



VOLTAS LIMITED

NOTICE

THE FIFTY-NINTH ANNUAL GENERAL MEETING OF VOLTAS LIMITED will be held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020, on Monday, 19th August, 2013 at 3.00 p.m. to transact the following business:-

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March, 2013 and the Balance Sheet as at that date together with the Report of the Board of Directors and the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Nasser Munjee, who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. Nani Javeri, who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Mr. N. N. Tata, who retires by rotation and is eligible for reappointment.
6. **Appointment of Mr. Thomas Mathew T. as a Director:**

To consider and, if thought fit, to pass the following Resolution, with or without modification, as an Ordinary Resolution:

"RESOLVED that Mr. Thomas Mathew T., who was appointed by the Board of Directors as an Additional Director of the Company with effect from 10th January, 2013 and who holds office upto the date of the forthcoming Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 ('the Act') and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation."

7. **Appointment of Auditors:**

To consider and, if thought fit, to pass the following Resolution, with or without modification, as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, as amended or re-enacted from time to time (the 'Act'), Messrs Deloitte Haskins & Sells (ICAI Registration No.117366W), the retiring Auditors of the Company, be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to examine and audit the accounts of the Company for the financial year 2013-14 on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.

RESOLVED FURTHER that the Auditors of the Company be and are hereby authorised to carry out (either themselves or through qualified Associates) the audit of the Company's accounts maintained at all its offices, plants, works and establishments (whether now existing or as may be established or acquired during the Company's financial year ending 31st March, 2014) wherever situated in India or abroad.

RESOLVED FURTHER that pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Act, the Board of Directors be and is hereby authorised to appoint Messrs Deloitte Haskins & Sells, the Company's Auditors and/or in consultation with them, any other person or persons who is/are qualified for appointment as Auditor or Auditors of the Company's Branch offices (whether now existing or as may be established) to examine and audit the accounts for the financial year 2013-14 on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

NOTES:

- (a) The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item Nos. 6 and 7 set out above and the relevant details of Directors seeking appointment/reappointment under Item Nos. 3 to 6 above, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, are annexed hereto.
- (b) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT OF PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- (c) The Transfer Books of the Company will remain closed from Tuesday, 6th August, 2013 to Monday, 19th August, 2013, both days inclusive.
- (d) If dividend on shares as recommended by the Directors is approved at the Meeting, the payment will be made on or after 21st August, 2013, as under:
 - (i) to all Beneficial Owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and Central Depository Services (India) Limited as of the close of business hours on 5th August, 2013;
 - (ii) to all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 5th August, 2013.
- (e) Members are requested to notify any change in their address, bank details, etc.:
 - (i) to their Depository Participants (DPs) in respect of shares held in demat form; and
 - (ii) to the Registrar & Share Transfer Agent of the Company in respect of shares held in physical form, quoting their folio numbers.

- (f) It is notified for the information of the shareholders concerned that the unclaimed dividends for the years 1973-74 to 1994-95 have been transferred by the Company to the General Revenue Account of the Central Government and the same can be claimed by the shareholders from the office of the Registrar of Companies, Maharashtra, situated at CGO Complex, 'A' Wing, 2nd floor, Next to Reserve Bank of India, CBD-Belapur, Navi Mumbai – 400 614 (Phone No.27576802).
- (g) Pursuant to the provisions of Sections 205A(5) and 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. The unclaimed dividends for the financial years 1995-96 and 1998-99 to 2004-05 have been transferred to the IEPF and no claim shall lie against the IEPF or the Company for the amount of dividend so transferred. Shareholders who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2006 or any subsequent financial years are requested to approach the Company or the Company's Registrar and Share Transfer Agent for claiming the same. It may be noted that the unpaid dividend for the financial year ended 31st March, 2006, declared on 7th August, 2006 can be claimed by the shareholders by 6th August, 2013.
- (h) The Ministry of Corporate Affairs has vide its Circular Nos. 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011, respectively, undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering their e-mail addresses with TSR Darashaw Private Limited, the Company's Registrar and Share Transfer Agent.

By Order of the Board of Directors

V.P. Malhotra

Vice President – Taxation, Legal
& Company Secretary

Mumbai, 20th May, 2013

Registered Office:

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

EXPLANATORY STATEMENTS

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statements set out all material facts relating to the business mentioned under Item Nos. 6 and 7 of the accompanying Notice dated 20th May, 2013.

2. Item No. 6:

Mr. Thomas Mathew T. was appointed an Additional Director of the Company by the Board of Directors with effect from 10th January, 2013, representing Life Insurance Corporation of India (LIC), pursuant to Section 260 of the Companies Act, 1956 ('the Act') and holds office only upto the date of the forthcoming Annual General Meeting and is eligible for appointment. The Company has received a notice in writing from a member, proposing his candidature for the office of Director under the provisions of Section 257 of the Act.

Mr. Thomas Mathew T. is a post-graduate in Economics and holds a Bachelor's Degree in Law. He also holds post-graduate diploma in Management from International Institute of Advanced Marketing. He is the Managing Director of LIC and on the Board of various group companies of LIC. Mr. Thomas Mathew T. is also on the Board of The Tata Power Company Limited, as representative of LIC.

Brief information of Mr. Thomas Mathew T. is given in the Annexure attached to the Notice.

The Directors consider that Mr. Thomas Mathew's appointment as a Director will be of advantage to the Company and accordingly, the Board commends his appointment for acceptance by the members.

Mr. Thomas Mathew T. is concerned or interested in the Resolution at Item No. 6 of the Notice.

3. Item No. 7:

It is proposed to reappoint Messrs Deloitte Haskins & Sells, as Auditors of the Company for the year 2013-14. As required under Section 224 of the Companies Act, 1956 (the 'Act'), a certificate has been received from them to the effect that their appointment, if made, will be in accordance with the limits specified in Section 224(1B) of the Act. The approval of the members is also being sought to authorise the Board to determine the remuneration payable to the Auditors in consultation with them.

It is also proposed to appoint Messrs Deloitte Haskins & Sells, Company's Auditors and/or in consultation with them, any other person or persons as the Branch Auditors of the Company under the provisions of Section 228 of the Act for auditing the accounts of such Branch offices for the year 2013-14 on such remuneration, terms and conditions as the Board of Directors may deem fit.

The Board commends the Resolution at Item No. 7 for acceptance by the members.

By Order of the Board of Directors

V.P. Malhotra

Vice President – Taxation, Legal
& Company Secretary

Mumbai, 20th May, 2013

Registered Office:

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

Details of the Directors seeking appointment/reappointment at the forthcoming Annual General Meeting

(In pursuance of Clause 49 IV(G) of the Listing Agreement)

Name of Director	Mr. Nasser Munjee	Mr. Nani Javeri
Date of Birth	18-11-1952	4-4-1946
Date of Appointment	29-12-1997	29-10-2009
Expertise in specific functional areas	Eminent Economist, Banker and Consultant of Infrastructure	Finance and Banking
Qualifications	Masters in Economics – London School of Economics, U.K.	B.A. History (Hons.)
Shareholding in the Company as on 20th May, 2013	Nil	Nil
List of other public limited companies in which Directorship held as on 20th May, 2013	<ul style="list-style-type: none"> • ABB Limited • Ambuja Cements Limited • Britannia Industries Limited • Cummins India Limited • Development Credit Bank Limited • HDFC Limited • HUDCO Limited • Go Airlines (India) Limited • Reid & Taylor (India) Limited • Shipping Corporation of India Limited • Tata Chemicals Limited • Tata Motors Limited • Tata Motors Finance Limited • Unichem Laboratories Limited 	
Chairman/Member of the Committees of the Board across all public companies of which he is a Director as on 20th May, 2013	<ul style="list-style-type: none"> • ABB Limited Audit Committee – Chairman • Britannia Industries Limited Audit Committee – Chairman • Cummins India Limited Audit Committee – Chairman • Tata Chemicals Limited Audit Committee – Chairman • Tata Motors Limited Audit Committee – Chairman • Ambuja Cements Limited Audit Committee – Member • HUDCO Limited Audit Committee – Member • Unichem Laboratories Limited Audit Committee – Member • Voltas Limited Audit Committee – Member 	
Relationships between Directors inter-se	Nil	Nil

Details of the Directors seeking appointment/reappointment at the forthcoming Annual General Meeting

(In pursuance of Clause 49 IV(G) of the Listing Agreement)

Name of Director	Mr. N. N. Tata	Mr. Thomas Mathew T.
Date of Birth	12-11-1956	3-6-1953
Date of Appointment	27-1-2003	10-1-2013
Expertise in specific functional areas	Marketing and Retailing Business	Life Insurance, including Marketing, Investment and International Operations of LIC
Qualifications	B.A. (Economics) from University of Sussex and IEP, INSEAD, France	M.A. (Economics), LL.B., PGDM (Marketing)
Shareholding in the Company as on 20th May, 2013	Nil	Nil
List of other public limited companies in which Directorship held as on 20th May, 2013	<ul style="list-style-type: none"> • Bachi Shoes Limited • Drive India Enterprise Solutions Limited • Kansai Nerolac Paints Limited • Landmark Limited • Tata International Limited • Tata Investment Corporation Limited • Titan Industries Limited • Trent Limited • Trent Hypermarket Limited 	
Chairman/Member of the Committees of the Board across all public companies of which he is a Director as on 20th May, 2013	<ul style="list-style-type: none"> • Voltas Limited Shareholders'/Investors' Grievance Committee – Chairman • Trent Limited Audit Committee – Member • Trent Hypermarket Limited Audit Committee – Member 	None
Relationships between Directors inter-se	Nil	Nil



VOLTAS LIMITED

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

Attendance Slip

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand over the same duly signed at the space provided, at the entrance of the meeting hall.

I hereby record my presence at the FIFTY-NINTH ANNUAL GENERAL MEETING of the Company at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020, at 3.00 p.m. on Monday, 19th August, 2013.

Full name of the shareholder
(in block capitals)

Signature

Folio No. /DP ID No.* & Client ID No.*

* Applicable for members holding shares in electronic form.

Full name of Proxy
(in block capitals)

Signature

Note : Shareholder/Proxyholder desiring to attend the Meeting should bring his copy of the Annual Report for reference at the Meeting .



VOLTAS LIMITED

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

Proxy

I/We.....
of in the district of being
a Member/Members of the above named Company, hereby appoint.....
..... of in the district of or failing him
..... of in the district of
..... as my/our Proxy to attend and vote for me/us and on
my/our behalf at the FIFTY-NINTH ANNUAL GENERAL MEETING of the Company to be held on Monday, 19th August, 2013
and at any adjournment thereof.

Signed this day of 2013.

Folio No.: /DP ID No.* & Client ID No.*

* Applicable for members holding shares in electronic form.

No. of Shares

Signature

Affix
15 paise
Revenue
Stamp

Note: The proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.



VOLTAS

A **TATA** Enterprise

Annual Report 2012-2013

Memorable Deeds and Notable Achievements



The High Points of 2012-13

In spite of a sluggish economy and intense competition, Team Voltas scored numerous triumphs. Here's a gallery of achievements in each business.

Read on for more...

Unitary Cooling Products



The 'All-Weather AC' ad campaign won the coveted Gold EFFIE award for 2012, in the 'Consumer Durables' category.

Voltas, India's No 1 AC brand, further grew its lead to 19.8% market share (Multi-Brand Outlets: May 2013). It's a new high for the 'All-Weather AC' version 2, launched with exciting new features for year-round comfort.



Continuing the thrust to expand the Voltas market footprint, more and more Voltas Brand Shops opened their doors to eager consumers.



Commercial Refrigeration forged ahead with 50% growth in sales volume, securing several big orders – including its largest order ever, supplying chocolate coolers to Cadbury's.



Electro-Mechanical Projects - Domestic



Sustaining its pioneering performance in 'green' building works, Voltas completed the **TCS Pune** project, which qualifies for LEED Gold certification.



Artist's Impression

Breaking through into the premium high-rise segment, Voltas' energy-efficient VRF systems bagged a **milestone** order from DLF.



Generic representation

Delhi Metro Rail picked Voltas for Environmental Control Systems and Tunnel Ventilation Systems covering 8 underground stations and connecting tunnels. The order comes on the heels of the HVAC order for **Chennai Metro Rail**, already in progress for 19 underground stations and tunnels.

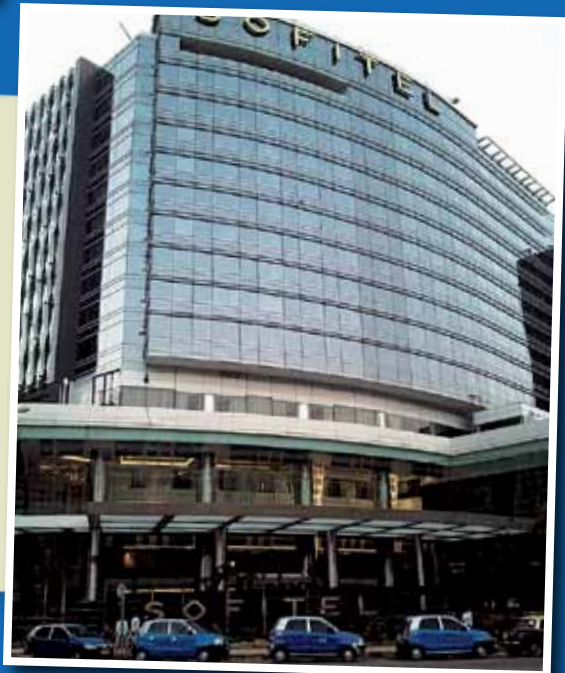


Voltas won top honours for innovative product design at the 7th **Bry-Air Awards for Excellence** for its Vapour Absorption Machine with advanced Para-Flow technology, designed for -5°C applications.



Prestigious international certifications for global quality standards: awarded to Voltas water-cooled chiller packages and Air Handling Units.

For India's very first Sofitel Hotel, part of the top French luxury hotel chain: MEP works of deluxe standard.



A water supply & sewerage project completed for Nabadiganta township in W Bengal – the start of a 30-year undertaking to provide 24x7 water services to the 227,000 residents (including over 600 IT and ITeS firms).





BOARD OF DIRECTORS

Chairman	Ishaat Hussain
Managing Director	Sanjay Johri
Directors	Nasser Munjee N. N. Tata S. N. Menon Nani Javeri R. N. Mukhija V. Deshpande Thomas Mathew T.
Vice President - Taxation, Legal & Company Secretary	V. P. Malhotra

AUDIT COMMITTEE

Chairman	Nani Javeri Nasser Munjee R. N. Mukhija
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REMUNERATION COMMITTEE

Ishaat Hussain
Nasser Munjee
S. N. Menon
Nani Javeri

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

Chairman	N. N. Tata
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CORPORATE MANAGEMENT

Managing Director	Sanjay Johri
Executive Vice Presidents	Anil George Gavin Appleby M. Gopi Krishna Pradeep Bakshi Emmanuel David

Solicitors

Messrs Mulla & Mulla and Craigie, Blunt & Caroe

Auditors

Messrs Deloitte Haskins & Sells,
Chartered Accountants

Bankers In India

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

Overseas

Emirates NBD Bank PJSC (UAE)
Union National Bank (UAE)
HSBC Bank Middle East Limited (UAE, Qatar, Bahrain)
The Commercial Bank of Qatar (Qatar)
First Gulf Bank (UAE)
Doha Bank (Qatar)
The Royal Bank of Scotland N. V. (Singapore)
Credit Agricole Corporate and Investment Bank
(Singapore)

Registered Office

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

Share Registrars

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

Annual General Meeting :
Monday, 19th August, 2013 at 3.00 p.m.
at Birla Matushri Sabhagar,
19, Sir Vithaldas Thackersey Marg, Mumbai 400 020.

HIGHLIGHTS

		2012-13	2011-12	2010-11	2009-10	2008-09
1. SALES AND SERVICES	₹	560551	519397	516936	451666	407025
2. OTHER INCOME	₹	10945	11985	7372	7520	9416
3. COST OF SALES AND SERVICES (incl. Excise Duty)	₹	442675	393222	376211	319388	299802
4. OPERATING, ADMINISTRATION AND OTHER EXPENSES	₹	105396	102330	100351	94873	83107
5. Staff Expenses (included in 3 & 4)	₹	(56704)	(55197)	(51450)	(49631)	(42860)
Number of Employees (including Contract Staff)	Nos.	8862	9994	11527	8608	9594
6. OPERATING PROFIT	₹	23425	35830	47746	44925	33532
7. EXCEPTIONAL INCOME/(EXPENSES)	₹	832	(15095)	4480	3639	3201
8. PROFIT/(LOSS) BEFORE TAXATION	₹	24257	20735	52226	48564	36733
Percentage to Sales	%	4.3	4.0	10.1	10.8	9.0
Percentage to Total Net Assets	%	14.3	13.5	38.2	47.9	42.8
9. TAXATION	₹	6250	5548	16873	14142	11474
10. PROFIT/(LOSS) AFTER TAXATION	₹	18007	15187	35353	34422	25259
Percentage to Sales	%	3.2	2.9	6.8	7.6	6.2
Percentage to Shareholders' Funds	%	12.1	11.1	27.8	34.6	34.6
11. RETAINED PROFIT	₹	11813	9034	27662	26705	19065
12. DIVIDEND ON EQUITY CAPITAL	₹	5294	5294	6618	6618	5294
Percentage	%	160	160	200	200	160
13. FIXED ASSETS (AT COST)	₹	35847	33398	32851	31399	30358
14. DEPRECIATION	₹	18237	16600	14436	13931	13053
15. INVESTMENTS	₹	55984	46741	39347	33997	23580
16. NET CURRENT AND NON-CURRENT ASSETS	₹	93418	87992	77106	48062	42700
17. DEFERRED TAX ASSET (NET)	₹	2446	2615	1696	1903	2158
18. DEFERRED REVENUE EXPENDITURE	₹	—	—	—	—	—
19. TOTAL NET ASSETS	₹	169458	154146	136564	101430	85743
20. SHARE CAPITAL	₹	3307	3307	3307	3307	3307
21. RESERVES AND SURPLUS	₹	144954	133060	123866	96215	69592
22. SHAREHOLDERS' FUNDS	₹	148261	136367	127173	99522	72899
Equity per Share	₹ +	*44.81	*41.21	*38.43	*30.08	*22.03
Earnings per Share	₹ +	*5.44	*4.59	*10.68	*10.40	*7.63
Number of Shareholders	Nos.	116804	120098	93220	98788	119549
Share Prices on Stock Exchange - High	₹ +	*138	*189	*263	*190	*197
- Low	₹ +	*73	*72	*147	*46	*31
23. BORROWINGS	₹	21197	17779	9391	1908	12844
Debt/Equity Ratio	%	14	13	7	2	18
(Percentage to Shareholders' Funds)						

Note: All amounts are Rupees in lakhs except those marked +
 *Face Value of ₹ 1 each



2007-08	2006-07	2005-06	2004-05	2003-04	1994-95	1984-85	1974-75	1964-65	1954-55	
308617	245078	190418	144143	132994	81089	26607	15934	4223	991	1
4632	3071	2431	1953	1688	759	150	40	5	2	2
227671	186100	145162	108570	100562	60368	21080	13856	3468	815	3
57811	46537	35899	32264	30422	19225	5556	1955	522	153	4
(27685)	(24008)	(17623)	(14435)	(12619)	(9997)	(3170)	(1031)	(363)	(109)	5
7378	5848	5390	5747	4484	10667	8147	7252	5082	2324	
27767	15512	11788	5262	3698	2255	121	163	238	25	6
2987	6771	(2619)	504	989	(78)	—	—	—	—	7
30754	22283	9169	5766	4687	2177	121	163	238	25	8
10.0	9.1	4.8	4.0	3.5	2.7	0.5	1.0	5.9	2.5	
52.5	48.1	29.3	19.2	17.2	5.0	1.1	4.6	18.3	6.5	
9917	3675	2120	725	784	5	Nil	83	141	11	9
20837	18608	7049	5041	3903	2172	121	80	97	14	10
6.8	7.6	3.7	3.5	2.9	2.7	0.5	0.5	2.3	1.4	
38.7	48.9	29.2	26.1	20.6	13.2	4.1	6.7	17.6	9.1	
15610	14737	4785	3155	2783	997	23	5	59	6	11
4467	3309	1985	1654	993	1158	98	75	38	8	12
135	100	60	50	30	35	10	12	15	5.5	
28178	24493	28074	24858	24751	30651	5014	1232	447	53	13
12228	11506	14592	16615	12491	10718	1580	642	82	3	14
26793	13741	6103	4622	4547	8245	512	132	67	—	15
13813	16594	9089	14974	9396	14230	6583	2859	867	336	16
2043	2967	2668	2153	1021	—	—	—	—	—	17
—	—	—	—	—	720	—	—	—	—	18
58599	46289	31342	29992	27224	43128	10529	3581	1299	386	19
3307	3307	3306	3305	3305	3428	978	623	255	150	20
50525	34768	20835	16046	15595	13048	2002	570	295	4	21
53832	38075	24141	19351	18900	16476	2980	1193	550	154	22
*16.27	*11.50	72.96	58.48	57.12	49.5	305	191	216	1027	
*6.30	*5.62	21.3	15.2	11.8	6.8	12	13	38	93	
81371	96312	52365	53674	60622	84180	45237	14395	7356	150	
*267	*120	1088	248	159	176	470	211	276		
*79	*75	218	88	50	92	356	125	183		
4767	8214	7201	10641	8324	26652	7549	2388	749	232	23
9	22	30	55	44	162	253	200	136	151	

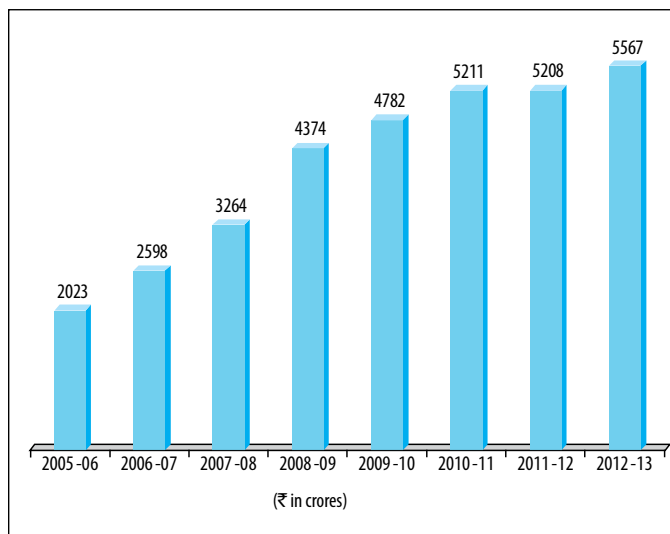
CONTENTS

Financial Indicators (Consolidated)	1-2	Consolidated Financial Statements	
Report of the Board of Directors	3-9	Independent Auditors' Report	79
Annexure to the Directors' Report	10	Balance Sheet	80
Management Discussion and Analysis	11-22	Statement of Profit and Loss	81
Report on Corporate Governance	23-34	Cash Flow Statement	82-83
Independent Auditors' Report	35-37	Notes forming part of Consolidated Financial Statements	84-113
Balance Sheet	38	Details of Subsidiary companies	114
Statement of Profit and Loss	39		
Cash Flow Statement	40-42		
Notes forming part of Financial Statements	43-78		

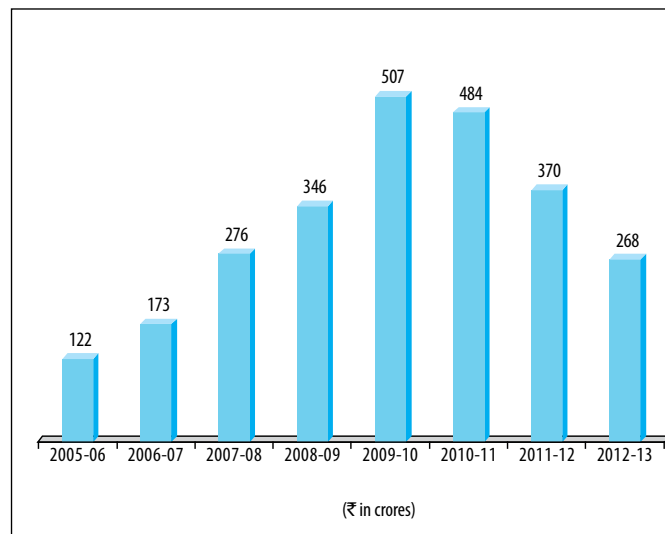


FINANCIAL INDICATORS (CONSOLIDATED)

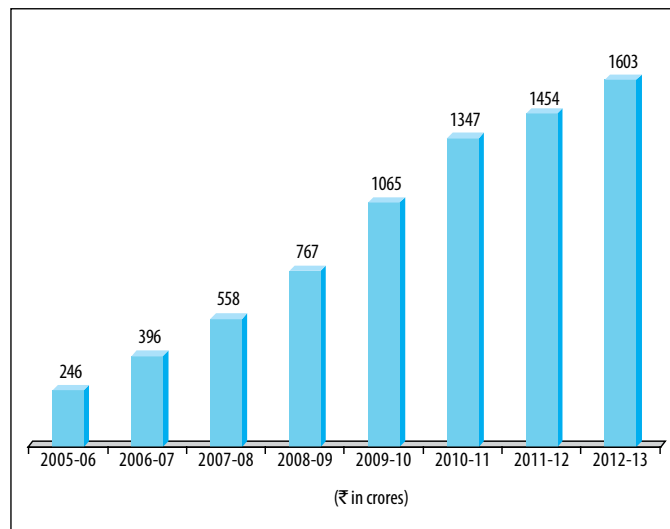
SALES AND SERVICES



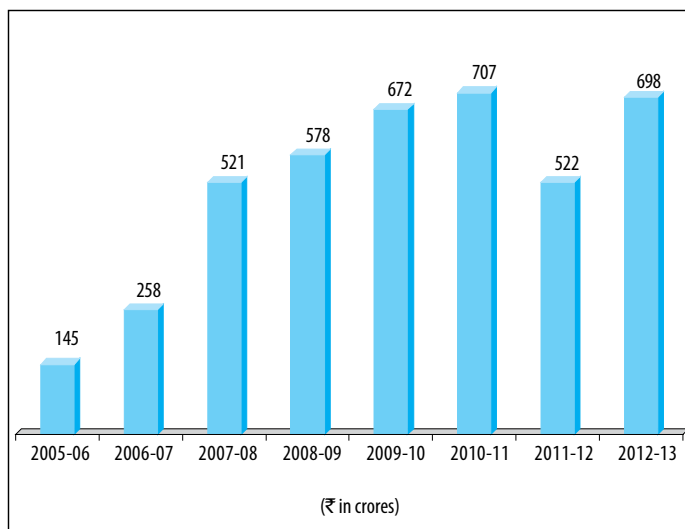
OPERATING PROFIT



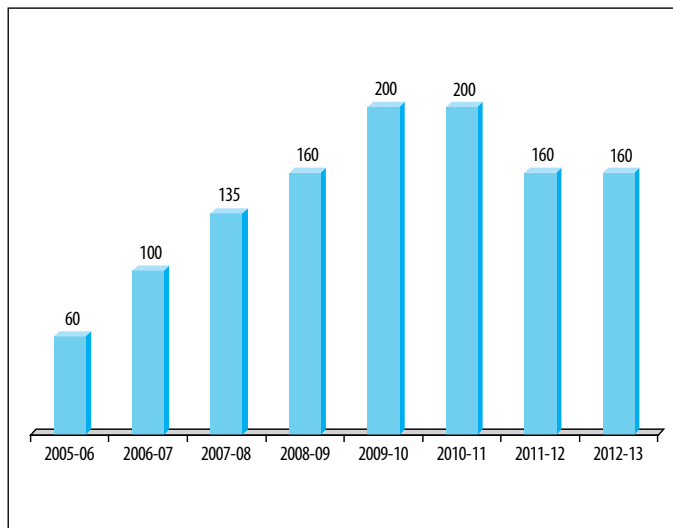
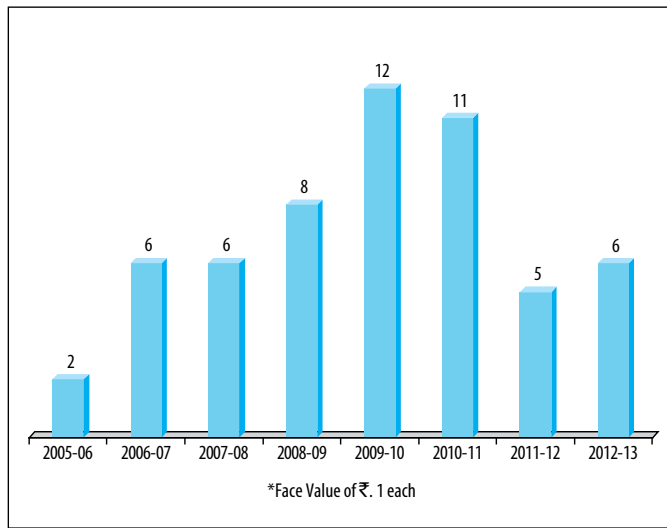
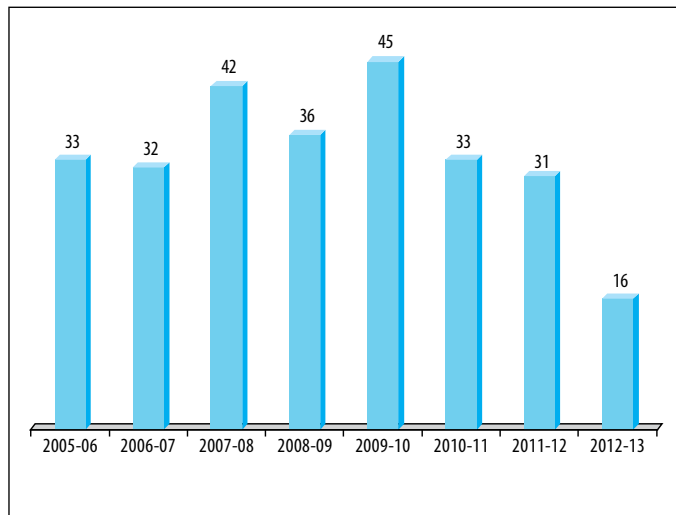
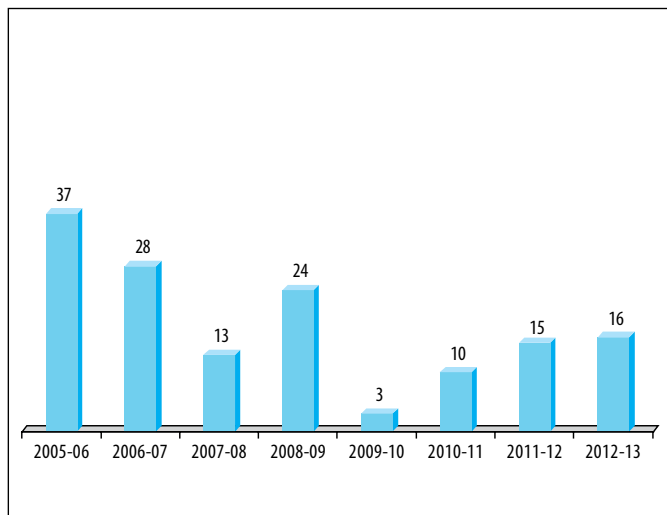
NET WORTH



CASH AND BANK WITH LIQUID INVESTMENTS



FINANCIAL INDICATORS (CONSOLIDATED)

DIVIDEND % ON EQUITY CAPITAL

EARNINGS PER SHARE (₹)*

RETURN ON CAPITAL EMPLOYED %

DEBT / EQUITY RATIO %




REPORT OF THE BOARD OF DIRECTORS

To the Members

Your Directors present their Fifty-Ninth Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

₹ in Crores				
	Standalone		Consolidated	
	2012-13	2011-12	2012-13	2011-12
2. Revenue from Operations (Gross)	5618	5203	5584*	5219*
Profit for the year after meeting all expenses but before interest, depreciation and exceptional items	290	413	335	435
Interest	34	26	39	31
Depreciation and amortisation	22	29	28	34
Profit before exceptional items	234	358	268	370
Exceptional items	8	(151)	12	(151)
Profit before tax	242	207	280	219
Provision for taxation	62	55	73	57
Profit after tax	180	152	207	162
Minority Interest and Share of (Profit)/Loss of Associate	—	—	1	—
Profit after Minority Interest and Share of (Profit)/Loss of Associate	180	152	208	162
Adding thereto:				
– Balance brought forward from the previous year	159	89	225	139
– Foreign Exchange Translation Difference	—	—	(3)	7
– Reserves and Surplus transferred on divestment of a subsidiary	—	—	8	—
Profit available for appropriations	339	241	438	308
Appropriations:				
– General Reserve	20	20	22	20
– Proposed Dividend	53	53	53	53
– Tax on Dividend	9	9	9	9
– Legal and Special Reserve	—	—	1	1
Leaving a balance to be carried forward	257	159	353	225

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

REPORT OF THE BOARD OF DIRECTORS, continued

DIVIDEND

3. The Company's dividend policy is based on the need to balance the twin objectives of appropriately rewarding the shareholders with dividend and of conserving resources to meet the Company's future needs. Taking into consideration the performance of the Company, the Directors recommend a dividend of ₹ 1.60 per equity share of ₹ 1 each (160%) for the year 2012-13 (2011-12: 160%).

OPERATIONS

4. In terms of both domestic and global economic growth, momentum was slower than anticipated. The much-awaited economic recovery was delayed, with an extensive bottoming-out phase. The Indian Rupee sank to new lows due to excessive volatility in exchange rates. Although there was some respite, interest rates and inflation continued to pose serious challenges for major parts of the year. Capital investments in Projects in India were at levels as low as at the year 2004, according to some reports. The pace of execution also posed enormous challenges, leading to cost overruns and margin dilution in projects. Dampened sentiment impacted consumer behaviour, with the Room AC industry reporting a de-growth. Despite an overall depressed environment, the Consolidated Sales and Income from Operations for the financial year 2012-13 was higher by 7% at ₹ 5584 crores compared to ₹ 5219 crores in the previous year. Consolidated Profit after Tax and Minority Interest was also higher by 28% at ₹ 208 crores, as against ₹ 162 crores, last year.

5. The performance of electro-mechanical projects business, both in international and domestic geographies, was below par, also symptomatic of the endemic downtrend in the Projects industry. Execution of projects has been plagued by elongated schedules and delayed clearances. These problems were especially severe in the Company's project for the Sidra Medical & Research Centre, under execution at Qatar. Revenue from variations is foreseen, and will be accounted in subsequent periods based on their realization. Nevertheless, the Company continues to deal objectively with the challenges faced, and frame a longer-term business strategy for future growth opportunities.

6. Similar adversity was faced by the Domestic Projects business, coupled with delayed payments, putting strain on working capital and cash flows. Several mitigation efforts are under way, including measures laid down in the previous year to reduce operational and administrative costs. The business has also adopted various IT initiatives and process changes to

curb the dilution of margins that is now endemic across the Projects Industry landscape.

7. The Domestic Projects business continues its endeavour to extract synergies from the Water business and Rohini Industrial Electricals Limited (RIEL), under the integrated banner of the Domestic Projects Group (DPG). There have, however, been a number of challenges. The low-margin 'legacy' orders have again impacted RIEL's performance. The Management has conservatively written down the value of investment in this business to the extent of ₹ 17 crores. Nevertheless, the business continues to aggressively pursue profitable orders in its consolidated DPG identity.

8. The consolidated order book for the Projects Business stands at ₹ 3719 crores, yielding healthy visibility for the coming year.

9. The Engineering Products business too suffered its fair share of challenges. Most severe of all has been the ongoing ban on mining activities in several States in India, which deeply cut into the Mining & Construction Equipment business. Such problems have added impetus to the business' efforts to seek greener pastures overseas. By leveraging its existing client relationships, the business has been successful in converting opportunities arising from overseas pursuits of existing customers. The ongoing Mozambique venture continues to be lucrative, providing a natural hedge against domestic setbacks. Strategically, the Company is investing substantially in expanding and reinforcing its credentials in product support, as well as its Operations & Maintenance capability.

