02
As at 31 March, 2021	**0.14**	**70.64**	**70.78**
Accumulated depreciation			
As at 31 March, 2020	-	13.42	13.42
Charge for the year	-	1.14	1.14
Transfers in / (out)	-	0.67	0.67
As at 31 March, 2021	**-**	**15.23**	**15.23**
Net carrying amount as at 31 March, 2021	**0.14**	**55.41**	**55.55**

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:

₹ in crores

	Year ended 31 March, 2021	Year ended 31 March, 2020
Rental income	32.81	38.64
Direct operating expenses (including repairs and maintenance) generating rental income (net of recoveries)	1.30	1.77
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income	3.16	3.49
Profit from investment properties before depreciation and indirect expenses	**28.35**	**33.38**
Depreciation	1.14	0.93
Profit arising from investment properties before indirect expenses	**27.21**	**32.45**

5. INVESTMENT PROPERTY (Contd...)

(3) Fair Value of the Company's investment properties are as follows :

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Land	128.36	137.27
Building	682.94	662.06
	811.30	**799.33**

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.

6. 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 below)	5.69	11.31	17.00
Additions	-	1.35	1.35
As at 31 March, 2020	**5.69**	**12.66**	**18.35**
Accumulated depreciation As at 31 March, 2019	-	-	-
Ind AS 116 impact (Refer Note below)	0.76	-	0.76
Charge for the year	0.07	4.55	4.62
As at 31 March, 2020	**0.83**	**4.55**	**5.38**
Net carrying amount as at 31 March, 2020	**4.86**	**8.11**	**12.97**
Gross carrying amount			
As at 31 March, 2020	5.69	12.66	18.35
Additions	-	1.66	1.66
As at 31 March, 2021	**5.69**	**14.32**	**20.01**
Accumulated depreciation			
As at 31 March, 2020	0.83	4.55	5.38
Charge for the year	0.06	3.73	3.79
As at 31 March, 2021	**0.89**	**8.28**	**9.17**
Net carrying amount as at 31 March, 2021	**4.80**	**6.04**	**10.84**

Footnotes :

During the previous year, the Company adopted Ind AS 116 'Leases' as at 1 April, 2019 and on adoption following impacts were accounted:

(i) Right of use assets and an equal amount of lease liabilities of ₹ 11.31 crores were recognised as of 1 April, 2019.

(ii) Prepayments' related to previous operating lease were reclassified from other non-current assets to Right-of-use assets as at 1 April, 2019 of ₹ 4.93 crores (Gross Block: ₹ 5.69 crores and Accumulated Depreciation: ₹ 0.76 crore).

7. INTANGIBLE ASSETS

₹ in crores

	Manufacturing Rights & Technical Know- how	Software	Total Intangible Assets
Gross carrying amount			
As at 31 March, 2019	10.04	49.92	59.96
Addtions on amalgamation (Refer Note 55)		0.44	0.44
Additions	-	3.96	3.96
Disposals	-	0.17	0.17
As at 31 March, 2020	**10.04**	**54.15**	**64.19**
Amortisation			
As at 31 March, 2019	10.04	41.61	51.65
Addtions on amalgamation (Refer Note 55)		0.44	0.44
Charge for the year	-	3.10	3.10
Disposals	-	0.17	0.17
As at 31 March, 2020	**10.04**	**44.98**	**55.02**
Net carrying amount as at 31 March, 2020	**-**	**9.17**	**9.17**
Gross carrying amount			
As at 31 March, 2020	10.04	54.15	64.19
Additions	-	2.17	2.17
Disposals	-	0.27	0.27
As at 31 March, 2021	**10.04**	**56.05**	**66.09**
Amortisation			
As at 31 March, 2020	10.04	44.98	55.02
Charge for the year	-	3.10	3.10
Disposals	-	0.26	0.26
As at 31 March, 2021	**10.04**	**47.82**	**57.86**
Net carrying amount as at 31 March, 2021	**-**	**8.23**	**8.23**

8. INVESTMENTS

	Currency	Face Value	As at 31 March, 2021		As at 31 March, 2020	
			No.	₹ in crores	No.	₹ in crores
8 (i) Non- current Investments						
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 Limited, 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
Lalbuksh Voltas Engineering Services and Trading L.L.C, Muscat, Sultanate of Oman	RO	1	50,000	0.08	50,000	0.08
Agro Foods Punjab Limited (Refer footnote 8 (a)) (Beneficial rights transferred pending transfer of shares)	₹	100	2,80,000	-	2,80,000	-
Auto Aircon (India) Limited	₹	10	1,19,50,000	6.30	1,19,50,000	6.30
Westerwork Engineers Limited (Under Liquidation)	₹	100	9,600	1.09	9,600	1.09
Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited) (Refer footnote 8 (g))	₹	10	15,18,25,782	291.62	18,25,782	182.41
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				332.43		223.22
Less : Impairment in value of Investments (#)				67.58		67.58
				264.85		**155.64**
(#) Impairment in value of Investments pertains to :						
Auto Aircon (India) Limited				6.30		6.30
Westerwork Engineers Limited (Under Liquidation)				1.09		1.09
Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited)				32.57		32.57
Saudi Ensas Company for Engineering Services W.L.L., Saudi Arabia				27.62		27.62
				67.58		**67.58**
2 Investments in Joint Ventures: (at cost less impairment unless otherwise stated):						
Voltas Water Solutions Private Limited	₹	10	28,41,500	2.85	28,41,500	2.85
Olayan Voltas Contracting Company Limited, 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 Limited	₹	10	41,01,34,900	410.13	33,51,64,900	335.16
Gross Investments in Joint Ventures				433.22		358.25

8. INVESTMENTS (Contd...)

			Currency	Face Value	As at 31 March, 2021		As at 31 March, 2020	
					No.	₹ in crores	No.	₹ in crores
		Less : Impairment in value of Investments (#)				22.83		21.97
						410.39		**336.28**
		(#) Impairment in value of Investments pertains to :						
		Voltas Water Solutions Private Limited				2.85		2.85
		Olayan Voltas Contracting Company Limited, Saudi Arabia				19.98		19.12
						22.83		**21.97**
	3	**Investments in Associate Companies: (at cost less impairment unless otherwise stated):**						
		Brihat Trading Private Limited	₹	10	3,352	*	3,352	*
		Terrot GmbH, Germany	EURO	1	2,60,900	1.56	2,60,900	1.56
		Naba Diganta Water Management Limited	₹	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		1.56
						4.80		**4.80**
B	**Investments in Other Companies (Investments at Fair Value through Other Comprehensive Income) (Refer footnote 8 (d))**							
	1	**Fully Paid Unquoted Equity Instruments:**						
		Lakshmi Ring Travellers (Coimbatore) Limited	₹	10	1,20,000	40.64	1,20,000	28.03
		Agrotech Industries Limited	USD	1	3,67,500	-	3,67,500	-
		Tata International Limited (Refer footnote 8 (h))	₹	1,000	15,000	33.90	10,000	5.65
		Tata Services Limited (Refer footnote 8 (b))	₹	1,000	448	0.04	448	0.04
		Tata Industries Limited (Refer footnote 8 (b))	₹	100	13,05,720	20.72	13,05,720	20.72
		Tata Projects Limited	₹	100	1,35,000	178.41	1,35,000	147.48
		Premium Granites Limited	₹	10	4,91,220	-	4,91,220	-
		OMC Computers Limited	₹	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 Limited	₹	10	750	*	750	*
		Saraswat Co-operative Bank Limited	₹	10	10	*	10	*
		Super Bazar Co-operative Stores Limited	₹	10	500	*	500	*
						273.71		**201.92**
	2	**Fully Paid Quoted Equity Instruments :**						
		Lakshmi Automatic Loom Works Limited	₹	10	6,15,200	-	6,15,200	-
		Tata Chemicals Limited	₹	10	2,00,440	15.06	2,00,440	4.47
		Tata Consumer Products Limited	₹	1	2,28,501	14.59	2,28,501	6.74
		Lakshmi Machine Works Limited	₹	10	5,79,672	393.54	5,79,672	133.34
		Reliance Industries Limited (Refer footnote 8 (c))	₹	10	2,640	-	2,640	-
						423.19		**144.55**

8. INVESTMENTS (Contd...)

		Currency	Face Value	As at 31 March, 2021		As at 31 March, 2020	
				No.	₹ in crores	No.	₹ in crores
C	**Investment in Preference Shares**						
	Fully Paid UNQUOTED:						
	In Subsidiaries (at amortised cost) :						
	Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited) (Refer footnote 8 (g))	₹	100	-	-	1,27,00,000	79.21
	0.01% Cumulative Redeemable Preference Shares						
	In Other Companies (at amortised cost)						
	Tata Capital Limited						
	7.50% Cumulative Redeemable Preference Shares	₹	1,000	250,000	25.00	250,000	25.00
	7.10% Cumulative Redeemable Preference Shares	₹	1,000	2 00,000	20.00	200,000	20.00
	7.33% Cumulative Redeemable Preference Shares	₹	1,000	50,000	5.00	50,000	5.00
					50.00		**129.21**
D	**Investment in Unquoted Mutual funds (at fair value through profit or loss)** (Refer footnote 8(e))				**1531.73**		**903.82**
E	**Investment in Debenture/Bonds (at amortised cost)**						
	Fully Paid QUOTED:						
	Tata Steel Limited						
	11.50% Perpetual Non Convertible Debentures	₹	10,00,000	-	-	292	29.26
	Tata Power Company Limited						
	10.75% Non Convertible Debentures	₹	10,00,000	500	52.98	500	53.40
	Rural Electrification Corporation Limited						
	8.01% Tax Free Bonds	₹	1,000	50,000	5.34	50,000	5.41
	7.17% Tax Free Bonds	₹	10,00,000	70	7.42	70	7.46
	5.75% Tax Free Bonds	₹	10,000	500	0.53	500	0.53
	8.18% Tax Free Bonds	₹	10,00,000	50	5.37	50	5.44
	National Housing Bank						
	8.26% Tax Free Non Convertible Debentures	₹	5,000	18,049	9.65	18,049	9.80
	Housing and Urban Development Corporation Limited						
	8.51% Tax Free Bonds	₹	1,000	1,50,000	16.13	1,50,000	16.40
	8.10% Tax Free Bonds	₹	1,000	-	-	2,53,400	26.19
	7.07% Tax Free Non Convertible Debentures	₹	10,00,000	50	5.33	50	5.36
	Indian Railway Finance Corporation Limited						
	8.35% Tax Free Bonds	₹	10,00,000	250	28.06	250	28.40

8. INVESTMENTS (Contd...)

	Currency	Face Value	As at 31 March, 2021		As at 31 March, 2020	
			No.	₹ in crores	No.	₹ in crores
Tata AIG General Insurance Co. Limited						
8.52% Non Convertible Debentures	₹	10,00,000	-	-	30	2.90
Tata International Limited						
9.85% Non Convertible Debentures	₹	10,00,000	500	49.99	-	-
Tata Motors Finance Limited						
11.50% Non Convertible Debentures	₹	10,00,000	500	54.50	500	54.49
				235.30		**245.04**
F Investment in Others :						
Government Securities	₹			*		*
				*		*
Total : Non-current Investments - Net				**3,193.97**		**2,121.26**
Footnotes:						
(i) Aggregate value of Quoted Investments and market value thereof				658.49		389.59
(ii) Aggregate value of Unquoted Investments				2,627.45		1,822.78
(iii) Aggregate value of impairment in value of investments				91.97		91.11

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:

8 (a) Under a loan agreement for ₹ 0.60 crore (fully drawn and outstanding) entered into between Agro Foods Punjab Limited. (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.