10. The textile industry in India suffered the ill-effects of highly volatile cotton prices, combined with high inflation and interest rates, severe power shortages in South India and of course, the depressed global market. However, in the last few months of the year, the industry showed signs of revival, thanks to rising global and national demand for loom, coupled with the prospect of investment-friendly Governmental policy initiatives. Overall, the Textile Machinery business was well able to sustain its performance and even strengthen its presence in non-spinning segments.

11. In the Unitary Cooling business, the Company enjoyed the No.1 market position for most of the year, attributable largely to brand development and communications based on extensive market research. Along with substantial growth in



REPORT OF THE BOARD OF DIRECTORS, continued

both volume and market share of Room ACs, the business has benefited from better traction in Commercial Refrigeration products through sizable OEM orders. Growth in the Unitary Cooling business was achieved in the face of markedly more intense competition, as well as unfavourable climatic conditions and poor consumer sentiment. These factors did take a toll on the industry overall, which suffered aggregated sales volume de-growth of around 5%, according to GFK Report.

12. As part of its strategy to focus on core competencies, the Company has, during the year under review, hived off its subsidiary, Simto Investment Company Limited. In view of the transfer of the Materials Handling business to a JV with Kion in the previous year, the Company divested its investment in the JV to the Kion Group, thus exiting the business entirely.

FINANCE

13. Inflation rates remained high, due to the Government's inability to contain supply side issues and boost production, coupled with the continuing high level of global commodity prices (especially in crude, which forms a major portion of India's import basket). Further, the large twin deficits – fiscal and current account – posed significant risks to both growth and macro-economic stability, as high deficit and borrowings have a direct bearing on inflation. Accordingly, the Central bank maintained its stance of ensuring tight liquidity conditions. The Domestic Projects business faced the brunt of the resultant tight liquidity, in terms of delays in payments and the increasing numbers of 'days receivables'. However, the Consumer Durables business kept itself largely insulated from this downtrend, thanks to its cash-and-carry model and diligence on credit.

14. The operating geographies of the International Projects business also remained under the grip of recession, causing widespread delays in collections of dues. Nevertheless, there could be no stoppage in the deployment of resources for on-going projects, including the Sidra project at Qatar and other large projects in UAE, thus putting a significant strain on the Company's finances.

15. With the help of timely mobilization of idle non-core assets, the Management has suitably managed the cash situation, with a satisfactory liquidity position comprising liquid investments of ₹ 318 crores. With WPI inflation at 3-year lows, and the RBI cutting interest rates, it is hoped that the economic situation has completed its 'bottoming-out' phase,

with growth to follow. The Management continues to focus regularly on its cash flow including inventory and receivables. The surplus funds are invested in low risk Debt Mutual Funds and monitored regularly by the Investment Committee of the Board to maximize returns with minimal risk.

TATA BUSINESS EXCELLENCE MODEL (TBEM)

16. In line with the decision taken at the Group level in respect of TBEM assessments, the Company is focusing on carrying out relevant integration activities and findings of past TBEM assessments are being reviewed. The intention is to participate in the TBEM External Assessments in a unified manner i.e. at Company level and not at individual Business Unit level, as hitherto in the past. In addition, the Company has undertaken several 'Continual Improvement Projects' with the objective of improving operational efficiencies in areas critical to the respective Business Units/Functions. The Company's unified participation is proposed for the Group Level External Assessment to be held in the next financial year.

17. To support its Business Excellence journey, the Company continues to develop a pool of trained TBEM assessors, and also provides trained assessors for the Group-level TBEM Assessment Process. The Company currently has over 70 TBEM Champions, of whom more than 30 are certified in the most up-to-date TBEM Criteria. During the year, 13 assessors participated in the Group level TBEM assessments and their contribution won the formal recognition at the Group-level Business Excellence Convention held in December 2012.

IT INITIATIVES

18. The Management continued its drive to improve organizational efficiency and productivity by developing appropriate IT-based solutions. During the year, the focus was on automation of business processes, including Project Accounting, Payroll, HR and Customer Relationship Management (CRM).

19. The Project Result Analysis process for Domestic Projects has yielded benefits in terms of better control over project costs, revenue and profitability. The integration of Payroll with the Human Capital Management (HCM) system for overseas employees helped in seamless payroll processing. CRM software was further refined for Unitary Products business, with expectations of quicker closure of dealer and franchisee payments and better customer service.

REPORT OF THE BOARD OF DIRECTORS, continued

20. Due to increased emphasis on Compliance and Risk Mitigation, all SAP roles were redesigned and users were properly authorized through SAP's Governance & Risk Compliance (GRC) Access Control tool. This has minimized the risks and conflicts within the SAP environment, with a suitable strategy for control and mitigation for each conflict identified.

21. In view of critical role of IT in all operations, many improvements were carried out to increase performance, reliability and security of underlying systems. These included: redesign and redeployment of the Disaster Recovery system for all crucial servers; clean-up of Master Data for Customers and Vendors; putting in place new policies and processes for network and end-user security and deployment of IDEA, a software tool to assist the Internal Audit Department for data analysis.

COMMUNITY DEVELOPMENT

22. Contribution to Society is one of the core values of the Company. The Company is continuously reviewing its efforts towards improving the quality of life of the communities it serves through both its Employability Programme and its endeavours in volunteering. During the year under review, employees devoted their time, energy and talent in the service of the less privileged. Volunteers visited homes for the aged, conducted income generation programmes for the differently-abled, mentored less privileged children, held blood donation camps and increased environmental awareness.

23. As a part of its Employability Programme, the Company continues to extend its Core Competency in Air Conditioning and Refrigeration (AC&R) to less privileged youth, primarily drop-outs from formal education who are ill-equipped to secure a sustainable livelihood. The desired outcome is to make the recipient self-reliant and employable, with technical capabilities attested by end-of-course certificates. Soft-skills training programs are also conducted for these youngsters, such as spoken English, customer interaction, personality development, communication skills, time management, value education and goal setting.

24. The course designed for them includes on-the-job-training, assessment and placement support. For Employability Programme, the Company is associated with: The Joseph Cardijn Technical School and Bosco Boys Home (Mumbai), GMR Varalakshmi Foundation (Hyderabad, Bangalore and Delhi), GTTI (Kolkata and Bhubaneswar), ITI (Delhi) and Kumaran ITI

(Chennai). Recently, the Company partnered with The Indian Hotels Company Limited, which has set up a comprehensive Centre of Excellence for skills development at the Lonavala ITI in Maharashtra, where short-term vocational training courses are conducted and the Company will offer its course in AC&R for disadvantaged youth from surrounding rural areas.

25. The Company also embraces the Tata Group's commitment to social equity and supports the Group's Affirmative Action programme, which is based on the four pillars of Employment, Employability, Entrepreneurship and Aid in Education. The Company promotes 'Supplier Diversity' through its vendor development initiatives for outsourcing products/services, through the Dalit India Chamber of Commerce and Industry. The Company also extends aid to the Kathkari tribal children studying at the Bethany School run by the Bethany Society in Panvel, Maharashtra, in the form of reimbursing the salary of a special English instructor, and providing mid-day meals for the children. In addition, volunteers of the Company have sponsored the education of six children of the Kathkari tribe.

26. The Voltas Organization of Women (VOW) is a Public Charitable Trust founded in 1965. VOW is exclusively run by women and its membership consists of women employees of Voltas and spouses of male employees. VOW supports several causes such as subsidizing the medical and basic education costs of the economically distressed, and raising awareness on issues concerning women.

GLOBAL COMPACT AND CARBON DISCLOSURE PROJECT

27. The Company is a signatory to the UN Global Compact and continues its commitment to adhere to the principles of the Global Compact. The Communication on Progress (COP) for the financial year 2012-13 has been uploaded along with the Letter of Support, on the Global Compact website.

ENVIRONMENT AND SAFETY

28. The Company continues to strive to address matters related to Safety, Health and Environment (S-H-E) through a variety of initiatives. In keeping with its vision of 'Engineering Solutions for a Greener Tomorrow', the Company pursues the development of eco-friendly products and appropriate engineering solutions. Other environment-related initiatives include discharge of effluents, recycling of waste water, disposal of solid and hazardous waste, rain water harvesting, vermiculture, use of solar energy for water heating and use



REPORT OF THE BOARD OF DIRECTORS, continued

of environment-friendly refrigerants. The manufacturing plant at Pantnagar as well as overseas Projects have been certified to OHSAS standards and work is under way to secure OHSAS certification for other facilities of the Company. The manufacturing facilities at Pantnagar and Thane are also certified to ISO 14001 standards. In order to give further impetus, a Board-level Committee was constituted to oversee and lend direction in respect of S-H-E matters. Health-related initiatives include organizing yoga camps and conducting medical checkups for employees.

29. The Company proposes to undertake a host of other initiatives including Carbon Footprint Assessment, Safety Audits and numerous measures to foster employee health and well-being. The Company has also tied up with a professional e-waste Management company to address the critical disposal challenge.

STATEMENT OF EMPLOYEES' PARTICULARS

30. The information required under Section 217(2A) of the Companies Act, 1956 and the Rules made thereunder, is provided in an Annexure forming part of this Report. In terms of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

APPOINTMENT OF COST AUDITOR

31. The Central Government has approved the appointment of M/s. Sagar & Associates, Cost Auditors, for conducting cost audit for the year ended 31st March, 2013.

32. The due date for filing the Cost Audit Report with the Ministry of Corporate Affairs for the year ended 31st March, 2012 was 28th February, 2013 and the Cost Audit Report was filed by the Cost Auditors on 30th January, 2013. The due date for filing the Cost Audit Report for the year ended 31st March, 2013 is 30th September, 2013.

SUBSIDIARIES AND JOINT VENTURES

33. Pursuant to the Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial information of subsidiary companies. The Central Government has by General Circular No. 2/2011 dated 8th February, 2011, granted general exemption to companies

from attaching the accounts of subsidiary companies, subject to certain conditions. As the Company has complied with all the conditions, the annual accounts and other documents of the subsidiary companies are not attached with the Balance Sheet of the Company. Details of capital, reserves, total assets, total liabilities, turnover/income, etc., of the subsidiaries form part of the Consolidated Financial Statements. The Annual Accounts of the subsidiary companies are open for inspection by any member/investor and also available on the website of the Company - www.voltas.com. The Company will make the documents/details available, upon request by any member of the Company or its subsidiaries interested in obtaining the same.

34. Despite the on-going economic slow down, especially in the Middle East region, many of the Company's overseas subsidiaries/joint ventures (JVs) performed better in the financial year 2012-13 as compared to last year. The financial performance and other details of operating subsidiaries/joint venture companies are given below:

35. Weathermaker Limited (WML), engaged in the business of manufacturing galvanized iron, aluminium, black mild steel, stainless steel ducts and other speciality air distribution products is a wholly-owned subsidiary of the Company and has its manufacturing facility in Jebel Ali Free Zone, UAE. WML has reported higher turnover of AED 29.527 million and profit of AED 2.616 million for the year ended 31st December, 2012 as compared to turnover of AED 28.638 million and profit of AED 2.086 million in the previous year.

36. Saudi Ensas Company for Engineering Services WLL (Saudi Ensas), a wholly-owned subsidiary of the Company in Jeddah, Kingdom of Saudi Arabia (KSA) is engaged in execution and operations/maintenance of electro-mechanical installations in KSA. Saudi Ensas has recorded higher turnover of SR 14.896 million and net profit of SR 0.243 million for the year ended 31st December, 2012 as compared to turnover of SR 4.218 million and net loss of SR 2.124 million in the previous year.

37. Voltas Oman LLC, a subsidiary of the Company (65% shareholding of Voltas), is engaged in undertaking Engineering, Procurement and Construction (EPC) works for electro-mechanical projects in Sultanate of Oman. Voltas Oman LLC commenced execution of projects during the financial year ended 31st December, 2012 and reported turnover of Omani Rial (RO) 0.698 million and net loss of RO 0.178 million.

REPORT OF THE BOARD OF DIRECTORS, continued

38. Lalbuksh Voltas Engineering Services & Trading LLC (Lalvol), a subsidiary of the Company (60% shareholding), is engaged in the business of Water Well Drilling, Water Management and Landscaping in Oman. Lalvol recorded turnover of RO 3.577 million and net profit of RO 0.021 million for the year ended 31st December, 2012 as compared to turnover of RO 3.359 million and net profit of RO 0.278 million in the previous year.

39. Universal Voltas LLC, Abu Dhabi, a joint venture company engaged in the business of electro-mechanical projects and operations & maintenance of electro-mechanical works, recorded higher turnover of AED 136.116 million and Profit of AED 24.559 million for the year ended 31st December, 2012 as compared to turnover and profit of AED 134.635 million and AED 37.043 million, respectively in the previous year.

40. Universal Weathermaker Factory LLC (UWF), a joint venture company incorporated in Abu Dhabi, is engaged in the manufacture and sale of air conditioning ducts and other related fixtures. UWF reported lower turnover and profit of AED 16.682 million and AED 0.531 million, respectively for the year ended 31st December, 2012 as compared to turnover of AED 20.065 million and profit of AED 0.667 million in the previous year.

41. Olayan Voltas Contracting Company Limited (OVCL), incorporated on 8th February, 2012, is a new joint venture company engaged in the business of electro-mechanical projects in Kingdom of Saudi Arabia. In its first year of operations, OVCL has recorded turnover of Saudi Riyal (SR) 130.861 million and profit of SR 11.667 million.

42. Voltas Qatar WLL (VQ), a new joint venture company incorporated on 2nd April, 2012, is engaged in the business of undertaking EPC works for the MEP contracts in the State of Qatar. VQ has recorded revenue of Qatari Riyal (QR) 22.887 million in the first year of its operations between 2nd April, 2012 and 31st December, 2012. However, due to initial registration fees, licences and professional fees, loss of QR 0.244 million was reported for the period under review.

43. Universal Comfort Products Limited (UCPL), a wholly-owned subsidiary of the Company, engaged in the business of manufacturing air conditioners, recorded higher turnover of ₹ 740 crores for the year ended 31st March, 2013 as compared

to ₹ 486 crores in the previous year. However, due to higher incidence of tax (30% exemption as compared to 100% in the previous year), net profit was ₹ 32 crores for the year under review as compared to ₹ 34 crores in the previous year.

44. Rohini Industrial Electricals Limited (RIEL) is engaged in undertaking turnkey electrical and instrumentation projects for industrial and commercial sectors. RIEL has reported lower turnover of ₹ 81 crores and loss of ₹ 13 crores for the year ended 31st March, 2013 as compared to turnover of ₹ 117 crores and loss of ₹ 26 crores in the previous year.

45. During the year under review, the Company had transferred its entire shareholding in Simto Investment Company Limited (Simto) in favour of Tata Investment Corporation Limited with effect from 31st August, 2012. Accordingly, Simto ceased to be a subsidiary of the Company. Voice Antilles N.V. was closed and liquidated effective 14th September, 2012. The legal process for voluntary liquidation of Voice Antilles N.V. in Willemstad, Curacao (erstwhile Netherlands Antilles) has been completed. The entire equity shareholding (34%) in Voltas Material Handling Private Limited (VMHPL) was transferred on 2nd November, 2012 in favour of Linde Material Handling Asia Pacific Pte Limited, Singapore, an affiliate of KION Group and existing shareholder with balance 66% equity shareholding of VMHPL.

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

46. Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to conservation of energy and technology absorption is given by way of an Annexure to this Report. As for information in respect of foreign exchange earnings and outgo, the same has been given in the notes forming part of the accounts for the year ended 31st March, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

47. Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;



REPORT OF THE BOARD OF DIRECTORS, continued

(b) 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 the financial year and of the profit of the Company for that period;

(c) they have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

48. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance form part of the Annual Report. A declaration signed by the Managing Director in regard to compliance with the Code of Conduct by the Board Members and Senior Management personnel also forms part of the Annual Report.

DIRECTORATE

49. The Directors report with regret, the sad demise of Mr. Jimmy Bilimoria, who passed away on 3rd May, 2013. Mr. Bilimoria was an Independent Director of the Company since 22nd September, 2008 and also a member of the Board Audit Committee and Chairman of the Investment Committee. Mr. Bilimoria was appointed as the Chairman of the Audit Committee on 9th August, 2010, which position he held till 25th March, 2013. Thereafter, he continued as a member of the Board Audit Committee. Mr. Bilimoria's financial acumen, mature advice and constructive approach were of great assistance to the Company and the Directors place on record their appreciation of the valuable advice given by Mr. Bilimoria during his tenure on the Board/Committees.

50. In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Nasser Munjee, Mr. Nani Javeri and Mr. N. N. Tata retire by rotation and being eligible, offer themselves for re-appointment.

51. Mr. Thomas Mathew T. was appointed as an Additional Director by the Board of Directors on 10th January, 2013, representing Life Insurance Corporation of India. In accordance with the provisions of the Companies Act, 1956, Mr. Thomas Mathew T. holds office upto the date of the forthcoming Annual General Meeting and Notice under Section 257 of the Act has been received from a member proposing his appointment as Director of the Company. The Resolution seeking approval of the members for appointment of Mr. Thomas Mathew T. as a Director of the Company has been incorporated in the Notice of the forthcoming Annual General Meeting.

AUDITORS

52. At the Annual General Meeting, members will be required to appoint Auditors for the current year. Messrs Deloitte Haskins & Sells, the present Auditors of the Company have pursuant to Section 224(1) of the Companies Act, 1956, furnished a certificate regarding their eligibility for reappointment. The approval of the members is also being sought for their appointment as the Branch Auditors of the Company. Attention of the members is invited to Item No.7 of the Notice of the Annual General Meeting and the relevant Explanatory Statement.

GENERAL

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

On behalf of the Board of Directors

ISHAAT HUSSAIN
Chairman

Mumbai, 20th May, 2013

ANNEXURE TO THE DIRECTORS' REPORT

FORM B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

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

- (i) In the areas of energy efficiency and HCFC Phase out:
 - (a) Development of Heat Exchangers (condensers) using micro channel technology.
 - (b) Development of Screw Chillers using Variable Frequency Drive (VFD).
 - (c) Development of Selection software for Air Handling Units (AHUs) and Chiller Packages.
- (ii) Development of 70L Visi Cooler, working on lower power consumption.
- (iii) Development of Beer Cooler models of 120L and 405L.

2. Product and processes developed through in-house technology

- (i) Development of ductable splits with R-410A refrigerant with advanced controller.
- (ii) Development of Scroll Chillers using R-410A refrigerant.
- (iii) Development of PUF panels for AHUs.
- (iv) Large number of models introduced in energy efficient Screw Chillers.
- (v) Developed and converted to Plate and Tube Condenser from Body Condenser in Chest Freezers, Coolers and Glass Top Freezers for higher productivity and low Refrigerant charge.

- (vi) Converting Visi Cooler 220L and 320L from Fin and Tube Condenser to Plate and Tube Condenser for higher efficiency and productivity.

3. Imported Technology

No technology has been imported during the last five years.

4. Expenditure on R&D

The expenditure on R&D activities for 2012-13 was ₹ 6.89 crores (including capital expenditure of ₹ 3.86 crores). In relation to turnover of own manufactured products, the R&D expenditure was 1.42% of turnover.

5. Energy Conservation

The Company is conscious of the need for energy conservation and continues to explore the possibilities of reducing energy consumption in the Office premises and Plants. Some of the measures taken are:

- (i) Use of Variable Frequency Drives (VFDs) for Portable Air compressors in production shop to reduce power consumption by about 15%.
- (ii) Use of energy efficient welding machines for TIG welding to reduce power consumption by 10%.
- (iii) Installation of solar heaters for washing of utensils in the canteen at Thane Plant.
- (iv) Improvement of submerged Arc welding process using rotator instead of manual welding for heat exchangers at Dadra Plant.
- (v) Load analyzer installed on power distribution board to save power consumption.



MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

1. The Company continued to face difficult macroeconomic conditions both at home and abroad in the financial year 2012-13. The domestic situation remained discouraging, marked by liquidity crunch, high inflation and foreign exchange rate fluctuations, leading to low business confidence and deferral of capital investments. Accordingly, the pace of progress was slow, and consumer demand stayed muted. Despite signs of economic stabilization in the US and China, the Euro area continued to give cause for concern. Against this back drop, the Company's performance was by and large in line with the expectations.

2. The Products business was more resilient in its quest to sustain performance and prepare for future growth opportunities. The Unitary Cooling business retained its leadership in market share through most of the year and increased its revenue by 16%, while sowing the seeds of future growth through its 'All-weather' brand positioning.

3. The Engineering Products segment also overcame various hurdles to sustain its performance, largely through timely introduction of new offerings and leveraging its customer-centric strengths. This business continues to expand its portfolio through new principals and products, as well as other strategic tie-ups to cater to the varied needs of more diverse customers.

4. The Domestic projects business, leveraging its diversified offerings and focusing on select opportunities in the Industry and Urban Infrastructure segments was able to grow their order book by 17.5% over last year. In addition, the Company also completed the execution of some large orders, such as the Chennai Airport and Kolkata International Airport, to the satisfaction of the Client.

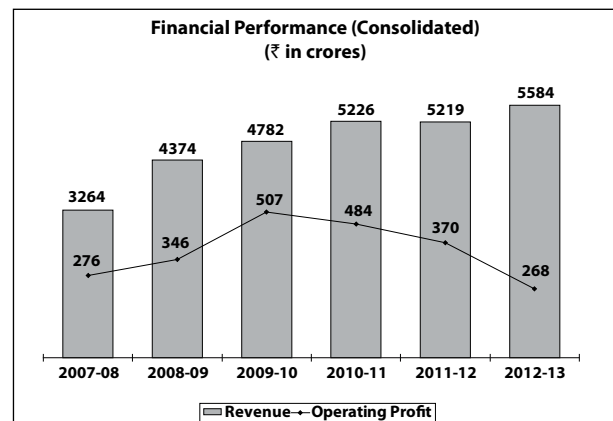
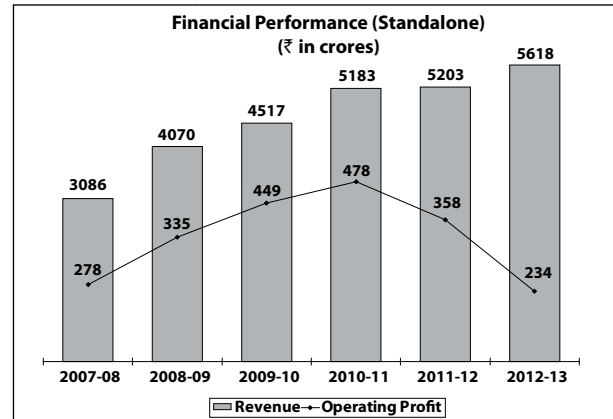
5. However, the adverse environment did take a toll on the projects businesses, causing a drop in their performance, both in terms of profitability and order growth for overseas projects. Such setbacks were most strikingly evident in the International Business and notably in Qatar on the Sidra Medical & Research Centre project, given its design-and-build complexities and its completion schedule getting further extended.

6. While keeping up the efforts to improve the order inflow and develop new geographies, the Company adhered

to its margin criteria. In order to contend with intensifying competition, the Management adopted a well thought out response strategy to leverage its track record, strengths and reputation built over the last four decades. New leadership is in place where required and business boundaries have been drawn in terms of both margin thresholds and geographies. With these measures, the Projects businesses are consolidating their interests and looking ahead at improving profitability.

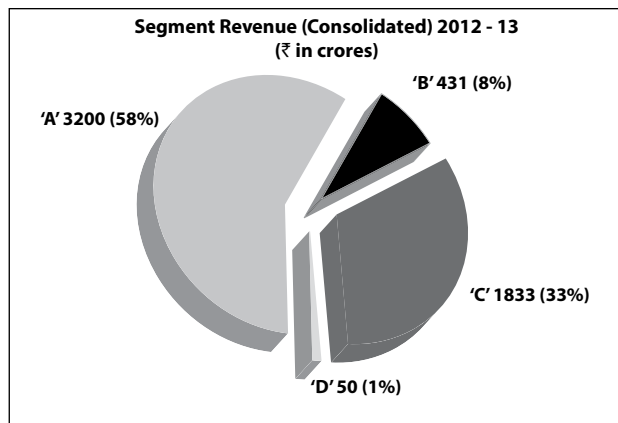
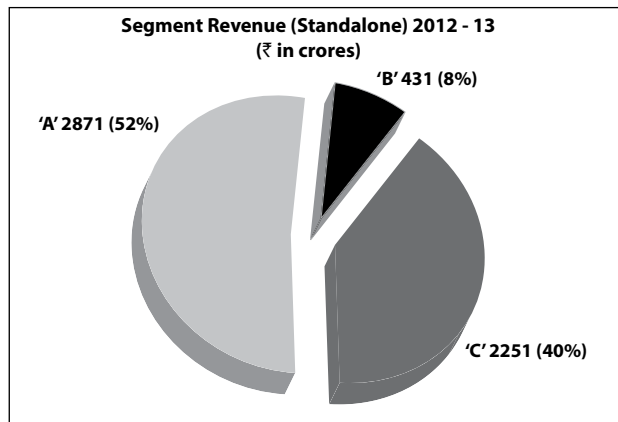
7. Despite the disheartening economic climate, the Company kept alive its vision and direction towards 'Engineering Solutions for a Greener Tomorrow', which was framed on a foundation of Tata values. This was evidenced by the continued focus on developing 'Star-rated' energy-efficient room ACs, and the growing pursuit of projects designed for 'Green Mark' and 'LEED' certification. Water business is building up its strengths and resources as a potential provider of 'green' solutions in the water-conscious future.

8. Revenue and Operating Profits (Profit before exceptional items) of Voltas (standalone and consolidated) for the period between financial year 2007-08 and 2012-13 are given below:



9. The business segments of Voltas (Standalone and Consolidated) are:

- 'A' - Electro-mechanical Projects and Services
- 'B' - Engineering Products and Services
- 'C' - Unitary Cooling Products for Comfort and Commercial use
- 'D' - Others



ELECTRO-MECHANICAL PROJECTS AND SERVICES

Domestic

10. The addressable market for domestic projects showed slow growth at 5%, testimony to the significantly more challenging environment facing the industry, marked by intensifying competition, low margins, rising input costs, uncertainty in cash flows and increasingly risk-averse clients who shied away from making new investments. Even finalized projects were prone to delays in awarding and execution.

11. In spite of the prevailing economic sluggishness, the Company's domestic Projects business achieved order-book

growth of around 17.5% by securing several large orders in IT/ITES industry and urban infrastructure and had a carry-forward order book position of over ₹ 1600 crores at the year end. These included a fresh package for Tata Steel at Kalinganagar (value over ₹ 182 crores) including a Raw Water Treatment plant of 96 MLD capacity (valued at ₹ 82 crores) and Chennai Metro Rail (₹ 125 crores), various projects for TCS valued at over ₹ 100 crores and a modern automated solution for complete water management for Gujarat International Finance Tec-City.

12. The new orders came on the heels of successful completion of several projects during the year, including Chennai Airport (₹ 123 crores), Kolkata's Netaji Subhash Chandra Bose International Airport (₹ 147 crores), Tata Steel 3MT expansion project with overhead yard utility piping at Jamshedpur (₹ 50 crores) and many projects in the IT/ITES sector. Also noteworthy was the Company's success in establishing its execution capabilities as a prominent player in water treatment, as it continues execution of water systems for Tata Steel Kalinganagar plant worth ₹ 165 crores, SAIL Rourkela, an effluent treatment plant for Bokaro Steel and effluent treatment with zero liquid discharge for Matix Fertilisers.

13. In spite of successful job completions and new orders being received at reasonable margins, the unpredictable costs of inputs and other resources often lead to budget overruns, impacting profitability. Consequently, the Company took several steps to improve and protect the bottom line for future projects, by focusing on mid-sized and large MEP projects with definite timelines; unifying HVAC, Electrical and Water Management businesses; and improving penetration of Products.

14. On the Products front, the Company made several significant advances. These included:

- Improved profitability and turnover compared to the previous year.
- Improved penetration in the chiller package segment.
- Introduction of ductable split units and scroll chiller package using micro-channel heat exchangers and R-410A refrigerant.
- Development of energy-efficient water-cooled screw chillers with Variable Frequency Drive.
- Development of solar-based Vapour Absorption Chillers.
- AHRI, CE and EN 1886 certification to HVAC equipment.



15. Rohini Industrial Electricals Limited (RIEL) continues to experience challenges in improving profitability and has reported a loss in 2012-13. Given the external environment, the progress in execution of carried-forward orders was slow impacting its turnover and delaying the closure of unprofitable legacy orders. Nevertheless, with integration of RIEL with the larger Domestic Projects business of the Company, RIEL has built up a healthy order book position. RIEL has also reduced its overhead costs and is closely monitoring progress across various performance improvement measures.

International

16. The global economic recession continued its impact on the construction market in the Middle East. Business confidence remained depressed, with a lingering tendency to postpone investment decisions, with several targeted projects in Kingdom of Saudi Arabia (KSA), Abu Dhabi and Muscat, awaiting decisions.

17. Nevertheless, the Middle East construction market showed some signs of recovery in 2012-13 and in terms of construction contracts being awarded, the Construction markets in UAE, Qatar and KSA, have recorded improvements in value of awards as compared to the previous year.

18. Despite these positive trends, operating margins continued to dwindle across the industry, under pressure from intensifying competition for smaller slices of the pie. Further, construction and development firms faced constraints in the availability of credit. These proved to be barriers to entry into the emerging opportunities, leading them to turn to pursuing government projects instead, where capital requirements were more manageable. Compounding the difficulty were a host of other systemic challenges: intense and often illogical competition, rising input costs, increasingly risk-averse clients reluctant to make large-scale commitments, reluctance to grant mobilization advances, extended delays in project awarding and execution, and a tendency to dispute legitimate contractor claims and variations.

19. The Company's international projects business therefore revisited its posture and instituted a new approach that stressed: immediate focus on execution of existing projects, to hasten their contractual and financial closure; not to bid for low margin jobs in congested segments; focus on the quality of the order book; claiming of entitlements; and partnering with competitors in strategic segments and projects.

20. In keeping with the new direction, the Company made significant progress towards completion of several projects in UAE and Qatar, such as the ₹ 800 crores Central Market Redevelopment project in Abu Dhabi and a ₹ 360 crores Utility Complex project in Riyadh. Following its pursuit of advantageous alliances, the Company formed a project-specific JV at Qatar for execution of the prestigious North Gate Mall, valued at ₹ 360 crores.

21. The Iconic Sidra Medical & Research Centre project in Qatar is well over 90% complete. There have been some delays in the project, in terms of achievement of the earlier targeted milestones, most of which would not be wholly attributable on part of the Company. Considering the revised elongated project schedule, the Management has reviewed the earlier estimates, verifying that Accounting Standards (AS-7) were met. In view of upward revision in the estimated costs, the Company has, during the year under review made further provision in accordance with the requirements of AS-7. However, uncertainties exist due to the complex nature of the 'design and build' project, changes in design made by the client and delay in completion of the project. Further, the Company is closely monitoring the progress on this project. At the same time, the Company has lodged its claims for various contract entitlements, change requests including prolongation, disruption and acceleration claims which are under review/negotiations with the Client/Main Contractor. Revenue from the aforesaid claims/change requests, etc. would be recognized and accounted for once the amounts are certified and/or agreed upon by the Client/Main Contractor. In the interim, work proceeds with commitment, since by accomplishing a project of such iconic nature, the Company would strengthen its prospects when contracts are floated for the FIFA World Cup to be held in the year 2022. It would also add substantially to its credentials in the healthcare sector, a fast-growing opportunity area in the region.

22. For the third consecutive year, the Company won the coveted 'MEP Middle East Contractor of the Year' award, shared with consultant Atkins, for Abu Dhabi's Yas Water World. It was a repeat of earlier victories, in the year 2011 for Dubai's Etihad Towers, and 2010 for Abu Dhabi's Ferrari World. The MEP awards, which are known as the industry's most sought-after tribute in the region, were in acknowledgement of the Company's proven reliability, strengths and performance as seen in numerous iconic projects in the Middle East and elsewhere.

23. Taking a longer view, the Company's Management adopted several institutional measures to leverage the strengths and reputation built over the last four decades in pursuit of growth. New leadership was put in place where required, operating structures and processes were reorganized, business boundaries were drawn in terms of both, margin thresholds and geographies and the practice of leveraging local JVs and partnerships was prioritized. With these measures, the International Projects business is consolidating its interests and looking ahead at improving its profitability.

24. The Company's JV and subsidiaries made some notable strides. Universal Voltas LLC in Abu Dhabi delivered an operating profit of AED 24.559 million. The Olayan-Voltas JV effectively executed the Al Bustan project in KSA, delivering Saudi Riyals 11.667 million in profits in its second year. The JV will focus on entrenching its presence in KSA, so as to be poised to seize the significant business opportunities now emerging; Saudi Ensas delivered a turnaround profit of Saudi Riyals 0.317 million and looks forward to a strong order book and exciting opportunities on the horizon; Weathermaker has a number of new product offerings under development to speed up its recovery in the Projects segment; Voltas Oman won a number of smaller orders, of up to OMR 3 million, whereby it has established its presence in the Omani MEP space. The Company is now recognized as a quality contractor and there is every expectation of securing further business with larger contract values.

ENGINEERING PRODUCTS AND SERVICES

25. In the textile industry, the year was marked by increased demand for yarn in both export and domestic markets. Consequently, the Spinning industry showed improvements in operating performance, notwithstanding the difficult power situation in Tamilnadu and Andhra Pradesh.

26. Accordingly, the Company's Textile Machinery business sustained its revenues by executing orders for spinning machinery that had hitherto been put on hold. It maintained its leadership in both private and government markets and also notched significant growth in revenues from accessories and allied machinery. Additionally, some significant orders were booked in the last quarter of 2012-13, in anticipation of positive initiatives in governmental policy favoring textiles investment.

27. In its pursuit of expansion into post-spinning areas, the Company made further inroads into weaving sector by offering equipment with suitable technology through strategic partnerships; it also consolidated its business in processing and finishing.

28. Overall, the Textile Machinery business sustained a growth in revenue and profitability. Adding to its roster of principals, the Company concluded a partnership with Benninger AG (Switzerland) for representation of their continuous processing machinery.

29. The iron ore mining industry in India remained troubled by turmoil and uncertainty, due to the demands of stringent environmental regulations. Political instability in several States also dampened mining activity. Accordingly, the Company's Mining & Construction Equipment business diverted focus to the aggregate and road sectors, with encouraging response. Further, the Company's entry into Iron Ore Beneficiation was marked by orders for automatic filter press machines and magnetic separators.

30. The year was also marked with the strong overseas performance of the business with orders being secured for 13 large-value Powerscreen crushers from operators in Malaysia and Indonesia.

31. There was also significant growth in the Company's Mozambique operations, with healthy revenue increases. A new maintenance contract for RH400 hydraulic excavators was won against formidable competition. There was addition of two more LeTourneau wheel loaders to the systems under maintenance by the Company's team, signaling the principal's continued confidence and auguring more to come.

UNITARY COOLING PRODUCTS FOR COMFORT AND COMMERCIAL USE

32. The Indian room air conditioner industry underwent yet another year of decline, with an overall de-growth of 5% in volume (according to Gfk Nielsen). This can be attributed to : short summer caused by delayed onset; grid collapse in South India and uncertain power supply in several States; consumer resistance to rising price-tags resulting from higher input costs; sluggish festive season and the prevailing mood of economic caution and deferment of large spends.

33. Nevertheless, in this discouraging climate, the Company's Unitary Cooling Products business accomplished sales growth



of 16% in value. More importantly, the business gained 4% in volume sales while the competition lost, thereby boosting its market share to retain its No. 1 position with 18.4% market share during the financial year 2012-13 in Multi-Brand Outlets, as well as clear leadership in 10 out of the 20 key markets. The brand also achieved 3.3 on the Brand Equity Index, the highest among any 'pure AC' brands.