8 (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.

8 (c) In respect of the Company's investment in 2,640 equity shares of Reliance Industries Limited, 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 and fair value of these shares have not been recognised.

8 (d) 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.

8 (e) 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.

8 (f) The Company has conducted its annual impairment assessment of the investment in wholly owned subsidiary Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited). 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 11.20% 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.

8 (g) During the current year, the Company has subscribed to the rights issue of 15,00,00,000 equity shares of ₹ 10 each of Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited) ('UMPESL') of ₹ 150 crores. Further, UMPESL has made early repayment of 0.01% Cumulative Redeemable Preference Shares ('CRPS') and the difference between carrying value of CRPS as on repayment date of ₹ 86.10 crores and redemption amount of ₹ 127 crores amounting to ₹ 40.79 crores has been adjusted against the investment in equity shares of UMPESL considering return of capital contribution made in earlier period by the Company.

8 (h) During the current year, the Company has subscribed to the rights issue of 5,000 equity shares at the designated rights issue price.

8 (ii) Current Investments

		Currency	Face Value	As at 31 March, 2021		As at 31 March, 2020	
				No.	₹ in crores	No.	₹ in crores
A	**Investment in Debenture/Bonds (at amortised cost)**						
	Fully Paid QUOTED:						
	Rural Electrification Corporation Limited						
	5.25% Tax Free Bonds	₹	10,000	-	-	500	0.50
	Tata Steel Limited						
	11.50% Perpetual Non Convertible Debentures	₹	10,00,000	292	29.21	-	-
	11.80% Perpetual Non Convertible Debentures	₹	10,00,000	-	-	100	10.24
	Tata AIG General Insurance Company Limited						
	8.52% Non Convertible Debentures	₹	10,00,000	30	2.96	-	-
	Housing and Urban Development Corporation Limited						
	8.10% Tax Free Bonds	₹	1,000	2,53,400	25.84	-	-
					58.01		**10.74**
B	**Investment in Unquoted Mutual funds (at fair value through profit or loss)**				**191.31**		**509.65**
Total Current investments					**249.32**		**520.39**
Footnotes :							
(i)	Aggregate amount of quoted investments and market value thereof				58.01		10.74
(ii)	Aggregate amount of unquoted investments				191.31		509.65
(iii)	Aggregate amount of impairment in value of investments				-		-

9. LOANS (NON-CURRENT) (AT AMORTISED COST)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Loans to Employees (Unsecured, considered good)	0.17	0.22
Total non-current loans	**0.17**	**0.22**

10. OTHER FINANCIAL ASSETS (NON-CURRENT) (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED) (AT AMORTISED COST)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
(a) Security deposits	10.71	14.19
(b) Deposits with customers / others	5.42	5.37
(c) Fixed deposits with remaining maturity of more than 12 months	72.43	64.03
(d) Others	15.41	12.01
Less: Impairment Allowance	15.41	12.01
Total other financial assets (Non-current)	**88.56**	**83.59**
Footnotes :		
(1) Break up of security details of other financial assets (non-current)		
(i) Unsecured, considered good	88.56	83.59
(ii) Credit impaired	15.41	12.01
	103.97	**95.60**
(2) Impairment Allowance		
(i) Unsecured, considered good	-	-
(ii) Credit impaired	15.41	12.01
	15.41	**12.01**

11. DEFERRED TAX

(a) The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet :

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Deferred tax assets	134.72	118.80
Deferred tax liabilities	(118.64)	(94.46)
Deferred Tax Assets (net)	**16.08**	**24.34**
Reconciliation of deferred tax assets (net):		
Opening balance	24.34	55.85
Additions on amalgamation (Refer Note 55)	-	(2.08)
Adjustment pursuant to amalgamation (Refer Note 55)	-	6.23
Tax income/(expense) during the period recognised in profit or loss	13.36	(33.32)
Tax income/(expense) during the period recognised in OCI	(21.62)	(2.34)
Closing balance	**16.08**	**24.34**

11. DEFERRED TAX (Contd...)

(b) The balance comprise temporary differences attributable to:

₹ in crores

	As at 31 March, 2020	(Charged) / credited to statement of profit and loss	(Charged) / credited to other compre-hensive income	As at 31 March, 2021
Provision for employee benefits (including Voluntary Retirement Scheme)	38.55	(0.72)	(1.98)	35.85
Allowance for receivables, loans and advances	60.98	16.94	-	77.92
Provision for contingencies and claims	7.34	0.70	-	8.04
Unpaid statutory liabilities	3.61	(0.30)	-	3.31
Government Grants	1.39	0.31	-	1.70
Estimated loss on projects	1.58	(0.60)	-	0.98
Free Maintenance services	5.17	0.89	-	6.06
Others	0.18	0.68	-	0.86
Deferred Tax Assets	**118.80**	**17.90**	**(1.98)**	**134.72**
Property, plant and equipment and intangible assets	(29.02)	(1.76)	-	(30.78)
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(40.83)	-	(19.64)	(60.47)
Unrealised gains on fair valuation of Mutual funds	(24.61)	(2.78)	-	(27.39)
Deferred Tax Liabilities	**(94.46)**	**(4.54)**	**(19.64)**	**(118.64)**
Deferred Tax Assets (net)	**24.34**	**13.36**	**(21.62)**	**16.08**

₹ in crores

	As at 31 March, 2019	Additions on amalga-mation (Refer Note 55)	(Adjust-ment pursuant to amalga-mation (Refer Note 55)	(Charged) / credited to state-ment of profit and loss	(Charged) / credited to other compre-hensive income	As at 31 March, 2020
Provision for employee benefits (including Voluntary Retirement Scheme)	37.52	0.11	-	4.12	(3.20)	38.55
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	0.17	-	(1.10)	-	3.61
Government Grants	-	-	-	1.39	-	1.39
Estimated loss on projects	10.29	-	-	(8.71)	-	1.58
Free Maintenance services	7.38	-	-	(2.21)	-	5.17
Deferred Tax on unrealised profit	-	-	6.23	(6.23)	-	-
Others	-	-	-	0.18	-	0.18

11. DEFERRED TAX (Contd...)

₹ in crores

	As at 31 March, 2019	Additions on amalgamation (Refer Note 55)	(Adjustment pursuant to amalgamation (Refer Note 55)	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	As at 31 March, 2020
Deferred Tax Assets	**149.85**	**0.28**	**6.23**	**(34.36)**	**(3.20)**	**118.80**
Property, plant and equipment and intangible assets	(35.57)	(2.36)	-	8.91	-	(29.02)
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	**(94.00)**	**(2.36)**	**-**	**1.04**	**0.86**	**(94.46)**
Deferred Tax Assets (net)	**55.85**	**(2.08)**	**6.23**	**(33.32)**	**(2.34)**	**24.34**

12. OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

₹ in crores

		As at 31 March, 2021	As at 31 March, 2020
(a)	Balance with Government Authorities	70.58	73.24
(b)	Capital advances	38.78	38.74
(c)	Advance to suppliers	1.07	1.07
(d)	Others	4.16	1.78
	Less: Impairment Allowance	5.34	5.33
Total other non-current assets		**109.25**	**109.50**
Footnote :-			
Impairment Allowance :			
(a)	Balance with Government Authorities	3.89	3.89
(b)	Advance to suppliers	1.07	1.07
(c)	Others	0.38	0.37
	Total	**5.34**	**5.33**

13. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

₹ in crores

		As at 31 March, 2021	As at 31 March, 2020
(a)	Raw materials and Components	358.65	265.95
(b)	Work-in-progress	10.40	6.53
(c)	Finished goods	365.38	196.18
(d)	Stock-in-trade	539.45	991.77
(e)	Stores and spares	0.02	0.02
Total Inventories		**1,273.90**	**1,460.45**
Inventories includes goods-in-transit:			
(a)	Raw materials and Components	88.65	108.74
(b)	Finished goods	2.08	-
(c)	Stock-in-trade	9.88	117.96
Total goods-in-transit		**100.61**	**226.70**
Footnote :			
Provision for write-down on value of inventory recognised in statement of profit and loss		27.52	26.09

14. CONTRACT ASSETS (CURRENT) (UNSECURED)

₹ in crores

			As at 31 March, 2021	As at 31 March, 2020
Amount due from customers under construction contracts			712.33	815.26
Less: Impairment Allowance			64.22	47.29
Contract assets (Current) (Net)			**648.11**	**767.97**
Footnotes :				
(1)	Break up of security details			
	(i)	Unsecured, considered good	700.28	802.93
	(ii)	Contract assets - credit impaired	12.05	12.33
			712.33	**815.26**
		Less: Impairment Allowance	64.22	47.29
			648.11	**767.97**

(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, 2021, contract assets balances have decreased as compared to 31 March, 2020 on account of certification of work by the customers.

15. TRADE RECEIVABLES (CURRENT) (AT AMORTISED COST) (UNSECURED)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Trade receivables	1,672.80	1,606.27
Less: Impairment Allowance	220.52	174.33
Trade receivables (net)	**1,452.28**	**1,431.94**
Footnotes :		
(1) Break up of security details		
(i) Unsecured, considered good	1,565.37	1,524.33
(ii) Trade Receivables - credit impaired	107.43	81.94
	1,672.80	**1,606.27**
Less: Impairment Allowance	220.52	174.33
	1,452.28	**1,431.94**

(2) There is no significant movement in trade receivaible balances as compared to 31 March, 2020.

(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 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.

(5) **Movement in impairment allowance on trade receivables and contract assets.**

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Balance at the beginning of the year	221.62	211.40
Allowances / (write back) during the year	77.17	46.47
Written off against past provision	(14.05)	(36.25)
Balance at the end of the year	**284.74**	**221.62**

16. CASH AND CASH EQUIVALENTS

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Cash on hand	-	*
Cheques on hand	13.97	1.44
Remittance in-transit	0.07	0.07
Balances with banks		
- On current accounts	289.64	171.49
- Fixed deposits with maturity less than 3 months	10.03	10.29
Total Cash and cash equivalents	**313.71**	**183.29**

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, 2021, the Company had available ₹ 342.96 crores (31 March, 2020: ₹ 696.96 crores) of undrawn committed borrowing facilities.

* value below ₹ 50,000/-

17. OTHER BALANCES WITH BANKS

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Fixed deposits with maturity greater than 3 months but less than 12 months	-	7.71
Earmarked balances - unpaid dividend Accounts	7.73	7.46
Margin money	2.91	2.93
Total Other Bank balances	**10.64**	**18.10**

Footnote :

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

18. LOANS (CURRENT) (AT AMORTISED COST)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Loans to employees (Unsecured, considered good)	1.30	1.05
Total loans (Current)	**1.30**	**1.05**

19. OTHER FINANCIAL ASSETS (CURRENT) (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED) (AT AMORTISED COST)

₹ in crores

		As at 31 March, 2021	As at 31 March, 2020
(a)	Security deposits	18.37	15.91
(b)	Due from related parties	35.60	40.79
(c)	Interest accrued	10.06	17.57
(d)	Fixed deposits with remaining maturity of less than 12 months	30.49	22.58
(e)	Others		
	- Considered good	42.64	50.75
	- Credit impaired	3.92	3.13
	Less: Impairment Allowance	3.92	3.13
Total other financial assets (Current)		**137.16**	**147.60**

20. OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

₹ in crores

		As at 31 March, 2021	As at 31 March, 2020
(a)	Balance with Government Authorities	74.23	231.43
(b)	Advance to suppliers	46.72	70.08
(c)	Gratuity fund (Refer Note 45)	9.95	12.42
(d)	Prepaid expense	18.46	39.30
(e)	Others		
	- Considered good	15.10	24.98
	- Credit impaired	0.27	0.28
	Less: Impairment Allowance	0.27	0.28
Total other current assets		**164.46**	**378.21**

21. SHARE CAPITAL

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Authorised:		
1,10,00,00,000 (31-3-2020: 1,10,00,00,000) Equity Shares of ₹ 1/- each	110.00	110.00
40,00,000 (31-3-2020: 40,00,000) Preference Shares of ₹ 100/- each	40.00	40.00
	150.00	**150.00**
Issued, Subscribed and Paid up:		
33,08,84,740 (31-3-2020: 33,08,84,740) Equity Shares of ₹ 1/- each	33.09	33.09
Less : Calls-in-Arrears [1,22,500 shares (31-3-2020: 1,22,500 shares) [Refer footnote 21 (d)]	0.01	0.01
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 Share Capital			
	As at 31 March, 2021		As at 31 March, 2020	
	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 equity shares held by shareholders holding more than 5% shares in the Company:

Name of Shareholder	Equity Share Capital				
		As at 31 March, 2021		As at 31 March, 2020	
	Class of Shares	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Tata Sons Private Limited	Equity	8,81,31,780	26.64	8,81,31,780	26.64

(d) As per the records of the Company, no calls remained unpaid by the Directors and Officers of the Company as on 31 March, 2021 (31 March, 2020 : Nil).

22. OTHER EQUITY

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
(1) Capital Reserve	12.25	12.25
(2) Capital Redemption Reserve	1.26	1.26
(3) Securities Premium	6.28	6.28
(4) General Reserve	1,406.83	1,386.83
(5) Staff Welfare Reserve	0.01	0.01
(6) Equity instruments fair value through other comprehensive income	626.85	304.31
(7) Retained Earnings	2,898.14	2,474.30
Total other equity	**4,951.62**	**4,185.24**

MOVEMENTS IN OTHER EQUITY

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
(1) Capital Reserve		
- As per last Balance Sheet	12.25	1.56
- Adjustment pursuant to amalgamation (Refer Note 55)	-	10.69
- Closing Balance	**12.25**	**12.25**
(2) Capital Redemption Reserve		
- As per last Balance Sheet	**1.26**	**1.26**
(3) Securities Premium		
- As per last Balance Sheet	6.28	6.27
- Received during the year	-	0.01
- Closing Balance	**6.28**	**6.28**
(4) General Reserve		
- As per last Balance Sheet	1,386.83	1,331.83
- Additions on amalgamation (Refer Note 55)	-	35.00
- Transfer from retained earnings	20.00	20.00
- Closing Balance	**1,406.83**	**1,386.83**
(5) Staff Welfare Reserve		
- As per last Balance Sheet	**0.01**	**0.01**
(6) Equity instruments fair value through other comprehensive income		
- As per last Balance Sheet	304.31	525.20
- Changes during the year	322.54	(220.89)
- Closing Balance	**626.85**	**304.31**
(7) Retained Earnings		
(a) As per last Balance Sheet	2,474.30	1,843.94
- Additions on amalgamation (Refer Note 55)	-	213.44
- Adjustment pursuant to amalgamation (Refer Note 55)	-	(11.85)
- As per last Balance Sheet	2,474.30	2,045.53
(b) Additions :		
- Net Profit for the year	570.30	595.09
- Transfer from other comprehensive income (Net of tax)	5.89	10.85

22. OTHER EQUITY (Contd...)

MOVEMENTS IN OTHER EQUITY

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
	576.19	**605.94**
(c) Deductions :		
- Dividend	132.35	132.35
- Dividend Distribution tax	-	24.82
- Transfer to General Reserve	20.00	20.00
	152.35	**177.17**
Closing Balance	**2,898.14**	**2,474.30**
Total other equity	**4,951.62**	**4,185.24**

DISTRIBUTION MADE AND PROPOSED

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Cash Dividends on Equity Shares declared and paid:		
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	-	24.82
	132.35	**157.17**
Proposed Dividend on Equity Shares:		
Dividend for the year ended 31 March, 2021: ₹ 5.00 per share	165.44	132.35
(31 March, 2020: ₹ 4.00 per share)		
	165.44	**132.35**

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 and 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.

23. CONTRACT LIABILITIES (NON-CURRENT)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Unexpired service contracts	0.64	0.74
Total Contract liabilities (Non-Current)	**0.64**	**0.74**

24. BORROWINGS (AT AMORTISED COST) (NON-CURRENT)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Unsecured		
Lease Liabilities (Refer Note 51)	4.00	5.41
Total non-current borrowings	**4.00**	**5.41**

25. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Non-current		
(i) Employee's payable - Voluntary Retirement Scheme	18.68	23.91
(ii) Others	0.73	-
Total other non-current financial liabilities	**19.41**	**23.91**

26. PROVISIONS (NON-CURRENT)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Provision for employee benefits :		
(i) Provision for gratuity (Refer Note 45)	30.12	34.61
(ii) Pension obligations (Refer Note 45)	37.87	32.87
(iii) Post retirement medical benefits (Refer Note 45)	5.73	6.62
Total non-current provisions	**73.72**	**74.10**

27. OTHER NON-CURRENT LIABILITIES

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Deferred Government Grant	6.32	6.60
Total other non-current liabilities	**6.32**	**6.60**

Footnote :

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants

28. CONTRACT LIABILITIES (CURRENT)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
(a) Advances received from customers	214.12	233.35
(b) Unexpired service contracts	8.19	8.41
(c) Billing in excess of contract revenue	169.45	170.51
Total Contract liabilities (Current)	**391.76**	**412.27**

Footnote :

Contract liabilities as at 31 March, 2021 are lower on account of execution of projects, for which advances were received from customers in previous year, resulting in recognition of revenue against which those advances were adjusted in current year.

29. BORROWINGS (AT AMORTISED COST) (CURRENT)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Secured		
(a) Working capital loans from banks	101.84	79.58
Unsecured		
(a) Lease Liabilities (Refer Note 51)	2.62	3.41
Total borrowings	**104.46**	**82.99**

Footnotes :

(i) Working capital loans are secured against assignment of Contract dues on overseas projects.

(ii) Working capital loans from banks are repayable on demand.

(iii) Working capital loans from banks carry an average interest rate of 1.6% to 3.75% (31 March, 2020 : 2.70% to 4.00%).

30. TRADE PAYABLES

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Trade payables :		
(i) Total outstanding dues of micro and small enterprises	150.99	216.82
(ii) Total outstanding dues of creditors other than micro and small enterprises	1,906.85	2,361.08
Total trade payables	**2,057.84**	**2,577.90**

Footnotes :

(i) Trade payables are non interest bearing and are normally settled on 30 days to 365 days credit term

(ii) Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (as amended) :

(i) (a) Principal amount remaining unpaid to any supplier	150.63	215.68
(b) Interest on (i)(a) above	-	0.23
(ii) The amount of interest paid along with the principal payment made to the supplier	0.01	0.33
(iii) Amount of interest due and payable on delayed payments	-	0.28
(iv) Amount of further interest remaining due and payable for the earlier years	1.14	0.63
(v) Total outstanding dues of Micro and Small Enterprises		
- Principal	149.84	215.68
- Interest	1.14	1.14

31. OTHER FINANCIAL LIABILITIES (CURRENT) (AT AMORTISED COST)

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
(a) Deposits received from customers / others	39.57	44.66
(b) Payable for capital goods	2.05	2.05
(c) Unpaid dividends	7.73	7.46
(d) Rebate to customers	36.33	27.04
(e) Employee's payable - Voluntary Retirement Scheme	6.61	5.96
(f) Other financial liabilities	2.08	3.12
Total other financial liabilities	**94.37**	**90.29**

32. PROVISIONS

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
(a) Provision for employee benefits		
(i) Provision for gratuity (Refer Note 45)	2.41	2.68
(ii) Pension obligations (Refer Note 45)	3.50	3.03
(iii) Provision for compensated absences	24.24	31.77
(iv) Post retirement medical benefits (Refer Note 45)	0.33	0.43
(b) Provision for Trade Guarantees	46.44	39.32
(c) Provision for Contingencies for tax matters	31.97	29.17
Total provision (current)	**108.89**	**106.40**