34. Such exceptional performance were due to several positive factors:

- strengthening of the brand's perceived position as a pioneering and leading offering in energy-efficiency, with the widest available range of 5-Star-rated products.
- introduction of the 'all-weather AC' product proposition, which created a new and unique brand differential, virtually a category in its own right, which addressed a perceived but hitherto unstated consumer need, especially in the North, the country's largest AC market.
- increase in market penetration, especially in Tier-2 and Tier-3 towns.
- advertising campaign, with its 'all-weather' theme, featuring the unforgettable Murthy, which was enjoyable, persuasive and memorable – and fully deserving of the Gold EFFIE Award for the year 2012 that it won in the 'Consumer Durables' category.

35. Further, keeping market research findings in mind, the Company launched its next updated line-up of 'all-weather' models in both Window and Split ACs. The range offered a wide spread of choice in terms of features, energy rating, price point and cooling capacities, addressing diverse preferences, tastes and income levels. More importantly, it dealt with a diversity of 'comfort & convenience' needs in a variety of environments and climates, using distinct product features with brand-like names such as 'Insta-Cool Compressor' and 'Super Dust Guard'. All these refinements were pitched with an even stronger 'all-weather' thrust in the advertising.

36. The Company's Commercial Refrigeration business also saw robust growth of 50% in volume, including its 'largest order ever' from Cadbury for chocolate coolers. The business continues to extend its customer base and retains its market leadership in this segment.

37. The Company also instituted several measures to shore up its profitability: maintaining tight control to keep both outstandings and inventory levels low; expanding its unique business model by engaging larger number of OEMs for outsourced assembly across the country, further shortening time-to-market, improving asset turns and shrinking the Company's carbon footprint.

38. Universal Comfort Products Limited (UCPL), the Company's wholly-owned subsidiary and manufacturing arm for room ACs, turned in a highly creditable performance, with production capacity ramped up to 500,000 units. Its output of 445,000 units during the year amounted to record production growth of 70%.

OPPORTUNITIES AND OUTLOOK

ELECTRO-MECHANICAL PROJECTS AND SERVICES

Domestic

39. The investment downturn is likely to continue its adverse impact on the domestic electro-mechanical projects business, given that fewer investments were made in the financial year 2012-13 as compared to previous few years.

40. Nevertheless, the Company sees opportunities worth pursuing in certain areas. Principally, these are:

- Metro-rail, airports and other infrastructure projects.
- IT/ITES sectors, with the Company's proven record of successes, as well as its base of satisfied clientele.

41. Water supply and sewerage, are becoming increasingly crucial. Also, with the reuse and recycling of water in industrial and urban sectors being recommended in the National Water Policy of 2012, there is a growing focus on improving urban water supplies and sanitation, coupled with industry's trend towards effluent recycling and reuse and zero liquid discharge. The Company's Water Management Business is well placed to leverage its expertise in this domain, with attractive opportunities arising in water & sewerage projects with external funding (e.g. ADB, JICA or World Bank).

International

42. In the Middle East, government spending has shown a steady pattern of increase. Governments such as those of Oman, Qatar, KSA and the UAE, have outlined several small-to-large scale projects to realize their aspirations of

building world-class social infrastructure in sectors such as education, health care, municipal services, power and utilities. Additionally, the upcoming FIFA 2022 World Cup in Qatar is likely to call for significant investment in sports infrastructure.

43. A key driver of such investment is the expected continuation of significant oil-based budget surpluses in many countries. These plans represent significant opportunities that the Company and its JVs/subsidiaries, are strategically and operationally gearing up to seize.

ENGINEERING PRODUCTS AND SERVICES

44. Several upcoming governmental policy initiatives announced by Gujarat, Maharashtra and MP, and the reinstatement of the Textile Upgradation Fund, are positive prospects for increased investment in textile plant and machinery. The demand for yarn is on a growth trajectory in both export and domestic markets, which is expected to extend through the financial year 2013-14, stimulating capacity expansion of spinning mills and holding promise of good business for the Company's textile machinery business.

45. The spinning industry is likely to benefit from the increasing per capita consumption of cloth and the permitting of FDI in the retail sector. Substantial growth can be anticipated, subject to the judicial settlement of certain environmental controls.

46. The Company's entry into Mineral Beneficiation represents a good growth opportunity, given the growing demand for improving mineral grades and for recycling or conserving water. Further, the easing of the bans imposed on iron ore mining activity also augur well for the business.

47. The Company has tied up with Belaz, from Belarus, for dump trucks, with the prospect of good orders from Coal India Limited.

UNITARY COOLING PRODUCTS FOR COMFORT AND COMMERCIAL USE

48. Low market penetration (at 3.8%) has historically been the biggest opportunity area for India's AC industry. Additionally, improving consumer sentiment will whip up some demand in the 'second ownership' and 'replacement' segments, encouraging a shift to Split ACs.

49. With growing consumer consciousness of energy-efficiency, spurred by rising energy costs, 3 and 5 Star ACs are expected to contribute more than 75% of the total market. With its initial lead in Star-rated ACs, and constant R&D-based upgradation, the Company is at an advantageous position in this category.

50. New demand is arising in tier-2 and tier-3 towns, representing a substantial and growing opportunity. The Company accordingly intends to pursue channel expansion to a much larger number of touch points.

51. In Commercial Refrigeration, there is a growing need for quality products in retail, dairy, brewer and cold chain user segments. With its superior product development capabilities, strong brand and good relationships with leading manufacturers, the Company is well placed to enhance its leadership position.

THREATS

ELECTRO-MECHANICAL PROJECTS AND SERVICES

Domestic

52. The depressed global economy continues to be a major barrier to recovery and growth for the industry, combined with uncertainties regarding the upcoming general elections. The lower than expected growth in GDP in the coming year may defer large investments in the construction and infrastructure segments.

53. Clients are increasingly inclined to award turnkey projects to their main contractors. They in turn tend to undertake all the MEP services themselves, or else sub-contract them at low values – a major setback for MEP players.

54. Increasingly, MNCs (principally Japanese and Korean) are setting up HVAC equipment manufacturing facilities in India, and strongly competing in HVAC products business, bringing price competitiveness into product categories previously imported.

55. Water Management business is facing generic issues of time and cost overruns, aggravated by the inability of contracting companies to safeguard their interests due to often one-sided contracts. Commodity price fluctuations are also increasing exposure to risk.



56. There is a growing trend towards privatization of water-related services (laid out in the National Water Policy 2012); consequently projects are increasingly framed as BOOT/ long-term concession contracts, which are more risk-prone. MNCs are increasingly seeking a share of the water treatment market. Furthermore, civil contracting companies are also upgrading to provide treatment solutions. Competition is thus increasing and exerting pressure on market price points.

57. Although commodity prices seems to have cooled off, the relative volatility in prices of commodities like steel, copper and aluminum remains a factor that could have a negative impact on the projects businesses.

International

58. Due to lingering effects of the recession, the pace of contract awards in certain parts of the Middle East continues to be below expectations. Lower investor confidence in the Middle East could pose a threat to the Company's growth aspirations.

ENGINEERING PRODUCTS AND SERVICES

59. The businesses in this segment are vulnerable to investment slowdown, non-availability of electricity and government policy related changes. Further, the long term side effects of the mining ban along with continuing delays in environmental clearances pose serious threats to the mining and construction equipment business.

UNITARY COOLING PRODUCTS FOR COMFORT AND COMMERCIAL USE

60. More and more AC brands are entering the market. Japanese brands in particular pose a threat with their quest for top-line growth, while Indian brands are likely to erode margins to enable wider penetration in the mass market.

61. The Window AC has witnessed a sharp decline in demand, due to rising prices and a narrowing price gap with Split ACs. The Company is accordingly adjusting its manufacturing in favour of more Split units.

62. The Energy Regulations table upgrade planned for 2013 by BEE could further escalate the pricing of room ACs, raising more barriers to sales.

63. There is an apparent climatic shift towards shorter summers impacting the main purchasing season, especially in North India, which commands 38% of the market. However, with its 'all-weather' proposition, the Company is ideally placed to turn this apparent setback into a unique opportunity.

FINANCIAL PERFORMANCE - STANDALONE

64. Financial performance as a measure of operational performance.

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

₹ in crores

	2012-13	2011-12	Change	Change %
Segment-A (Electro-mechanical Projects and Services)	2871	2957	(-)86	(-)3%
Segment-B (Engineering Products and Services)	431	412	19	5%
Segment-C (Unitary Cooling Products for Comfort and Commercial Use)	2251	1792	459	26%
Total	5553	5161	392	8%

Revenues in Electro-mechanical Projects and Services (Segment A) were lower by 3% as compared to the previous year. While the turnover of international projects business in 2012-13 was marginally higher than the previous year, the turnover of domestic projects business was impacted and lower than last year, primarily on account of external economic factors. Revenues of both, Textile Machinery and Mining and Construction businesses (Segment B) were better than last year inspite of high interest rates and closure of mining activities in some of the States. Similarly, despite intense competition, unfavourable climatic conditions and subdued consumer sentiments, Revenue of Unitary Cooling Products (Segment C) was significantly better than last year. The AC Industry as a whole witnessed de-growth in sales volume during 2012-13, whereas, the Company sustained its No.1 market position for most part of the year.

(b) Other Income:

₹ in crores

	2012-13	2011-12	Change	Change %
Other Income	97	111	(-)14	(-)13%

Other Income comprises rental income, dividend from investments, interest income, profit from sale of current investments and foreign exchange gain, if any. Rental income was lower at ₹ 36 crores, as compared to ₹ 42 crores last year and dividend/interest income was at ₹ 42 crores as compared to ₹ 47 crores last year. The Company had a net foreign exchange gain of ₹ 10 crores in 2012-13 as compared to ₹ 19 crores in 2011-12.

(c) Exceptional Items:

₹ in crores

	2012-13	2011-12	Change	Change %
Exceptional Items	8	(-)151	159	105%

Exceptional Items comprises profit on sale of properties (₹ 47 crores), profit on sale of shares of Simto Investment Company Limited (₹ 28 crores), profit on sale of shares of Voltas Material Handling Private Limited (₹ 58 crores), provision for diminution in value of investments in RIEL (₹ 17 crores), charge of VRS (₹ 12 crores) and additional cost overruns (₹ 96 crores) on the Onerous contract – Sidra Medical & Research Centre Project, under execution in Qatar.

(d) Employee Benefits:

₹ in crores

	2012-13	2011-12	Change	Change %
Employee Benefits - Expenses	567	552	15	3%

Employee Benefit Expenses comprises salary, wages, commission to Managing Director, Company's contribution to Provident Fund and other funds, gratuity and staff welfare expenses. There is an overall 3% increase in Employee Benefit expenses during the year under review as compared to previous year, primarily due to increase in HRA to employees.

(e) Finance Costs:

₹ in crores

	2012-13	2011-12	Change	Change %
Interest	34	26	8	31%

Finance costs comprises interest paid on borrowings from banks for execution of overseas projects and for shortfall in payment of advance tax in previous years.

(f) Depreciation and Amortisation Expenses:

₹ in crores

	2012-13	2011-12	Change	Change %
Depreciation and Amortisation Expenses	22	29	(-)7	24%

The charge for depreciation on tangible assets is lower for the year under review as compared to last year. In 2011-12, the Company has made a revision in the estimated useful life of fixed assets, specifically acquired for use in execution of overseas projects, resulting into one-time adjustment and higher depreciation. The amortisation expenses is towards intangible assets (Manufacturing Rights & Technical Know-how and Software).

(g) Commission other than to Sole Selling Agents:

₹ in crores

	2012-13	2011-12	Change	Change %
Commission other than to Sole Selling Agents	24	27	(-)3	(-)11%

Commission other than to Sole Selling Agents includes rebates, incentive schemes and discounts given to Dealers by the Unitary Cooling Products business. It also includes Agency fees and Sponsorship expenses incurred for international projects.

(h) Other General Expenses:

₹ in crores

	2012-13	2011-12	Change	Change %
Other General Expenses	163	146	17	12%

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

(i) Profitability:

₹ in crores

	2012-13	2011-12	Change	Change %
Profit Before Tax	243	207	36	17%
Profit After Tax (Net Profit)	180	152	28	18%

Apart from the general slow down in the economy, which has impacted the performance of the projects businesses, profitability was also impacted due to cost overruns on the Onerous Contract – Sidra Medical & Research Centre Project in Qatar.

65. FINANCIAL POSITION - STANDALONE
(a) Short Term Borrowings:

₹ in crores

	2012-13	2011-12	Change	Change %
Short Term Borrowings	212	178	34	19%

Due to delays in certification of project billings and cost overruns on certain overseas projects, bank borrowings for international projects business had increased.

(b) Net Fixed Assets:

₹ in crores

	2012-13	2011-12	Change	Change %
Fixed Assets after Depreciation (Net)	176	168	8	5%



There was an overall increase of 5% in the Net Fixed Assets of the Company primarily due to purchase of certain tangible assets like land at Vadodara, office building at Bangalore, plant and machinery and office equipments. The Company undertook certain initiatives for improving the Information Technology systems which resulted in additional capital expenditure on software.

(c) **Investments:**

₹ in crores

	2012-13	2011-12	Change	Change %
• Non-current Investments:				
- Investment in subsidiaries, joint ventures and associates	176	178	(-)2	(-)1%
- Other Investments	69	69	--	--
- Investment Properties	24	9	15	167%
Total	269	256	13	5%
• Current Investments:				
- Units of Mutual Funds	318	221	97	44%

During 2012-13, the Company divested its entire shareholding in one of its small subsidiary company – Simto Investment Company Limited (book value: ₹ 2 crores). The Company's investment of surplus cash in Liquid Mutual Funds increased by ₹ 97 crores and was ₹ 318 crores as on 31st March, 2013 as compared to ₹ 221 crores as on 31st March, 2012. Investment properties comprise office buildings in Mumbai, Chennai, Jamshedpur and other office premises given on rent.

(d) **Inventories:**

₹ in crores

	2012-13	2011-12	Change	Change %
Raw materials, components, stores and spares	107	71	36	51%
Work-in progress (net)	251	248	3	1%
Finished goods	206	249	(-)43	(-)17%
Stock-in-trade of goods (for trading)	269	186	83	45%

There was a general increase in the inventories, especially in raw materials, components and stock-in-trade. The inventory of Unitary Products business was higher in 2012-13 as compared to the previous year.

(e) **Trade Receivables:**

₹ in crores

	2012-13	2011-12	Change	Change %
- Current Trade Receivables (Net)	1168	1007	161	16%
- Non-Current Trade Receivables (Net)	80	99	(-)19	(-)19%

The increase is primarily in Current Trade receivables in projects business due to larger payment cycle and delays in certification of bills.

(f) **Cash and Bank Balances:**

₹ in crores

	2012-13	2011-12	Change	Change %
Cash and Bank balances	259	205	54	26%

Cash and Bank balances improved in 2012-13 due to larger sales volumes/realization in Unitary Products business and partly due to payments received upon settlement reached in some international projects.

(g) **Loans and Advances:**

₹ in crores

	2012-13	2011-12	Change	Change %
- Loans Term Loans and Advances (Net)	153	108	45	42%
- Short Term Loans and Advances - Net	170	197	(-)27	(-)14%
Total	323	305	18	6%

The increase is primarily in respect of advance payment of taxes (net) and inter corporate deposits given to Rohini Industrial Electricals Limited and partly towards advances given to customs, port trust/other authorities and suppliers.

(h) **Other Assets:**

₹ in crores

	2012-13	2011-12	Change	Change %
- Other Current Assets	619	737	(-)118	(-)16%
- Other Non-Current Assets	5	4	1	25%

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

(i) **Liabilities and Provisions:**

₹ in crores

	2012-13	2011-12	Change	Change %
Current Liabilities	2460	2316	144	6%
Non-Current Liabilities	105	94	11	12%

Current liabilities comprises short term borrowings, trade payables, short term provisions and other current liabilities. Non-Current liabilities comprise long term provisions and trade payables. Short term borrowings were from banks for execution of overseas projects. Due to delay in certification

of bills and overall liquidity crisis, overseas bank borrowings increased from ₹ 178 crores as on 31st March, 2012 to ₹ 212 crores as on 31st March, 2013. There was also an increase in trade payables (long term as well as short term) due to longer credit period. Provisions (long term and short term) are towards Employee Benefits – gratuity, pension, medical benefits, compensated absences, etc. and for trade guarantees, contingencies, taxation and proposed dividend including dividend tax.

FINANCIAL PERFORMANCE - CONSOLIDATED

66. Financial performance as a measure of operational performance.

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

₹ in crores

	2012-13	2011-12	Change	Change %
Segment-A (Electro-mechanical Projects and Services)	3200	3183	17	1%
Segment-B (Engineering Products and Services)	431	412	19	5%
Segment-C (Unitary Cooling Products for Comfort and Commercial Use)	1833	1537	296	19%
Others	50	43	7	16%
Total	5514	5175	339	7%

The Consolidated Segment Revenues for 2012-13 were higher by 7% at ₹ 5514 crores as compared to ₹ 5175 crores in last year. While most of the subsidiaries and joint venture companies reported higher turnover, Rohini Industrial Electricals Limited (RIEL), a subsidiary company in India recorded lower turnover (₹ 81 crores) in 2012-13 as compared to ₹ 117 crores last year. Lalbuksh Voltas Engineering Services and Trading LLC (Lalvol) under 'Others' segment reported turnover of ₹ 50 crores for the year ended 31st December, 2012 as compared to ₹ 43 crores in the previous year.

(b) Profitability:

₹ in crores

	2012-13	2011-12	Change	Change %
Profit Before Tax	280	219	61	28%
Profit After Tax and Minority Interest/ Share of Profit/loss of Associates	208	162	46	28%

Consolidated Profit before tax in 2012-13 was higher by 28% as compared to previous year despite poor performance by the Projects businesses and additional cost overruns on the Onerous Contract – Sidra Medical & Research Centre Project in Qatar. While RIEL suffered loss of ₹ 13 crores in 2012-13, though lower than ₹ 26 crores in the previous year, Universal Comfort Products Limited performed better and recorded higher profit before tax of ₹ 41 crores as compared to ₹ 34 crores in the previous year. The other major contributors to profitability were Olayan Voltas Contracting Company Limited, a joint venture company in KSA and Voltas Netherlands B.V. (VNBV) due to deemed dividend on account of voluntary closure of Voice Antilles N.V., the wholly-owned subsidiary of VNBV and a step down subsidiary of Voltas Limited.

LIQUIDITY AND CAPITAL RESOURCES

67. In view of the stress faced by the Projects business including tight liquidity conditions, slow progress in execution, delays in settlements and various other external factors, the capital employed in the Projects business was higher as compared to the previous year. The Company has established a robust process to periodically review the Cash position and institutionalized tight control on some of the areas which have resulted in expediting settlement of some of the large projects and improving the Cash position over the last few months. The Debt-Equity Ratio, albeit low, has increased reflecting higher borrowings mainly from international operations. The Company's liquidity position remains comfortable with cash and bank balances at approximately ₹ 259 crores as at end of March 2013. Pursuing the Company's philosophy to maximize cash generation, efforts are being made to control the Capital engagement in various businesses. It is expected that going forward, with improved economic environment, the position of resources available with the Company would also improve.

RISKS AND CONCERNS

68. Importance continues to be accorded to Risk Management which has now been weaved into the overall Strategic Business Planning (SBP)/ Annual Operating Plan (AOP) exercise. The Enterprise Risk Management (ERM) process, which was revamped last year, had identified the major risks and concerns along with mitigation plans. In line with set practices, the major risks were re-visited as part of the SBP process and would be reviewed periodically, for



assessing performance of the mitigation measures along with identification of new risks and mitigation measures, as required.

69. The reviews conducted during the year have resulted in an updated risk assessment matrix along with mitigation measures. The last few years have witnessed high volatility in foreign exchange rates. Nevertheless, a robust forex policy along with timely monitoring and coverage of foreign exchange exposures has ensured that this risk has been adequately mitigated on an on-going basis.

70. Given the macro-economic environment, both in India and internationally, the Projects businesses and Capital goods sector have been experiencing numerous challenges over the last few quarters. However, the Company has instituted comprehensive measures for tiding over these difficult times. Techno-Commercial audits are conducted for all major international as well as domestic projects to assess physical progress and financial performance and validate end of project forecast. Further, through the formation of a Project Review Cell (PRC), adequate review and monitoring mechanism at Corporate level has been institutionalized for large size overseas projects.

71. Risks in the area of IT security have also been reviewed and appropriate steps have been taken for improving the controls. Key among them has been SAP Governance and Risk Compliance (GRC) Project which ensured that SAP roles were suitably re-designed and risks and conflicts in the SAP environment reduced to the least possible level.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

72. The Company has internal control systems commensurate with the nature of its business and the size and complexity of its operations. The Company's Internal Audit function objectively and independently tests the design, adequacy and operating effectiveness of the internal control system and provides assurance to the Board and the Audit Committee. The scope and coverage of internal audit includes review and report on adherence to operating guidelines and statutory requirements and recommending improvements

for monitoring and enhancing efficiency of operations and ensuring reliability of financial and operational information. The scope and authority of the internal audit function is derived from the Audit Charter approved by the Board Audit Committee.

73. The Company's Chief Internal Auditor reports to the Board Audit Committee and leads a team of qualified professionals. The Company has also engaged the services of M/s. Mahajan & Aibara, Chartered Accountants, as a co-sourcing partner for the internal audit team.

74. Internal audits of various departments are conducted based on an annual risk-based internal audit plan covering key areas of operations, including the overseas operations. The annual internal audit plan is approved by the Board Audit Committee at the beginning of the financial year and is shared with the Statutory Auditors.

75. Significant audit findings and suggestions along with the 'Action Taken Reports' are reported to the Board Audit Committee, which consists of Independent Directors. The Board Audit Committee monitors and reviews the significant internal audit observations, compliance with accounting standards, risk management and control systems and profitability/ risk ratings of overseas contracts. Internal audit reports are also shared with the Statutory Auditors.

76. The Internal Audit function continuously endeavours to enhance the effectiveness of internal audit process. A step in this direction was acquiring an analysis tool, IDEA. Internal audit has also participated in successful implementation of the Governance, Risks and Control (GRC) module of SAP to strengthen the adherence to internal controls.

HUMAN RELATIONS

77. Dynamic business environments underline the significant role that Human Resources function needs to play towards proactively anticipating and responding to aspects relating to managing employee capacity and capability. It becomes imperative to ensure high standards of performance and cost optimization through greater employee engagement and productivity.

78. Emphasis on 'Input Quality' and increased rigour in talent acquisition led to effective and timely closure of critical senior positions across different verticals. Parallel efforts to augment the leadership pipeline were also made through hiring from premier and select campuses as well as through Tata Group programs like TAS and HRDP.

79. Leadership and People Development continue to be an area of focus for the organization. Dedicated efforts on this front led to the successful completion of phase 1 of the 'Voltas Business Leaders' and the 'Voltas Emerging Leaders' programmes. Talent review discussions in the form of People Planning meetings were conducted for critical businesses and individual development plans for the Top 100 Managers were prepared. Further extending efforts in leadership development, first-of-its-kind workshops such as Systemic coaching, 'Staying Leaders' with Mercuri Goldmann, and 'Leadership Connect' with the Company's senior Management were conducted.

80. Special attention was paid to leveraging the employability and productivity of the employees by means of various learning avenues. The Company also strengthened its e-learning initiative by partnering with Skillsoft, thereby enhancing the scope and coverage of its people development initiatives and fostering an organization-wide culture of self-learning.

81. The Company accelerated its momentum in the area of Employee Engagement during 2012-13. Innovative and low-cost engagement initiatives led to a higher connect among team and managers.

82. With the rigour and drive of people managers within the organization, scheduled milestones of the PMS cycle were successfully achieved.

83. The Company's employees continue to demonstrate a high regard for the well-being of society, as well as eagerness to contribute in community initiatives. These include visits to the Kathkari tribe at Panvel, Shepherd Widow's Home, coupled

with aid to Bethany Society, participation in panel discussions on ethics and involvement in several other CSR programs.

84. The Company strives to promote sustainable environments, with workplaces that are safe and congenial for all employees. On the occasion of Women's Day, Ms. Joy Deshmukh, Head-CSR, TCS interacted with the Company's women employees at an open house discussion organized by the Voltas Organization of Women.

85. Challenges continued on the Industrial Relations front. In spite of the Company's repeated attempts to break the impasse and arrive at an amicable settlement with the Union/Federation, success was not forthcoming. Despite the offer of generous monetary benefits made by the Management, the Union has been reluctant and instead resorted to increased litigation. Nevertheless, the Management will keep exploring all avenues and continue efforts to arrive at mutually acceptable solutions through dialogue and negotiations.

86. A Voluntary Retirement Scheme was announced for the workmen employed at Thane and Mumbai locations and 74 employees opted for retirement under its provisions.

87. The total staff strength of Voltas Limited as on 31st March, 2013 was 8862, including 6246 contract staff, primarily for overseas projects.

CAUTIONARY STATEMENT

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



Report on Corporate Governance

1. Company's philosophy on code of governance

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

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

2. Board of Directors

(a) Composition

The present Board comprises of 9 members: 8 Non-Executive Directors (NEDs) and the Managing Director. Of the 8 NEDs, 5 are Independent Directors including a Director representing LIC, a major shareholder of the Company. All the Directors of the Company are liable to retire by rotation and there is no permanent director.

The Company has a Non-Executive Chairman and the number of Independent Directors is more than 50% of the total number of Directors. The Company is in compliance with the requirements relating to the composition of Board of Directors, in line with Clause 49 of the Listing Agreement.

(b) Non-Executive Directors' compensation and disclosures

The Sitting fees paid to Non-Executive Directors, including Independent Directors for attending Board/Committee Meetings are within the limits prescribed under the Companies Act, 1956 (the Act). The shareholders have at the 55th Annual General Meeting (AGM) held on 10th August, 2009 passed a Special Resolution approving payment of commission to Non-Executive Directors not exceeding 1% per annum of the net profits of the Company, to be calculated in accordance with the provisions of the Act. The aforesaid Resolution was passed for a period of five financial years, commencing from 1st April, 2010.

(c) Other provisions as to Board and Committees

During the year 2012-13, eight Board Meetings were held on the following dates and the gap between

two consecutive Board Meetings did not exceed the statutory requirement of 4 months.

18th April, 2012; 24th May, 2012; 1st August, 2012; 24th September, 2012; 5th November, 2012; 10th January, 2013; 11th February, 2013 and 25th March, 2013.

The annual calendar of Board/Committee Meetings is agreed upon at the beginning of the year and the Notice for Board Meetings and detailed agenda papers are circulated to all the Directors well in advance to enable them to attend and take informed decisions at the Meetings. The information as required under Annexure - IA to Clause 49 of the Listing Agreement is made available to the Board. In addition, all proposals of investments, divestments and decisions in respect of properties of the Company, execution of overseas projects and credit facilities in respect thereof are placed before the Board for its consideration and appropriate decision in the matter. The annual budgets – Revenue, Capital as well as the Divisional Budgets/Annual Operating Plans are presented in detail to the Directors and their valuable inputs/suggestions are taken. Similarly, actions in respect of suggestions made/decisions taken at Board/Board Audit Committee Meetings are reported and reviewed regularly at the subsequent Meetings by the Directors/Audit 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.

None of the Directors on the Board hold directorship in more than 15 companies and no Director is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement), across all the companies of which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The Board periodically reviews compliance of all laws applicable to the Company, based on a certificate given by the Managing Director including the steps taken, to rectify instances of non-compliances, if any.

(d) Code of Conduct

The Board has adopted a Code of Conduct for the Directors and senior management of the Company and the same has been posted on the website of the Company. All the Board members and senior management of the Company have affirmed compliance with their respective Code of Conduct as on 31st March, 2013. A declaration to this effect, signed by the Managing Director of the Company is annexed hereto. Senior management comprises the Division/Department/Functional Heads, General Managers and the CFOs of the respective business clusters.

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

Name of Directors	Category	Board Meetings Attended during 2012-13	Attendance at the last AGM held on 23rd August, 2012	Number of Directorships in other public limited companies (excluding directorship in associations, private/ Section 25/foreign companies)	Number of Committee positions held in other public companies#	
					Chairman	Member
Mr. Ishaat Hussain (Chairman)	Not Independent Non-Executive	8	Yes	14	4	6
Mr. Sanjay Johri (Managing Director)	Not Independent Executive	8	Yes	–	–	–
Mr. Nasser Munjee	Independent Non-Executive	4	Yes	14	5	3
Mr. Noel N. Tata	Not Independent Non-Executive	7	Yes	9	–	2
Mr. Jimmy S. Bilimoria (Passed away on 3-5-2013)	Independent Non-Executive	4	No	9	4	3
Mr. S. N. Menon	Independent Non-Executive	–	No	3	–	1
Mr. Nani Javeri	Independent Non-Executive	7	Yes	3	–	1
Mr. R. N. Mukhija	Independent Non-Executive	7	Yes	2	1	–
Mr. Vinayak Deshpande	Not Independent Non-Executive	8	Yes	4	–	2
Mr. Thomas Mathew T. (w.e.f. 10-1-2013)	Independent Non-Executive	2	N.A.	4	–	1

Comprises Chairmanship/Membership in Board Audit Committee and Shareholders'/Investors' Grievance Committee.

3. Audit Committee

(a) Composition, name of Members and Chairman

The Board Audit Committee presently comprises 3 Non-Executive Independent Directors – Mr. Nasser Munjee, Mr. Nani Javeri and Mr. R. N. Mukhija. Mr. Nani Javeri was appointed Chairman of Board Audit Committee effective 25th March, 2013 in place of Mr. Jimmy S. Bilimoria who was also on the Board Audit Committee till his demise on 3rd May, 2013. All members of the Board Audit Committee are financially literate and have relevant

finance and/or audit exposure. The Managing Director, the Executive Vice President – Corporate Affairs & CFO, the Chief Internal Auditor and the Statutory Auditors attend the meetings as Invitees. The Business Heads (COOs) and other Operating people also attend the Meetings, when required. The Cost Auditor attends the meetings at which Cost Audit related matters are discussed. The Company Secretary acts as the Secretary of the Board Audit Committee. The Minutes of the Board Audit Committee Meetings are circulated and discussed at the Board Meetings.



(b) Meetings and attendance during the year

Seven Board Audit Committee Meetings were held during the financial year 2012-13 on the following dates:

5th April, 2012; 23rd May, 2012; 9th July, 2012; 1st August, 2012; 5th November, 2012; 10th January, 2013 and 11th February, 2013.

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

Name of Members	No. of Meetings attended
Mr. Jimmy S. Bilimoria	5
Mr. Nasser Munjee	5
Mr. Nani Javeri	6
Mr. R. N. Mukhija	7

The quorum of Board Audit Committee Meetings is two members or one-third of the members, whichever is greater. In the absence of Mr. Jimmy Bilimoria, the Board had appointed Mr. Nasser Munjee to act as Chairman of the Audit Committee. Mr. Nasser Munjee had attended the last Annual General Meeting of the Company as Chairman of Audit Committee.

(c) Terms of reference and role of Audit Committee

The terms of reference, powers and role of Audit Committee are in accordance with Clause 49 II of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956. The broad terms of reference includes the following:

- Oversight of Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for other services rendered by them.
- Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:

- (i) Matters required to be included in the Directors' Responsibility Statement forming part of the Directors' Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
- (ii) Changes, if any, in accounting policies and practices and reasons for the same.
- (iii) Major accounting entries involving estimates based on the exercise of judgement by Management.
- (iv) Significant adjustments made in the financial statements arising out of audit findings.
- (v) Compliance with listing and other legal requirements relating to financial statements.
- (vi) Disclosure of related party transactions.
- (vii) Qualifications in the draft Audit Report.
- Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the Management, performance of statutory, branch and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on significant audit findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors,

debentureholders, shareholders (in case of non-payment of declared dividends) and creditors.

- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of Chief Financial Officer (CFO).
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Board Audit Committee also reviews the following:

- (i) Management Discussion and Analysis of financial condition and results of operations;
- (ii) Related party transactions submitted by Management on quarterly basis;
- (iii) Management letters/letters of internal control weaknesses, if any, issued by the statutory auditors;
- (iv) Internal audit reports relating to internal control weaknesses including major audit observations;
- (v) Appointment, removal and terms of remuneration of Internal Auditor;
- (vi) Concerns, if any, received under the Code of Conduct;
- (vii) Discussions with Cost Auditor on cost audit related matters;
- (viii) Performance of all major on-going projects in India and Abroad; and
- (ix) Financial Statements of subsidiary companies, on a quarterly basis.

The Board Audit Committee also periodically reviews the progress on execution of major overseas projects and the risk ratings, Outstandings and Inventory levels including the action plan for its realization and other specific areas as requested by the Board, from time to time.

4. Subsidiary Companies

The Company has eight unlisted subsidiary companies, of which three are Indian subsidiaries. As defined in Clause 49 III of the Listing Agreement, none of the Indian subsidiaries falls under the category of 'material non-listed Indian subsidiary'. However, the financial statements of all subsidiary companies including investments made, if any, are periodically reviewed by the Board Audit Committee. The financial

performance, Minutes of Board Meetings of these subsidiary companies and all significant transactions or arrangements entered into by the subsidiary companies are reviewed by the Board.

5. Managerial Remuneration

(a) Remuneration Committee

The Remuneration Committee comprises of 4 Non-Executive Directors – Mr. Nasser Munjee, Mr. S. N. Menon, Mr. Nani Javeri and Mr. Ishaat Hussain. Mr. Nasser Munjee, Mr. S. N. Menon and Mr. Nani Javeri are Independent Directors. During 2012-13, two meetings were held on 24th May, 2012 and 30th May, 2012. The attendance of each member of the Committee is given below:

Name of Members	No. of Meetings attended
Mr. Nasser Munjee	1
Mr. S. N. Menon	–
Mr. Nani Javeri	2
Mr. Ishaat Hussain	2

The Minutes of the Remuneration Committee Meetings are circulated and noted at the Board Meetings.

(b) Remuneration Policy

The remuneration of the Managing Director is reviewed by the Remuneration Committee based on certain criteria such as industry benchmarks, Company's performance and the responsibilities shouldered by him. The remuneration of the Managing Director comprises salary, perquisites, allowances and benefits and incentive remuneration and/or commission. Annual salary increment, incentive remuneration or commission is decided by the Remuneration Committee within the overall ceilings prescribed under the Companies Act, 1956 and in line with the terms and conditions approved by the shareholders. The recommendation of the Remuneration Committee is placed before the Board for its approval. The retirement benefits payable to Managing Director is considered by the Remuneration Committee and thereafter recommended to the Board. Revision in pension amounts payable to the retired Managing Directors/ Executive Directors from time to time, are also reviewed by the Committee and recommended to the Board for approval.



The remuneration of Non-Executive Directors, by way of commission is decided and approved by the Board of Directors and also discussed with the Remuneration Committee. The shareholders have, at the 55th Annual General Meeting of the Company held on 10th August, 2009, approved payment of commission to the Non-Executive Directors, of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Act, for a period of five years commencing from 1st April, 2010. The commission for the financial year 2012-13 will be distributed amongst the Non-Executive Directors in accordance with the directives given by the Board. In addition to commission, the Non-Executive Directors of the Company are paid sitting fees for attending Board/Committee Meetings, as under:

- Board Meeting - ₹ 20,000
- Board Audit Committee Meeting - ₹ 20,000
- Remuneration Committee Meeting - ₹ 10,000
- Nomination Committee Meeting - ₹ 10,000
- Investment Committee Meeting - ₹ 10,000
- Project Committee Meeting - ₹ 10,000
- Safety-Health-Environment Committee Meeting - ₹ 10,000
- Shareholders'/Investors' Grievance Committee Meeting - ₹ 5,000

Remuneration to Directors

The Directors' remuneration paid/payable and sitting fees paid in 2012-13 and their shareholding in the Company as on date are given below:

• Non-Executive Directors

Name of Directors	Commission for 2012-13* (₹ in Lakhs)	Sitting Fees paid in 2012-13 (₹ in Lakhs)	No. of Shares held
Mr. Ishaat Hussain	8.50	1.80	--
Mr. Nasser Munjee	5.20	1.90	--
Mr. Noel N. Tata	5.70	1.50	--
Mr. Jimmy S. Bilimoria	7.50	2.00	--
Mr. S. N. Menon	--	--	--
Mr. Nani Javeri	8.20	3.00	--
Mr. R.N. Mukhija	8.50	3.20	--
Mr. Vinayak Deshpande	5.40	2.00	--
Mr. Thomas Mathew T.**	1.00	0.40	--

* payable in 2013-14

** appointed as a Director, representing LIC, with effect from 10th January, 2013. Sitting fees and commission is paid/payable to LIC.