Footnotes :

A. **Provisions for Trade Guarantees**		
Opening balance	39.32	51.04
Additional provisions recognised	51.17	36.74
Less : Utilisation	36.06	46.00
Less : Reversal	7.99	2.46
Closing balance	**46.44**	**39.32**

B. **Provision for Contingencies for tax matters**		
Opening balance	29.17	25.60
Additional provisions recognised	3.06	3.57
Less : Utilisation	0.26	-
Closing balance	**31.97**	**29.17**

33. OTHER CURRENT LIABILITIES

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
(a) Statutory obligations	66.40	32.52
(b) Others	1.12	1.04
Total other current liabilities	**67.52**	**33.56**

34. REVENUE FROM OPERATIONS

₹ in crores

	Year ended 31 March, 2021	Year ended 31 March, 2020
Revenue from contracts with customers :		
(a) Sale of products	4,009.04	4,563.08
(b) Construction contract revenue	1,617.61	2,017.58
(c) Sale of services	625.00	591.52
	6,251.65	**7,172.18**
Other operating income :		
(1) Unclaimed credit balances written back	19.03	9.00
(2) Sale of scrap	4.25	7.18
(3) Government grant	15.35	0.17
(4) Business Support Services	87.51	17.89
(5) Others	0.18	0.18
	126.32	**34.42**
Total revenue from operations	**6,377.97**	**7,206.60**

35. OTHER INCOME

₹ in crores

		Year ended 31 March, 2021	Year ended 31 March, 2020
(a)	Dividend Income :		
	From investment in subsidiaries, associates and joint ventures	21.35	14.35
	From equity investments measured at FVTOCI	4.52	8.32
	From mutual funds investments measured at FVTPL	0.31	10.24
(b)	Interest Income :		
	On sundry advances, deposits, customers' balances etc.	0.03	0.04
	On deposits with banks	3.30	3.46
	On Income-tax refunds	8.63	0.16
	On fair valuation of financial assets	5.89	7.20
	On financial instruments measured at amortised cost	26.72	29.41
(c)	Gain on sale / fair valuation of financial assets measured at FVTPL	95.57	96.52
(d)	Gain on sale / disposal of property, plant and equipment (net)	-	0.54
(e)	Exchange differences (Net)	-	14.88
(f)	Rental income	32.81	38.64
(g)	Other non-operating income	20.83	26.63
Total other income		**219.96**	**250.39**

36. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in crores

	Year ended 31 March, 2021	Year ended 31 March, 2020
Inventories at the end of the year :		
- Finished Goods including stock-in-trade	904.83	1,187.95
- Work-in-progress	10.40	6.53
	915.23	**1,194.48**
Inventories at the beginning of the year :		
- Finished Goods including stock-in-trade	1,187.95	879.88
- Work-in-progress	6.53	12.55
	1,194.48	**892.43**
Net (increase) / decrease	**279.25**	**(302.05)**

37. EMPLOYEE BENEFITS EXPENSES

₹ in crores

		Year ended 31 March, 2021	Year ended 31 March, 2020
(a)	Salaries, Wages and Bonus	426.02	471.77
(b)	Contribution to Provident and other Funds	23.84	28.19
(c)	Staff Welfare expenses	15.58	21.23
Total employee benefits expenses		**465.44**	**521.19**

38. FINANCE COSTS

₹ in crores

	Year ended 31 March, 2021	Year ended 31 March, 2020
Interest expense		
(a) on borrowings from banks and others	14.66	7.75
(b) on delayed payment of income tax	3.57	-
(c) on lease liabilities	0.87	1.09
Total finance costs	**19.10**	**8.84**

39. DEPRECIATION AND AMORTISATION EXPENSES

₹ in crores

	Year ended 31 March, 2021	Year ended 31 March, 2020
(a) Depreciation on property, plant and equipment	21.80	19.91
(b) Amortisation on intangible assets	3.10	3.10
(c) Depreciation on investment property	1.14	0.93
(d) Depreciation on Right-of-use assets	3.79	4.62
Total depreciation and amortisation expenses	**29.83**	**28.56**

40. OTHER EXPENSES

₹ in crores

	Year ended 31 March, 2021	Year ended 31 March, 2020
(a) Consumption of Stores and Spares	3.42	3.62
(b) Power and Fuel	8.38	11.35
(c) Rent	29.60	36.27
(d) Repairs to Buildings	1.01	1.71
(e) Repairs to Plant and Machinery	9.76	9.20
(f) Insurance charges	10.13	8.15
(g) Rates and Taxes	2.03	2.22
(h) Travelling and Conveyance	26.37	43.18
(i) Payment to Auditors [Refer Note 40(A)]	2.70	2.92
(j) Legal and Professional fees	23.24	22.34
(k) Bad and Doubtful Debts / Advances [Refer footnote below]	81.37	46.11
(l) Loss on sale of property, plant and equipment	0.11	-
(m) Exchange differences (Net)	13.68	-
(n) Corporate Social Responsibility (CSR) [Refer Note (40(B)]	11.71	12.21
(o) Outside service charges	98.47	94.32
(p) Clearing charges	73.09	75.66
(q) Freight and forwarding charges	79.87	97.48
(r) Commission on sales	4.95	7.45
(s) Advertising	20.85	71.92
(t) Printing and stationery	8.25	10.29
(u) Miscellaneous expenses	81.92	90.53
Total other expenses	**590.91**	**646.93**
Footnote :		
Bad and Doubtful Debts / Advances includes :-		
(a) Expected credit loss for contract assets and trade receivables	77.17	46.47
(b) Allowance for doubtful debts and advances	4.20	(0.36)
Total	**81.37**	**46.11**

40(a) AUDITOR'S REMUNERATION

₹ in crores

	Year ended 31 March, 2021	Year ended 31 March, 2020
(a) To Statutory Auditor for		
(1) Audit Fees	2.28	2.41
(2) Tax Audit Fees	0.06	0.06
(3) Other Services	0.25	0.25
(4) Reimbursement of Expenses	0.05	0.12
(b) To Secretarial Auditor for secretarial audit	0.02	0.02
(c) To Cost Auditor for cost audit	0.04	0.06
Total	**2.70**	**2.92**

40(b) CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENSES

₹ in crores

	Year ended 31 March, 2021	Year ended 31 March, 2020
(a) Gross amount required to be spent by the Company during the year	11.50	11.98
(b) Amount approved by the Board to be spent during the year	11.71	12.21
(c) Amount spent during the year		
- Construction / acquisition of any asset	-	-
- On purposes other than (i) above	11.71	12.21
Total	**11.71**	**12.21**
Details of ongoing project and other than ongoing project		
(d) Details of ongoing project		
(i) There are no amount required to be spent during the year on any ongoing projects	-	-
Opening Balance		
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount required to be spent during the year	11.50	11.98
Amount spent during the year	11.71	12.21
Closing balance	-	-
(e) Details related to spent / unspent obligations :		
(i) Contribution to Public Trust	5.24	2.31
(ii) Contribution to Charitable Trust	0.81	0.01
(iii) Others (Contribution to Section 8 companies, non- profit organisation, proprietorship and private Limited companies)	5.66	7.79
(iv) Unspent amount in relation to:		
- Ongoing projects	-	-
- Other than ongoing projects	-	-
Total	**11.71**	**10.11**

41. EXCEPTIONAL ITEMS

₹ in crores

		Year ended 31 March, 2021	Year ended 31 March, 2020
(a)	Provision for diminution in value of investments	-	(3.72)
(b)	Voluntary Retirement Scheme	-	(51.19)
Exceptional Items		**-**	**(54.91)**

Footnotes :

(i) The Company has recognised an impairment provision of ₹ Nil (31 March, 2020: ₹ 2.16 crores) towards investment in Olayan Voltas Contracting Company, a Joint Venture (JV) of the Company and ₹ Nil (31 March, 2020: ₹ 1.56 crores) towards investment in Terrot GmbH, an associate company considering losses incurred by respective entities.

(ii) During the previous 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 was disclosed as an exceptional item.

42. INCOME TAX

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31 March, 2021 and 31 March, 2020

₹ in crores

	Year ended 31 March, 2021	Year ended 31 March, 2020
Profit before tax	733.42	812.84
Indian statutory income tax rate	25.17%	25.17%
Income-tax expense at India's statutory income tax rate	184.59	204.58
Effect of adjustments to reconcile the expected tax expense to reported income tax expense:		
Effect of exempt income	(8.15)	(6.37)
Effect of non-deductible expenses	3.50	6.40
Effect of income which is taxed at special rates	(15.27)	(12.32)
Adjustment of tax relating to earlier periods	-	(4.51)
Change in tax rate (refer note below)	-	32.92
Effect of impairment / reversal of impairment provision on investments	0.22	0.94
Others	(1.77)	(3.89)
	163.12	**217.75**

Note :

During the previous year, 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 ₹ 32.92 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.

43. EARNINGS PER SHARE

₹ in crores

		Year ended 31 March, 2021	Year ended 31 March, 2020
(a)	Profit attributable to Equity shareholders - (₹ in crores)	570.30	595.09
(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)	17.24	17.98

44. COMMITMENTS AND CONTINGENCIES

(A) Commitments :

₹ in crores

		As at 31 March, 2021	As at 31 March, 2020
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	29.48	12.57

(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 Guarantees :

The Company has issued financial guarantees to banks on behalf of and in respect of credit facilities availed by its subsidiary and joint venture companies

₹ in crores

		As at 31 March, 2021	As at 31 March, 2020
(i)	Limits (Fund and Non Fund based)	1,202.03	1,190.91
(ii)	Against which outstanding balance	713.91	376.45

(C) Contingent liabilities:

Claims against the Company not acknowledged as debts

₹ in crores

		As at 31 March, 2021	As at 31 March, 2020
(i)	Sales tax / VAT matters	187.55	223.75
(ii)	Service tax matters	18.40	15.66
(iii)	Excise matters	19.89	19.51
(iv)	Contractual matters in the course of business	67.69	83.93
(v)	Customs duty matters	1.14	-
(vi)	Guarantees for terminated contract	336.78	345.78
(vii)	Income tax matters	14.75	10.04
		646.20	**698.67**

(D) There are numerous interpretative issues relating to the Supreme Court (SC) judgment 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.