The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during 2012-13, except as stated above.

• Remuneration of Managing Director

(₹ in Lakhs)

Name of Director	Salary	Perquisites and allowances including contribution to PF and Superannuation Fund	Commission for 2012-13*
Mr. Sanjay Johri	39.00	64.21	80.00

* payable in 2013-14

Notes:

- (a) Mr. Sanjay Johri was appointed as the Managing Director for a period of five years with effect from 23rd April, 2010. As per the terms of appointment of Mr. Sanjay Johri, either party is entitled to terminate the agreement by giving not less than six months notice in writing to the other party or the Company paying six months remuneration in lieu of such notice. No severance fee is payable.
- (b) The Company has not introduced any stock options for its Directors/employees.
- (c) Mr. Sanjay Johri does not hold any Equity Shares of the Company either singly or jointly.

6. Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee, apart from reviewing the shares related activities, also looks into the redressal of shareholder and investor complaints, compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund pursuant to the provisions of Section 205C of the Companies Act, 1956. Mr. Noel N. Tata, Non-Executive Director is the Chairman of the Committee. The Shareholders'/Investors' Grievance Committee Meeting is attended by the Company Secretary and the Senior Manager - Shares. During the financial year 2012-13, two Meetings were held on 24th September, 2012 and 25th March, 2013. The Minutes of the Shareholders'/Investors' Grievance Committee Meetings are circulated and noted by the Directors at the Board Meetings.

During 2012-13, 18 complaints were received from SEBI/Stock Exchanges and the same have been suitably

dealt with and closed except one complaint which was pending as on 31st March, 2013. The number of transfers pending as on 31st March, 2013 was 9.

Mr. V. P. Malhotra, Vice President – Taxation, Legal & Company Secretary and Mr. A. H. Khilnani, Senior Manager - Shares, liaise with SEBI and other Regulatory authorities in the matter of investors complaints. The Board has nominated Mr. V. P. Malhotra as the Compliance Officer of the Company for monitoring the share transfer process and other related matters. His e-mail id is vpmalhotra@voltas.com.

7. Other Committees

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

(a) The Board Committee comprising any two Directors is authorized to approve routine matters such as opening/closing and changes in the operation of bank accounts of the Company, to grant limited power of attorney to the officers of the Company and for authorizing executives for signing sales tax and excise forms, declarations, etc.

(b) 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. Jimmy S. Bilimoria, Non-Executive Independent Director was the Chairman of the Investment Committee upto 3rd May, 2013. The other members of the Investment Committee are Mr. Sanjay Johri, Managing Director, Mr. Nani Javeri, Non-Executive Independent Director and Mr. Anil George, Executive Vice President (Corporate Affairs) & Chief Financial Officer. During the year under review, two Meetings of Investment Committee

were held on 23rd May, 2012 and 13th August, 2012. The status of investments made in Mutual Funds and returns/dividends earned are reported to the Investment Committee on a monthly basis and to the Board of Directors on a quarterly basis.

(c) A Committee of Board (COB) comprising Mr. Ishaat Hussain, Mr. Sanjay Johri and Mr. Noel N. Tata regularly meet to discuss and guide the Management on various strategic issues. During the year under review, 7 Meetings of COB were held.

(d) Project Committee comprising Mr. R. N. Mukhija (Chairman), Mr. Vinayak Deshpande and Mr. Sanjay Johri reviews and monitors the progress and execution of projects and other related matters. During the year under review, three Meetings of Project Committee were held on 9th July, 2012, 29th November, 2012 and 22nd March, 2013.

(e) Safety-Health-Environment Committee was constituted comprising Mr. R. N. Mukhija (Chairman), Mr. Vinayak Deshpande and Mr. Sanjay Johri to review and monitor the environment, health and safety policies and activities of the Company. During the year under review, one Meeting of Safety-Health-Environment Committee was held on 11th February, 2013.

(f) The Nomination Committee comprising Mr. Nasser Munjee (as the Chairman), Mr. Ishaat Hussain and Mr. Noel N. Tata has been constituted with the objective of identifying independent directors to be inducted to the Board and for reconstitution of the Board, as and when required. During the year under review, no meeting of the Nomination Committee was held.

(g) The Ethics and Compliance Committee was constituted comprising Mr. Nasser Munjee and Mr. R. N. Mukhija to oversee the implementation of the Code of Conduct adopted by the Company for prevention of Insider Trading and Corporate Disclosure Practices formulated for Tata group companies in accordance with the SEBI



(Prohibition of Insider Trading) Regulations, 1992. The Board has nominated Mr. Anil George as the Compliance Officer to ensure due compliance of the aforesaid Code. Mr. B. N. Garudachar, General Manager (Corporate Communications) has been nominated as the Public Spokesperson of the Company for Corporate Disclosures.

8. General Body Meetings

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

Date of AGM	Time	Special Resolution passed
56th AGM – 16th August, 2010	3.30 p.m.	Nil
57th AGM – 16th August, 2011	3.30 p.m.	Nil
58th AGM – 23rd August, 2012	3.00 p.m.	Nil

No Special Resolutions are proposed to be passed through postal ballot at the ensuing Annual General Meeting.

No Extraordinary General Meeting was held during the financial year 2012-13.

9. Details of Directors seeking appointment/reappointment as required under Clause 49 IV(G) of the Listing Agreement entered into with Stock Exchanges.

As required under Clause 49 IV(G), particulars of Directors seeking appointment/reappointment are given in the Explanatory Statements annexed to the Notice of the Annual General Meeting to be held on 19th August, 2013.

10. Disclosures

- During the year under review, besides the transactions reported in the Notes to Accounts (Refer Note No. 39), there were no other related party transactions with the promoters, directors, management and subsidiaries that had a potential conflict with the interest of the Company at large. 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. Details of transactions with related parties are placed before the

Board Audit Committee on quarterly basis. All transactions with related parties were in the normal course of business during 2012-13.

- None of the Directors are related to each other.
- Mr. Thomas Mathew T. was appointed as an Additional Director (Non-Executive Independent) of the Company, representing LIC with effect from 10th January, 2013. The notice for appointment of the Director was given to the Stock Exchanges on the same day.
- During the last three years, there were no strictures or penalties imposed by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to capital markets.
- The Company has adopted a Whistle Blower Policy which enables the employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and provides direct access to the Chairman of the Board Audit Committee on concerns relating to financial accounting matters. For all other concerns, if they pertain to employees below the Vice-President level, the same gets referred to the Ethics Counsellor and for Vice Presidents and above, the same is referred to the Chairman of the Board Audit Committee. The Whistle Blower Policy has been communicated to the employees of the Company and its functioning is reviewed by the Board Audit Committee. Concerns received under the Tata Code of Conduct are also reported and discussed at the Audit Committee Meetings.
- 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 under the Companies (Accounting Standards) Rules, 2006.
- The Company has formulated a detailed Risk Management Policy to establish an effective and integrated framework for the Company's risk management process. After detailed discussions/deliberations and workshops at Corporate as well as Divisional level, the Company

has identified top ten corporate risks alongwith its mitigation measures which are reviewed by the respective Businesses/Corporate and reported to the Board. The Strategic Business Plan of the respective Divisions factor the risks associated with the businesses.

- The Company did not raise funds through public/rights/preferential issues during the financial year 2012-13.

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

- The Managing Director and Executive Vice President (Corporate Affairs) & CFO have in accordance with Clause 49 V of the Listing Agreement certified to the Board on matters pertaining to CEO/CFO certification during the financial year 2012-13.

- The Company has complied with the Mandatory requirements of Clause 49 of the Listing Agreement. As regards Non-mandatory requirements, the Company has constituted a Board Remuneration Committee, adopted a Whistle Blower Policy and has unqualified financial statements. The Non-Executive 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 performance of Non-Executive Directors is based on the contributions at Board/Committee Meetings as well as time spent on specific operational matters. The Company has not adopted the Non-mandatory requirements in regard to maintenance of Non-Executive Chairman's office and sending half-yearly financial results to the shareholders at their residence.

11. Means of Communication

- The quarterly and half-yearly 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 and Corporate Governance Report from the quarter ended 30th June, 2012 onwards are uploaded on NEAPS maintained by NSE.

- The financial results, official news releases and presentations, conference calls with the institutional investors or with the analysts are displayed on the Company's website www.voltas.com. Copies of Press Release are sent to the Stock Exchanges.

12. General Shareholders Information

• AGM: Date, time and venue

Monday, 19th August, 2013 at 3.00 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai - 400 020.

• Financial Calendar

(a) 1st April to 31st March

(b) First Quarter Results

– By 14th August, 2013

(c) Second Quarter Results

– By 13th November, 2013

(d) Third Quarter Results

– By 14th February, 2014

(e) Results for the year ending 31st March, 2014

– Before 30th May, 2014

• Date of Book closure

Tuesday, 6th August, 2013 to Monday, 19th August, 2013 (both days inclusive).

• Dividend Payment date

Dividend would be paid on or after 21st August, 2013.

• Listing on Stock Exchange

BSE Limited

National Stock Exchange of India Limited

The Company has paid the listing fees to BSE and NSE for the year 2013-14.

• Stock Code

– NSE : VOLTAS

– BSE : 500575

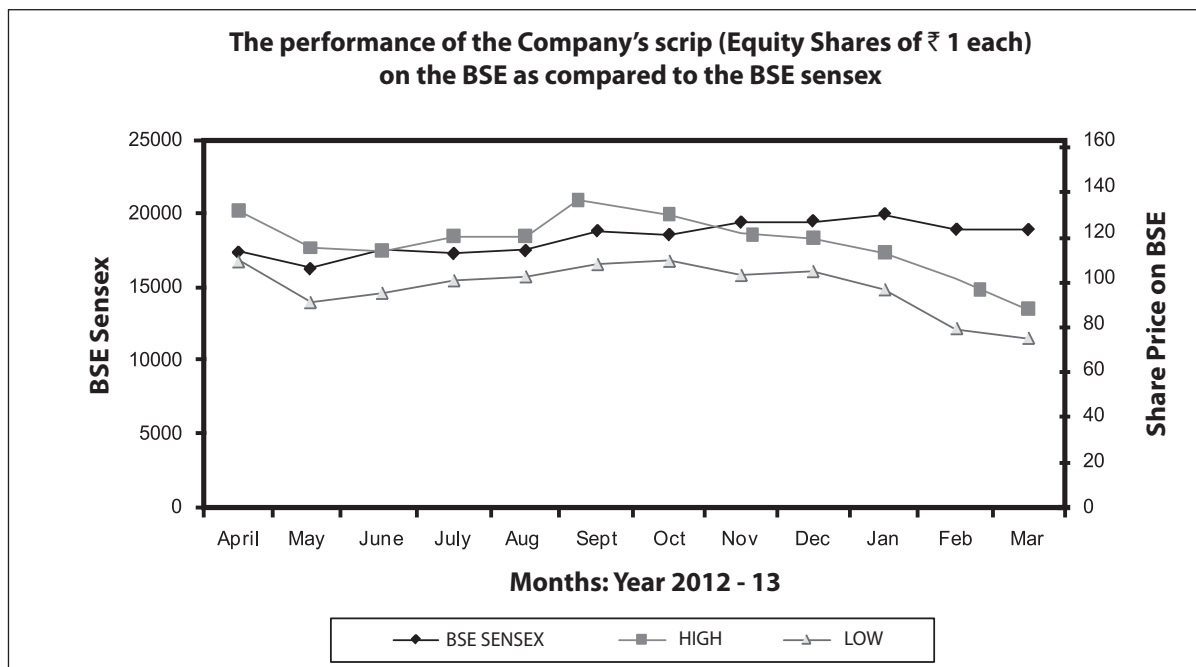
– ISIN Number for
NSDL/CDSL : INE226A01021



● **Market Information**

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

Month	BSE Sensex	BSE Ltd. (BSE)				National Stock Exchange of India Ltd. (NSE)			
		High ₹	Low ₹	No. of Shares Traded	Turnover ₹ in Lakhs	High ₹	Low ₹	No. of Shares Traded	Turnover ₹ In Lakhs
2012									
April	17319	128.90	106.90	6467503	7601.85	123.25	106.90	29027931	33982.79
May	16218	112.65	88.95	11766019	11965.96	112.50	88.60	60693297	61642.57
June	17430	111.40	93.05	9204179	9510.00	111.40	90.95	45106037	46348.78
July	17236	117.70	98.55	7562079	8447.56	117.70	98.50	39196503	43551.99
August	17430	117.75	100.30	6237390	6819.19	119.90	101.00	39447152	43114.15
September	18763	138.50	105.70	5263852	6441.41	136.30	105.05	37564256	45971.97
October	18505	127.25	107.15	4999555	5983.55	127.30	107.10	36590213	44002.29
November	19340	119.00	100.90	3729314	4083.94	119.00	100.85	25490622	27980.38
December	19427	116.75	102.60	4641232	5054.92	116.75	102.45	33861746	36751.30
2013									
January	19895	110.65	94.60	7226536	7451.10	110.55	94.50	45087641	46559.02
February	18862	99.20	77.50	4877409	4435.31	99.95	77.20	29862341	26847.02
March	18836	85.90	73.25	4900826	3993.32	85.90	73.15	29229203	23844.76



● Distribution of shareholding as on 31st March, 2013

No. of equity shares held	No. of shareholders	No. of Shares held	% of Issued Share Capital
Upto 5000	132670	49701141	15.02
5001 to 10000	1250	8910446	2.69
10001 to 20000	470	6661093	2.01
20001 to 30000	128	3209172	0.97
30001 to 40000	60	2111546	0.64
40001 to 50000	40	1823291	0.55
50001 to 100000	75	5350081	1.62
100001 and above	117	253117970	76.50
Total	134810	330884140	100.00
Physical Mode	18006	12979894	3.92
Electronic Mode	116804	317904846	96.08

● Shareholding Pattern as on 31st March, 2013

Category	No. of Shares held	% of Issued Share Capital
Tata Group of companies	99753480	30.15
Insurance companies (Government)	55724809	16.84
Insurance companies (others)	9970837	3.01
Mutual Funds and UTI	17291209	5.23
FIs	61375178	18.55
Bodies Corporate	15686831	4.74
NRIs	3388341	1.02
Banks	1063502	0.32
Foreign companies and Foreign National	91633	0.03
Public	66538920	20.11
Total	330884740	100.00

● Shareholders holding more than 1% Equity shares of the Company as on 31st March, 2013

Name of Shareholder	No. of Shares held	% of Issued Share Capital
Tata Sons Ltd.	88131780	26.64
Life Insurance Corporation of India	29672394	8.97
Government Pension Fund Global	15312143	4.63
Tata Investment Corporation Ltd.	9462330	2.86
Birla Sun Life Insurance Company Ltd.	7804230	2.36
Merrill Lynch Capital Markets Espana S.A.S.V	6338145	1.91
East Spring Investments India Equity Open Ltd.	6097930	1.84
Vidya Investment and Trading Company Private Ltd.	5645741	1.71
LIC of India Market Plus 1 Growth Fund	5543702	1.68
General Insurance Corporation of India	4708591	1.42
ICICI Prudential Discovery Fund	4022009	1.22
The New India Assurance Company Ltd.	3923682	1.18
British Columbia Investment Management Corporation A/c Emerging Markets Equity Fund	3433425	1.04

● Registrar & Transfer Agent

TSR Darashaw Private Limited

Unit : Voltas Limited

6-10, Haji Moosa Patrawala Industrial Estate,

20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011

Tel : 66568484

Fax : 66568494

e-mail : csg-unit@tsrdarashaw.com

● Share Transfer System

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

● Dematerialisation of shares and liquidity

96.08% of the share capital has been dematerialized as on 31st March, 2013.

● Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company has not issued GDRs/ADRs/Warrants or any Convertible instruments.

● Plant locations

The Company's Plants are located at:

- (i) 2nd Pokhran Road,
Thane 400 601.
- (ii) Shreenath Industrial Estate, C Building,
Survey No.197, Near Dadra Check Post,
Dadra 396 230.
- (iii) Plot No.1-5, Sector 8,
I.I.E. Pantnagar, Industrial Area,
Dist. Udham Singh Nagar, Rudrapur,
Uttarakhand 263 145.

● Addresses for correspondence

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

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



● Unclaimed Dividends

Pursuant to Section 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government and no claim shall lie against the said Fund or the Company for the amount of dividend so transferred. Shareholders are advised to claim the un-cashed dividends lying in the unpaid dividend accounts of the Company before the due date. Given below are the dates of declaration of dividend and due dates for claiming dividend.

Date of declaration of dividend	Dividend for the year	Last date for claiming unpaid dividend
7th August, 2006	2005-06	6th August, 2013
6th August, 2007	2006-07	5th August, 2014
28th July, 2008	2007-08	27th July, 2015
10th August, 2009	2008-09	9th August, 2016
16th August, 2010	2009-10	14th August, 2017
16th August, 2011	2010-11	14th August, 2018
23rd August, 2012	2011-12	22nd August, 2019

● Remittance of Dividend through NECS

Members holding shares in physical form, desirous of receiving dividend by direct electronic deposit through National Electronic Clearing Service (NECS) Scheme of Reserve Bank of India to their bank accounts may authorize the Company with their NECS mandate. For details, kindly write to the Company's Registrar & Transfer Agent – TSR Darashaw 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, pursuant to RBI notification, remittance of dividend through ECS has been replaced by NECS. NECS operates on the new and unique bank account number allotted by banks, post implementation of Core Banking Solutions (CBS). In order to facilitate the Company remit the dividend amount through NECS, please furnish your new bank account number allotted to you by your bank to your Depository Participants (DP), along with photocopy of cheque pertaining to your bank account.

● Bank details for Physical Shareholding

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

● Dematerialisation of Shares

Shares held in demat form helps the investors/shareholders to get immediate transfer of shares. No stamp duty is payable on transfer of shares held in demat form and risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries, loss of certificates in transit, get eliminated. Shareholders presently holding shares in physical form are therefore requested to convert their physical holding into demat holding.

● Nomination facility

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

● Receipt of Balance Sheet/other documents through Electronic mode

The Ministry of Corporate Affairs has taken a 'Green Initiative' in the Corporate Governance by allowing service of documents to shareholders, including the Notice for Annual General Meeting, Balance Sheet, Statement of Profit and Loss, etc. through electronic mail who have registered their e-mail address for this purpose. The Company will send the Annual Report and other documents in electronic form to those shareholders who register their e-mail address with the Company's Registrar and Transfer Agent – TSR Darashaw Private Limited.

● 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 Private Limited for the same.

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

I hereby declare that all the Directors and Senior Management personnel have as on 31st March, 2013 affirmed compliance of their respective Codes of Conduct adopted by the Company and confirmation to that effect has been given by each of them.

Mumbai,
20th May, 2013

Sanjay Johri
Managing Director

AUDITORS' CERTIFICATE**To the Members of VOLTAS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **VOLTAS LIMITED** ("the Company") for the year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreements of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117366W)

Mumbai,
20th May, 2013

B. P. Shroff
Partner
Membership No. 34382



INDEPENDENT AUDITORS' REPORT

To the Members of Voltas Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **VOLTAS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to Note No.26(a) to the financial statements with respect to uncertainties related to costs to come and the approval of variations with regard to a major complex project.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117366W)

Mumbai,
20th May, 2013

B. P. Shroff
Partner
Membership No. 34382

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) Having regard to the nature of the Company's business/ activities/results, during the year, clauses (x), (xii), (xiii), (xiv), (xvi), (xviii), (xix) and (xx) of "the order" are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - (a) The Company has not granted loans to any parties during the year. At the year-end, the outstanding balances of such loans granted aggregated ₹ Nil and the maximum amount involved during the year was ₹ 2000 lakhs (number of parties one).
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interest of the Company.
 - (c) The receipts of principal amounts and interest have been regular as per stipulations.
- (v) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vii) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transactions is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time, other than certain purchases which are of a special nature for which comparable quotations are not available and in respect of which we are, therefore, unable to comment.
- (viii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
- (ix) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (x) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and

Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Excise Duty and Cess which have not been deposited as on 31st March, 2013 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in Lakhs)
Income Tax Act, 1961	Income Tax	High Court	1973-1975	1.32
The Central Excise Act, 1944	Excise Duty	Supreme Court	1993-1996	45.74
		High Court	1986-1987	7.95
		Commissioners/ Adjudicating Authority	1982, 1984-2008, 2011-2012	2072.05
Finance Act, 1994 and Service Tax Laws	Service Tax	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	1998-2010	835.89
		Commissioner of Central Excise (Appeals)	2003-2008	1511.54
		Commissioners/ Adjudicating Authority	1998-2010, 2011-2012	770.14
Central Sales Tax Act and Value Added Tax Act of various States	CST, VAT, GST and Entry Tax (including penalty and interest)	Supreme Court	1993-1994, 1996-2001	543.71
		High Courts	1988-1992, 1995-2011	2757.31
		Appellate Tribunals	1986-1988, 1989-1992, 1994-1998, 1999-2009	749.12
		Commissioner (Appeals)	1989-1991, 1992-1993, 1994-1997, 2001-2013	1552.88
		Deputy Commissioner (Appeals)	2005-2007, 2008-2013	220.84
		Assessing Authority	1985-2008, 2012-2013	958.23

(xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company had no debentures issued or outstanding during the year.

(xiii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company.

(xiv) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.

(xv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117366W)

Mumbai,
20th May, 2013

B. P. Shroff
Partner
Membership No. 34382

BALANCE SHEET AS AT 31ST MARCH, 2013

			As at 31-3-2012
	Note	₹ in Lakhs	₹ in Lakhs
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	2	3307.46	3307.44
(b) Reserves and surplus	3	144953.37	133059.44
		148260.83	136366.88
2. Non-current liabilities			
(a) Other long-term liabilities	4	2749.16	1915.70
(b) Long-term provisions	5	7744.79	7435.38
		10493.95	9351.08
3. Current liabilities			
(a) Short-term borrowings	6	21196.76	17779.41
(b) Trade payables	7	152576.46	135222.75
(c) Other current liabilities	7	54691.98	61190.81
(d) Short-term provisions	5	17510.53	17419.92
		245975.73	231612.89
TOTAL EQUITY AND LIABILITIES		404730.51	377330.85
II. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	16829.42	15331.08
(ii) Intangible assets	9	779.75	1064.11
(iii) Capital work-in-progress		0.52	403.30
		17609.69	16798.49
(b) Non-current investments	10	24179.82	24607.49
(c) Deferred tax assets (net)	11	2445.77	2614.63
(d) Long-term loans and advances	12	15316.44	10780.15
(e) Other non-current assets	13	8531.35	10357.55
		68083.07	65158.31
2. Current assets			
(a) Current investments	10	31804.43	22133.34
(b) Inventories	14	83273.77	75376.51
(c) Trade receivables	15	116826.19	100731.26
(d) Cash and bank balances	16	25858.54	20538.15
(e) Short-term loans and advances	12	17033.11	19714.92
(f) Other current assets	13	61851.40	73678.36
		336647.44	312172.54
TOTAL ASSETS		404730.51	377330.85
Summary of significant accounting policies	1A		
See accompanying notes forming part of the financial statements.	1-41		

For and on behalf of the Board

Chairman
Managing Director
Directors

Ishaat Hussain
Sanjay Johri
Nasser Munjee
N. N. Tata
Nani Javeri
R. N. Mukhija
Vinayak Deshpande
Thomas Mathew T.

In terms of our report attached.

For **Deloitte Haskins & Sells**
Chartered Accountants

Executive Vice President - Corporate
Affairs & CFO
Vice President- Taxation, Legal &
Company Secretary
Mumbai, 20th May, 2013

Anil George
V. P. Malhotra

B. P. Shroff
Partner
Mumbai, 20th May, 2013



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

			Year ended 31-3-2012
	Note	₹ in Lakhs	₹ in Lakhs
I. Revenue from operations (Gross)	17	561800.39	520301.60
Less: Excise duty		<u>5257.21</u>	<u>3325.27</u>
Net Revenue from operations		556543.18	516976.33
II. Other Income	18	<u>9696.49</u>	<u>11080.64</u>
III. Total Revenue (I + II)		566239.67	528056.97
IV. EXPENSES			
(a) Consumption of raw materials, cost of jobs and services	19	268204.13	249132.11
(b) Purchase of traded goods	20	173505.22	142717.14
(c) (Increase) / Decrease in finished goods, work-in-progress and stock-in-trade	21	(4291.42)	(1952.70)
(d) Employee benefits expenses	22	56703.72	55196.92
(e) Finance costs	23	3391.26	2590.40
(f) Depreciation and amortisation expense	24	2221.01	2857.33
(g) Other expenses	25	<u>43080.14</u>	<u>41685.85</u>
Total Expenses (IV)		<u>542814.06</u>	<u>492227.05</u>
V. Profit before exceptional items and tax (III - IV)		23425.61	35829.92
VI. Exceptional Items	26	<u>831.84</u>	<u>(15095.27)</u>
VII. Profit before tax (V + VI)		24257.45	20734.65
VIII. Tax Expense			
(1) Current tax			
(i) Current tax		6080.91	6432.00
(ii) Provision for taxation of earlier years provided		0.29	33.86
(2) Deferred tax		<u>168.86</u>	<u>(918.27)</u>
Total tax expense		<u>6250.06</u>	<u>5547.59</u>
IX. Profit after tax (VII - VIII)		<u>18007.39</u>	<u>15187.06</u>
X. Earnings per share:	32		
Earnings Per Share (₹) - Basic and Diluted (Face value ₹ 1 per share)		5.44	4.59
Summary of significant accounting policies	1A		
See accompanying notes forming part of the financial statements.	1-41		

For and on behalf of the Board

Chairman
Managing Director
Directors

Ishaat Hussain
Sanjay Johri
Nasser Munjee
N. N. Tata
Nani Javeri
R. N. Mukhija
Vinayak Deshpande
Thomas Mathew T.

In terms of our report attached.

For **Deloitte Haskins & Sells**
Chartered Accountants

Executive Vice President - Corporate
Affairs & CFO
Vice President- Taxation, Legal &
Company Secretary
Mumbai, 20th May, 2013

Anil George
V. P. Malhotra

B. P. Shroff
Partner
Mumbai, 20th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	₹ in Lakhs	₹ in Lakhs	2011-12 ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before Tax		24257.45	20734.65
Adjustments for :			
Depreciation and amortisation expense	2221.01		2857.33
Provision for doubtful trade and other receivables, loans and advances	1049.11		194.51
Net unrealised exchange (gain)/loss	(379.78)		310.99
Provision for Diminution in value of Investments written back	Nil		(136.05)
Provision for Diminution in value of Investments	1705.26		Nil
(Profit)/loss on sale/write off of Assets	(4764.99)		(4417.44)
Net (gain)/loss on sale of Investments	(9023.83)		(8.14)
Finance costs	3391.26		2590.40
Interest income	(934.02)		(1050.12)
Dividend income	(3246.28)		(3608.35)
Provision for Employee Benefits	279.82		594.61
(Profit) on Sale of Materials Handling Business	Nil		(7934.69)
Provision for Trade Guarantees	245.16		(2158.16)
		(9457.28)	(12765.11)
Operating Profit before Working Capital changes		14800.17	7969.54
Changes in Working Capital:			
Adjustments for (Increase)/Decrease in operating assets:			
Inventories	(7897.25)		99.23
Trade receivables	(15162.39)		(10572.69)
Short-term loans and advances	1054.14		(1984.85)
Long-term loans and advances	(320.18)		(183.01)
Other current assets	12134.97		2286.73
Other non-current assets	(94.27)		(33.81)
Adjustments for Increase/(Decrease) in operating liabilities:			
Trade payables	18714.62		2930.48
Other current liabilities	(6590.28)		(19384.53)
Other long-term liabilities	(32.59)		(31.65)
		1806.77	(26874.10)
Cash generated from operations		16606.94	(18904.56)
Net income tax paid		(9195.70)	(9948.99)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES (A)		7411.24	(28853.55)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

	₹ in Lakhs	₹ in Lakhs	2011-12 ₹ in Lakhs
B. CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets, including capital advances and capital W.I.P.	(4237.80)		(2634.69)
Proceeds from sale of fixed assets	5060.08		5187.41
Inter-corporate deposits (net)	2000.00		(2000.00)
Bank balances not considered as Cash and cash equivalents	19.22		4606.74
Current investments not considered as Cash and cash equivalents:			
– Purchased	(185850.56)		(188243.49)
– Proceeds from sale	176644.42		187903.88
Purchase of long-term investments:			
– Subsidiaries	Nil		(2500.00)
– Associates	(0.34)		(5.00)
– Joint Ventures	Nil		(710.70)
– Others	(0.01)		(3479.76)
Proceeds from sale of long-term investments:			
– Subsidiaries	2968.03		Nil
– Associates	5800.00		7934.69
Loans / advances given:			
– Subsidiaries	(1852.89)		2798.09
– Joint Ventures	(687.67)		(332.43)
Loans / advances realised:			
– Joint Ventures	318.22		Nil
Interest received	626.01		794.71
Dividend received:			
– Subsidiaries	762.63		1280.54
– Others	<u>2483.65</u>		<u>2416.03</u>
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		4052.99	13016.02

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

	₹ in Lakhs	₹ in Lakhs	2011-12 ₹ in Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of Equity Shares (Calls in Arrears)	0.02		0.01
Securities Premium (Calls in Arrears)	0.10		0.06
Net increase/(decrease) in working capital borrowings	3417.35		8388.86
Finance costs	(3337.79)		(2569.06)
Repayment of deposits and interest thereon	(2.00)		(1.98)
Dividends paid	(5254.18)		(6563.07)
Tax on dividend	<u>(858.84)</u>		<u>(1073.56)</u>
NET CASH FLOW USED IN FINANCING ACTIVITIES (C)		(6035.34)	(1818.74)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		<u>5428.89</u>	<u>(17656.27)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		20034.10	37690.37
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		25462.99	20034.10
Cash and Cash Equivalents consist of:			
Cash and cash equivalents at the end of the year (refer note 16)		25522.97	20183.36
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		(59.98)	(149.26)
		<u>25462.99</u>	<u>20034.10</u>

For and on behalf of the Board

Chairman
Managing Director
Directors

Ishaat Hussain
Sanjay Johri
Nasser Munjee
N. N. Tata
Nani Javeri
R. N. Mukhija
Vinayak Deshpande
Thomas Mathew T.

In terms of our report attached.

For **Deloitte Haskins & Sells**
Chartered Accountants

B. P. Shroff
Partner
Mumbai, 20th May, 2013

Executive Vice President - Corporate
Affairs & CFO
Vice President- Taxation, Legal &
Company Secretary
Mumbai, 20th May, 2013

Anil George**V. P. Malhotra**



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

1. NATURE OF BUSINESS

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

1A. SIGNIFICANT ACCOUNTING POLICIES

(i) BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(ii) USE OF ESTIMATES

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

(iii) REVENUE RECOGNITION

- (a) Sales exclude sales tax, value added tax and works contract tax but include excise duty. Commission earned on consignment sales is accounted for as part of revenue from operations.
- (b) Revenue from sale of goods is recognised when the substantial risks and rewards of ownership are transferred to the buyer under the terms of contract. Service revenue is recognised on rendering of services.
- (c) Revenue from long-term contracts, where the outcome can be estimated reliably, 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 calculating the proportion that costs incurred to date, bear to the estimated total costs of a contract based on current technical data. When the current estimate of total costs and revenue is a loss, provision is made for the entire loss on the contract irrespective of the amount of work done. Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue has been reflected under "Other Current Liabilities" in the balance sheet.
- (d) Long-term annual maintenance contracts

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)**(e) Other income**

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

(iv) JOINT VENTURES

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

(v) TANGIBLE FIXED ASSETS

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

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

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

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

(vi) INTANGIBLE ASSETS

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

(vii) IMPAIRMENT OF ASSETS

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

(viii) DEPRECIATION / AMORTISATION

Depreciation on tangible assets has been provided on the Straight Line Basis at the rates prescribed in Schedule XIV to the Companies Act, 1956, except, Depreciation on furniture and fittings, which has been provided on the Written Down Value Basis at the rates prescribed in Schedule XIV to the Companies Act, 1956 and on assets acquired specifically for a Project which are charged off over the period of the Project.



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

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

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

(ix) PROVISION FOR TRADE GUARANTEES / WARRANTIES

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

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

(x) PROVISIONS AND CONTINGENCIES

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

(xi) INVESTMENTS

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

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

(xii) INVENTORIES

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

(xiii) TAXES ON INCOME

Current Tax is the tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)
(xiv) FOREIGN EXCHANGE TRANSACTIONS / TRANSLATIONS

- (a) Company: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- (b) Integral foreign operations: Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- (c) Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at the year-end rate and the difference in translation and realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss. In respect of transactions covered by foreign exchange contracts, the difference between the contract rate and the spot rate on the date of the transaction is charged / (credited) to the Statement of Profit and Loss over the period of the contract.
- (d) Foreign operations are classified as either 'integral' or 'non-integral' operations. Exchange differences arising on a monetary item that, in substance, forms part of an enterprise's net investment in a non-integral foreign operation are accumulated in the Foreign Currency Translation Reserve until the disposal of the net investment, at which time they are recognised as income or as expenses.
- (e) Forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

(xv) ACCOUNTING FOR VOLUNTARY RETIREMENT SCHEME

- (a) The cost of Voluntary Retirement Scheme / Retrenchment Compensation, including ex-gratia and additional gratuity liability arising there from, is charged to the Statement of Profit and Loss in the month of separation of employees.
- (b) The Present Value of future payments to employees opting for Early Separation Scheme (ESS) and the additional gratuity liability arising there from are charged to the Statement of Profit and Loss in the month of separation of employees.

(xvi) LEASES

- (a) Finance Leases

Fixed assets acquired under finance leases are recognised at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the leased term at a constant periodic rate of interest on the remaining balance of the liability.
- (b) Operating Leases

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

(xvii) EMPLOYEE BENEFITS

- (a) Defined Contribution Plans

Contribution to Superannuation Fund, a defined contribution scheme, is made at pre-determined rates to the



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

Superannuation Fund Trust and is charged to the Statement of Profit and Loss. There are no other obligations other than the contribution payable to the Superannuation Fund Trust.

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

(b) Defined Benefit Plans

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

(c) Compensated Absences

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

(xviii) SEGMENT REPORTING

The accounting policies used in the preparation of the financial statements of the Company are also applied for Segment Reporting. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated income / expenses".

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

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

(xx) CASH FLOW STATEMENT

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)
2. Share Capital

	₹ in Lakhs	As at 31-3-2012 ₹ in Lakhs
Authorised:		
– 60,00,00,000 (31-3-2012: 60,00,00,000) Equity Shares of ₹ 1 each	6000.00	6000.00
– 40,00,000 (31-3-2012: 40,00,000) Preference Shares of ₹ 100 each	4000.00	4000.00
	10000.00	10000.00
Issued, Subscribed and Paid up:		
– 33,08,84,740 (31-3-2012: 33,08,84,740) Equity Shares of ₹ 1 each	3308.85	3308.85
Less : Calls-in-Arrears [1,38,540 shares (31-3-2012: 1,40,570 shares)] [refer note 2(d)]	1.39	1.41
	3307.46	3307.44

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

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

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

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

Name of Shareholder	Class of Shares	No. of Shares held	% of holding	As at 31-3-2012	
				No. of Shares held	% of holding
Tata Sons Limited	Equity	8,81,31,780	26.64	8,81,31,780	26.64
Life Insurance Corporation of India	Equity	2,96,72,394	8.97	2,96,54,894	8.96

2. (d) As per records of the Company, no calls remained unpaid by the Directors and Officers of the Company as on 31st March, 2013 (31-3-2012 : Nil).