45. 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. The gratuity plan pertaining to employees of Universal Comfort Products Limited ('UCPL') which has been amalgamated with the Company from 1 April, 2019 was unfunded in FY 2019-20.

(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.

45. EMPLOYEE BENEFITS (Contd...)

(a) The following table summaries the components of net benefit expenses recognised in statement of profit and loss, other comprehensive income, the funded status and amount recognised in the balance sheet for the respective plans as on the reporting dates:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	2020-21	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**
Current service cost	3.51	4.21	5.88	6.64	-	-	0.22	0.25
Net interest expense	(0.85)	0.05	0.91	1.31	2.45	2.89	0.48	0.56
Past Service Cost	-	-	-	-	-	1.74	-	-
Components of defined benefit costs recognised in profit or loss	**2.66**	**4.26**	**6.79**	**7.95**	**2.45**	**4.63**	**0.70**	**0.81**
Remeasurement on the defined benefit plans:								
Return on plan assets	(1.71)	0.14	-	-	-	-	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(3.82)	(4.12)	(2.27)	(2.94)	(0.46)	(2.89)	(0.07)	0.47
Actuarial (gains) / losses arising from experience adjustments	(3.79)	(1.32)	(1.17)	(2.56)	6.73	0.10	(1.31)	(0.92)
Components of defined benefit costs recognised in other comprehensive income	**(9.32)**	**(5.30)**	**(3.44)**	**(5.50)**	**6.27**	**(2.79)**	**(1.38)**	**(0.45)**
Change in benefit obligation								
Opening defined benefit obligation	44.02	57.59	37.29	34.80	35.90	37.13	7.05	7.24
Current service cost	3.51	4.21	5.88	6.64	-	-	0.22	0.25
Interest cost	3.00	4.49	0.91	1.31	2.45	2.89	0.48	0.56
Remeasurement (gains)/losses:								
Actuarial (gains)/losses arising from changes in financial assumptions	(3.82)	(4.12)	(2.27)	(2.94)	(0.46)	(2.89)	(0.07)	0.47
Actuarial (gains)/losses arising from experience adjustments	(3.79)	(1.32)	(1.17)	(2.56)	6.73	0.10	(1.31)	(0.92)
Past service cost	-	-	-	-	-	1.74	-	-
Transfer of obligation from Gratuity unfunded to Gratuity funded (Refer footnote)	0.31	-	(0.31)	-	-	-	-	-
Exchange differences on foreign plans	-	-	(1.05)	3.20	-	-	-	-

45. EMPLOYEE BENEFITS (Contd...)

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Benefits paid	(3.50)	(16.83)	(6.75)	(3.16)	(3.25)	(3.07)	(0.31)	(0.55)
Closing defined benefit obligation	**39.73**	**44.02**	**32.53**	**37.29**	**41.37**	**35.90**	**6.06**	**7.05**

Footnote:

On amalgamation of UCPL with the Company, employees covered under unfunded gratuity plan of erstwhile UCPL are now covered as part of gratuity funded plan of the Company.

Change in plan assets

Opening fair value of plan assets	56.44	57.05
Interest income	3.85	4.45
Remeasurement gain / (losses) :		
Return on plan assets	1.71	(0.14)
Contributions from the employer	-	11.92
Refund of additional contribution made in earlier years	(8.82)	-
Benefits paid	(3.50)	(16.84)
Closing fair value of plan assets	**49.68**	**56.44**

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans are as follows:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Present value of funded defined benefit obligation	(39.73)	(44.02)	(32.53)	(37.29)	(41.37)	(35.90)	(6.06)	(7.05)
Fair value of plan assets	49.68	56.44	-	-	-	-	-	-
Net (liability) / asset arising from defined benefit obligation	**9.95**	**12.42**	**(32.53)**	**(37.29)**	**(41.37)**	**(35.90)**	**(6.06)**	**(7.05)**

45. EMPLOYEE BENEFITS (Contd...)

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

Category of investments:	Gratuity funded	
	As at 31 March, 2021	As at 31 March, 2020
Government of India securities	45%	39%
Corporate bonds	45%	54%
Mutual funds	6%	3%
Others (Interest accrued, Balances with banks)	4%	4%
	100%	**100%**

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

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Discount rate	6.96%	6.82%	3.10%	2.50%	6.96%	6.82%	6.96%	6.82%
Attrition Rate	1.00%	1.00%	2% & 2.33%	2.00%	1.00%	1.00%	1.00%	1.00%
Mortality Rate	**Indian Assured Lives Mortality (2006-08)**		**Indian Assured Lives Mortality (2006-08)**		**Indian Assured Lives Mortality (2006-08)**		**Indian Assured Lives Mortality (2006-08)**	
Expected rate of salary Increase / pension escalation / medical cost inflation	5.00%	6.00%	2.00%	2.00%	6.00%	6.00%	5.00%	5.00%

45. EMPLOYEE BENEFITS (Contd...)

(d) A quantitative sensitivity analysis for significant assumptions are as follow:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	As at 31 March, 2021	**As at 31 March, 2020**	**As at 31 March, 2021**	**As at 31 March, 2020**	**As at 31 March, 2021**	**As at 31 March, 2020**	**As at 31 March, 2021**	**As at 31 March, 2020**
Projected benefit obligations on current assumptions	39.73	44.02	32.53	37.29	41.37	35.90	6.06	7.05
+1% increase in discount rate	(3.00)	(3.07)	(3.28)	(4.01)	(3.35)	(2.90)	(0.13)	(0.15)
-1% decrease in discount rate	3.47	3.50	3.90	4.81	3.88	3.37	0.18	0.20
+ 1% increase in salary/pension/medical cost inflation	3.30	3.47	3.90	4.78	3.85	3.34	0.14	0.16
-1% decrease in salary/pension/medical cost inflation	(0.88)	(3.10)	(3.34)	(4.07)	(3.38)	(2.93)	(0.14)	(0.16)
+1% increase in rate of employee turnover	0.56	(0.01)	0.36	(0.21)	NA	NA	(0.04)	(0.04)
-1% decrease in rate of employee turnover	(0.62)	0.01	(0.41)	0.23	NA	NA	0.03	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:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	As at 31 March, 2021	**As at 31 March, 2020**	**As at 31 March, 2021**	**As at 31 March, 2020**	**As at 31 March, 2021**	**As at 31 March, 2020**	**As at 31 March, 2021**	**As at 31 March, 2020**
Within 1 year	3.85	2.75	2.41	2.51	3.50	3.03	0.33	0.43
Between 1 and 2 years	1.26	1.62	0.93	0.96	3.55	3.01	0.35	0.45
Between 2 and 3 years	3.24	2.79	1.23	1.33	3.59	3.00	0.36	0.47
Between 3 and 4 years	4.21	3.06	1.87	1.24	3.62	2.98	0.38	0.49
Between 4 and 5 years	3.19	4.51	1.71	1.91	3.63	2.97	0.40	0.51
Beyond 5 years	23.98	29.28	24.39	29.34	23.49	20.91	4.24	4.70

The contribution expected to be made by the Company during the financial year 2020-21 is ₹ 6.00 crores (31 March, 2020 ₹ 6.00 crores).

45. 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, 2021.

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

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Fair value of plan assets	313.38	281.69
Present value of defined obligation	307.72	277.89
Contribution during the year (Employee and Employer Contribution)	29.31	31.23

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

	As at 31 March, 2021 %	As at 31 March, 2020 %
Guaranteed Interest rate	8.65%	8.50%
Discount Rate for the remaining term to maturity of Interest portfolio	6.96%	6.82%

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.

46. RELATED PARTY DISCLOSURES

(a) List of Related Parties and Relationships

Party		Relation
A	**Related parties where control exists**	
	Auto Aircon (India) Limited	Subsidiary
	Voltas Netherlands B.V.	
	Lalbuksh Voltas Engineering Services & Trading L.L.C. *	
	Weathermaker Limited	
	Saudi Ensas Company for Engineering Services W.L.L.	
	Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited)	
	Voltas Qatar W.L.L. *	
	Voltas Oman L.L.C. *	
	Agro Foods Punjab Limited (Under liquidation)	
	Westerwork Engineers Limited (Under liquidation)	
B	**Other Related Parties (Where transactions have taken place during the year and previous year / balance outstanding)**	
1	Brihat Trading Private Limited	Associate
	Naba Diganta Water Management Limited	
	Terrot GmbH	
2	Universal Voltas L.L.C. *	Joint Venture
	Olayan Voltas Contracting Company Limited	
	Voltas Water Solutions Private Limited	
	Voltbek Home Appliances Private Limited	
3	Mr. Pradeep Bakshi - Managing Director & CEO	Key Management Personnel
	Mr. Anil George - Chief Financial Officer - CFO (Deputy Managing Director and CFO till 31 August, 2020)	
	Mr. V. P. Malhotra - Vice President - Taxation, Legal & Company Secretary	
4	Non-Executive Directors	Directors
	Mr. Noel Tata - Chairman	
	Mr. Vinayak Deshpande	
	Mr. Hemant Bhargava	
	Mr. Saurabh Agrawal (w.e.f. 21 January, 2021)	
	Independent Directors	
	Mr. Debendranath Sarangi	
	Mr. Bahram N. Vakil	
	Ms. Anjali Bansal	
	Mr. Arunkumar Adhikari	
	Mr. Zubin Dubash	
5	Voltas Limited Provident Fund	Employee Benefit Funds
	Voltas Managerial Staff Provident Fund	
	Voltas Limited Employees' Gratuity Fund	
	Voltas Limited Managerial Staff Gratuity Fund	
	Voltas Limited Employees' Superannuation Scheme	
6	Tata Sons Private Limited	Promoter
7	Automotive Stampings and Assemblies Limited	Subsidiaries and Joint Ventures of Promoter
	C-Edge Technologies Limited	
	Ewart Investments Limited	
	Gurgaon Realtech Limited	
	Infiniti Retail Limited	
	MahaOnline Limited	
	Mikado Realtors Private Limited	
	TAL Manufacturing Solutions Limited	

46. RELATED PARTY DISCLOSURES (Contd...)

Party		Relation
	TATA Advanced Materials Limited	
	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 known as Taco Hendrickson Suspensions Private Limited)	
	Tata Autocomp Katcon Exhaust Systems Private Limited (formerly known as Katcon India Private Limited)	
	Tata Autocomp Systems Limited	
	Tata Boeing Aerospace Limited (formerly known as Tata Aerospace 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 Elxsi Limited (ceased to be an associate and became a subsidiary w.e.f. 01.12.2020)	
	Tata Ficosa Automotive Systems Private Limited (formerly known as 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 known as Tata Steel International (UK) Limited)	
	Tata Investment Corporation Limited	
	Tata Lockheed Martin Aerostructures Limited	
	Tata Realty and Infrastructure Limited	
	Tata Sikorsky Aerospace Limited (formerly known as Tara Aerospace Systems Limited)	
	Tata Sky Broadband Private Limited (formerly known as Quickest Broadband Private Limited)	
	Tata Sky Limited	
	Tata Teleservices (Maharashtra) Limited	
	Tata Teleservices Limited	
	Tata Toyo Radiator Limited	
	TCS Foundation	
	TM Automotive Seating Systems Private Limited	
	TP Central Odisha Distribution Limited (w.e.f. 01.06.2020)	
	TRIF Real Estate And Development Limited (ceased w.e.f. 09.12.2019)	
	TRIL Amritsar Projects Limited (formerly known as TRIF Amritsar Projects Limited) (ceased w.e.f. 09.12.2019)	
	TRIL Infopark Limited	
	TRIL IT4 Private Limited (formerly known as Albrecht Builder Private Limited)	
	TRIL Urban Transport Private Limited	

46 (b) Related Party Transactions

₹ in crores

Sr. No.	Year	Transactions	Subsidiaries	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoters	Key Management Personnel	Directors	Employee Benefit Funds	Total
1	**2020-21**	**Purchases of stock-in-trade**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2019-20		-	-	2.66	-	-	-	-	-	2.66
2	**2020-21**	**Sale of Products**	**-**	**-**	**0.89**	**0.01**	**28.12**	**-**	**-**	**-**	**29.02**
	2019-20		-	-	0.62	0.02	42.14	-	-	-	42.78
3	**2020-21**	**Service Income - Other than Management fees**	**6.44**	**0.11**	**5.13**	**0.07**	**104.03**	**-**	**-**	**-**	**115.78**
	2019-20		6.59	0.15	0.16	0.07	95.23	-	-	-	102.20
4	**2020-21**	**Service Income - Management fees on vendor bill discounting**	**-**	**-**	**-**	**-**	**0.58**	**-**	**-**	**-**	**0.58**
	2019-20		-	-	-	-	0.26	-	-	-	0.26
5	**2020-21**	**Construction contract revenue (Includes billed and unbilled revenue)**	**-**	**-**	**-**	**-**	**12.77**	**-**	**-**	**-**	**12.77**
	2019-20		-	-	-	-	68.28	-	-	-	68.28
6	**2020-21**	**Sale of property, plant and equipment**	**0.01**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.01**
	2019-20		-	-	0.01	-	-	-	-	-	0.01
7	**2020-21**	**Interest Income**	**5.89**	**-**	**-**	**-**	**5.18**	**-**	**-**	**-**	**11.07**
	2019-20		7.20	-	-	-	8.66	-	-	-	15.86
8	**2020-21**	**Rental Income**	**0.50**	**-**	**0.56**	**-**	**7.59**	**-**	**-**	**-**	**8.65**
	2019-20		0.46	-	0.28	-	11.56	-	-	-	12.30
9	**2020-21**	**Dividend Income**	**21.13**	**0.21**	**-**	**-**	**3.66**	**-**	**-**	**-**	**25.00**
	2019-20		14.18	0.18	-	-	3.79	-	-	-	18.15
10	**2020-21**	**Business support services**	**40.09**	**-**	**7.42**	**-**	**-**	**-**	**-**	**-**	**47.51**
	2019-20		4.88	-	9.14	-	-	-	-	-	14.02
11	**2020-21**	**Commission Received / Receivable**	**-**	**0.27**	**-**	**-**	**-**	**-**	**-**	**-**	**0.27**
	2019-20		-	0.41	-	-	-	-	-	-	0.41
12	**2020-21**	**Remuneration Paid / Payable**	**-**	**-**	**-**	**-**	**-**	**9.17**	**2.15**	**-**	**11.32**
	2019-20		-	-	-	-	-	11.76	2.25	-	14.01
13	**2020-21**	**Sitting Fees**	**-**	**-**	**-**	**-**	**-**	**-**	**0.42**	**-**	**0.42**
	2019-20		-	-	-	-	-	-	0.40	-	0.40

46 (b) Related Party Transactions (Contd...)

₹ in crores

Sr. No.	Year	Transactions	Subsidiaries	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoters	Key Management Personnel	Directors	Employee Benefit Funds	Total
14	**2020-21**	**Dividend Paid**	**-**	**-**	**-**	**35.25**	**4.76**	**-**	**-**	**-**	**40.01**
	2019-20		-	-	-	35.25	4.76	-	-	-	40.01
15	**2020-21**	**Tata Brand Equity**	**-**	**-**	**-**	**9.69**	**-**	**-**	**-**	**-**	**9.69**
	2019-20		-	-	-	11.20	-	-	-	-	11.20
16	**2020-21**	**Purchase of goods / services for execution of contracts**	**168.98**	**-**	**53.12**	**-**	**-**	**-**	**-**	**-**	**222.10**
	2019-20		424.34	-	11.22	-	0.46	-	-	-	436.02
17	**2020-21**	**Impairment in value of investment**	**-**	**-**	**0.86**	**-**	**-**	**-**	**-**	**-**	**0.86**
	2019-20		-	1.56	2.16	-	-	-	-	-	3.72
18	**2020-21**	**Security Deposit Refunded**	**-**	**-**	**-**	**-**	**0.78**	**-**	**-**	**-**	**0.78**
	2019-20		-	-	-	-	0.38	-	-	-	0.38
19	**2020-21**	**Other Expenses- Received/Receivable**	**14.31**	**-**	**15.54**	**0.16**	**0.10**	**-**	**-**	**-**	**30.11**
	2019-20		69.13	-	75.46	0.14	0.29	-	-	-	145.02
20	**2020-21**	**Other Expenses- Paid/Payable**	**10.39**	**-**	**8.62**	**0.03**	**15.15**	**-**	**-**	**-**	**34.19**
	2019-20		8.39	-	3.71	0.27	15.16	-	-	-	27.53
21	**2020-21**	**Purchase of property, plant and equipment**	**-**	**-**	**0.11**	**-**	**1.67**	**-**	**-**	**-**	**1.78**
	2019-20		-	-	0.01	-	3.39	-	-	-	3.40
22	**2020-21**	**Investments in Equity shares**	**150.00**	**-**	**74.97**	**-**	**8.25**	**-**	**-**	**-**	**233.22**
	2019-20		-	-	138.18	-	-	-	-	-	138.18
23	**2020-21**	**Investments in Bonds / Debentures**	**-**	**-**	**-**	**-**	**48.46**	**-**	**-**	**-**	**48.46**
	2019-20		-	-	-	-	2.86	-	-	-	2.86
24	**2020-21**	**Redemption of Investments in Preference shares/ Bonds / Debentures**	**127.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**127.00**
	2019-20		-	-	-	-	101.25	-	-	-	101.25
25	**2020-21**	**Security deposit received**	**0.15**	**-**	**-**	**-**	**0.53**	**-**	**-**	**-**	**0.68**
	2019-20		-	-	-	-	0.01	-	-	-	0.01
26	**2020-21**	**Security deposit at the end of the year**	**0.15**	**-**	**-**	**-**	**7.50**	**-**	**-**	**-**	**7.65**
	2019-20		-	-	-	-	8.25	-	-	-	8.25

46 (b) Related Party Transactions (Contd...)

₹ in crores

Sr. No.	Year	Transactions	Subsi-diaries	Associ-ates	Joint Ventures	Promoter	Subsi-diaries and Joint Ventures of Promoters	Key Manage-ment Personnel	Directors	Employee Benefit Funds	Total
27	**2020-21**	**Provision for Debts and Advances at year end**	**-**	**-**	*****	*****	**0.93**	**-**	**-**	**-**	**0.93**
	2019-20		-	-	*	-	1.02	-	-	-	1.02
28	**2020-21**	**Advance Outstanding at year end**	**36.00**	**-**	**-**	**0.08**	**0.12**	**-**	**-**	**-**	**36.20**
	2019-20		40.81	-	0.08	0.14	0.12	-	-	-	41.15
29	**2020-21**	**Outstanding Share Application Money at year end**	**-**	**-**	**13.13**	**-**	**-**	**-**	**-**	**-**	**13.13**
	2019-20		-	-	13.13	-	-	-	-	-	13.13
30	**2020-21**	**Debit Balance Outstanding at year end**	**1.00**	**0.03**	**16.31**	**-**	**73.19**	**-**	**-**	**-**	**90.53**
	2019-20		7.88	0.03	21.98	-	126.92	-	-	-	156.81
31	**2020-21**	**Credit Balance Outstanding at year end**	**136.87**	**0.44**	**7.41**	**8.76**	**0.17**	**-**	**-**	**-**	**153.65**
	2019-20		180.52	0.24	2.30	10.04	0.98	-	-	-	194.08
32	**2020-21**	**Guarantees Outstanding at year end**	**1,128.49**	**-**	**73.54**	**-**	**-**	**-**	**-**	**-**	**1,202.03**
	2019-20		1,115.53	-	75.38	-	-	-	-	-	1,190.91
33	**2020-21**	**Impairment in value of Investments at year end**	**67.58**	**1.56**	**22.83**	**-**	**-**	**-**	**-**	**-**	**91.97**
	2019-20		67.58	1.56	21.97	-	-	-	-	-	91.11
34	**2020-21**	**Contract Revenue in excess of Billing**	**-**	**-**	**-**	**-**	**3.00**	**-**	**-**	**-**	**3.00**
	2019-20		-	-	-	0.15	60.62	-	0.02	-	60.79
35	**2020-21**	**Billing in excess of Contract Revenue**	**-**	**-**	**-**	**-**	**4.15**	**-**	**-**	**-**	**4.15**
	2019-20		-	-	-	-	-	-	-	-	-
36	**2020-21**	**Contribution to Employee Benefit Funds**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8.44**	**8.44**
	2019-20		-	-	-	-	-	-	-	21.13	21.13

* Value below ₹ 50,000/-

47. RESEARCH AND DEVELOPMENT EXPENDITURE

₹ in crores

	2020-21	2019-20
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centers		
(1) Revenue expenditure	**5.18**	**4.53**
UPBG, Pantnagar	3.02	1.36
EM&RBG, Thane	2.16	3.17
(2) Capital expenditure	**0.01**	**0.25**
UPBG, Pantnagar	0.01	0.07
EM&RBG, Thane	-	0.18
Expenditure at other R&D centers		
(1) Revenue expenditure	**7.63**	**3.38**
UPBG, Faridabad	5.37	2.22
EM&RBG, Waghodia	2.26	1.16
(2) Capital expenditure	**3.94**	**11.36**
UPBG, Faridabad	3.89	4.21
EM&RBG, Waghodia	0.05	7.15
Total R&D expenditure	**16.76**	**19.52**
(1) Revenue expenditure	**12.81**	**7.91**
UPBG	8.39	3.58
EM&RBG	4.42	4.33
(2) Capital expenditure	**3.95**	**11.61**
UPBG	3.90	4.28
EM&RBG	0.05	7.33

Business Segments :

UPBG : Unitary Cooling Products for Comfort and Commercial use.