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

3. Reserves and Surplus

	₹ in Lakhs	As at 31-3-2012 ₹ in Lakhs
(1) Capital Reserve		
As per last Balance Sheet	<u>155.52</u>	<u>155.52</u>
(2) Capital Redemption Reserve		
As per last Balance Sheet	<u>125.70</u>	<u>125.70</u>
(3) Securities Premium Account		
As per last Balance Sheet	<u>627.10</u>	<u>627.04</u>
Calls-in-arrears received during the year	<u>0.10</u>	<u>0.06</u>
Closing Balance	<u>627.20</u>	<u>627.10</u>
(4) General Reserve		
As per last Balance Sheet	<u>116182.83</u>	<u>114182.83</u>
Transfer from Statement of Profit and Loss	<u>2000.00</u>	<u>2000.00</u>
Closing Balance	<u>118182.83</u>	<u>116182.83</u>
(5) Staff Welfare Reserve		
As per last Balance Sheet	<u>1.00</u>	<u>1.00</u>
(6) Foreign Exchange Translation Reserve		
As per last Balance Sheet	<u>65.61</u>	<u>(93.23)</u>
Add : Effect of foreign exchange rate variations during the year on net investment in non-integral operations	<u>80.34</u>	<u>158.84</u>
Closing Balance	<u>145.95</u>	<u>65.61</u>
(7) Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	<u>15901.68</u>	<u>8867.62</u>
Add : Net Profit for the current year	<u>18007.39</u>	<u>15187.06</u>
Deductions :		
Proposed Dividend	<u>5294.16</u>	<u>5294.16</u>
Tax on Dividend	<u>899.74</u>	<u>858.84</u>
Transfer to General Reserve	<u>2000.00</u>	<u>2000.00</u>
Sub-total Deductions	<u>8193.90</u>	<u>8153.00</u>
Closing Balance	<u>25715.17</u>	<u>15901.68</u>
	<u>144953.37</u>	<u>133059.44</u>

4. Other long-term Liabilities

A. Trade Payables	2713.30	1847.25
(Due on account of goods purchased and services rendered)		
B. Others		
Other Payables		
- Unexpired Service Contracts	<u>35.86</u>	<u>68.45</u>
	<u>2749.16</u>	<u>1915.70</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)
5. Provisions

				As at 31-3-2012 ₹ in Lakhs		
				₹ in Lakhs		
	Long Term	Short Term	Total	Long Term	Short Term	Total
(a) Provision for employee benefits						
(i) Retiring gratuity	2693.55	281.88	2975.43	2822.23	187.95	3010.18
(ii) Pension obligations	1402.26	121.53	1523.79	1233.82	116.23	1350.05
(iii) Provision for compensated absences	Nil	2961.72	2961.72	Nil	2966.88	2966.88
(iv) Post retirement medical benefits	799.13	49.35	848.48	749.97	31.25	781.22
(v) Provision for employee separation compensation	117.10	41.32	158.42	66.50	13.19	79.69
(b) Others						
(i) Provision for Trade Guarantees [refer footnote 5 (a)]	2732.75	5037.55	7770.30	2562.86	4962.28	7525.14
(ii) Provision for other Contingencies [refer footnote 5 (b)]						
- Contingency for Tax matters	Nil	1125.00	1125.00	Nil	1125.00	1125.00
(iii) Provision for taxation (net of advance tax)	Nil	1698.28	1698.28	Nil	1864.14	1864.14
(iv) Provision for Proposed Equity dividend	Nil	5294.16	5294.16	Nil	5294.16	5294.16
(v) Provision for Dividend Tax on proposed dividend	Nil	899.74	899.74	Nil	858.84	858.84
	7744.79	17510.53	25255.32	7435.38	17419.92	24855.30

Footnotes :

				₹ in Lakhs		
	Opening Balance	Additions	Utilisation	Reversed	Closing Balance	
5. (a) Provision for Trade Guarantees	7525.14 <i>9683.30</i>	7054.94 <i>7746.39</i>	5258.78 <i>5768.50</i>	1551.00 <i>4136.05</i>	7770.30 <i>7525.14</i>	
(b) Provision for other Contingencies						
- Contingency for Tax matters	1125.00 <i>1125.00</i>	Nil <i>Nil</i>	Nil <i>Nil</i>	Nil <i>Nil</i>	1125.00 <i>1125.00</i>	

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

Figures in italics are for the Previous year.



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

6. Short term Borrowings

	₹ in Lakhs	As at 31-3-2012 ₹ in Lakhs
Secured Borrowings		
Repayable on demand from Banks (refer footnote)	21196.76	17779.41
	21196.76	17779.41

Footnote :

Secured against assignment of stocks, book debts, contract dues and lien on Term Deposits.

7. Current Liabilities

	₹ in Lakhs	As at 31-3-2012 ₹ in Lakhs
(A) Trade Payables		
Due on account of goods purchased and services rendered	152576.46	135222.75
[includes acceptances of ₹11300.64 Lakhs (31-3-2012 : ₹ 9247.09 Lakhs)]		
[refer footnote 7(A) below for dues to micro and small enterprises]		
	152576.46	135222.75
(B) Other Current Liabilities		
(a) Interest accrued but not due on borrowings	80.99	27.52
(b) Unpaid dividends [refer footnote 7(B)]	316.44	276.46
(c) Unpaid matured deposits (unsecured) and interest accrued thereon [refer footnote 7(B)]	0.02	2.02
(d) Advances received from customers / others	34756.45	45967.01
(e) Unexpired service contracts	2269.87	1938.84
(f) Billing in excess of contract revenue	10942.28	6807.72
(g) Statutory obligations	5452.38	5625.55
(h) Other liabilities	873.55	545.69
	54691.98	61190.81

Footnote 7(A)

Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

(i) (a) Principal amount remaining unpaid to any supplier	1032.72	409.94
(b) Interest on (i)(a) above	19.31	11.88
(ii) The amount of interest paid along with the principal payment made to the supplier beyond the appointed date during 2012-13.	54.48	97.97
(iii) Amount of interest due and payable on delayed payments	61.09	46.51
(iv) Amount of further interest remaining due and payable for the earlier years	0.34	8.24
(v) Total outstanding dues of Micro and Small Enterprises		
- Principal	1032.72	409.94
- Interest	80.74	66.63

Footnote 7(B)

No amount was due for transfer at the end of the year. The actual amount to be transferred to Investor Education and Protection Fund in this respect shall be determined on the due dates.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)
8. Tangible Assets

	₹ in Lakhs									
	Freehold Land	Leasehold Land	Buildings	Plant and Equipments	Office and EDP Equipments	Furniture and fixtures	Vehicles	Transferred to Investment property	Transferred to 'Assets held for sale'	Total Tangible Assets
Gross Block at Cost										
Cost at beginning of year	629.13	312.73	10626.69	10737.72	5866.49	2046.47	743.30	(1415.66)	(662.79)	28884.08
	629.13	312.73	10700.08	10558.40	5718.23	2012.02	758.17	(1128.02)	(662.79)	28897.95
Additions	1448.51	Nil	1774.88	1032.78	423.44	332.82	45.03	(186.29)	Nil	4871.17
	Nil	Nil	503.79	525.82	467.24	136.51	30.69	(61.35)	Nil	1602.70
Disposals	Nil	Nil	169.41	175.80	281.01	102.22	111.07	Nil	Nil	839.51
	Nil	Nil	577.18	346.50	318.98	102.06	45.56	(27.87)	Nil	1362.41
Transfers in / (out)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(1338.28)	Nil	(1338.28)
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(254.16)	Nil	(254.16)
Cost at end of year	2077.64	312.73	12232.16	11594.70	6008.92	2277.07	677.26	(2940.23)	(662.79)	31577.46
	629.13	312.73	10626.69	10737.72	5866.49	2046.47	743.30	(1415.66)	(662.79)	28884.08
Depreciation										
Depreciation at beginning of year	Nil	19.15	2647.12	6298.39	3477.12	1566.81	302.11	(476.97)	(280.73)	13553.00
	Nil	15.73	2541.73	5546.44	2714.58	1450.34	210.23	(403.75)	(280.73)	11794.57
Charge for the year	Nil	3.42	223.52	743.33	595.12	154.84	57.44	(24.82)	Nil	1752.85
	Nil	3.42	192.61	979.30	970.21	179.29	127.98	(27.76)	Nil	2425.05
Disposals	Nil	Nil	100.35	79.26	221.78	71.53	71.52	Nil	Nil	544.44
	Nil	Nil	87.22	227.35	207.67	62.82	36.10	(15.82)	Nil	605.34
Transfers in / (out)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(13.37)	Nil	(13.37)
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(61.28)	Nil	(61.28)
Depreciation at end of year	Nil	22.57	2770.29	6962.46	3850.46	1650.12	288.03	(515.16)	(280.73)	14748.04
	Nil	19.15	2647.12	6298.39	3477.12	1566.81	302.11	(476.97)	(280.73)	13553.00
Net book value at beginning of year	629.13	293.58	7979.57	4439.33	2389.37	479.66	441.19	(938.69)	(382.06)	15331.08
	629.13	297.00	8158.35	5011.96	3003.65	561.68	547.94	(724.27)	(382.06)	17103.38
Net book value at end of year	2077.64	290.16	9461.87	4632.24	2158.46	626.95	389.23	(2425.07)	(382.06)	16829.42
	629.13	293.58	7979.57	4439.33	2389.37	479.66	441.19	(938.69)	(382.06)	15331.08

Figures in italics are for the Previous year.

Footnotes :

- Includes ₹ 0.40 Lakh (31-3-2012: ₹ 0.41 Lakh) being cost of shares and bonds in Co-operative Housing Societies.
- In terms of agreement dated 30th September, 1998, Company's Refrigerators manufacturing facility at Nandalur was transferred on a running business / going concern basis to Electrolux Voltas Limited (EVL) on the close of the business hours on 31st March, 1999. In respect of land for the Nandalur Plant, Deed of Conveyance is pending completion.
- Effective 1st April, 2011, the Management had revised estimated useful life of fixed assets, specifically acquired for use in execution of projects to depreciate these fixed assets over the contractual execution period. As a result of revision in estimated useful life, the depreciation charge for the previous year was higher by ₹ 916.60 Lakhs.
- Investment properties comprise book value of land of ₹ 14.19 Lakhs (31-3-2012: ₹ 14.19 Lakhs) and Building ₹ 2410.88 Lakhs (31-3-2012: ₹ 924.50 Lakhs).
- The Company had accounted the profit on transfer of development rights in respect of following properties for which agreement was executed and consideration received but for which conveyance formalities are pending completion :-

Location	Year	₹ in Lakhs	Location	Year	₹ in Lakhs
1. Lalbaug Property	1999-2000	734.12	5. Upvan Land, Thane	2006-07	2070.00
2. Thane Property	2003-04	1735.95	6. Henkel Switchgear Limited approach land at Thane	2006-07	223.40
3. Pune Property	2003-04	2145.53	7. Land adjoining Simtools at Thane	2007-08	919.96
4. Thane Property	2004-05	505.53	8. Nala Land at Thane	2009-10	238.18



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

9. Intangible Assets

	Manufacturing Rights & Technical Know-how	Software Costs	₹ in Lakhs Total Intangible Assets
Gross Block at Cost			
Cost at beginning of year	1030.90 <i>1030.90</i>	3079.26 <i>2861.15</i>	4110.16 <i>3892.05</i>
Additions	Nil <i>Nil</i>	158.98 <i>219.02</i>	158.98 <i>219.02</i>
Disposals	Nil <i>Nil</i>	Nil <i>0.91</i>	Nil <i>0.91</i>
Cost at end of year	1030.90 <i>1030.90</i>	3238.24 <i>3079.26</i>	4269.14 <i>4110.16</i>
Depreciation and Amortisation			
Depreciation at beginning of year	1011.11 <i>1006.68</i>	2034.94 <i>1634.95</i>	3046.05 <i>2641.63</i>
Charge for the year	4.43 <i>4.43</i>	438.91 <i>400.09</i>	443.34 <i>404.52</i>
Disposals	Nil <i>Nil</i>	Nil <i>0.10</i>	Nil <i>0.10</i>
Depreciation at end of year	1015.54 <i>1011.11</i>	2473.85 <i>2034.94</i>	3489.39 <i>3046.05</i>
Net book value at beginning of year	19.79 <i>24.22</i>	1044.32 <i>1226.20</i>	1064.11 <i>1250.42</i>
Net book value at end of year	15.36 <i>19.79</i>	764.39 <i>1044.32</i>	779.75 <i>1064.11</i>

Figures in italics are for the Previous year.

10. Investments

	No.	Currency	Face Value	₹ in Lakhs	As at 31-3-2012 ₹ in Lakhs
(A) Non-current investments at cost unless stated otherwise					
(a) Investment Property (net of accumulated depreciation) [refer footnote 10 (c)]				2425.07	938.69
(b) Investments in Equity Instruments					
1. TRADE INVESTMENTS					
Fully paid Equity Shares of					
Subsidiaries :					
UNQUOTED:					
Auto Aircon (India) Ltd. (#)	1,13,00,000	₹	10	565.00	565.00
Simto Investment Company Ltd. (14,62,087 shares sold during the year)				Nil	204.14
Agro Foods Punjab Ltd. [Refer footnote 10 (a)] (Beneficial rights transferred pending transfer of shares)	2,80,000	₹	100	Nil	Nil
Westerwork Engineers Ltd. (Under Liquidation) (#)	9,600	₹	100	109.29	109.29

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)
10. Investments (contd.)

					As at 31-3-2012 ₹ in Lakhs
	No.	Currency	Face Value	₹ in Lakhs	₹ in Lakhs
Weathermaker Ltd., UAE	4,08,441	US\$	1	307.20	307.20
Voltas Netherlands B.V. (Formerly known as VIL Overseas Enterprises B.V.)	13,635	EURO	45.38	265.21	265.21
Universal Comfort Products Ltd.	2,76,42,000	₹	10	1694.91	1694.91
Rohini Industrial Electricals Ltd. (#)	15,27,571	₹	10	10685.11	10685.11
Saudi Ensas Company for Engineering Services W.L.L., Saudi Arabia (#)	15,860	SR	100	17.90	17.90
Lalbuksh Voltas Engineering Services and Trading, L.L.C, Muscat, Sultanate of Oman	50,000	RO	1	8.14	8.14
				13652.76	13856.90
Associates :					
UNQUOTED:					
Voltas Material Handling Pvt. Ltd. (50,000 shares sold during the year)				Nil	5.00
				Nil	5.00
Joint Ventures :					
UNQUOTED:					
Naba Diganta Water Management Ltd.	47,97,000	₹	10	479.70	479.70
Olayan Voltas Contracting Company Ltd., Saudi Arabia	50,000	SR	100	710.70	710.70
Universal Weathermaker Factory L.L.C., Abu Dhabi	2,695	AED	1000	298.09	298.09
				1488.49	1488.49
Others :					
UNQUOTED:					
Lakshmi Ring Travellers (Coimbatore) Ltd.	1,20,000	₹	10	3.00	3.00
Terrot GmbH, Germany	1	EURO	24000	147.62	147.62
Agrotech Industries Ltd. (#)	3,67,500	US\$	1	115.42	115.42
Tata International Ltd.	10,000	₹	1000	565.00	565.00
Tata Services Ltd.	448	₹	1000	4.48	4.48
Industrial Estates Private Ltd. (#) (1 share purchased during the year)	25	₹	1000	0.24	0.23
Tata Industries Ltd.	13,05,720	₹	100	2071.50	2071.50
Tata Projects Ltd.	1,35,000	₹	100	26.25	26.25
Premium Granites Ltd. (#)	4,91,220	₹	10	49.77	49.77
OMC Computers Ltd. (#)	4,04,337	₹	10	44.37	44.37
Rujuvalika Investments Ltd.	1,83,333	₹	10	30.00	30.00
Avco Marine S.a.S, France (#)	1,910	EURO	10	7.97	7.97
QUOTED:					
Lakshmi Automatic Loom Works Ltd. (#)	6,15,200	₹	10	110.03	110.03
Tata Chemicals Ltd.	2,00,440	₹	10	93.91	93.91
Lakshmi Machine Works Ltd.	6,00,000	₹	10	600.48	600.48
Reliance Industries Ltd. (#) [Refer footnote 10 (b)]	2,640	₹	10	4.55	4.55
Total Trade Investments				3874.59	3874.58



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

10. Investments (contd.)

					As at 31-3-2012
	No.	Currency	Face Value	₹ in Lakhs	₹ in Lakhs
2. OTHER INVESTMENTS					
UNQUOTED:					
Voltas Employees Consumers Co-operative Society Ltd.	750	₹	10	0.08	0.08
Saraswat Co-operative Bank Ltd.	10	₹	10	**	**
Brihat Trading Private Ltd. (3,350 shares purchased during the year)	3,352	₹	10	0.34	***
Super Bazar Co-operative Stores Ltd.	500	₹	10	0.05	0.05
Total Other Investments				0.47	0.13
				19016.31	19225.10
(c) Investments in Preference Shares					
Fully paid Preference Shares of					
Subsidiaries :					
UNQUOTED (Trade Investments) :					
Rohini Industrial Electricals Ltd. 0.01% Cumulative Redeemable Preference shares	25,00,000	₹	100	2500.00	2500.00
Others :					
UNQUOTED:					
Lakshmi Automatic Loom Works Ltd. 6% Cumulative Redeemable Preference Shares	5,50,000	₹	100	*	*
				2500.00	2500.00
(d) Investments in Government or Trust securities					
Government Securities - UNQUOTED					
				0.05	0.05
				0.05	0.05
(e) Investments in Debentures or Bonds					
QUOTED:					
11.50% Tata Steel Ltd. Perpetual Bonds	292	₹	1000000	2972.56	2972.56
				2972.56	2972.56
Gross Non-current investments				26913.99	25636.40
Less: Provision for diminution in value (#)				2734.17	1028.91
(A) Total Investments including Investment Properties				24179.82	24607.49
Aggregate amount of quoted investments : Cost				808.97	808.97
Aggregate market value of quoted investments				11925.56	10219.72
Aggregate value of listed but not quoted investments				2972.56	2972.56
Aggregate amount of unquoted investments : Cost				20707.39	20916.18
Aggregate provision for diminution in value of investments :				2734.17	1028.91
* Cost ₹ 1 (31-3-2012: ₹ 1)					
** Cost ₹ 100 (31-3-2012: ₹ 100)					
*** Cost ₹ 33520 (31-3-2012: ₹ 20)					

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)**10. Investments (contd.)**

Abbreviations for currencies :

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

Footnotes :

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

(B) Current investments (Cost or fair value whichever less)

As at

31-3-2012

No. Currency Face Value ₹ in Lakhs ₹ in Lakhs

(a) Investments in Mutual Funds

UNQUOTED:

Birla Sun Life Floating Rate Long Term - Daily Dividend Direct Plan	45,28,626	₹	100	4536.00	Nil
Tata Fixed Maturity Plan Series 42 Scheme F Plan A Growth	5,00,05,445	₹	10	5000.54	Nil
ICICI Prudential Blended Plan B-Regular Plan-Growth Option -1	2,28,95,214	₹	10	4000.00	Nil
DWS Ultra Short Term Fund -Direct Plan -Daily Dividend Reinvestment	99,94,174	₹	10	1001.21	Nil
Reliance Liquid Fund - Treasury Direct Plan Daily Reinvestment Direct	196,319	₹	1000	3001.22	Nil
JM Floater Short Term Fund-Daily Dividend Reinvestment Direct	5,39,66,185	₹	10	5444.33	Nil
IDFC Super Saver Income Fund-Medium Term Plan -Growth (Regular Plan)	1,99,60,777	₹	10	4000.00	Nil
Sundaram Ultra Short Term - Fixed Direct Plan - Daily Dividend Direct	4,80,00,565	₹	10	4821.13	Nil
Birla Sun Life Cash Manager -Institutional Plan Daily Dividend Reinvestment				Nil	2000.74
Birla Sun Life Floating Rate Fund STP Institutional Plan Daily Dividend Reinvestment				Nil	2514.60
Tata Fixed Maturity Plan Series 34 Scheme C - Growth				Nil	4500.00
Reliance Money Manager Fund - Institutional Plan - Daily Dividend Reinvestment				Nil	4548.82
JM Money Manager Fund Regular Plan - Daily Dividend				Nil	5067.58
Sundaram Money Fund - Super Institutional Plan - Daily Dividend				Nil	3501.60
Total Current Investments				31804.43	22133.34



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

10. Investments (contd.)

Footnote :

10 (c) Investment Property

	Freehold Land	Buildings	₹ in Lakhs Total
Gross Block at Cost			
Cost at beginning of year	14.19	1401.47	1415.66
	<i>Nil</i>	<i>1128.02</i>	<i>1128.02</i>
Additions	Nil	186.29	186.29
	<i>Nil</i>	<i>61.35</i>	<i>61.35</i>
Disposals	Nil	Nil	Nil
	<i>Nil</i>	<i>27.87</i>	<i>27.87</i>
Transfers in / (out)	Nil	1338.28	1338.28
	<i>14.19</i>	<i>239.97</i>	<i>254.16</i>
Cost at end of year	14.19	2926.04	2940.23
	<i>14.19</i>	<i>1401.47</i>	<i>1415.66</i>
Depreciation and Amortisation			
Depreciation at beginning of year	Nil	476.97	476.97
	<i>Nil</i>	<i>403.75</i>	<i>403.75</i>
Charge for the year	Nil	24.82	24.82
	<i>Nil</i>	<i>27.76</i>	<i>27.76</i>
Disposals	Nil	Nil	Nil
	<i>Nil</i>	<i>15.82</i>	<i>15.82</i>
Transfers in / (out)	Nil	13.37	13.37
	<i>Nil</i>	<i>61.28</i>	<i>61.28</i>
Depreciation at end of year	Nil	515.16	515.16
	<i>Nil</i>	<i>476.97</i>	<i>476.97</i>
Net book value at beginning of year	14.19	924.50	938.69
	<i>Nil</i>	<i>724.27</i>	<i>724.27</i>
Net book value at end of year	14.19	2410.88	2425.07
	<i>14.19</i>	<i>924.50</i>	<i>938.69</i>

Footnote :

All the above assets are under operating lease.

Figures in italics are for the Previous year.

11. Deferred Tax Assets (Net)

	₹ in Lakhs	₹ in Lakhs	As at 31-3-2012 ₹ in Lakhs	As at 31-3-2012 ₹ in Lakhs
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
(1) Depreciation	Nil	3859.58	Nil	2555.08
(2) Unabsorbed Depreciation	Nil	Nil	Nil	Nil
(3) Voluntary Retirement Scheme	333.32	Nil	14.32	Nil
(4) Unpaid Statutory Liabilities	624.47	Nil	429.89	Nil
(5) Provision for Doubtful Debts and Advances	1936.78	Nil	1508.60	Nil
(6) Provision for Contingency	382.39	Nil	365.06	Nil
(7) Provision for Employee Benefits	2914.77	Nil	2777.88	Nil
(8) Others	113.62	Nil	73.96	Nil
	6305.35	3859.58	5169.71	2555.08
Net Timing Differences				
Deferred tax assets (Net)	2445.77		2614.63	
Charge / (credit) for the year	(168.86)		918.27	

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

12. Loans and Advances

			₹ in Lakhs			As at 31-3-2012 ₹ in Lakhs
	Long Term	Short Term	Total	Long Term	Short Term	Total
(a) Capital advances	90.85	Nil	90.85	666.73	Nil	666.73
(b) Security deposits	520.84	1222.40	1743.24	186.59	985.94	1172.53
(c) Advance with public bodies (Customs, Port Trust, etc.)	30.81	1300.31	1331.12	Nil	916.06	916.06
(d) Share Application money	2540.88	Nil	2540.88	2460.54	Nil	2460.54
(e) Loans and advances to related parties [refer footnotes 12(a) and 12(b)]	3639.53	704.77	4344.30	1789.53	2332.43	4121.96
(f) Other loans and advances						
(1) Advance payment of Taxes (Net)	5646.29	Nil	5646.29	2697.65	Nil	2697.65
(2) Loans to Employees	138.18	249.18	387.36	109.54	409.49	519.03
(3) Deposits with Customers / Others	536.82	Nil	536.82	850.13	48.46	898.59
(4) Indirect Taxes recoverable	3329.03	2996.18	6325.21	3284.78	3674.58	6959.36
(5) Advance to Suppliers *	69.72	10336.18	10405.90	Nil	8854.74	8854.74
(6) Others	435.00	224.09	659.09	309.18	2493.22	2802.40
Sub-Total	10155.04	13805.63	23960.67	7251.28	15480.49	22731.77
Gross Loans and advances	16977.95	17033.11	34011.06	12354.67	19714.92	32069.59
Less: Provision for bad and doubtful loans and advances						
(a) Share Application money	1201.89	Nil	1201.89	1201.89	Nil	1201.89
(b) Loans and advances to related parties	89.53	Nil	89.53	89.53	Nil	89.53
(c) Other loans and advances / deposits	370.09	Nil	370.09	283.10	Nil	283.10
Total provision for bad and doubtful loans and advances	1661.51	Nil	1661.51	1574.52	Nil	1574.52
Total Loans and advances	15316.44	17033.11	32349.55	10780.15	19714.92	30495.07
Gross Loans and advances						
Secured, considered good	138.18	249.18	387.36	109.54	409.49	519.03
Unsecured, considered good	15178.26	16783.93	31962.19	10670.61	19305.43	29976.04
Doubtful	1661.51	Nil	1661.51	1574.52	Nil	1574.52
	16977.95	17033.11	34011.06	12354.67	19714.92	32069.59

* Advance to Suppliers includes advance to a subsidiary ₹ 146.61 Lakhs and to a joint venture ₹ 687.67 Lakhs.



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

12. Loans and Advances (contd.)

Footnotes :

12.(a) Loans and advances to related parties

Name of the Related Party	Relation	₹ in Lakhs	As at 31-3-2012 ₹ in Lakhs
Auto Aircon (India) Ltd.	Subsidiary	84.68	84.68
Saudi Ensas Company for Engineering Services W.L.L.	Subsidiary	5.15	4.85
Rohini Industrial Electricals Ltd.	Subsidiary	3550.00	1700.00
Voltas Oman L.L.C.	Subsidiary	2.59	Nil
Olayan Voltas Contracting Company Ltd.	Joint Venture	14.21	332.43
Voltas Qatar W.L.L.	Joint Venture	687.67	Nil
Tata Sons Ltd.	Promoter	Nil	2000.00
		4344.30	4121.96

12.(b) Loans and advances in nature of loans given to Subsidiaries and Associates etc., in view of clause 32 of listing agreements

		Maximum balance during the year			
		As at 31-3-2012		As at 31-3-2012	
Name of the Related Party	Relation	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(a) Auto Aircon (India) Ltd. (*)	Subsidiary	84.68	84.68	84.68	84.68
(b) Saudi Ensas Company for Engineering Services W.L.L. (*)	Subsidiary	5.15	4.85	5.15	4.85
(c) Rohini Industrial Electricals Ltd.	Subsidiary	3550.00	1700.00	3600.00	4200.00
(d) Saudi Ensas Company for Engineering Services W.L.L. (Share application money)(*)	Subsidiary	2540.88	2460.54	2540.88	2460.54
		6180.71	4250.07	6230.71	6750.07

* Loans and Advances shown in (a), (b) and (d) above to subsidiaries fall under the category of "Loans and Advances" in nature of Loans in terms of Clause 32 of the Listing Agreement. There is no repayment schedule and no interest is payable.

13. Other Assets

		₹ in Lakhs			As at 31-3-2012 ₹ in Lakhs		
		Non-current	Current	Total	Non-current	Current	Total
(a) Non-current Trade Receivables							
(including trade receivables on deferred credit terms)		8110.60	Nil	8110.60	10031.07	Nil	10031.07
Classification of Non-current Trade Receivables							
(1) Unsecured, considered good		8006.76	Nil	8006.76	9927.23	Nil	9927.23
(2) Unsecured, considered doubtful		103.84	Nil	103.84	103.84	Nil	103.84
Gross Non-current Trade Receivables		8110.60	Nil	8110.60	10031.07	Nil	10031.07
Less: Provision for bad and doubtful debts		103.84	Nil	103.84	103.84	Nil	103.84
Net Non-current Trade Receivables		8006.76	Nil	8006.76	9927.23	Nil	9927.23

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)
13. Other Assets (contd.)

	₹ in Lakhs			As at 31-3-2012 ₹ in Lakhs		
	Non-current	Current	Total	Non-current	Current	Total
(b) Other Assets						
Unsecured, considered good						
(1) Interest accrued on investments / deposits	Nil	1030.82	1030.82	Nil	722.82	722.82
(2) Contract Revenue in excess of Billing [refer footnote]	Nil	60438.52	60438.52	Nil	72573.48	72573.48
(3) Assets held for sale (valued at the lower of the estimated net realisable value and net book value)	Nil	382.06	382.06	Nil	382.06	382.06
(4) Others (Including restricted fixed deposits with maturity more than 12 months)	524.59	Nil	524.59	430.32	Nil	430.32
Total Other Assets	524.59	61851.40	62375.99	430.32	73678.36	74108.68
Total (a + b)	8531.35	61851.40	70382.75	10357.55	73678.36	84035.91

Footnote:

Disclosure under Accounting Standard - 7 on Construction Contracts

	₹ in Lakhs	As at 31-3-2012 ₹ in Lakhs
Details of contract revenue and costs :		
(i) Contract revenue recognised during the year	237760.12	252864.29
(ii) Aggregate amount of costs incurred and net recognised profits (less recognised losses)	689751.10	690947.49
(iii) Advances received for contracts in progress	32331.63	42617.34
(iv) Retention money for contracts in progress	16424.82	26190.00
(v) The gross amount due from customers for contract work	60438.52	72573.48
(vi) The gross amount due to customers for contract work	10942.28	6807.72

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

	₹ in Lakhs	As at 31-3-2012 ₹ in Lakhs
(a) Raw materials and Components	10565.50	6876.47
(b) Work-in-progress	25053.48	24801.50
(c) Finished goods	20636.57	24879.25
(d) Stock-in-trade of goods acquired for trading	26859.70	18577.59
(e) Stores and spares	158.52	241.70
	83273.77	75376.51
The above includes goods-in-transit:		
(i) Raw materials and Components	2476.40	Nil
(ii) Finished goods	8523.80	9085.25
(iii) Stock-in-trade of goods acquired for trading	800.10	Nil
	11800.30	9085.25



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

15. Trade Receivables

₹ in Lakhs						As at 31-3-2012 ₹ in Lakhs
Current Trade Receivables	Others	Outstanding for a period exceeding six months from the date they were due for payment	Total	Others	Outstanding for a period exceeding six months from the date they were due for payment	Total
Classification of Current Trade Receivables						
(1) Secured, considered good	159.04	Nil	159.04	160.98	Nil	160.98
(2) Unsecured, considered good	87394.27	29272.88	116667.15	75166.20	25404.08	100570.28
(3) Unsecured, considered doubtful	Nil	5133.66	5133.66	Nil	4171.54	4171.54
Gross Current Trade Receivables	87553.31	34406.54	121959.85	75327.18	29575.62	104902.80
Less: Provision for bad and doubtful debts	Nil	5133.66	5133.66	Nil	4171.54	4171.54
Net Current Trade Receivables	87553.31	29272.88	116826.19	75327.18	25404.08	100731.26

16. Cash and Bank Balances

₹ in Lakhs		As at 31-3-2012 ₹ in Lakhs
(A) Cash and cash equivalents		
(a) Cash in hand	119.06	124.98
(b) Cheques on hand	4965.55	3784.12
(c) Balances with banks		
(1) Current accounts	19730.48	15612.38
(2) Fixed deposits with maturity less than 3 months	707.88	661.88
Total Cash and cash equivalents	25522.97	20183.36
(B) Other Bank balances		
(a) Fixed deposits with maturity more than 3 months but less than 12 months	1.74	73.66
(b) Fixed deposits with maturity greater than 12 months	Nil	1.50
(c) Balances with banks		
(1) Earmarked balances	317.84	279.63
(2) To the extent held as margin money	15.99	Nil
Total Other Bank balances	335.57	354.79
Total Cash and Bank balances	25858.54	20538.15

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)
17. Revenue from Operations

	₹ in Lakhs	Year ended 31-3-2012 ₹ in Lakhs
(a) Sale of products	264730.42	209498.98
(b) Sale of services	58060.92	57034.04
(c) Contract revenue	237760.12	252864.29
(d) Other operating income		
(1) Unclaimed credit balances write back	444.28	324.21
(2) Sale of scrap	663.54	498.46
(3) Profit on Sale of fixed assets (Net)	17.95	Nil
(4) Others	123.16	81.62
	561800.39	520301.60

Footnote :

Sale of products comprises of

(1) Room Airconditioners including condensing units	136342.34	116195.26
(2) Others	128388.08	93303.72
	264730.42	209498.98

18. Other Income

	₹ in Lakhs	Year ended 31-3-2012 ₹ in Lakhs
(a) Dividend Income		
(1) From investment in subsidiaries	762.63	1280.54
(2) From non-current investments	506.39	479.33
(3) From current investments	1977.26	1848.47
(b) Interest Income [refer footnote 18(a)]		
(1) On sundry advances, deposits, customers' balances etc	346.49	637.80
(2) On deposits with banks	391.09	406.05
(3) On Income-tax refunds	196.44	6.26
(c) Net Gain / (Loss) on sale of investments		
- On sale of non-current investments	464.94	8.14
(d) Net foreign exchange gain	1001.44	1884.34
(e) Rent income	3643.81	4172.94
(f) Cash discount from suppliers	226.27	269.58
(g) Other non-operating income (net of expenses directly attributable to such income)	179.73	87.19
	9696.49	11080.64

Footnote :

Interest income includes interest from

(1) Subsidiaries	293.12	295.80
(2) Promoters	43.81	171.30
	336.93	467.10



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

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

	₹ in Lakhs	Year ended 31-3-2012 ₹ in Lakhs
Opening stock	6876.47	9147.05
Add: Purchases and cost of jobs, manufacture and services	271893.16	246861.53
	278769.63	256008.58
Less: Closing stock	10565.50	6876.47
Cost of material consumed	268204.13	249132.11
Material consumed comprises:		
(1) Steel / Ferrous Metals	6981.19	3280.77
(2) Non - Ferrous Metals	4600.36	3338.56
(3) Compressors	8608.06	5768.88
(4) Others (Items individually not exceeding 10% of total)	16459.90	39303.45
Sub-total :	36649.51	51691.66
(5) Cost of jobs and services	231554.62	197440.45
	268204.13	249132.11

	Value ₹ in Lakhs	%	Value ₹ in Lakhs	%
Imported	9634.20	26.29	7543.47	14.59
Indigenous	27015.31	73.71	44148.19	85.41
	36649.51	100.00	51691.66	100.00

20. Purchase of Traded Goods

	₹ in Lakhs	Year ended 31-3-2012 ₹ in Lakhs
(a) Room Airconditioners including condensing units	97098.62	91576.18
(b) Others	76406.60	51140.96
	173505.22	142717.14

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

	₹ in Lakhs	Year ended 31-3-2012 ₹ in Lakhs
Inventories at the end of the year:		
(1) Finished Goods including stock-in-trade	47496.27	43456.83
(2) Work-in-progress	25053.48	24801.50
	72549.75	68258.33
Inventories at the beginning of the year:		
(1) Finished Goods including stock-in-trade	43456.83	41417.64
(2) Work-in-progress	24801.50	24887.99
	68258.33	66305.63
Net (increase) / decrease	(4291.42)	(1952.70)

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)
22. Employee Benefits Expenses

	₹ in Lakhs	Year ended 31-3-2012 ₹ in Lakhs
(a) Salaries and Wages, including Bonus	51302.61	51724.07
(b) Contribution to Provident and other Funds	1749.31	1176.50
(c) Staff Welfare expenses	3651.80	2296.35
	56703.72	55196.92

23. Finance Costs

	₹ in Lakhs	Year ended 31-3-2012 ₹ in Lakhs
Interest expense on :		
(1) Borrowings	3027.69	2590.40
(2) Others		
Interest on delayed / deferred payment of income tax	363.57	Nil
	3391.26	2590.40

24. Depreciation and Amortisation Expenses

	₹ in Lakhs	Year ended 31-3-2012 ₹ in Lakhs
(a) Depreciation on Tangible assets (refer note 8)	1752.85	2425.05
(b) Amortisation on Intangible assets (refer note 9)	443.34	404.52
(c) Depreciation on Investment Property [refer note 10(c)]	24.82	27.76
	2221.01	2857.33

25. Other Expenses

	₹ in Lakhs	Year ended 31-3-2012 ₹ in Lakhs
(a) Consumption of Stores and Spare parts	336.70	339.04
(b) Power and Fuel	339.42	293.00
(c) Rent	4699.79	5183.18
(d) Repairs to Buildings	128.57	95.94
(e) Repairs to Plant and Machinery	508.32	538.80
(f) Insurance charges	428.00	246.60
(g) Rates and Taxes	201.46	198.86
(h) Travelling and Conveyance	5155.80	6737.27
(i) Payment to Auditors [refer note 25(a)]	215.81	201.64
(j) Legal and Professional charges	2794.17	2869.03
(k) Bad and Doubtful Debts / Advances	1187.10	714.20
(l) Loss on Sale of Fixed Assets (Net)	Nil	83.82
(m) Other expenses		
(1) Forwarding charges (Net)	3128.26	2570.02
(2) Commission other than to Sole Selling Agents, Rebates and Allowances	2432.39	2718.68
(3) Advertising	3356.40	2515.72
(4) Stationery, Postage, Fax and Telephone Expenses	1849.29	1793.22
(5) Donations	23.05	8.55
(6) Provision for Diminution in value of Investments	5.26	4.55
(7) Other General Expenses	16290.35	14573.73
	43080.14	41685.85



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

	₹ in Lakhs	Year ended 31-3-2012 ₹ in Lakhs
25. Auditors' Remuneration		
(a)		
Payments to the auditor as		
(1) Auditor		
(a) Audit Fees	86.25	86.25
(b) Tax Audit Fees	25.88	25.88
(2) for Taxation Matters	3.75	3.00
(3) for Company Law Matters	0.30	0.30
(4) for Other Services	83.29	74.64
(5) for Reimbursement of Expenses	10.06	11.57
	209.53	201.64
(b) To Cost Auditor for Cost Audit	6.28	Nil
	215.81	201.64

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

26. Exceptional Items		Year ended 31-3-2012 ₹ in Lakhs
	₹ in Lakhs	₹ in Lakhs
A. Exceptional Income		
(1) Profit on Sale of Property / Surrender of Tenancy Rights	4747.04	4501.26
(2) Profit on sale of shares of a subsidiary company	2763.89	Nil
(3) Profit on Transfer of Materials Handling business	Nil	7934.69
(4) Profit on Sale of Trade Investments	5795.00	Nil
(5) Reversal of Provision for Diminution in value of Investments	Nil	140.43
Sub-total : Exceptional Income	13305.93	12576.38
Less :		
B. Exceptional Expenses		
(1) Provision for Diminution in value of Investments	1700.00	Nil
(2) Cost of Voluntary Retirement Scheme / Early Separation Scheme	1219.01	8.69
(3) Onerous Contract [refer footnote 26(a)]	9555.08	27662.96
Sub-total : Exceptional Expenses	12474.09	27671.65
Exceptional Items (Net)	831.84	(15095.27)

Footnote:

26.(a) In the previous year, due to significant upward revision in estimated cost of a major project in Qatar, Sidra Medical and Research Centre, the Company accounted for the estimated costs on the project in accordance with the requirement of Accounting Standard (AS) 7. During the current year, the Main Contractor has instructed a revised schedule of completion, expected to end on 31st March, 2014, including additional time for Testing and Commissioning. The cost to come for the extended duration of the project along with the possible enhancement of revenue from variations have been estimated based on current technical data. In view of continuing uncertainties in the process of approval of variations and the complex nature of the project, additional net cost overruns of ₹ 9555.08 Lakhs have been accounted for, while the Company continues to pursue its entitlements vigorously.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

27. (a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 2257.46 Lakhs (31-3-2012: ₹ 4748.18 Lakhs) [Tangible assets : ₹ 2230.73 Lakhs (31-3-2012: ₹ 4690.28 Lakhs) and Intangible assets of ₹ 26.73 Lakhs (31-3-2012: ₹ 57.90 Lakhs)]. Advance paid against such contracts: ₹ 90.85 Lakhs (31-3-2012: ₹ 666.72 Lakhs).