EM&RBG : Electro - Mechanical Projects and Services.

48. FINANCIAL INSTRUMENTS

A. Financial instruments by category:

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

₹ in crores

	As at 31 March, 2021					As at 31 March, 2020				
	FVTPL	FVTOCI	Amortised cost	Total Carrying value	Total Fair value	FVTPL	FVTOCI	Amortised cost	Total Carrying value	Total Fair value
Financial assets										
Investments (*)	1,723.04	696.90	343.31	2,763.25	2,763.25	1,413.47	346.47	384.99	2,144.93	2,144.93
Loans	-	-	1.47	1.47	1.47	-	-	1.27	1.27	1.27
Trade receivables	-	-	1,452.28	1,452.28	1,452.28	-	-	1,431.94	1,431.94	1,431.94
Other financial assets	0.19	-	225.53	225.72	225.72	7.18	-	224.01	231.19	231.19
Cash and cash equivalents	-	-	313.71	313.71	313.71	-	-	183.29	183.29	183.29
Other balances with banks	-	-	10.64	10.64	10.64	-	-	18.10	18.10	18.10
	1,723.23	**696.90**	**2,346.94**	**4,767.07**	**4,767.07**	**1,420.65**	**346.47**	**2,243.60**	**4,010.72**	**4,010.72**
Financial liabilities										
Borrowings	-	-	108.46	108.46	108.46	-	-	88.40	88.40	88.40
Trade payables	-	-	2,057.84	2,057.84	2,057.84	-	-	2,577.90	2,577.90	2,577.90
Other financial liabilities	-	-	113.78	113.78	113.78	-	-	114.20	114.20	114.20
	-	**-**	**2,280.08**	**2,280.08**	**2,280.08**	**-**	**-**	**2,780.50**	**2,780.50**	**2,780.50**

*The above investment does not include 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".

The management assess that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, other financial assets, Borrowings, Trade payables and Other financial liabilities 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.

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, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Financial assets						
At fair value through profit or loss						
- Investment	1,723.04	1,413.47	-	-	-	-
- Derivative financial assets	-	-	0.19	7.18	-	-
At fair value through Other Comprehensive Income						
- Investment	423.19	144.55	-	-	273.71	201.92
TOTAL	**2,146.23**	**1,558.02**	**0.19**	**7.18**	**273.71**	**201.92**

There are no financial liabilities at fair value through Profit and Loss.

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.

C. Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets :

₹ in crores

As at 1 April, 2019	203.25
Add: Fair valuation gain/(loss) recognised in OCI	(1.33)
Closing balance as at 31 March, 2020	201.92
Add: Fair valuation gain/(loss) recognised in OCI	63.54
Add: Investments made during the year	8.25
Closing balance as at 31 March, 2021	**273.71**

49. 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 40) :

₹ in crores

Nature of expenses		2020-21		
		Grouped Under		
		Consumption of materials, cost of jobs and services	Other expenses	Total
(1)	Rent	1.21	29.60	30.81
(2)	Power and Fuel	0.80	8.38	9.18
(3)	Insurance charges	7.58	10.13	17.71
(4)	Travelling and Conveyance	0.99	26.37	27.36
(5)	Printing and Stationery	0.35	8.25	8.60
(6)	Legal and Professional charges	0.53	23.24	23.77
(7)	Clearing charges	0.36	73.09	73.45
(8)	Outside Service charges	31.69	98.47	130.16
(9)	Repairs to Plant and Machinery	0.02	9.76	9.78
(10)	Other General expenses	16.06	81.92	97.98

₹ in crores

Nature of expenses		2019-20		
		Grouped Under		
		Consumption of materials, cost of jobs and services	Other expenses	Total
(1)	Rent	0.40	36.27	36.67
(2)	Power and Fuel	0.66	11.35	12.01
(3)	Insurance charges	5.47	8.15	13.62
(4)	Travelling and Conveyance	0.99	43.18	44.17
(5)	Printing and Stationery	0.26	10.29	10.55
(6)	Legal and Professional charges	1.72	22.34	24.06
(7)	Clearing charges	0.26	75.66	75.92
(8)	Outside Service charges	79.69	94.32	174.01
(9)	Repairs to Plant and Machinery	0.16	9.20	9.36
(10)	Other General expenses	21.70	90.53	112.23

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial liabilities include 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 the short term borrowing significantly, 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 ₹ 4.31 crores (31 March, 2020: ₹ 3.53 crores) whereas a decrease in 25 bps change in 10 year Govt. bond yield would result in a profit of approximately ₹ 4.31 crores 31 March, 2020: ₹ 3.53 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 by utilising foreign exchange forward contracts within the approved policy parameters.

As at the end of the reporting period, the carrying amounts of the material foreign currency denominated monetary assets and liabilities are as follows:

₹ in crores

Currency	Liabilities		Assets	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
United States Dollar (USD)	298.96	543.39	52.66	88.17
United Arab Emirates Dirham (AED)	276.22	294.08	357.91	401.72
Qatari Riyal (QAR)	45.10	54.36	45.94	91.34
Singapore Dollar (SGD)	60.75	63.20	5.89	13.77

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, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
USD +5%	(9.64)	(5.81)	(7.21)	(4.57)
USD -5%	9.64	5.81	7.21	4.57
AED +5%	4.08	5.38	3.06	4.03
AED -5%	(4.08)	(5.38)	(3.06)	(4.03)
QAR +5%	0.04	1.85	0.03	1.38
QAR -5%	(0.04)	(1.85)	(0.03)	(1.38)
SGD +5%	(2.74)	(2.47)	(2.05)	(1.85)
SGD -5%	2.74	2.47	2.05	1.85

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, 2021	As at 31 March, 2020
Forward contracts - Buy (USD/₹)	53.58	338.96

The fair value of the Company's derivatives position recorded under financial assets and financial liabilities are as follows:

₹ in crores

	Liabilities		Assets	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Forex Forward Cover	-	-	0.19	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, 2021	As at 31 March, 2020
NSE Nifty 50 - increase 5%	21.16	7.23
NSE Nifty 50 - decrease 5%	(21.16)	(7.23)

(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 48 "Financial Instruments". The maximum credit exposure on financial guarantees given by the Company for various financial facilities is disclosed in Note 44 "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 generates 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.

₹ in crores

Contractual maturities of financial liabilities 31 March, 2021	Less than 1 year	More than 1 year	Total
Non-derivatives			
Borrowings (*)	102.97	-	102.97
Lease Liabilities	2.62	4.87	7.49
Trade payables	2,057.84	-	2,057.84
Other financial liabilities	94.37	25.80	120.17
Total Non-derivative liabilities	**2,257.80**	**30.67**	**2,288.47**
Derivatives (net settled)	**-**	**-**	**-**

₹ in crores

Contractual maturities of financial liabilities 31 March, 2020	Less than 1 year	More than 1 year	Total
Non-derivatives			
Borrowings (*)	81.20	-	81.20
Lease Liabilities	3.41	6.68	10.09
Trade payables	2,577.90	-	2,577.90
Other financial liabilities	90.29	34.01	124.30
Total Non-derivative liabilities	**2,752.80**	**40.69**	**2,793.49**
Derivatives (net settled)	**-**	**-**	**-**

The amount included in Note 44(B) for financial guarantee contracts are the maximum amounts that the Company may be liable to settle under the respective arrangements for the full guaranteed amount if that amount is claimed by the counterparty for the guarantee. Based on the expectations as at the end of reporting period, the Company considers that it is more likely than not that such amount shall not be payable under the respective arrangements. However, this estimate is subject to change depending upon 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.

51. LEASES

Company as a lessee

The Company has lease contracts for its office premises and storage locations with lease term between 1 year to 6 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, 2021 and 31 March, 2020 is as follows

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
Balance at the beginning	8.82	-
Ind AS 116 impact (Refer footnote below)	-	11.31
Additions	1.66	1.35
Accretion of interest	0.87	1.09
Payment of lease liabilities	4.73	4.93
Balance at the end	6.62	8.82

Footnote :
During the previous year, the Company adopted Ind AS 116 'Leases' and accordingly recognised Right-of-use assets and an equal amount of lease liabilities of ₹ 11.31 crores as of 1 April, 2019.

(b) The following are the amounts recognised in profit or loss

₹ in crores

	Year ended 31 March, 2021	Year ended 31 March, 2020
Depreciation on right-of-use assets	3.79	4.62
Interest expense on lease liabilities	0.87	1.09
Expense relating to short-term leases (Refer footnote c)	102.69	111.93
Total amount recognised in statement of profit and loss	**107.35**	**117.64**

(c) Details of carrying amount of right-of-use assets and movement during the period is disclosed under Note 6

Footnotes :

(a) The maturity analysis of lease liabilities are disclosed in Note 50 (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 40)

(d) The Company had total cash flows for leases of ₹ 4.73 crores on 31 March, 2021 (31 March, 2020 : ₹ 4.93 crores)

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 6 years, The Company has the option under some of its leases to lease the assets for additional periods. An amount of ₹ 32.81 crores is recognised as lease income in the statement of profit and loss account for the year ended 31 March, 2021 (31 March, 2020: ₹ 38.65 crores).