(b) On account of Other Commitments :

(i) Foreign currency exposures (refer note 30)

(ii) Minimum future lease rental payable (refer note 31)

28. Contingent liabilities not provided for

(a) Guarantees on behalf of other companies :

Limits ₹ 22829.48 Lakhs (31-3-2012 : ₹ 22639.29 Lakhs) against which amount outstanding was ₹ 14995.39 Lakhs (31-3-2012 : ₹ 14621.44 Lakhs).

(b) Claims against the Company not acknowledged as debts :

In respect of various matters aggregating ₹ 23592.38 Lakhs (31-3-2012: ₹ 26898.56 Lakhs), net of tax ₹ 15937.83 Lakhs (31-3-2012: ₹ 18171.32 Lakhs) against which a provision has been made for contingencies ₹ 1125 Lakhs (31-3-2012: ₹ 1125 Lakhs). In respect of a contingent liability of ₹ Nil (31-3-2012: ₹ 5086.36 Lakhs), the Company has a right to recover the same from a third party.

	₹ in Lakhs	2011-12 ₹ in Lakhs
Taxes, Cess and Duties (other than income tax)	17034.17	18396.58
Contractual matters in the course of business	5831.74	4347.31
Real Estate Disputes and Demands	Nil	3519.76
Ex-employees matters	372.13	248.63
Others	354.34	386.28
	<u>23592.38</u>	<u>26898.56</u>

(c) Contractual matters under arbitration : Amount indeterminate.

(d) Income tax demands :

In respect of matters decided in Company's favour by appellate authorities where the department is in further appeal ₹ 1115.73 Lakhs (31-3-2012: ₹ 1350.36 Lakhs).

In respect of matters decided against the Company and where Company has appealed amounted to ₹ 2017.97 Lakhs (31-3-2012: ₹ 517.51 Lakhs) and in respect of others ₹ Nil (31-3-2012: ₹ 941.03 Lakhs).

(e) Staff demands under adjudication : Amount indeterminate.

(f) Liquidated damages, except to the extent provided, for delay in delivery of goods : Amount indeterminate.



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

29. In respect of guarantees aggregating ₹ 137745.05 Lakhs (31-3-2012: ₹ 147616.29 Lakhs) issued by Banks at the request of the Company in favour of third parties, the Company has given security by way of hypothecation of a part of tangible movable assets, trade receivables and inventories.

30. Derivative Instruments

The Company has entered into the following derivative instruments :

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

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

Currency	₹ in Lakhs	Sell / Buy	Cross Currency
US Dollar	Nil <i>(150.00)</i>	— <i>Buy</i>	— <i>Rupees</i>

Figures in italics are for the Previous year.

The difference between the forward contract rate and the exchange rate on the date of transaction to be charged / (credited) to the Statement of Profit and Loss is ₹ Nil (2011-12: ₹ 0.38 Lakh).

- (b) The year end foreign currency exposures (estimated in US \$) that have not been hedged by a derivative instrument or otherwise are given below :

- (i) Amounts receivable in foreign currency on account of the following :

	₹ in Lakhs	US \$ in Lakhs
Export of goods and Services	3230.90 <i>2280.54</i>	59.40 <i>44.61</i>
Overseas Operations	125646.04 <i>121955.29</i>	2324.15 <i>2390.74</i>

- (ii) Amounts payable in foreign currency on account of the following :

	₹ in Lakhs	US \$ in Lakhs
Import of goods and services	5282.66 <i>15966.36</i>	97.13 <i>312.33</i>
Overseas Operations	104963.82 <i>98783.10</i>	1936.79 <i>1948.30</i>

Figures in italics are for the Previous year.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)
31. Assets under Operating Leases

- (a) The Company has taken on operating lease certain assets. The total lease rent paid on the same amounts to ₹ 4636.82 Lakhs (2011-12: ₹ 5226.26 Lakhs).

- (i) The minimum future lease rentals payable in respect of non-cancellable leases are as under:

	₹ in Lakhs	2011-12 ₹ in Lakhs
Not later than one year	2415.18	1934.34
Later than one year but not later than five years	1668.13	1118.50
Later than five years	4.79	33.54

- (b) The Company has given on operating lease certain assets. The total lease rent received on the same amounts to ₹ 3332.49 Lakhs (2011-12: ₹ 3595.29 Lakhs) is included under Other Income.

- (i) The minimum future lease rentals receivable in respect of non-cancellable leases are as under:

	₹ in Lakhs	2011-12 ₹ in Lakhs
Not later than one year	2629.15	2640.63
Later than one year but not later than five years	6664.11	7473.95
Later than five years	Nil	125.96

- (ii) The Original Cost, Depreciation for the year and Written Down Value are ₹ 2940.22 Lakhs, ₹ 24.82 Lakhs and ₹ 2425.07 Lakhs (2011-12: ₹ 1415.66 Lakhs, ₹ 27.76 Lakhs and ₹ 938.69 Lakhs), respectively.

32. Earnings per share

2011-12

Earnings per Share has been computed as under :

(1) Profit for the year (₹ In Lakhs)	18007.39	15187.06
(2) Weighted average number of Equity Shares Outstanding	33,08,84,740	33,08,84,740
(3) Earnings Per Share (₹) Basic and Diluted (Face value ₹ 1/- per share)	5.44	4.59

33. Remittance in foreign currencies for dividends

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by / on behalf of non-resident shareholders. The particulars of dividends paid to non-resident shareholders which were declared during the year, are as under :

		2011-12
(i) Number of non-resident shareholders	2,698	1,938
(ii) Number of Equity shares held by them	27,27,423	19,87,455
(iii) Gross amount of dividend (₹)	4363877	3974910
(iv) Year ended to which the dividend related	March-2012	March-2011



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

34. Earnings in foreign exchange received in India

	₹ in Lakhs	2011-12 ₹ in Lakhs
(a) F.O.B. Value of exports (including amounts invoiced against work-in-progress)	3187.53	2644.86
(b) Service Commission (On Cash basis)	499.16	719.20
(c) Other Income	728.06	985.26
(d) Foreign Projects Profit (on accrual basis) at Branch Level	780.53	9214.95
(e) Dividend	762.63	1280.54

35. Expenditure (subject to deduction of tax wherever applicable) in foreign currency from India

	₹ in Lakhs	2011-12 ₹ in Lakhs
(a) Royalty	36.85	45.46
(b) Other matters	196.37	486.94

36. Value of Imports on C.I.F. basis

	₹ in Lakhs	2011-12 ₹ in Lakhs
(a) Raw Materials	1155.22	3536.58
(b) Finished Goods	45539.40	77428.67
(c) Components and Spares	35362.69	46329.56
(d) Capital Goods	267.09	262.28

37. Employee benefits expenses

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

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

The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out as at 31st March, 2013. The present value of the defined benefit obligation and the related current service cost and past service cost, are measured using the projected unit credit method.

The following tables set out the funded status and the amounts recognised in the Company's financial statements as at 31st March, 2013 for the Defined Benefit Plans :

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)**Defined Benefit Plans - As per Actuarial Valuation**

	Gratuity Unfunded	Gratuity Funded	Post Employment Medical Benefits	Pension Plan
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
I. Expense recognised in the Statement of Profit and Loss				
1. Current Service Cost	781.29 796.43	399.49 307.35	38.34 40.94	— —
2. Interest Cost	161.53 130.71	368.19 367.15	66.40 68.53	114.75 107.08
3. Expected return on plan assets	— —	(383.17) (378.42)	— —	— —
4. Actuarial (Gains) / Losses	(113.86) (133.84)	221.00 (194.48)	(5.45) (133.65)	179.14 60.50
5. Difference in exchange	— —	— —	— —	— —
6. Total expense	828.96 793.30	605.51 101.60	99.29 (24.18)	293.89 167.58
II. Net Liability recognised in the Balance Sheet				
1. Present value of Defined Benefit Obligation	2975.43 3010.18	4624.24 4331.66	837.16 781.22	1523.79 1350.05
2. Fair value of plan assets	— —	(4744.25) (4507.86)	— —	— —
3. Net (asset) / liability	2975.43 3010.18	(120.01) (176.20)	837.16 781.22	1523.79 1350.05
III. Change in Obligation during the year				
1. Present value of Defined Benefit Obligation at the beginning of the year	3010.18 2414.67	4331.66 4450.26	781.22 830.70	1350.05 1298.05
2. Current Service Cost	781.29 796.43	399.49 307.35	38.34 40.94	— —
3. Interest Cost	161.53 130.71	368.19 367.15	66.40 68.53	114.75 107.08
4. Actuarial (Gains) / Losses	(113.86) (133.84)	229.58 (179.02)	(5.45) (133.65)	179.14 60.50
5. Benefits Payments	(1054.98) (562.20)	(704.68) (614.08)	(43.35) (25.30)	(120.15) (115.58)
6. Difference in exchange	191.27 364.41	— —	— —	— —
7. Present value of Defined Benefit Obligation at the end of the year	2975.43 3010.18	4624.24 4331.66	837.16 781.22	1523.79 1350.05



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

	Gratuity Unfunded	Gratuity Funded	Post Employment Medical Benefits	Pension Plan
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
IV. Change in Assets during the year				
1. Plan assets at the beginning of the year	—	4507.86	—	—
	—	4586.98	—	—
2. Expected return on plan assets	—	383.17	—	—
	—	378.42	—	—
3. Contributions by employers	—	549.32	43.35	120.15
	—	141.08	25.30	115.58
4. Actual benefits paid	—	(704.68)	(43.35)	(120.15)
	—	(614.08)	(25.30)	(115.58)
5. Actuarial Gains / (Losses)	—	8.58	—	—
	—	15.46	—	—
6. Plan assets at the end of the year	—	4744.25	—	—
	—	4507.86	—	—
7. Actual return on plan assets (2+5)	—	391.75	—	—
	—	393.88	—	—
V. Amount Recognised in the Balance Sheet				
1. Opening Liability	3010.18	(176.20)	781.22	1350.05
	2414.67	(136.72)	(830.70)	(1298.05)
2. Expenses as above (I)	828.96	605.51	99.29	293.89
	793.30	101.60	(24.18)	167.58
3. Employers Contribution	(1054.98)	(549.32)	(43.35)	(120.15)
	(562.20)	(141.08)	(25.30)	(115.58)
4. Difference in exchange	191.27	—	—	—
	364.41	—	—	—
5. Closing Net Liability	2975.43	(120.01)	837.16	1523.79
	3010.18	(176.20)	781.22	1350.05
VI. Actuarial Assumptions				
1. Mortality Table (Indian Assured Lives Mortality)	2006-08	2006-08	2006-08	2006-08
Mortality Table (LIC) - Previous year	1994-96	1994-96 (Ultimate)	1994-96	1996-98
2. Discount Rate	5.25%	8.25%	8.50%	8.25%
	5.00%	8.50%	8.50%	8.50%
3. Increase in Salary/Health Care Cost/Pension	5.00%	8.00%	5.00%	8.00%
	5.00%	8.00%	5.00%	8.00%
4. Rate of Return on Plan Assets	—	8.25%	—	—
	—	8.50%	—	—

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)
VII. Categories of plan assets as a percentage of the fair value of total plan assets

	Gratuity	Gratuity 31-3-2012
	%	%
1. Government of India Securities	22.00	23.00
2. Corporate Bonds	66.00	70.00
3. Special Deposit Scheme	2.50	3.00
4. Others	9.50	4.00
	100.00	100.00

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

	2011-12	2011-12	2011-12	2011-12
	₹ in Lakhs One percentage point increase	₹ in Lakhs One percentage point decrease	₹ in Lakhs One percentage point increase	₹ in Lakhs One percentage point decrease
1. Effect on the aggregate of the service cost and interest cost	106.36	111.18	106.50	101.70
2. Effect on defined benefit obligation	817.87	856.46	800.41	762.03
(a) The Actuarial calculations used to estimate defined benefit commitments and expenses are based on the above assumptions which if changed would affect the defined benefit commitment's size, the funding requirement and expenses.				
(b) The estimates of future salary increases, considered in the Actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.				
(c) The disclosure of Present value of defined obligation, fair value of assets, surplus/(deficit) of assets and experience adjustments of current year and preceding four years are as under:				

	2011-12	2010-11	2009-10	2008-09
₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Present value of defined benefit obligation	9960.62	9473.11	8993.70	7926.64
Fair value of Plan Assets	4744.25	4507.86	4586.99	4019.52
Surplus or (Deficit) of the Plan	5216.37	4965.25	4406.71	3907.12
Experience Adjustments				
- On Plan Assets	8.58	15.46	62.92	72.09
- On Plan Liabilities	(305.57)	(217.78)	69.78	(11.32)
	(296.99)	(202.32)	132.70	60.77
				1004.46

- (d) The details of the Company's Defined Benefit Plans for its employees given above are certified by the actuary and relied upon by the auditors.
- (e) Expected contribution of ₹ 620 Lakhs (2011-12: ₹ 600 Lakhs) to Defined Benefits Schemes for the next year.
- (f) The Company has recognised the following amounts in the Statement of Profit and Loss under the head Company's Contribution to Provident and Other Funds :

	2011-12	2011-12
	₹ in Lakhs	₹ in Lakhs
Provident Fund	820.68	811.61
Superannuation Fund	170.21	171.95
	990.89	983.56



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

38. Segmental Reporting

Segment information has been presented in the Consolidated Financial Statements as permitted by Accounting Standards (AS-17) on Segment Reporting as notified under the Companies (Accounting Standards) Rules, 2006.

39. Related Party Disclosures

(a) List of Related Parties and Relationships

Party	Relation
A. Simto Investment Company Ltd. (upto 31-8-2012) Auto Aircon (India) Ltd . Voltas Netherlands B.V. Lalbuksh Voltas Engineering Services & Trading L.L.C. Voice Antilles N.V. (upto 14-9-2012) Weathermaker Ltd. Saudi Ensas Company for Engineering Services W.L.L. Rohini Industrial Electricals Ltd. Universal Comfort Products Ltd. Voltas Oman L.L.C. Voltas Material Handling Private Ltd. (Upto 30-4-2011) Agro Foods Punjab Ltd. (Under liquidation) Westerwork Engineers Ltd. (Under liquidation)	Subsidiary
B. Brihat Trading Private Ltd. Voltas Material Handling Private Ltd. (w.e.f. 1-5-2011 and upto 2-11-2012)	Associate
C. Universal Voltas L.L.C. Naba Diganta Water Management Ltd. Olayan Voltas Contracting Company Ltd. (w.e.f. 8-2-2012) Universal Weathermaker Factory L.L.C. Voltas Qatar W.L.L. (w.e.f. 2-4-2012) AVCO Marine S.a.S. (Under liquidation) Agrotech Industries Ltd. (Under closure)	Joint Venture
D. Tata Sons Ltd.	Promoter holding together with its subsidiary more than 20%
E. Mr. Sanjay Johri - Managing Director	Key Management Personnel

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)**39. (b) Related Party Transactions**

₹ in Lakhs

Transactions		Subsidiaries	Associates and Joint Ventures	Key Management Personnel	Promoter	Total
Purchase of Goods	[Refer 39 (c) (1)]	72176.16	1448.02	—	—	73624.18
		45323.15	2052.60	—	—	47375.75
Sale of Products	[Refer 39 (c) (2)]	46631.79	838.58	0.81	8.89	47480.07
		29999.73	2133.04	0.28	0.59	32133.64
Service Income	[Refer 39 (c)(3)]	20.21	1424.11	—	4.13	1448.45
		16.53	1069.98	0.07	11.91	1098.49
Sale of Fixed Assets	[Refer 39 (c) (4)]	—	5.43	—	—	5.43
		—	—	—	—	—
Interest Income	[Refer 39 (c) (5)]	293.12	—	—	43.81	336.93
		295.81	—	—	171.26	467.07
Rental Income	[Refer 39 (c) (6)]	104.16	199.43	—	—	303.59
		68.93	259.23	—	—	328.16
Dividend Income	[Refer 39 (c) (7)]	762.63	—	—	—	762.63
		1280.55	—	—	—	1280.55
Commission Received	[Refer 39 (c) (8)]	328.25	—	—	—	328.25
		202.21	—	—	—	202.21
Deputation Charges Received	[Refer 39 (c) (9)]	—	15.76	—	—	15.76
		—	—	—	—	—
Remuneration Paid / Payable	[Refer 39 (c) (10)]	—	—	183.21	—	183.21
		—	—	175.34	—	175.34
Dividend Paid	[Refer 39 (c) (11)]	—	—	—	1410.11	1410.11
		—	—	—	1762.64	1762.64
Consulting Charges paid	[Refer 39 (c) (12)]	—	—	—	6.96	6.96
		—	—	—	10.63	10.63
Tata Brand Equity	[Refer 39 (c) (13)]	—	—	—	821.04	821.04
		—	—	—	770.92	770.92
Other Expenses - Received/Receivable	[Refer 39 (c) (14)]	79.91	1660.87	—	—	1740.78
		19.69	372.11	—	—	391.80
Other Expenses - Paid/Payable	[Refer 39 (c) (15)]	65.82	21.63	—	57.23	144.68
		152.45	12.18	—	35.97	200.60
Purchase of Fixed Assets	[Refer 39 (c) (16)]	—	34.80	—	0.23	35.03
		—	10.02	—	—	10.02
Investments	[Refer 39 (c) (17)]	—	—	—	—	—
		2500.00	715.70	—	—	3215.70
Advances given	[Refer 39 (c) (18)]	—	—	—	—	—
		1.91	—	—	—	1.91
Intercompany Deposits Placed	[Refer 39 (c) (19)]	1850.00	—	—	—	1850.00
		2700.00	—	—	2000.00	4700.00



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

39. (b) Related Party Transactions (contd.)

₹ in Lakhs

Transactions		Subsidiaries	Associates and Joint Ventures	Key Management Personnel	Promoter	Total
Refund of Intercompany Deposits Placed	[Refer 39 (c) (20)]	—	—	—	2000.00	2000.00
		<i>5500.00</i>	—	—	—	<i>5500.00</i>
Deposit Received	[Refer 39 (c) (21)]	—	—	—	—	—
		—	<i>62.67</i>	—	—	<i>62.67</i>
Provision for Diminution in Value of Investment at year end	[Refer 39 (c) (22)]	17.90	—	—	—	17.90
		<i>17.90</i>	—	—	—	<i>17.90</i>
Provision for Debts and Advances Due at year end	[Refer 39 (c) (23)]	1286.57	—	—	—	1286.57
		<i>1286.57</i>	—	—	—	<i>1286.57</i>
Advance Outstanding at year end	[Refer 39 (c) (24)]	84.68	—	—	—	84.68
		<i>84.68</i>	—	—	—	<i>84.68</i>
Accrued Interest	[Refer 39 (c) (25)]	—	—	—	—	—
		—	—	—	<i>50.55</i>	<i>50.55</i>
Advance Share Application Money at year end	[Refer 39 (c) (26)]	2540.88	—	—	—	2540.88
		<i>2460.54</i>	—	—	—	<i>2460.54</i>
Debit Balance Outstanding at year end	[Refer 39 (c) (27)]	257.17	1035.50	—	0.62	1293.29
		<i>288.05</i>	<i>673.76</i>	—	<i>5.49</i>	<i>967.30</i>
Credit Balance Outstanding at year end	[Refer 39 (c) (28)]	1185.13	473.98	—	830.42	2489.53
		<i>1538.32</i>	<i>481.34</i>	—	<i>765.30</i>	<i>2784.96</i>
Intercompany Deposits at year end	[Refer 39 (c) (29)]	3550.00	—	—	—	3550.00
		<i>1700.00</i>	—	—	<i>2000.00</i>	<i>3700.00</i>

Figures in italics are for the Previous year.

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

₹ in Lakhs

	Name of Party	Transaction Value	Transaction Value 2011-12
1.	Purchase of Goods Universal Comfort Products Ltd.	68940.79	43886.64
2.	Sale of Products Universal Comfort Products Ltd.	46486.57	29964.01
3.	Service Income Universal Voltas L.L.C. Voltas Material Handling Private Ltd.	654.02 585.70	916.25 —

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)**39. (c) Details of material (more than 10% of the total related party transactions of the same type) transactions with Related Party (contd.)**

		₹ in Lakhs	
	Name of Party	Transaction Value	Transaction Value 2011-12
4.	Sale of Fixed Assets		
	Voltas Material Handling Private Ltd.	5.43	—
5.	Interest Income		
	Rohini Industrial Electricals Ltd.	293.12	262.93
	Tata Sons Ltd.	43.81	171.26
6.	Rental Income		
	Rohini Industrial Electricals Ltd.	104.16	68.93
	Voltas Material Handling Private Ltd.	199.43	259.23
7.	Dividend Income		
	Weathermaker Ltd.	331.30	726.15
	Voltas Netherlands B.V.	219.99	200.72
	Lalbuksh Voltas Engineering Services & Trading L.L.C.	211.34	353.68
8.	Commission Received		
	Universal Comfort Products Ltd.	328.25	202.21
9.	Deputation Charges Received		
	Voltas Material Handling Private Ltd.	15.76	—
10.	Remuneration Paid / Payable		
	Mr. Sanjay Johri	183.21	175.34
11.	Dividend Paid		
	Tata Sons Ltd.	1410.11	1762.64
12.	Consulting Charges paid		
	Tata Sons Ltd.	6.96	10.63
13.	Tata Brand Equity		
	Tata Sons Ltd.	821.04	770.92
14.	Other Expenses - Received / Receivable		
	Olayan Voltas Contracting L.L.C.	—	315.44
	Voltas Material Handling Private Ltd.	—	56.67
	Voltas Qatar W.L.L..	1634.76	—
15.	Other Expenses - Paid / Payable		
	Saudi Ensas Company for Engineering Services W.L.L.	—	83.28
	Rohini Industrial Electricals Ltd.	26.22	—
	Universal Comfort Products Ltd.	—	24.00
	Weathermaker Ltd.	39.60	33.95
	Tata Sons Ltd.	57.23	34.13
16.	Purchase of Fixed Assets		
	Voltas Material Handling Private Ltd.	34.80	10.02



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

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

		₹ in Lakhs	
	Name of Party	Transaction Value	Transaction Value 2011-12
17. Investments			
	Rohini Industrial Electricals Ltd.	—	2500.00
	Olayan Voltas Contracting L.L.C.	—	710.70
18. Advances given			
	Auto Aircon (India) Ltd.	—	1.91
19. Intercompany Deposits Placed			
	Rohini Industrial Electricals Ltd.	1850.00	2700.00
	Tata Sons Ltd.	—	2000.00
20. Refund of Intercompany Deposits Placed			
	Tata Sons Ltd.	2000.00	2500.00
	Universal Comfort Products Ltd.	—	3,000.00
21. Deposit Received			
	Voltas Material Handling Private Ltd.	—	62.67
22. Provision for Diminution in Value of Investment at year end			
	Saudi Ensas Company for Engineering Services W.L.L.	17.90	17.90
23. Provision for Debts and Advances Due at year end			
	Saudi Ensas Company for Engineering Services W.L.L.	1201.89	1201.89
24. Advance Outstanding at year end			
	Auto Aircon (India) Ltd.	84.68	84.68
25. Accrued Interest			
	Tata Sons Ltd.	—	50.55
26. Advance Share Application Money at year end			
	Saudi Ensas Company for Engineering Services W.L.L.	2540.88	2460.54
27. Debit Balance Outstanding at year end			
	Naba Diganta Water Management Ltd.	306.09	258.93
	Olayan Voltas Contracting L.L.C.	—	332.42
	Rohini Industrial Electricals Ltd.	214.00	267.98
	Voltas Qatar W.L.L.	687.67	—
28. Credit Balance Outstanding at year end			
	Universal Comfort Products Ltd.	554.69	1197.64
	Weathermaker Ltd.	630.44	340.68
	Tata Sons Ltd.	830.42	765.30
	Universal Weathermaker Factory L.L.C.	473.98	481.34
29. Intercompany Deposits at year end			
	Tata Sons Ltd.	—	2000.00
	Rohini Industrial Electricals Ltd.	3550.00	1700.00

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

- 40.** In compliance with the Accounting Standard 27- 'Financial Reporting of interest in joint Ventures' (AS 27) as notified by the Companies (Accounting Standards) Rules, 2006, the Company has interests in the following jointly controlled entities and operations:

₹ in Lakhs

Name of the Joint Venture/ Operations	Country of Incorporation	% of Holding	Assets	Liabilities	Contingent Liabilities	Capital Commitment	Income	Expenses
*Universal Weathermaker Factory L.L.C.	United Arab Emirates	49.00	1011.65	506.49	74.90	1.90	1219.25	1180.96
			<i>1121.04</i>	<i>667.84</i>	<i>8.79</i>	<i>Nil</i>	<i>1334.44</i>	<i>1290.82</i>
* Universal Voltas L.L.C.	United Arab Emirates	49.00	7458.61	3991.70	2742.42	4708.77	9826.39	8056.18
			<i>6626.77</i>	<i>3076.38</i>	<i>2839.42</i>	<i>2558.09</i>	<i>8848.25</i>	<i>6424.17</i>
*Olayan Voltas Contracting Company Limited (Incorporated on 8th February, 2012)	Kingdom of Saudi Arabia	50.00	4095.77	2598.46	Nil	Nil	9107.94	8295.90
			<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
*Voltas Qatar W.L.L. (Incorporated on 2nd April, 2012)	Qatar	75.00	3898.40	3813.17	7596.29	(Nil)	2508.55	2535.21
			<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
NDIA Package 19 Project	Qatar	77.08	1772.20	657.51	Nil	Nil	1939.96	1771.00
			<i>5969.57</i>	<i>5013.01</i>	<i>Nil</i>	<i>Nil</i>	<i>12270.10</i>	<i>11121.85</i>
Sidra Medical & Research Centre Project	Qatar	51.08	17123.39	27605.80	Nil	Nil	43218.00	54914.86
			<i>18048.54</i>	<i>32262.41</i>	<i>Nil</i>	<i>Nil</i>	<i>56689.95</i>	<i>88944.98</i>
ETA-Voltas-Hitachi Plant	United Arab Emirates	37.50	13316.33	10846.15	Nil	Nil	316.94	304.73
			<i>13731.25</i>	<i>11420.96</i>	<i>Nil</i>	<i>Nil</i>	<i>1044.31</i>	<i>1139.98</i>
Naba Diganta Water Management Limited	India	26.00	1361.96	675.96	Nil	6.63	107.10	178.56
			<i>1386.65</i>	<i>765.52</i>	<i>Nil</i>	<i>6.63</i>	<i>42.14</i>	<i>183.23</i>

* As the accounting year of these companies end on 31st December, 2012, the figures are as of that date.

Figures in italics are for the Previous year.

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

For and on behalf of the Board

*Chairman
Managing Director
Directors*

**Ishaat Hussain
Sanjay Johri
Nasser Munjee
N. N. Tata
Nani Javeri
R. N. Mukhija
Vinayak Deshpande
Thomas Mathew T.**

*Executive Vice President - Corporate
Affairs & CFO
Vice President- Taxation, Legal &
Company Secretary
Mumbai, 20th May, 2013*

**Anil George
V. P. Malhotra**



INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of Voltas Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **VOLTAS LIMITED** ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements/ financial information of the subsidiaries, jointly controlled entities and associates referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 26(a) to the financial statements with respect to uncertainties related to costs to come and the approval of variations with regard to a major complex project.

Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statements of eight subsidiaries and four jointly controlled entities, whose financial statements reflect total assets (net) of ₹ 30127.18 lakhs as at 31st March, 2013, total revenues of ₹ 33272.10 lakhs and net cash flows amounting to ₹ 3624.93 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117366W)

Mumbai,
20th May, 2013

B. P. Shroff
Partner
Membership No. 34382

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

	Note	₹ in Lakhs	As at 31-3-2012 ₹ in Lakhs
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	2	3307.46	3307.44
(b) Reserves and surplus	3	159254.74	144476.88
		162562.20	147784.32
2. Minority Interest		1180.86	1700.58
3. Non-current liabilities			
(a) Long-term borrowings	4	602.13	762.87
(b) Deferred tax liabilities (net)	5	228.06	190.34
(c) Other long-term liabilities	6	2795.97	2032.53
(d) Long-term provisions	7	8982.92	8596.55
		12609.08	11582.29
4. Current liabilities			
(a) Short-term borrowings	4	25521.59	21581.17
(b) Trade payables	8	170494.24	147299.04
(c) Other current liabilities	8	65361.15	66601.92
(d) Short-term provisions	7	18934.18	19306.40
		280311.16	254788.53
TOTAL EQUITY AND LIABILITIES		456663.30	415855.72
II. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	20247.12	18964.40
(ii) Intangible assets	10	852.54	1078.95
(iii) Capital work-in-progress		0.52	403.30
(iv) Intangible assets under development		Nil	53.70
		21100.18	20500.35
(b) Goodwill on consolidation		8884.04	8895.44
(c) Non-current investments	11	8930.76	8826.80
(d) Deferred tax assets (net)	5	2445.77	2614.63
(e) Long-term loans and advances	12	12974.40	11874.86
(f) Other non-current assets	13	10445.20	12025.85
		64780.35	64737.93
2. Current assets			
(a) Current investments	11 A	31804.43	22334.09
(b) Inventories	14	97840.34	83339.88
(c) Trade receivables	15	136178.22	116680.09
(d) Cash and bank balances	16	34983.47	27104.87
(e) Short-term loans and advances	12	18619.18	20583.17
(f) Other current assets	13	72457.31	81075.69
		391882.95	351117.79
TOTAL ASSETS		456663.30	415855.72
Summary of significant accounting policies	1		
See accompanying notes forming part of the financial statements.	1-37		

For and on behalf of the Board

Chairman
Managing Director
Directors

Ishaat Hussain
Sanjay Johri
Nasser Munjee
N. N. Tata
Nani Javeri
R. N. Mukhija
Vinayak Deshpande
Thomas Mathew T.

In terms of our report attached.

For **Deloitte Haskins & Sells**
Chartered Accountants

Executive Vice President - Corporate
Affairs & CFO
Vice President- Taxation, Legal &
Company Secretary
Mumbai, 20th May, 2013

Anil George

V. P. Malhotra

B. P. Shroff
Partner
Mumbai, 20th May, 2013



CONSOLIDATED STATEMENTS OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note	₹ in Lakhs	Year ended 31-3-2012 ₹ in Lakhs
I. Revenue from operations (Gross)	17	558353.22	521900.49
Less: Excise duty		5257.21	3326.86
Net Revenue from operations		553096.01	518573.63
II. Other Income	18	9012.62	9849.68
III. Total Revenue (I + II)		562108.63	528423.31
IV. EXPENSES			
(a) Consumption of raw materials, cost of jobs and services	19	368749.84	309034.23
(b) Purchase of traded goods	20	58649.89	70381.65
(c) (Increase) / Decrease in finished goods, work in progress and stock-in-trade	21	(10697.27)	(1419.94)
(d) Employee benefits expenses	22	63253.16	59952.08
(e) Finance costs	23	3974.76	3141.94
(f) Depreciation and amortisation expenses	24	2784.03	3395.82
(g) Other expenses	25	48619.27	46978.67
Total Expenses (IV)		535333.68	491464.45
V. Profit before exceptional items and tax (III - IV)		26774.95	36958.86
VI. Exceptional Items	26	1208.23	(15045.88)
VII. Profit before tax (V + VI)		27983.18	21912.98
VIII. Tax Expense			
(1) Current tax			
(i) Current tax		7121.33	7251.72
(ii) Provision for taxation of earlier years provided / (written back)		(15.39)	9.67
(2) Deferred tax		206.58	(903.23)
(3) MAT Credit entitlement		(36.34)	(646.36)
Total tax expense		7276.18	5711.80
IX. Profit after tax (VII - VIII)		20707.00	16201.18
X. Share of profit / (loss) of associates		Nil	(5.00)
XI. Minority Interest in (profit) / loss		70.72	9.39
XII. Profit for the year (IX + X + XI)		20777.72	16205.57
XIII. Earnings per share	32		
Basic and Diluted (Face value ₹ 1 per share) - (₹)		6.28	4.90
Summary of significant accounting policies	1		
See accompanying notes forming part of the financial statements.	1-37		

For and on behalf of the Board

*Chairman
Managing Director
Directors*

**Ishaat Hussain
Sanjay Johri
Nasser Munjee
N. N. Tata
Nani Javeri
R. N. Mukhija
Vinayak Deshpande
Thomas Mathew T.**

In terms of our report attached.

For **Deloitte Haskins & Sells**
Chartered Accountants

*Executive Vice President - Corporate
Affairs & CFO
Vice President- Taxation, Legal &
Company Secretary
Mumbai, 20th May, 2013*

Anil George

V. P. Malhotra

B. P. Shroff
Partner
Mumbai, 20th May, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	₹ in Lakhs	₹ in Lakhs	2011-12 ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before extraordinary items, tax, share of profit / (loss) of associates and minority interest		27983.18	21912.98
Adjustments for :			
Depreciation and amortisation expenses	2784.03		3395.82
Provision for doubtful trade and other receivables, loans and advances	1298.53		1060.60
Net unrealised exchange (gain) / loss	(379.78)		310.99
Provision for Diminution in value of Investments written back	5.26		(170.40)
(Profit) / loss on sale / write off of assets	(4811.91)		(4479.95)
Net (gain) / loss on sale of investments	(7710.18)		(41.24)
Finance costs	3974.76		3141.94
Interest income	(795.02)		(888.35)
Dividend income	(2557.37)		(2414.73)
Provision for Employee Benefits	390.91		844.42
(Profit) on Sale of Materials Handling business	Nil		(7934.69)
Provision for Trade Guarantees	453.05		(2021.19)
		(7347.72)	(9196.78)
Operating Profit before Working Capital changes		20635.46	12716.20
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories	(14500.46)		(1193.77)
Trade receivables	(19085.65)		(11511.22)
Short-term loans and advances	(362.27)		(1398.13)
Long-term loans and advances	(447.96)		91.35
Other current assets	8609.66		457.68
Other non-current assets	(40.76)		(221.46)
Adjustment of translation differences on working capital	238.07		1648.01
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables	24503.03		2231.96
Other current liabilities	(1313.86)		(17574.63)
Other long-term liabilities	(49.52)		24.31
		(2449.72)	(27445.90)
Cash generated from operations		18185.74	(14729.70)
Net income tax (paid) / refunds		(8702.99)	(11986.64)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES (A)		9482.75	(26716.34)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets including capital advances and capital W.I.P.	(4381.52)		(3135.32)
Proceeds from sale of fixed assets	5119.80		5315.13
Inter-corporate deposits (net)	2000.00		(2000.00)
Bank balances not considered as Cash and cash equivalents	892.93		6209.58
Current investments not considered as Cash and cash equivalents :			
- Purchased	(186010.00)		(188243.49)
- Proceeds from sale	176757.37		188813.31



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

	₹ in Lakhs	₹ in Lakhs	2011-12 ₹ in Lakhs
Purchase of long-term investments :			
- Associates	(0.34)		(5.00)
- Others	(0.01)		(4445.94)
Proceeds from sale of long-term investments :			
- Subsidiaries	2968.04		NIL
- Associates	5800.00		7934.69
Loans / advances given :			
- Joint ventures	(272.02)		(166.21)
Interest received	768.71		569.02
Dividend received	2557.37		2694.56
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		6200.33	13540.33
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity shares (Calls in Arrears)	0.02		0.01
Securities Premium (Calls in Arrears)	0.10		0.06
Net increase / (decrease) in working capital borrowings	3940.42		8843.78
Net increase / (decrease) in long term borrowings	(210.77)		(135.25)
Capital contribution from minority shareholder	Nil		234.08
Finance costs	(3923.14)		(3165.62)
Repayment of deposits and interest thereon	(2.00)		(1.99)
Dividends paid	(5680.75)		(7618.14)
Tax on dividend	(858.84)		(858.84)
NET CASH FLOW USED IN FINANCING ACTIVITIES (C)		(6734.96)	(2701.91)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		8948.12	(15877.92)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		25211.53	41089.45
CASH AND CASH EQUIVALENT TRANSFERRED ON SALE OF SUBSIDIARY		(87.31)	NIL
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		34072.34	25211.53
Cash and Cash Equivalents consist of:			
Cash and cash equivalents at the end of the year (refer note 16)		34132.32	25360.79
Effect of exchange differences on restatement of foreign currency		(59.98)	(149.26)
		34072.34	25211.53

For and on behalf of the Board

Chairman
Managing Director
Directors

Ishaat Hussain
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In terms of our report attached.

For **Deloitte Haskins & Sells**
Chartered Accountants

Executive Vice President - Corporate
Affairs & CFO
Vice President- Taxation, Legal &
Company Secretary
Mumbai, 20th May, 2013

Anil George

V. P. Malhotra

B. P. Shroff
Partner
Mumbai, 20th May, 2013

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**I. NATURE OF BUSINESS :**

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

II. PRINCIPLES OF CONSOLIDATION :

The Consolidated Financial Statements relate to Voltas Limited ("the Company") and its subsidiary companies and jointly controlled entities. The Company, its Subsidiaries and the jointly controlled entities, constitute the "Group". The Consolidated Financial Statements have been prepared on the following basis:

- (i) The Financial Statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and unrealised profits or losses as per Accounting Standard 21 - Consolidated Financial Statements notified under the Companies (Accounting Standards) Rules, 2006.
- (ii) Foreign subsidiaries and jointly controlled entities of the Company have been classified as "Non Integral Foreign Operations". Revenue items of such entities are converted at the average rate prevailing during the year and Assets and Liabilities are converted at the rates prevailing at the end of the year. All resulting exchange differences have been accumulated in a Foreign Exchange Translation Reserve.
- (iii) Interests in jointly controlled entities have been accounted by using the proportionate consolidation method as per Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures notified under the Companies (Accounting Standards) Rules, 2006.
- (iv) Investments in Associate companies have been accounted under the equity method as per (AS 23) - "Accounting for Investments in Associates in Consolidated Financial Statements".
- (v) The Financial Statements of the subsidiaries, the jointly controlled entities and associates consolidated are drawn upto the same reporting date of the Company i.e. 31st March, 2013 except Saudi Ensas Company for Engineering Services W.L.L., Weathermaker Limited, Universal Voltas L.L.C., Universal Weathermaker Factory L.L.C., Lalbuksh Voltas Engineering Services and Trading L.L.C, Voltas Oman L.L.C., Voltas Qatar W.L.L. and Olayan Voltas Contracting Company Limited where the financial statements are drawn upto 31st December, 2012. Simto Investment Company Limited has ceased to be a subsidiary w.e.f. 31st August, 2012; the financial results upto 31st August, 2012 are incorporated in the consolidated financial statements. Voltas Material Handling Private Limited ceased to be an associate w.e.f. 2nd November, 2012. Voltas Qatar W.L.L. was incorporated on 2nd April, 2012 and the reporting period followed is the calendar year.
- (vi) The excess of the Company's portion of equity of the subsidiaries and jointly controlled entities as at the date of its investment over the cost of its investment is treated as Capital Reserve on Consolidation. The excess of cost to the Company of its investment in subsidiaries and jointly controlled entities over the Company's portion of equity as at the date of investment is treated as Goodwill on Consolidation.
- (vii) The Company accounts for its share of change in net assets of the associates post acquisition, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Statement of Profit and Loss, to the extent such change is attributable to the associates' Profit or Loss, and through its reserves for the balance, based on available information.
- (viii) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- (ix) Minority interest in the net assets of consolidated subsidiaries consists of:
 - (a) The amount of equity attributable to the minorities at the date on which investment in a subsidiary is made; and
 - (b) The minorities' share of movements in equity since the date the parent-subsidiary relationship came into existence.
- (x) Minority interests' share of net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the Group.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

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

Name of the Company	Country of Incorporation	Ownership in % either directly or through Subsidiaries	
		2011-12	
Indian Subsidiaries :			
– Simto Investment Company Ltd. (Sold on 31-8-2012)	India	—	95.57
– Auto Aircon (India) Ltd.	India	100.00	100.00
– Agro Foods Punjab Ltd. (under liquidation) [refer footnote (c) below]	India	100.00	100.00
– Westerwork Engineers Ltd. (under liquidation) [refer footnote (c) below]	India	51.00	51.00
– Universal Comfort Products Ltd.	India	100.00	100.00
– Rohini Industrial Electricals Ltd.	India	83.67	83.67
Foreign Subsidiaries :			
– Voltas Netherlands B.V.	The Netherlands	100.00	100.00
– Voice Antilles N.V. (liquidated on 14-9-2012)	Netherlands Antilles	100.00	100.00
– Weathermaker Ltd.	Isle of Man	100.00	100.00
– Saudi Ensas Company for Engineering Services W.L.L.	Saudi Arabia	100.00	100.00
– Lalbuksh Voltas Engineering Services and Trading L.L.C., Muscat	Sultanate of Oman	60.00	60.00
– Voltas Oman L.L.C. (w.e.f. 27-3-2011)	Sultanate of Oman	65.00	65.00
Indian Joint Venture :			
– Naba Diganta Water Management Ltd.	India	26.00	26.00
Foreign Joint Ventures :			
– Agrotech Industries Ltd. (under closure) [refer footnote (b) below]	Isle of Man	49.00	49.00
– AVCO Marine S.a.S. (under liquidation) [refer footnote (b) below]	France	50.00	50.00
– Universal Voltas L.L.C.	United Arab Emirates	49.00	49.00
– ETA-Voltas-Hitachi Plant (Jointly Controlled Operations)	United Arab Emirates	37.50	37.50
– NDIA Package 19 Project (Jointly Controlled Operations)	Qatar	77.08	77.08
– Sidra Medical & Research Centre Project (Jointly Controlled Operations)	Qatar	51.08	51.08
– Universal Weathermaker Factory L.L.C.	United Arab Emirates	49.00	49.00
– Olayan Voltas Contracting Company Ltd. (w.e.f. 8-2-2012)	Saudi Arabia	50.00	50.00
– Voltas Qatar W.L.L. [(w.e.f. 2-4-2012) * Voting power 49%]	Qatar	75.00 *	—
Associates :			
– Brihat Trading Private Ltd. (refer footnote (a) below)	India	33.33	33.33
– Voltas Material Handling Private Ltd. (upto 2-11-2012)	India	—	33.33

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

Footnotes :

- (a) The financial statements of Brihat Trading Private Limited, an associate company were not available for consolidation. The operations of this company have no significant impact on the revenue, expenses, assets and liabilities of the consolidated financial statements.
- (b) The financial statements of Agrotech Industries Limited and AVCO Marine S.a.S. joint ventures have not been consolidated as they are under closure and liquidation, respectively and the investments in the books of the Company are fully provided.
- (c) The Financial Statement of Agro Foods Punjab Limited and Westerwork Engineers Limited, subsidiaries, have not been consolidated as they are under liquidation and the investments in the books of the Company are fully provided.

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

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

The audited Financial Statements of certain foreign subsidiaries, joint ventures and associates used for the purpose of the Consolidated Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles of its Country of Incorporation or International Financial Reporting Standards (IFRS). The differences in accounting policies of the Company and its subsidiaries, joint ventures and associates are not material and there are no material transactions from 1st January, 2013 to 31st March, 2013 in respect of subsidiaries, joint ventures and associates having financial year ended 31st December, 2012.

(ii) USE OF ESTIMATES

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

(iii) REVENUE RECOGNITION

- (a) Sales exclude sales tax, value added tax and works contract tax but include excise duty. Commission earned on consignment sales is accounted for as part of revenue from operations.
- (b) Revenue from sale of goods is recognised when the substantial risks and rewards of ownership are transferred to the buyer under the terms of contract. Service revenue is recognised on rendering of services.
- (c) Revenue from long-term contracts, where the outcome can be estimated reliably, 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 calculating the proportion that costs incurred to date, bear to the estimated total costs of a contract based on current technical data. When the current estimate of total costs and revenue is a loss, provision is made for the entire loss on the contract irrespective of the amount of work done. Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue has been reflected under "Other Current Liabilities" in the balance sheet.
- (d) Long-Term Annual Maintenance Contracts :
The revenue from maintenance contracts is recognised on accrual basis and advance received in respect of future period is accounted for as Unexpired Service Revenue.
In case of Mining Equipment, the revenue from such contracts is recognised in proportion to the cost actually incurred during the year in terms of the total estimated cost for such contracts, as repairs and maintenance of such machineries depends on its utilisation and wear and tear which varies from year to year. The excess of billings over revenue is deferred and accounted for as "Unexpired Service Revenue".
- (e) Other income :
Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

(iv) LEGAL RESERVE

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

(v) TANGIBLE FIXED ASSETS

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

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

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

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

(vi) INTANGIBLE ASSETS

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

(vii) IMPAIRMENT OF ASSETS

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

(viii) DEPRECIATION / AMORTISATION

(a) Depreciation on tangible assets of the Company has been provided on the Straight Line Basis at the rates prescribed in Schedule XIV to the Companies Act, 1956, except, as under:

- (i) Depreciation on furniture and fittings has been provided on the Written Down Value Basis at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- (ii) Intangible assets are amortised on the Straight Line Basis over their useful life. Manufacturing Rights and Technical Know-how are amortised over 72 months and Software is amortised over 60 months.
- (iii) Premium paid on Leasehold Land is amortised over the period of the lease, commencing from the date the land is put to use for commercial operations.
- (iv) Assets acquired specifically for a Project are charged off over the period of the Project.

(b) In some subsidiaries, depreciation on tools, furniture, fixtures and office equipment is provided for over a period of four years and for motor vehicles over a period of three years.

(c) In one of the subsidiaries, depreciation on all Fixed Assets has been provided for on Written Down Value Basis.

(d) In some foreign subsidiaries and foreign joint ventures, the cost of assets including intangible assets has been depreciated / amortised using the Straight Line Basis over their estimated useful lives.

(e) In one subsidiary, depreciation on Computers and Vehicles has been charged at 20% and on furniture at the rate prescribed in Schedule XIV to the Companies Act, 1956 on the Straight Line Basis.

(ix) PROVISION FOR 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

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

(x) PROVISIONS AND CONTINGENCIES

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

(xi) INVESTMENTS

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

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

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

(xii) INVENTORIES

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

(b) In one subsidiary, cost of inventories is determined on First-In-First-Out (FIFO) basis and comprises invoice value plus applicable landing charges.

(xiii) TAXES ON INCOME

Current Tax is the tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable tax laws.

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

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

(xiv) FOREIGN EXCHANGE TRANSACTIONS / TRANSLATIONS

(a) Company: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

(b) Integral foreign operations: Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

(c) Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at the year-end rate and the difference in translation and realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss. In respect of transactions covered by foreign exchange contracts, the difference between the contract rate and the spot rate on the date of the transaction is charged/ (credited) to the Statement of Profit and Loss over the period of the contract.

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

(e) Forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

(xv) ACCOUNTING FOR VOLUNTARY RETIREMENT SCHEME

- (a) The cost of Voluntary Retirement Schemes / Retrenchment Compensation, including ex-gratia and additional gratuity liability arising there from, is charged to the Statement of Profit and Loss in the month of separation of employees.
- (b) The Present Value of future payments to employees opting for Early Separation Scheme (ESS) and the additional gratuity liability arising there from are charged to the Statement of Profit and Loss in the month of separation of employees.

(xvi) LEASES

(a) Finance Leases

Fixed assets acquired under finance leases are recognised at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the leased term at a constant periodic rate of interest on the remaining balance of the liability.

(b) Operating Leases

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

(xvii) EMPLOYEE BENEFITS

(a) Defined Contribution Plans

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

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

(b) Defined Benefit Plans

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

(c) Compensated Absences

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

(xviii) SEGMENT REPORTING

The accounting policies used in the preparation of the financial statements of the Group are also applied for Segment Reporting. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated income / expenses".

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)**(xix) CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)**

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

(xx) CASH FLOW STATEMENT

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

2. Share Capital

		As at 31-3-2012 ₹ in Lakhs
Authorised:	₹ in Lakhs	
– 60,00,00,000 (31-3-2012: 60,00,00,000) Equity Shares of ₹ 1 each	6000.00	6000.00
– 40,00,000 (31-3-2012: 40,00,000) Preference Shares of ₹ 100 each	4000.00	4000.00
	10000.00	10000.00
Issued, Subscribed and Paid up:		
– 33,08,84,740 (31-3-2012: 33,08,84,740) Equity Shares of ₹ 1 each	3308.85	3308.85
Less : Calls-in-Arrears [1,38,540 shares (31-3-2012: 1,40,570 shares)] [refer note 2(d)]	1.39	1.41
	3307.46	3307.44

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

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

			As at 31-3-2012
Particulars	Equity Shares		Equity Shares
	Numbers	₹ in Lakhs	Numbers ₹ in Lakhs
Shares outstanding at the beginning of the year	33,08,84,740	3308.85	33,08,84,740 3308.85
Shares outstanding at the end of the year	33,08,84,740	3308.85	33,08,84,740 3308.85

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

				As at 31-3-2012
Name of Shareholder	Class of Shares	No. of Shares held	% of holding	No. of Shares held % of holding
Tata Sons Limited	Equity	8,81,31,780	26.64	8,81,31,780 26.64
Life Insurance Corporation of India	Equity	2,96,72,394	8.97	2,96,54,894 8.96

2. (d) As per records of the Company, no calls remained unpaid by the Directors and Officers of the Company as on 31st March, 2013 (31-3-2012 : Nil).



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

3. Reserves and Surplus

	₹ in Lakhs	As at 31-3-2012 ₹ in Lakhs
(1) Capital Reserve		
As per last Balance Sheet	465.84	155.52
Additions during the year	150.28	317.26
Deduction towards depreciation for the year	13.96	6.94
Closing Balance	602.16	465.84
(2) Capital Redemption Reserve		
As per last Balance Sheet	125.70	125.70
(3) Securities Premium Account		
As per last Balance Sheet	627.10	627.04
Calls-in-arrears received during the year	0.10	0.06
Closing Balance	627.20	627.10
(4) Capital Reserve on Consolidation		
As per last Balance Sheet	1709.30	1623.30
Addition on foreign exchange fluctuations	6.95	86.00
Less : on divestment of a subsidiary	191.53	Nil
Closing Balance	1524.72	1709.30
(5) General Reserve		
As per last Balance Sheet	117853.31	115815.48
Addition on foreign exchange fluctuations	27.74	176.03
Transfer from Statement of Profit and Loss	2270.81	2000.00
Less : Capitalisation of General Reserve by subsidiary	Nil	138.20
Less : on divestment of a subsidiary	185.74	Nil
Closing Balance	119966.12	117853.31
(6) Staff Welfare Reserve		
As per last Balance Sheet	1.00	1.00
(7) Foreign Exchange Translation Reserve		
As per last Balance Sheet	417.30	5.33
Add / (Less) : Net translation difference on non-integral operations	407.50	411.97
Closing Balance	824.80	417.30
(8) Special Reserve		
As per last Balance Sheet	529.93	498.50
Transfer from Statement of Profit and Loss	Nil	31.43
Less : on divestment of a subsidiary	529.93	Nil
Closing Balance	Nil	529.93
(9) Legal Reserve		
As per last Balance Sheet	177.33	80.04
Add / (Less) : Foreign exchange fluctuations	6.41	46.49
Transfer from Statement of Profit and Loss	89.11	50.80
Closing Balance	272.85	177.33

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)
3. Reserves and Surplus (contd.)

	₹ in Lakhs	As at 31-3-2012 ₹ in Lakhs
(10) Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	22570.07	13932.39
Additions :		
Net Profit for the current year	20777.72	16205.57
Reserve and Surplus transferred on divestment of subsidiary	792.05	Nil
Add / (Less) : Foreign Exchange Translation difference on opening balance	(275.83)	667.34
Deductions :		
Proposed Dividend	5294.16	5294.16
Tax on Dividend	899.74	858.84
Transfer to Legal Reserve	89.11	50.80
Transfer to Special Reserve	Nil	31.43
Transfer to General Reserve	2270.81	2000.00
Closing Balance	35310.19	22570.07
	159254.74	144476.88

4. Borrowings

	Long Term	Current maturities of Long-term	Short Term	Total	Long Term	Current maturities of Long-term	Short Term	Total
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
A. Secured Borrowings								
(a) Term Loans (Refer footnote 1 and 2)								
From Banks	228.84	122.18	49.79	400.81	400.06	172.21	Nil	572.27
(b) Repayable on Demand								
From Banks (refer footnote 1)	Nil	Nil	24844.23	24844.23	Nil	Nil	20953.60	20953.60
	228.84	122.18	24894.02	25245.04	400.06	172.21	20953.60	21525.87
B. Unsecured Borrowings								
(a) Term Loans								
From others (Refer footnote 3)	373.29	Nil	Nil	373.29	362.81	Nil	Nil	362.81
(b) Other Loans	Nil	Nil	627.57	627.57	Nil	Nil	627.57	627.57
	373.29	Nil	627.57	1000.86	362.81	Nil	627.57	990.38
Total (A + B)	602.13	122.18	25521.59	26245.90	762.87	172.21	21581.17	22516.25

Footnotes :

- Secured against assignment of Fixed assets, Stocks, Book debts, contract dues and lien on Term Deposits.
- The repayment schedule of Long Term Borrowings are as follows:

	₹ in Lakhs	As at 31-3-2012 ₹ in Lakhs	Repayment Schedule
– Long term borrowings (including current maturity of long term borrowings)	245.74	401.75	Quarterly instalment for four years
– Long term borrowings (including current maturity of long term borrowings)	105.28	170.52	Half yearly instalment for two years

- No repayment schedule is determined for unsecured long term borrowings.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

5. Deferred Tax Asset / Liability

(a) Major components of Deferred Tax Liability (Net) :

	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(1) Depreciation	Nil	230.65	Nil	191.92
(2) Provision for Employee Benefits	2.59	Nil	1.58	Nil
	2.59	230.65	1.58	191.92
Net Timing Differences				
Deferred Tax Liability (a)	(228.06)		(190.34)	
Charge for the year (A)	37.72		(15.04)	

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

	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(1) Depreciation	Nil	3859.58	Nil	2555.08
(2) Voluntary Retirement Scheme	333.32	Nil	14.32	Nil
(3) Unpaid Statutory Liabilities	624.47	Nil	429.89	Nil
(4) Provision for Doubtful Debts and Advances	1936.78	Nil	1508.60	Nil
(5) Provision for Contingency	382.39	Nil	365.06	Nil
(6) Provision for Employee Benefits	2914.77	Nil	2777.88	Nil
(7) Others	113.62	Nil	73.96	Nil
	6305.35	3859.58	5169.71	2555.08
Net Timing Differences				
Deferred Tax Asset (b)	2445.77		2614.63	
Charge for the year (B)	168.86		918.27	
Charge / (credit) for the year (A + B)	206.58		(903.23)	

6. Other Long-term liabilities

	₹ in Lakhs	₹ in Lakhs
A. Trade Payables	2747.86	1934.90
(Due on account of goods purchased and services rendered)		
B. Others		
Other Payables		
(1) Unexpired Service Contracts	35.86	68.45
(2) Others	12.25	29.18
	2795.97	2032.53

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

7. Provisions

					As at 31-3-2012	
	Long Term	Short Term	Total	Long Term	Short Term	Total
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(a) Provision for employee benefits						
(i) Retiring gratuity	3931.29	281.93	4213.22	3983.40	204.33	4187.73
(ii) Pension obligations	1402.26	121.53	1523.79	1233.82	116.23	1350.05
(iii) Provision for compensated absences	Nil	3421.25	3421.25	Nil	3375.95	3375.95
(iv) Post retirement medical benefits	799.52	49.35	848.87	749.97	31.25	781.22
(v) Provision for employee separation compensation	117.10	41.32	158.42	66.50	13.19	79.69
(b) Others						
(i) Provision for Trade Guarantees [refer footnote 7 (a)]	2732.75	5839.36	8572.11	2562.86	5556.20	8119.06
(ii) Provision for other Contingencies [refer footnote 7 (b)]						
– Contingency for Tax matters	Nil	1125.00	1125.00	Nil	1125.00	1125.00
(iii) Provision for taxation (net of advance tax)	Nil	1860.54	1860.54	Nil	2731.25	2731.25
(iv) Provision for Proposed Equity dividend	Nil	5294.16	5294.16	Nil	5294.16	5294.16
(v) Provision for Dividend Tax on proposed dividend	Nil	899.74	899.74	Nil	858.84	858.84
	<u>8982.92</u>	<u>18934.18</u>	<u>27917.10</u>	<u>8596.55</u>	<u>19306.40</u>	<u>27902.95</u>

Footnotes :

	Opening Balance	Additions	Utilisation	Reversed	₹ in Lakhs Closing Balance
7. (a) Provisions for Trade Guarantees	8119.06 <i>10140.25</i>	7416.33 <i>7895.82</i>	5412.28 <i>5780.97</i>	1551.00 <i>4136.04</i>	8572.11 <i>8119.06</i>
7. (b) Provision for Other Contingencies					
– Contingency for Tax matters	1125.00 <i>1125.00</i>	Nil <i>Nil</i>	Nil <i>Nil</i>	Nil <i>Nil</i>	1125.00 <i>1125.00</i>

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

Figures in italics are for the Previous year.

8. Current Liabilities

	₹ in Lakhs	As at 31-3-2012 ₹ in Lakhs
(A) Trade Payables		
Due on account of goods purchased and services rendered (includes acceptances of ₹ 11300.64 Lakhs (31-3-2012 : ₹ 9247.09 Lakhs))	<u>170494.24</u>	<u>147299.04</u>



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

8. Current Liabilities (contd.)

	As at 31-3-2012 ₹ in Lakhs	₹ in Lakhs
(B) Other Current Liabilities		
(a) Current maturities of long-term debt (refer note 4)	122.18	172.21
(b) Interest accrued but not due on borrowings	83.76	32.14
(c) Payable for capital goods	218.92	9.69
(d) Unpaid dividends	316.44	296.40
(e) Unpaid matured deposits (unsecured) and interest accrued thereon	0.02	2.02
(f) Advances received from customers / others	42863.03	49231.59
(g) Unexpired service contracts	2269.87	1938.84
(h) Billing in excess of contract revenue	12149.04	7908.38
(i) Statutory obligations	5705.84	5806.41
(j) Other liabilities	1632.05	1204.24
	65361.15	66601.92

9. Tangible assets

	Freehold Land	Leasehold Land	Buildings	Plant and Equipments	Office and EDP Equipments	Furniture and fixtures	Vehicles	Transferred to Investment property	Transferred to 'Assets held for sale'	₹ in Lakhs Total Tangible Assets
Gross Block at Cost										
Cost at beginning of year	793.54	568.98	13536.62	15679.79	6324.54	2292.57	2028.83	(1415.66)	(2011.93)	37797.28
	<i>793.54</i>	<i>568.98</i>	<i>13549.52</i>	<i>15036.10</i>	<i>6109.89</i>	<i>2214.99</i>	<i>1848.69</i>	<i>(1128.02)</i>	<i>(2059.55)</i>	<i>36934.14</i>
Additions	1448.51	Nil	1827.47	1183.56	485.49	344.09	95.98	(186.29)	Nil	5198.81
	<i>Nil</i>	<i>Nil</i>	<i>522.26</i>	<i>602.02</i>	<i>508.27</i>	<i>175.53</i>	<i>174.64</i>	<i>(61.35)</i>	<i>Nil</i>	<i>1921.37</i>
Disposals	Nil	Nil	183.60	337.30	314.02	114.62	228.71	Nil	(14.20)	1164.05
	<i>Nil</i>	<i>Nil</i>	<i>624.80</i>	<i>363.37</i>	<i>335.70</i>	<i>114.49</i>	<i>161.37</i>	<i>(27.87)</i>	<i>(47.62)</i>	<i>1524.24</i>
Transfers in / (out)	Nil	Nil	Nil	6.20	(6.20)	Nil	Nil	(1338.28)	Nil	(1338.28)
	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>(254.16)</i>	<i>Nil</i>	<i>(254.16)</i>
Exchange differences on consolidation [refer footnote (a)]	Nil	Nil	16.69	72.78	7.74	3.72	31.31	Nil	Nil	132.24
	<i>Nil</i>	<i>Nil</i>	<i>89.64</i>	<i>405.04</i>	<i>42.08</i>	<i>16.54</i>	<i>166.87</i>	<i>Nil</i>	<i>Nil</i>	<i>720.17</i>
Cost at end of year	2242.05	568.98	15197.18	16605.03	6497.55	2525.76	1927.41	(2940.23)	(1997.73)	40626.00
	<i>793.54</i>	<i>568.98</i>	<i>13536.62</i>	<i>15679.79</i>	<i>6324.54</i>	<i>2292.57</i>	<i>2028.83</i>	<i>(1415.66)</i>	<i>(2011.93)</i>	<i>37797.28</i>
Depreciation										
Depreciation at beginning of year	Nil	33.30	3496.30	9497.81	3828.82	1729.54	1382.91	(476.97)	(658.83)	18832.88
	<i>Nil</i>	<i>27.07</i>	<i>3237.35</i>	<i>8171.72</i>	<i>3001.52</i>	<i>1588.17</i>	<i>1133.72</i>	<i>(403.75)</i>	<i>(666.84)</i>	<i>16088.96</i>
Charge for the year	Nil	6.23	354.36	990.05	643.30	178.97	165.31	(24.82)	Nil	2313.40
	<i>Nil</i>	<i>6.23</i>	<i>311.87</i>	<i>1232.11</i>	<i>1014.12</i>	<i>200.51</i>	<i>226.45</i>	<i>(27.76)</i>	<i>Nil</i>	<i>2963.53</i>
Disposals	Nil	Nil	107.18	238.71	254.66	83.19	186.62	Nil	(6.83)	863.53
	<i>Nil</i>	<i>Nil</i>	<i>95.24</i>	<i>242.15</i>	<i>222.72</i>	<i>74.84</i>	<i>130.47</i>	<i>(15.82)</i>	<i>(8.01)</i>	<i>741.59</i>
Transfers in / (out)	Nil	Nil	Nil	1.74	(1.74)	Nil	Nil	(13.37)	Nil	(13.37)
	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>(61.28)</i>	<i>Nil</i>	<i>(61.28)</i>
Exchange differences on consolidation [refer footnote (a)]	Nil	Nil	9.04	63.50	6.42	3.01	27.53	Nil	Nil	109.50
	<i>Nil</i>	<i>Nil</i>	<i>42.32</i>	<i>336.13</i>	<i>35.90</i>	<i>15.70</i>	<i>153.21</i>	<i>Nil</i>	<i>Nil</i>	<i>583.26</i>
Depreciation at end of year	Nil	39.53	3752.52	10314.39	4222.14	1828.33	1389.13	(515.16)	(652.00)	20378.88
	<i>Nil</i>	<i>33.30</i>	<i>3496.30</i>	<i>9497.81</i>	<i>3828.82</i>	<i>1729.54</i>	<i>1382.91</i>	<i>(476.97)</i>	<i>(658.83)</i>	<i>18832.88</i>
Net book value at beginning of year	793.54	535.68	10040.32	6181.98	2495.72	563.03	645.92	(938.69)	(1353.10)	18964.40
	<i>793.54</i>	<i>541.91</i>	<i>10312.17</i>	<i>6864.38</i>	<i>3108.37</i>	<i>626.82</i>	<i>714.97</i>	<i>(724.27)</i>	<i>(1392.71)</i>	<i>20845.18</i>
Net book value at end of year	2242.05	529.45	11444.66	6290.64	2275.41	697.43	538.28	(2425.07)	(1345.73)	20247.12
	<i>793.54</i>	<i>535.68</i>	<i>10040.32</i>	<i>6181.98</i>	<i>2495.72</i>	<i>563.03</i>	<i>645.92</i>	<i>(938.69)</i>	<i>(1353.10)</i>	<i>18964.40</i>

Figures in italics are for the Previous year.

Footnotes :

- Exchange Differences on consolidation above relate to the opening balances.
- Includes factory building of ₹ 136.79 Lakhs (31-3-2012: ₹ 132.94 Lakhs) (original cost) and ₹ 2.04 Lakhs (31-3-2012: ₹ 2.21 Lakhs) (net book value) constructed on leasehold land, the lease period being fifteen years with a renewal option.
- Effective 1st April, 2011, the Management had revised estimated useful life of fixed assets, specifically acquired for use in execution of projects to depreciate these fixed assets over the contractual execution period. As a result of revision in estimated useful life, the depreciation charge for the previous year was higher by ₹ 916.60 Lakhs.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)
10. Intangible Assets

	Manufacturing Rights & Technical Know-how	Software Costs	₹ in Lakhs Total Intangible Assets
Gross Block at Cost			
Cost at beginning of year	1030.90	3160.38	4191.28
	<i>1030.90</i>	<i>2942.75</i>	<i>3973.65</i>
Additions	Nil	233.22	233.22
	<i>Nil</i>	<i>231.00</i>	<i>231.00</i>
Disposals	Nil	Nil	Nil
	<i>Nil</i>	<i>13.37</i>	<i>13.37</i>
Exchange differences on consolidation	Nil	0.20	0.20
	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Cost at end of year	1030.90	3393.80	4424.70
	<i>1030.90</i>	<i>3160.38</i>	<i>4191.28</i>
Amortisation			
Depreciation at beginning of year	1011.11	2101.22	3112.33
	<i>1006.68</i>	<i>1706.66</i>	<i>2713.34</i>
Charge for the year	4.43	455.34	459.77
	<i>4.43</i>	<i>407.04</i>	<i>411.47</i>
Disposals	Nil	Nil	Nil
	<i>Nil</i>	<i>12.51</i>	<i>12.51</i>
Exchange differences on consolidation	Nil	0.06	0.06
	<i>Nil</i>	<i>0.03</i>	<i>0.03</i>
Depreciation at end of year	1015.54	2556.62	3572.16
	<i>1011.11</i>	<i>2101.22</i>	<i>3112.33</i>
Net book value at beginning of year	19.79	1059.16	1078.95
	<i>24.22</i>	<i>1236.09</i>	<i>1260.31</i>
Net book value at end of year	15.36	837.18	852.54
	<i>19.79</i>	<i>1059.16</i>	<i>1078.95</i>

Figures in italics are for the Previous year

11. Non-current Investments

	₹ in Lakhs	As at 31-3-2012 ₹ in Lakhs
(i) Investment Property [refer footnote (d)] (net of accumulated depreciation)	2425.07	938.69
(ii) Investment in associates [refer footnote (c)]	Nil	Nil
(iii) Equity Instruments		
- Subsidiary Companies [refer footnote (a)]	Nil	119.63
- Quoted [refer footnote (b)]	808.97	1427.63
- Unquoted	3065.60	3074.41
(iv) Government or Trust Securities	0.05	0.05
(v) Debentures and Bonds	2972.56	3737.99
(vi) Others	0.49	0.49
	9272.74	9298.89
Less: Provision for diminution in value	341.98	472.09
	8930.76	8826.80
Aggregate amount of quoted investments : Cost	808.97	1427.63
Aggregate market value of quoted investments	11925.56	12685.99
Aggregate value of listed but not quoted investments	2972.56	3737.99
Aggregate amount of Unquoted investments : Cost	3066.14	3194.58

Footnotes :

- Includes shares with a ₹ Nil value (31-3-2012: ₹ Nil) in a subsidiary where there is an undertaking given not to dispose off the investments, but the beneficial rights have been transferred in the year 1998-99.
- Includes shares costing ₹ 4.55 Lakhs (31-3-2012: ₹ 4.55 Lakhs) under dispute, pursuant to an injunction order passed by the Court in Kanpur, the Company has not recognised dividend on this investment.
- Movement in associate investments (Voltas Material Handling Private Ltd.)