Minimum lease income for non-cancelable operating lease

₹ in crores

	As at 31 March, 2021	As at 31 March, 2020
(a) Not later than one year	5.59	7.01
(b) Later than one year but not later than five years	0.24	4.77
(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

₹ in crores

	Particulars	Yeas ended 31 March, 2021	Year ended 31 March, 2020
Segment - A (Unitary Cooling Products for Comfort and Commercial use)			
(a)	Sale of products	3,518.36	4,049.74
(b)	Sale of services	36.68	23.96
	Sub-total :	**3,555.04**	**4,073.70**
Segment - B (Electro - Mechanical Projects and Services)			
(a)	Sale of products	282.07	314.73
(b)	Construction contract revenue	1,617.61	2,017.58
(c)	Sale of services	461.80	458.86
	Sub-total :	**2,361.48**	**2,791.17**
Segment - C (Engineering Products and Services)			
(a)	Sale of products	232.97	222.95
(b)	Sale of services	126.52	108.71
	Sub-total :	**359.49**	**331.66**
	Less : Inter segment revenue	24.36	24.35
Total revenue from contracts with customers		**6,251.65**	**7,172.18**

(B) Set out below is the amount of revenue recognised from

₹ in crores

	Particulars	As at 31 March, 2021	As at 31 March, 2020
(a)	Amounts included in contract liabilities at the beginning of the year	313.59	208.46
(b)	Performance obligations satisfied in previous years	(0.54)	7.32

(C) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

₹ in crores

		Particulars	Yeas ended 31 March, 2021	Year ended 31 March, 2020
		Revenue as per contracted price	**5,720.82**	**6,539.76**
		Adjustments		
Add:	(a)	Unbilled on account of work under certification	700.28	802.93
Less:	(b)	Billing in excess of contract revenue	(169.45)	(170.51)
		Revenue from contract with customers	**6,251.65**	**7,172.18**

(D) Performance obligation

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March, 2021 is of ₹ 4,363.81 crores (31 March, 2020: ₹ 5,205.06 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 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.

54. IMPACT OF COVID-19

The Company has considered the possible impact of COVID-19 pandemic on its operations, liquidity position and recoverability of its asset balances at 31 March, 2021 based on the internal and external information upto the date of approval of these financial statements. The impact of COVID-19 may be different from that estimated 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.

55. AMALGAMATION OF UNIVERSAL COMFORT PRODUCTS LIMITED (WHOLLY OWNED SUBSIDIARY COMPANY)

(a) Pursuant to the Scheme of merger by absorption ('the Scheme)' of erstwhile Universal Comfort Products Limited with the Company under Sections 230 to 232 of the Companies Act, 2013 sanctioned by National Company Law Tribunal, Mumbai on 11 September, 2020 all assets and liabilities of Universal Comfort Products Limited were transferred and vested in the Company with appointed date of 1 April, 2019.

(b) The amalgamation has been accounted in the books of account of the Company in accordance with Ind AS 103 'Business Combination' read with Appendix C to Ind AS 103 specified under Section 133 of the Act, read with the Companies (Accounting Standards) Amendment Rules, 2016. Accordingly, the accounting treatment has been given as follows:

(i) The assets, liabilities and reserves of Universal Comfort Products Limited have been incorporated in the financial statements at the carrying values.

(ii) The balance of the retained earnings and general reserve appearing in the financial statements of Universal Comfort Products Limited have been aggregated with corresponding balance appearing in the financial statements of the Company.

(iii) Inter-Company balances and transactions have been eliminated and resultant adjustment of ₹ 11.85 crores (net of deferred tax of ₹ 6.23 crores) has been adjusted in retained earnings.

(iv) 2,76,42,000 equity share of ₹ 10 each fully paid in Universal Comfort Products Limited, held as investment by the Company stands cancelled and the difference between book value of investments and face value of such shares amounting to ₹ 10.69 crores has been adjusted to capital reserve of the Company.

(v) The financial information in the financial statements in respect of prior period have been restated as if business combination had occurred from the beginning of the preceding period in the financial statements irrespective of actual date of combination in accordance with Ind AS 103.

56. The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette in September 2020 which could impact the contribution by the Company towards certain employment benefits. The effective date from which the changes and rules would become applicable is yet to be notified. Impact of the changes will be assessed and accounted in the relevant period of notification of relevant provisions.

57. The Board of Directors of the Company at its meeting held on 12 February, 2021, have approved the transfer of domestic B2B businesses of the Company relating to Projects business comprising Mechanical, Electrical and Plumbing (MEP)/ Heating, Ventilation and Air-Conditioning (HVAC) and Water projects, Mining and Construction Equipment (M&CE) business and Textile Machinery Division (TMD) business to its wholly owned subsidiary viz. Universal MEP Projects & Engineering Services Limited ('UMPESL') (formerly Rohini Industrial Electricals Limited) by slump sale through a Business Transfer Agreement ('BTA'). The Company has executed the BTA on 24 March, 2021 and the transaction is expected to be consummated by end of September 2021 or such other date as may be mutually agreed between the Company and UMPESL.

58. EVENTS OCCURRING AFTER BALANCE SHEET

(i) The Directors have recommended final dividend of ₹ 165.44 crores at ₹ 5.00 per share on equity shares which is subject to the approval of shareholders. 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.

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

As per our report of even date

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
Place : Mumbai
Date : 12 May, 2021

For and on behalf of the Board

Noel Tata
Chairman
Place : Mumbai

Anil George
Chief Financial Officer
Place : Mumbai

Pradeep Bakshi
Managing Director & CEO
Place : Delhi

V. P. Malhotra
Vice President - Taxation, Legal & Company Secretary
Place : Mumbai

Date : 12 May, 2021

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

₹ in crores

	Name of company		Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited)	Auto Aircon (India) Limited (AAIL) (Under strike off)	Weathermaker Limited (WML)	Saudi Ensas Company for Engineering Services & Trading W.L.L. (Saudi Ensas)	Lalbuksh Voltas Engineering Services & Trading L.L.C. (LALVOL)	Voltas Oman L.L.C. (VOLLC)	Voltas Qatar W.L.L. (VQWLL)	Voltas Netherlands B.V. (VNBV)
1	Date since when subsidiary was acquired		4.9.2008	6.12.2002	20.1.2006	28.1.2009	31.3.2011	27.3.2011	3.5.2016	31.12.1999
2	Reporting Period		31.3.2021	31.3.2021	31.3.2021	31.3.2021	31.3.2021	31.3.2021	31.3.2021	31.3.2021
3	(i)	Reporting currency	₹	₹	AED	SR	RO	RO	QAR	EURO
	(ii)	Exchange rate as on the last date of the relevant financial year	–	–	₹ 20.02	₹ 19.61	₹ 190.96	₹ 190.96	₹ 20.20	₹ 86.04
4	Capital		151.83	11.95	3.07	32.34	2.74	8.82	1.90	2.65
5	Reserves & Surplus (Other Equity)		(6.56)	(11.95)	30.49	(34.29)	84.57	(71.61)	160.19	51.32
6	Total Assets		330.11	-	45.17	34.12	128.01	98.19	579.76	55.06
7	Total Liabilities		184.84	-	11.60	36.07	40.71	160.97	417.68	1.09
8	Investments		-	-	-	-	-	-	-	48.71
9	Profit / (loss) before Taxation		322.17	-	34.51	45.98	86.32	47.85	843.45	-
10	Turnover (Revenue from Operations)		18.23	-	0.06	4.33	10.74	(45.83)	73.29	7.70
11	Provision for Taxation		8.50	-	-	0.01	1.61	-	7.16	-
12	Profit / (loss) after Taxation		9.72	-	0.06	4.31	9.13	(45.83)	66.13	7.70
13	(a)	Interim Dividend	-	-	-	-	5.73	-	-	-
	(b)	Proposed Dividend	-	-	-	-	2.86	-	-	18.58
	Total Dividend (a + b)		-	-	-	-	8.59	-	-	18.58
14	% of Shareholding		100%	100%	100%	100%*	60%**	65%***	49%****	100%

* 8% shares held by VNBV   ** 40% shares held by VNBV   *** 65% shares held by VNBV   **** 49% shares held by VNBV

Notes :

1. Foreign currency figures of WML, Saudi Ensas, LALVOL, VOLLC, VQWLL and VNBV have been converted into Indian Rupees on the basis of appropriate exchange rates as on reporting period.
2. Abbreviation for foreign currencies - AED: United Arab Emirates Dirhams; SR: Saudi Riyal; RO: Omani Rial; QAR: Qatari Rial and EURO: European Union Currency.
3. As Voltas Limited controls the composition of the Board of Directors of VQWLL, it is a subsidiary of Voltas.

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Setion 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

₹ in crores

	Name of company	Universal Voltas L.L.C.	Olayan Voltas 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	26.8.1981	8.2.2012	17.3.2008	26.4.2014	18.8.2017	13.5.2014	21.8.2012
2	Latest Audited Balance Sheet Date	31.3.2021	31.3.2021	31.3.2021	31.3.2021	31.3.2021	31.12.2020	31.3.2021
3	Shares of Associate/Joint Ventures held by the Company on the year end							
	(i) Number	–	50,000	47,97,000	28,41,500	41,01,34,900	2,60,900	3,352
	(ii) Amount of Investment in Associates/Joint Ventures (₹ in crores)	–	20.24#	4.80	2.85	410.13	1.56	***
	(iii) (iii) Extent of Holding %	49%*	50%	26%	50%	49%	20.07%	33.33%
4	Description of how there is significant influence	Equity Investment more than 20%						
5	Reason why the Associate/Joint Venture is not consolidated	Not applicable						Dormant Company
6	Networth attributable to Shareholding as per latest Audited Balance Sheet (₹ in crores)	53.03	0.25	9.22	-	220.68	-	Not Material
7	Profit / (loss) for the year							
	(i) Considered in Consolidation (₹ in crores)	2.99	(0.85)	1.14	-	(64.25)	-	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

Noel Tata
Chairman
Place : Mumbai

Pradeep Bakshi
Managing Director & CEO
Place : Delhi

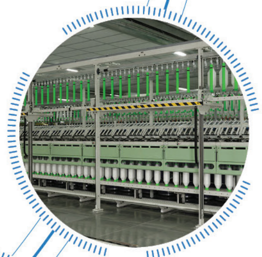
Anil George
Chief Financial Officer
Place : Mumbai
Date : 12 May, 2021

V. P. Malhotra
Vice President - Taxation, Legal & Company Secretary
Place : Mumbai

NOTES

VOLTAS

ANNUAL REPORT 2020-21



65

YEARS OF BUILDING
A SMARTER TOMORROW

VOLTAS

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