	₹ in Lakhs	As at 31-3-2012
Opening Balance	Nil	Nil
Add: Equity Instruments purchased	Nil	5
Add / (Less) : Share of Loss	Nil	(5)
Closing Balance (divested during the year)	Nil	Nil



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

Footnotes (contd.)
(d) Investment Property

	Freehold Land (incl Roads)	Freehold Buildings	₹ in Lakhs Total Investment Property
Gross Block at Cost			
Cost at beginning of year	14.19 <i>Nil</i>	1401.47 <i>1128.02</i>	1415.66 <i>1128.02</i>
Additions	Nil <i>Nil</i>	186.29 <i>61.35</i>	186.29 <i>61.35</i>
Disposals	Nil <i>Nil</i>	Nil <i>27.87</i>	Nil <i>27.87</i>
Transfers in / (out)	Nil <i>14.19</i>	1338.28 <i>239.97</i>	1338.28 <i>254.16</i>
Cost at end of year	14.19 <i>14.19</i>	2926.04 <i>1401.47</i>	2940.23 <i>1415.66</i>
Depreciation			
Depreciation at beginning of year	Nil <i>Nil</i>	476.97 <i>403.75</i>	476.97 <i>403.75</i>
Charge for the year	Nil <i>Nil</i>	24.82 <i>27.76</i>	24.82 <i>27.76</i>
Disposals	Nil <i>Nil</i>	Nil <i>15.82</i>	Nil <i>15.82</i>
Transfers in / (out)	Nil <i>Nil</i>	13.37 <i>61.28</i>	13.37 <i>61.28</i>
Depreciation at end of year	Nil <i>Nil</i>	515.16 <i>476.97</i>	515.16 <i>476.97</i>
Net book value at beginning of year	14.19 <i>Nil</i>	924.50 <i>724.27</i>	938.69 <i>724.27</i>
Net book value at end of year	14.19 <i>14.19</i>	2410.88 <i>924.50</i>	2425.07 <i>938.69</i>

Figures in italics are for the Previous year

11.(A) Current Investments

	₹ in Lakhs	As at 31-3-2012 ₹ in Lakhs
Mutual Funds	31804.43	22334.09

12. Loans and Advances

	Long Term ₹ in Lakhs	Short Term ₹ in Lakhs	Total ₹ in Lakhs	Long Term ₹ in Lakhs	Short Term ₹ in Lakhs	As at 31-3-2012 Total ₹ in Lakhs
(a) Capital advances	90.85	Nil	90.85	684.82	Nil	684.82
(b) Security deposits	524.22	1278.09	1802.31	189.96	1023.76	1213.72
(c) Advance with public bodies (Customs, Port Trust, etc.)	31.07	1312.30	1343.37	Nil	1071.94	1071.94
(d) Loans and advances to related parties	Nil	438.23	438.23	Nil	2166.21	2166.21
(e) Other loans and advances						
(1) Advance payment of Taxes (Net)	5831.21	Nil	5831.21	4432.53	569.86	5002.39
(2) MAT Credit Entitlement	1439.07	Nil	1439.07	1505.21	Nil	1505.21
(3) Loans to Employees	138.18	249.68	387.86	109.54	409.49	519.03
(4) Deposits with Customers / Others	536.82	108.84	645.66	850.13	89.02	939.15
(5) Indirect Taxes recoverable	4252.22	4117.53	8369.75	4081.44	3798.30	7879.74
(6) Advance to suppliers	69.72	10435.75	10505.47	Nil	9158.32	9158.32
(7) Others	435.98	739.86	1175.84	309.18	2328.95	2638.13
Sub-Total	12703.20	15651.66	28354.86	11288.03	16353.94	27641.97
Gross Loans and advances	13349.34	18680.28	32029.62	12162.81	20615.85	32778.66
Less: Provision for bad and doubtful loans and advances	374.94	61.10	436.04	287.95	32.68	320.63
Total Loans and advances	12974.40	18619.18	31593.58	11874.86	20583.17	32458.03
Gross Loans and advances						
Secured, considered good	138.18	249.18	387.36	109.54	409.49	519.03
Unsecured, considered good	12836.22	18370.00	31206.22	11765.32	20173.68	31939.00
Doubtful	374.94	61.10	436.04	287.95	32.68	320.63
	13349.34	18680.28	32029.62	12162.81	20615.85	32778.66

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

13. Other Assets

					As at 31-3-2012	
	Non-current	Current	Total	Non-current	Current	Total
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(a) Non-current Trade Receivables						
(including trade receivables on deferred credit terms)	9385.27	Nil	9385.27	11006.68	Nil	11006.68
Classification of Non-current Trade Receivables						
(1) Unsecured, considered good	9281.43	Nil	9281.43	10902.84	Nil	10902.84
(2) Unsecured, considered doubtful	103.84	Nil	103.84	103.84	Nil	103.84
Gross Non-current Trade Receivables	9385.27	Nil	9385.27	11006.68	Nil	11006.68
Less: Provision for bad and doubtful debts	103.84	Nil	103.84	103.84	Nil	103.84
Net Non-current Trade Receivables	9281.43	Nil	9281.43	10902.84	Nil	10902.84
(b) Other Assets						
Unsecured, considered good						
(1) Interest accrued on investments / deposits	Nil	524.79	524.79	Nil	498.48	498.48
(2) Contract Revenue in excess of Billing [refer footnote 13(a)]	Nil	70552.54	70552.54	Nil	79166.28	79166.28
(3) Assets held for sale (valued at the lower of the estimated net realisable value and net book value)	Nil	1345.73	1345.73	Nil	1353.10	1353.10
(4) Others (Including restricted fixed deposits with maturity more than 12 months)	1163.77	34.25	1198.02	1123.01	57.83	1180.84
Total Other Assets	1163.77	72457.31	73621.08	1123.01	81075.69	82198.70
Total (a+b)	10445.20	72457.31	82902.51	12025.85	81075.69	93101.54

Footnote : 13 (a)

Disclosure under Accounting Standard - 7 on Construction Contracts

Details of contract revenue and costs :

			As at 31-3-2012	
			₹ in Lakhs	₹ in Lakhs
(i) Contract revenue recognised during the year		270614.21		271374.70
(ii) Aggregate amount of costs incurred and net recognised profits (less recognised losses)		746408.70		724087.96
(iii) Advances received for contracts in progress		40316.88		45391.25
(iv) Retention money for contracts in progress		18396.59		27361.73
(v) The gross amount due from customers for contract work		70552.54		79166.28
(vi) The gross amount due to customers for contract work		12149.04		7908.38



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

14. Inventories

(Valued at lower of cost and net realisable value)

	₹ in Lakhs	As at 31-3-2012 ₹ in Lakhs
(a) Raw materials and Components	18764.54	14634.00
(b) Work-in-progress	25067.77	24844.97
(c) Finished goods	26669.51	24436.99
(d) Stock-in-trade of goods acquired for trading	27086.45	18844.50
(e) Stores and spares	252.07	579.42
	97840.34	83339.88
The above includes goods-in-transit:		
(i) Raw materials and Components	2476.40	Nil
(ii) Finished goods	8523.80	9085.25
(iii) Stock-in-trade of goods acquired for trading	800.10	Nil
	11800.30	9085.25

15. Trade Receivables

	Others	Outstanding for a period exceeding six months from the date they were due for payment	Total	Others	Outstanding for a period exceeding six months from the date they were due for payment	Total
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Classification of Current Trade Receivables						
(1) Secured, considered good	168.16	127.57	295.73	165.11	127.57	292.68
(2) Unsecured, considered good	97501.43	38381.06	135882.49	83319.92	33067.49	116387.41
(3) Unsecured, considered doubtful	Nil	6921.32	6921.32	Nil	5738.20	5738.20
Gross Current Trade Receivables	97669.59	45429.95	143099.54	83485.03	38933.26	122418.29
Less: Provision for bad and doubtful debts	Nil	6921.32	6921.32	Nil	5738.20	5738.20
Net Current Trade Receivables	97669.59	38508.63	136178.22	83485.03	33195.06	116680.09

16. Cash and Bank balances

	₹ in Lakhs	As at 31-3-2012 ₹ in Lakhs
(A) Cash and cash equivalents		
(a) Cash in hand	129.29	162.93
(b) Cheques on hand	4965.55	3784.12
(c) Balances with banks		
(1) Current account	22095.77	17495.64
(2) Fixed deposits with maturity less than 3 months	6941.71	3918.10
Total Cash and cash equivalents	34132.32	25360.79

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

16. Cash and Bank balances (contd.)		₹ in Lakhs	As at 31-3-2012 ₹ in Lakhs
(B) Other Bank balances			
(a)	Fixed deposits with maturity more than 3 months but less than 12 months	233.82	931.76
(b)	Fixed deposits with maturity greater than 12 months	27.05	380.10
(c)	Balances with banks		
(1)	Earmarked balances	317.84	299.58
(2)	To the extent held as margin money	272.44	132.64
Total Other Bank balances		851.15	1744.08
Total Cash and Bank balances		34983.47	27104.87

17. Revenue from Operations		₹ in Lakhs	Year ended 31-3-2012 ₹ in Lakhs
(a)	Sale of products	225001.22	190129.89
(b)	Sale of services	61048.19	59324.43
(c)	Contract revenue	270614.21	271374.70
(d)	Other operating income		
(1)	Unclaimed credit balances write back	728.56	386.48
(2)	Sale of scrap	772.19	602.91
(3)	Profit on sale of fixed assets (Net)	64.87	Nil
(4)	Others	123.98	82.08
		558353.22	521900.49

18. Other Income		₹ in Lakhs	Year ended 31-3-2012 ₹ in Lakhs
(a)	Dividend Income		
(1)	From non-current investments	573.98	546.63
(2)	From current investments	1983.39	1868.10
(b)	Interest Income		
(1)	On sundry advances, deposits, customers' balances, etc	53.37	343.16
(2)	On bank deposits / bonds	471.85	481.84
(3)	On Income-tax refunds	218.47	6.26
(4)	Others	51.34	57.09
(c)	Net Gain / (Loss) on sale of investments		
	- On sale of non-current investments	474.89	41.24
(d)	Net foreign exchange gain	1071.41	1909.04
(e)	Rent income	3543.33	4104.01
(f)	Cash discount from suppliers	247.34	339.59
(g)	Other non-operating income (net of expenses directly attributable to such income)	323.25	152.72
		9012.62	9849.68



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

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

		Year ended 31-3-2012
	₹ in Lakhs	₹ in Lakhs
Opening stock	14634.00	15416.54
Add: Purchases and cost of jobs, manufacture and services	372880.38	308251.69
	387514.38	323668.23
Less: Closing stock	18764.54	14634.00
	368749.84	309034.23

20. Purchase of Traded Goods

	Year ended 31-3-2012
₹ in Lakhs	₹ in Lakhs
58649.89	70381.65

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

		Year ended 31-3-2012
	₹ in Lakhs	₹ in Lakhs
Inventories at the end of the year :		
(1) Finished Goods including stock-in-trade	53755.96	43281.49
(2) Work-in-progress	25067.77	24844.97
	78823.73	68126.46
Inventories at the beginning of the year :		
(1) Finished Goods including stock-in-trade	43281.49	41733.42
(2) Work-in-progress	24844.97	24973.10
	68126.46	66706.52
Net (increase) / decrease	(10697.27)	(1419.94)

22. Employee Benefits Expenses

		Year ended 31-3-2012
	₹ in Lakhs	₹ in Lakhs
(a) Salaries and Wages, including Bonus	57315.42	56214.16
(b) Contribution to Provident and other Funds	1806.53	1207.95
(c) Staff Welfare expenses	4131.21	2529.97
	63253.16	59952.08

23. Finance Costs

		Year ended 31-3-2012
	₹ in Lakhs	₹ in Lakhs
Interest expense on :		
(a) Borrowings	3611.19	3141.94
(b) Interest on delayed / deferred payment of income tax	363.57	Nil
	3974.76	3141.94

24. Depreciation and Amortisation Expenses

		Year ended 31-3-2012
	₹ in Lakhs	₹ in Lakhs
(a) Depreciation on Tangible assets	2313.40	2963.53
(b) Amortisation on Intangible assets	459.77	411.47
(c) Depreciation on Investment Property	24.82	27.76
	2797.99	3402.76
(d) Less: Transfer through Capital Reserves	13.96	6.94
	2784.03	3395.82

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)
25. Other Expenses

	₹ in Lakhs	Year ended 31-3-2012 ₹ in Lakhs
(a) Consumption of Stores and Spare parts	387.53	456.01
(b) Power and Fuel	530.45	453.08
(c) Rent	5473.46	5892.33
(d) Repairs to Buildings	136.51	112.00
(e) Repairs to Plant and Machinery	719.09	769.28
(f) Insurance charges	566.53	322.25
(g) Rates and Taxes	202.46	219.26
(h) Travelling and Conveyance	5962.65	7415.41
(i) Payment to Auditors [refer note 25(a)]	426.44	342.72
(j) Legal and Professional charges	2920.08	2969.89
(k) Bad and Doubtful Debts / Advances	1463.27	1456.62
(l) Loss on Sale of Fixed Assets (Net)	Nil	70.70
(m) Other expenses		
(1) Forwarding Charges (Net)	3275.57	2745.22
(2) Commission other than to Sole Selling Agents, Rebates and Allowances	2464.85	2724.41
(3) Advertising	3370.65	2535.90
(4) Stationery, Postage, Fax and Telephone expenses	2064.68	1971.37
(5) Donations	23.05	8.55
(6) Provision for Diminution in value of Investments	5.26	4.55
(7) Other General expenses	18626.74	16509.12
	48619.27	46978.67

25. (a) Payments to the Auditors

	₹ in Lakhs	Year ended 31-3-2012 ₹ in Lakhs
Payments to the Auditors as		
(1) Audit Fees (including Tax Audit fees)	226.95	199.92
(2) for Taxation Matters	12.81	Nil
(3) for Company Law Matters	0.30	Nil
(4) for Other Services	152.52	124.64
(5) for Reimbursement of Expenses	24.88	18.16
	417.46	342.72
Payment to Cost Auditors for cost audit	8.98	Nil
	426.44	342.72

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

26. Exceptional Items

	₹ in Lakhs	Year ended 31-3-2012 ₹ in Lakhs
A. Exceptional Income		
(1) Profit on Sale of Property / Surrender of Tenancy Rights	4747.04	4550.65
(2) Profit on disposal of a Subsidiary company	1435.28	Nil
(3) Profit on Transfer of Materials Handling business	Nil	7934.69
(4) Profit on divestment of Associate	5800.00	Nil
(5) Reversal of provision for Diminution in value of investments	Nil	140.43
Sub-total : Exceptional Income	11982.32	12625.77
Less :		
B. Exceptional Expenses		
(1) Cost of Voluntary Retirement Scheme / Early Separation Scheme	1219.01	8.69
(2) Onerous Contract [Refer footnote 26(a)]	9555.08	27662.96
Sub-total : Exceptional Expenses	10774.09	27671.65
Exceptional Items (Net)	1208.23	(15045.88)



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

Footnote

26(a) In the previous year, due to significant upward revision in estimated cost of a major project in Qatar, Sidra Medical & Research Centre, the Company accounted for the estimated costs on the project in accordance with the requirement of Accounting Standard (AS) 7. During the current year, the Main Contractor has instructed a revised schedule of completion, expected to end on 31st March, 2014, including additional time for Testing and Commissioning. The cost to come for the extended duration of the project along with the possible enhancement of revenue from variations have been estimated based on current technical data. In view of continuing uncertainties in the process of approval of variations and the complex nature of the project, additional net cost overruns of ₹ 9555.08 Lakhs have been accounted for, while the Company continues to pursue its entitlements vigorously.

27. Contingent Liabilities not provided for

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

In respect of various matters aggregating ₹ 28061.67 Lakhs (31-3-2012 : ₹ 28458.20 Lakhs), against which a provision has been made for contingencies ₹ 1125 Lakhs (31-3-2012 : ₹ 1125 Lakhs). In respect of a contingent liability of ₹ Nil (31-3-2012 : ₹ 5086.36 Lakhs), the Group has a right to recover the same from a third party.

(b) Contractual matters under arbitration : Amount indeterminate.

(c) (i) Income tax demands decided in Group's favour by Appellate Authorities where the Department is in further appeal - ₹ 1136.19 Lakhs (31-3-2012 : ₹ 1377.53 Lakhs).

(ii) Income tax demands decided against the Group and where Group has appealed amounted to ₹ 2017.91 Lakhs (31-3-2012 : ₹ 517.51 Lakhs) and in respect of others ₹ Nil (31-3-2012 : ₹ 941.03 Lakhs).

(d) Staff demands under adjudication : Amount indeterminate.

(e) Liquidated damages, except to the extent provided, for delay in delivery of goods : Amount indeterminate.

28. (a) Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹ 6972.86 Lakhs (31-3-2012 : ₹ 7338.51 Lakhs). [Tangible assets : ₹ 6946.13 Lakhs (31-3-2012 : ₹ 7280.61 Lakhs) and Intangible assets of ₹ 26.73 Lakhs (31-3-2012 : ₹ 57.90 Lakhs)].

Advance paid against such contracts: ₹ 90.85 Lakhs (31-3-2012 : ₹ 684.82 Lakhs).

(b) On account of Other Commitments :

(i) Foreign currency exposures (refer note 30)

(ii) Minimum future lease rental payable [refer note 31 (a)]

29. In respect of guarantees aggregating ₹ 153563.39 Lakhs (31-3-2012 : ₹ 159269.77 Lakhs) issued by Banks at the request of the Group in favour of third parties, the Company has given security by way of hypothecation of a part of tangible movable assets, book debts and stocks.

30. Derivative Instruments

The Company has entered into the following derivative instruments :

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

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

Currency	₹ in Lakhs	Sell / Buy	Cross Currency
US Dollar	Nil 150.00	Nil Buy	Nil Rupees

The difference between the forward contract rate and the exchange rate on the date of transaction to be charged / (credited) to Statement of Profit and Loss in future is Nil (2011-12 : ₹ 0.38 Lakh).

Figures in italics are for the Previous year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)**31. Leases**

Assets under Operating Leases :

- (a) The Group has taken on operating lease certain assets. The total lease rent paid on the same amounts to ₹ 4771.90 Lakhs (2011-12 : ₹ 5284.49 Lakhs)

- (i) The minimum future lease rentals payable in respect of non-cancellable leases are as under :

	2011-12	
	₹ in Lakhs	₹ in Lakhs
Not later than one year	2427.96	1945.57
Later than one year but not later than five years	1722.79	1163.40
Later than five years	117.54	133.89

- (b) The Group has given on operating lease certain assets. The total lease rent received on the same amounts to ₹ 3332.49 Lakhs (2011-12 : ₹ 3595.29 Lakhs), is included under Other Income.

- (i) The minimum future lease rentals receivable in respect of non-cancellable leases are as under:

	2011-12	
	₹ in Lakhs	₹ in Lakhs
Not later than one year	2629.15	2640.63
Later than one year but not later than five years	6664.11	7473.95
Later than five years	Nil	125.96

- (ii) The Original Cost, Depreciation for the year and Written Down Value are ₹ 2940.23 Lakhs, ₹ 24.82 Lakhs and ₹ 2425.07 Lakhs (2011-12 : ₹ 1415.66 Lakhs, ₹ 27.76 Lakhs and ₹ 938.69 Lakhs), respectively.

32. Earnings per share

	2011-12	
Earnings per Share has been computed as under :		
(1) Net Profit for the year (₹ In Lakhs)	20777.72	16205.57
(2) Weighted average number of Equity Shares Outstanding	33,08,84,740	33,08,84,740
(3) Earnings Per Share (₹) - Basic and Diluted (Face value ₹ 1 per share)	6.28	4.90

33. Employee benefits expenses

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

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

The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out as at 31st March, 2013. The present value of the defined benefit obligation and the related current service cost and past service cost, are measured using the projected unit credit method.

The following tables set out the funded status and the amounts recognised in the Company's financial statements as at 31st March, 2013 for the Defined Benefit Plans :



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

Defined Benefit Plans - As per Actuarial Valuation

	Gratuity Unfunded (Refer note below)	Gratuity Funded	Post Employment Medical Benefits	Pension Plan
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
I. Expense recognised in the Statement of Profit and Loss				
1. Current Service Cost	782.53 797.49	407.95 326.40	38.34 40.94	— —
2. Interest Cost	161.83 130.98	371.66 378.97	66.40 68.53	114.75 107.08
3. Expected return on plan assets	— —	(385.59) (381.60)	— —	— —
4. Actuarial (Gains) / Losses	(113.35) (133.83)	227.30 (275.05)	(5.45) (133.65)	179.14 60.50
5. Total expense	831.01 794.64	621.32 48.72	99.29 (24.18)	293.89 167.58
II. Net Liability recognised in the Balance Sheet				
1. Present value of Defined Benefit Obligation	2981.04 3013.74	4641.55 4363.96	837.16 781.22	1523.79 1350.05
2. Fair value of plan assets	— —	(4747.60) (4536.01)	— —	— —
3. Net (asset) / liability	2981.04 3013.74	(106.05) (172.05)	837.16 781.22	1523.79 1350.05
III. Change in Obligation during the year				
1. Present value of Defined Benefit Obligation at the beginning of the year	3013.74 2416.89	4363.96 4606.60	781.22 830.70	1350.05 1298.05
2. Current Service Cost	782.53 797.49	407.95 326.40	38.34 40.94	— —
3. Interest Cost	161.83 130.98	371.66 378.97	66.40 68.53	114.75 107.08
4. Actuarial (Gains) / Losses	(113.35) (133.83)	231.91 (259.53)	(5.45) (133.65)	179.14 60.50
5. Benefits Payments	(1054.98) (562.20)	(733.93) (688.48)	(43.35) (25.30)	(120.15) (115.58)
6. Difference in exchange	191.27 364.41	— —	— —	— —
7. Present value of Defined Benefit Obligation at the end of the year	2981.04 3013.74	4641.55 4363.96	837.16 781.22	1523.79 1350.05
IV. Change in Assets during the year				
1. Plan assets at the beginning of the year	— —	4536.02 4648.10	— —	— —
2. Expected return on plan assets	— —	385.59 381.59	— —	— —
3. Contributions by employers	— —	555.32 179.27	43.35 25.30	120.15 115.58
4. Actual benefits paid	— —	(733.93) (688.48)	(43.35) (25.30)	(120.15) (115.58)
5. Actuarial Gains / (Losses)	— —	4.61 15.54	— —	— —

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

	Gratuity Unfunded (Refer note below)	Gratuity Funded	Post Employment Medical Benefits	Pension Plan
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
6. Plan assets at the end of the year	—	4747.60	—	—
	—	4536.02	—	—
7. Actual return on plan assets (2+5)	—	390.20	—	—
	—	397.13	—	—
V. Amount Recognised in the Balance Sheet				
1. Opening Liability	3013.74	(172.05)	781.22	1350.05
	2416.89	(41.50)	830.70	1298.05
2. Expenses as above (I)	831.01	621.32	99.29	293.89
	794.64	48.72	(24.18)	167.58
3. Employers Contribution	(1054.98)	(555.32)	(43.35)	(120.15)
	(562.20)	(179.27)	(25.30)	(115.58)
4. Difference in exchange	191.27	—	—	—
	364.41	—	—	—
5. Closing Net Liability	2981.04	(106.05)	837.16	1523.79
	3013.74	(172.05)	781.22	1350.05
VI. Actuarial Assumptions				
1. Mortality Table (Indian Assured Lives Mortality)	2006-08	2006-08	2006-08	2006-08
Mortality Table (LIC) - Previous year	1994-96	1994-96	1994-96	1996-98
		(Ultimate)		
2. Discount Rate	5.25%	8.25%	8.25%	8.25%
	5.00%	8.50%	8.50%	8.50%
3. Increase in Salary/Health Care Cost/Pension	5.00%	8.00%	5.00%	8.00%
	5.00%	8.00%	5.00%	8.00%
4. Rate of Return on Plan Assets	—	8.25%	—	—
	—	8.50%	—	—
Figures in italics under I to VI are for the Previous year.				
VII. Categories of plan assets as a percentage of the fair value of total plan assets			Gratuity	Gratuity
			%	31-3-2012
				%
1. Government of India Securities			22.00	23.00
2. Corporate Bonds			66.00	70.00
3. Special Deposit Scheme			2.50	3.00
4. Others			9.50	4.00
			100.00	100.00



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

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

	2011-12		2011-12	
	₹ in Lakhs		₹ in Lakhs	
	One percentage point increase	One percentage point decrease	One percentage point increase	One percentage point decrease
1. Effect on the aggregate of the service cost and interest cost	106.36	111.18	106.50	101.70
2. Effect on defined benefit obligation	817.87	856.46	800.41	762.03
(a) The Actuarial calculations used to estimate defined benefit commitments and expenses are based on the above assumptions which if changed would affect the defined benefit commitment's size, the funding requirement and expenses.				
(b) The estimates of future salary increases, considered in the Actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.				
(c) The disclosure of Present value of defined obligation, fair value of assets, surplus/(deficit) of assets and experience adjustments of current year and preceding four years are as under:				

	2011-12	2010-11	2009-10	2008-09
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
1. Present value of defined benefit obligation	9983.54	9508.97	9152.26	8153.41
2. Fair value of Plan Assets	4747.60	4536.01	4648.11	4069.15
3. Surplus or (Deficit) of the Plan	5235.94	4972.96	4504.15	4084.26
4. Experience Adjustments				
- On Plan Assets	4.61	15.54	65.08	72.09
- On Plan Liabilities	(304.07)	(296.46)	(16.99)	(11.32)
	<u>(299.46)</u>	<u>(280.92)</u>	<u>48.09</u>	<u>60.77</u>
				<u>1069.84</u>

- (d) The details of the Company's Defined Benefit Plans for its employees given above are certified by the actuary and relied upon by the auditors.
- (e) Expected contribution of ₹ 628 Lakhs (2011-12 : ₹ 613.56 Lakhs) to Defined Benefits Schemes for the next year.
- (f) The Company has recognised the following amounts in the Statement of Profit and Loss under the head Company's Contribution to Provident and Other Funds :

	2011-12
	₹ in Lakhs
Provident Fund	843.73
Superannuation Fund	170.21
	<u>1013.94</u>
	<u>1026.39</u>

- (g) The Company has not disclosed information related to defined benefits as required under AS-15 on Employee benefits notified under the Companies (Accounting Standards) Rules, 2006 for foreign subsidiaries and joint ventures. However, these companies are not material in relation to the Group.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)
34. Related Party Disclosures
(a) List of Related Parties and Relationships

Party	Relation
A. Brihat Trading Private Ltd. Voltas Material Handling Private Limited (w.e.f. 1-5-2011 and upto 2-11-2012)	Associate
B. Universal Voltas L.L.C. Naba Diganta Water Management Ltd. Olayan Voltas Contracting Company Limited (w.e.f. 8-2-2012) Universal Weathermaker Factory L.L.C. Voltas Qatar W.L.L. (w.e.f. 2-4-2012) AVCO Marine S.a.S. (Under liquidation) Agrotech Industries Ltd. (Under closure)	Joint Venture
C. Tata Sons Ltd.	Promoter holding together with its subsidiary more than 20%
D. Mr. Sanjay Johri - Managing Director	Key Management Personnel

34. (b) Related Party Transactions

₹ in Lakhs				
Transactions	Associates and Joint Ventures	Key Management Personnel	Promoter	Total
Purchase of Goods [Refer 34 (c) (1)]	1005.23 1493.98	— —	— —	1005.23 1493.98
Sale of Products [Refer 34 (c) (2)]	336.23 2133.04	0.81 0.28	8.89 0.59	345.93 2133.91
Service Income [Refer 34 (c) (3)]	1349.33 1015.31	— 0.07	4.13 11.91	1353.46 1027.29
Sale of Fixed Assets [Refer 34 (c) (4)]	5.43 —	— —	— —	5.43 —
Interest Income [Refer 34 (c) (5)]	— —	— —	43.81 171.26	43.81 171.26
Rental Income [Refer 34 (c) (6)]	199.43 259.23	— —	— —	199.43 259.23
Net Profit on divestment of Associate [Refer 34 (c) (7)]	5.00 —	— —	— —	5.00 —
Deputation Charges received [Refer 34 (c) (8)]	15.76 —	— —	— —	15.76 —
Consulting Charges paid [Refer 34 (c) (9)]	— —	— —	6.96 10.63	6.96 10.63
Remuneration Paid / Payable [Refer 34 (c) (10)]	— —	183.21 175.34	— —	183.21 175.34
Dividend Paid [Refer 34 (c) (11)]	— —	— —	1410.11 1762.64	1410.11 1762.64
Tata Brand Equity [Refer 34 (c) (12)]	— —	— —	821.04 770.92	821.04 770.92
Other Expenses — Received / Receivable [Refer 34 (c) (13)]	1660.87 372.11	— —	— —	1660.87 372.11
Other Expenses — Paid / Payable [Refer 34 (c) (14)]	21.63 12.18	— —	57.23 35.97	78.86 48.15
Purchase of Fixed Assets [Refer 34 (c) (15)]	34.80 10.02	— —	0.23 —	35.03 10.02
Investments [Refer 34 (c) (16)]	— 715.70	— —	— —	— 715.70



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

34. (b) Related Party Transactions (contd.)

₹ in Lakhs				
Transactions	Associates and Joint Ventures	Key Management Personnel	Promoter	Total
Intercompany Deposits Placed [Refer 34 (c) (17)]	—	—	—	—
Refund of Intercompany Deposits Placed [Refer 34 (c) (18)]	—	—	2000.00	2000.00
Accrued Interest [Refer 34 (c) (19)]	—	—	—	—
Debit Balance Outstanding at year end [Refer 34 (c) (20)]	685.38	—	0.35	685.73
Credit Balance Outstanding at year end [Refer 34 (c) (21)]	606.65	—	5.49	612.14
Intercompany Deposits at year end [Refer 34 (c) (22)]	302.86	—	765.30	1068.16
Deposit Received [Refer 34 (c) (23)]	—	—	—	—
	62.67	—	—	62.67

Figures in italics are for the Previous year.

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

₹ in Lakhs		
Name of Party	Transaction Value	Transaction Value 2011-12
1. Purchase of Goods		
Universal Voltas L.L.C.	—	206.52
Universal Weathermaker Factory L.L.C.	502.48	518.40
Voltas Material Handling Private Ltd.	502.60	769.06
2. Sale of Products		
Voltas Material Handling Private Ltd.	—	2133.04
Olayan Voltas Contracting Company Ltd. (w.e.f. 8-2-2012)	180.81	—
Voltas Qatar W.L.L.(w.e.f. 2-4-2012)	114.60	—
3. Service Income		
Universal Voltas L.L.C.	654.02	916.25
Voltas Material Handling Private Ltd.	585.70	—
4. Sale of Fixed Assets		
Voltas Material Handling Private Ltd.	5.43	—
5. Interest Income		
Tata Sons Ltd.	43.81	171.26
6. Rental Income		
Voltas Material Handling Private Ltd.	199.43	259.23
7. Net profit on divestment of associate		
Voltas Material Handling Private Ltd.	5.00	—
8. Deputation charges received		
Voltas Material Handling Private Ltd.	15.76	—
9. Consulting Charges paid		
Tata Sons Ltd.	6.96	10.63
10. Remuneration Paid / Payable		
Mr. Sanjay Johri	183.21	175.34
11. Dividend Paid		
Tata Sons Ltd.	1410.11	1762.64

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

Name of Party	Transaction Value	₹ in Lakhs
		Transaction Value 2011-12
12. Tata Brand Equity		
Tata Sons Ltd.	821.04	770.92
13. Other Expenses - Received / Receivable		
Olayan Voltas Contracting L.L.C.	—	315.44
Voltas Material Handling Private Ltd.	—	56.67
Voltas Qatar W.L.L.(w.e.f. 2-4-2012)	1634.76	—
14. Other Expenses - Paid / Payable		
Voltas Material Handling Private Ltd.	—	12.18
Tata Sons Ltd.	57.23	34.13
Voltas Qatar W.L.L.(w.e.f. 2-4-2012)	14.03	—
15. Purchase of Fixed Assets		
Voltas Material Handling Private Ltd.	34.80	10.02
16. Investments		
Olayan Voltas Contracting L.L.C.	—	710.70
17. Intercompany Deposits Placed		
Tata Sons Ltd.	—	2000.00
18. Refund of Intercompany Deposits Placed		
Tata Sons Ltd.	2000.00	2000.00
19. Accrued Interest		
Tata Sons Ltd.	—	50.55
20. Debit Balance Outstanding at year end		
Naba Diganta Water Management Ltd.	—	191.82
Olayan Voltas Contracting L.L.C.	226.71	332.42
Voltas Material Handling Private Ltd.	—	79.34
Voltas Qatar W.L.L.(w.e.f. 2-4-2012)	422.80	—
21. Credit Balance Outstanding at year end		
Tata Sons Ltd.	830.15	765.30
Universal Weathermaker Factory L.L.C.	298.35	302.86
22. Intercompany Deposits at year end		
Tata Sons Ltd.	—	2000.00
23. Deposit Received		
Voltas Material Handling Private Ltd.	—	62.67

35. (A) Information about Consolidated Segments

	₹ in Lakhs	2011-12
		₹ in Lakhs
1. SEGMENT REVENUE		
(a) Segment - A (Electro - mechanical Projects and Services)	319950.49	318320.75
(b) Segment - B (Engineering Products and Services)	43104.72	41211.62
(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	183563.51	153879.70
(d) Others	5015.12	4271.11
Less : Inter segment revenue	227.51	181.02
Net Sales / Income from Operations	551406.33	517502.16
Add : Other operating income	1689.68	1071.47
Net Revenue from Operations (as per Statement of Profit and Loss)	553096.01	518573.63



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

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

	2011-12	
	₹ in Lakhs	₹ in Lakhs
2. SEGMENT RESULTS		
(a) Segment - A (Electro - mechanical Projects and Services)	(4908.69)	(10420.04)
(b) Segment - B (Engineering Products and Services)	8209.66	6868.53
(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	17273.38	12982.82
(d) Others	28.26	415.19
Segment Total	20602.61	9846.50
Less : (i) Interest Paid	3974.76	3141.94
(ii) Other unallocable expenditure net of unallocable income	(11355.33)	(15208.42)
Profit before Tax	27983.18	21912.98

3. SEGMENT ASSETS AND LIABILITIES

	Segment Assets		Segment Liabilities	
	As at 31-3-2012	As at 31-3-2012	As at 31-3-2012	As at 31-3-2012
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(a) Segment - A (Electro - mechanical Projects and Services)	243173.24	237791.84	172364.47	159997.94
(b) Segment - B (Engineering Products and Services)	20441.81	17837.85	9544.88	9396.14
(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	87002.98	72666.53	63297.77	53639.80
(d) Others	5200.87	4686.04	2560.67	2281.56
Segment Total	355818.90	332982.26	247767.79	225315.44
Unallocated	100844.40	82873.46	45152.45	41055.38
	456663.30	415855.72	292920.24	266370.82

4. OTHER INFORMATION FOR SEGMENTS

	Capital Expenditure		Depreciation and Amortisation		Non-Cash Expenses Other than Depreciation and Amortisation	
	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(a) Segment - A (Electro - mechanical Projects and Services)	2280.28	1232.54	1464.94	2157.55	1902.07	2910.19
(b) Segment - B (Engineering Products and Services)	611.19	322.93	161.73	150.36	187.50	81.22
(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	549.81	104.65	342.38	342.00	1029.47	665.29
(d) Others	104.76	143.40	146.25	130.18	28.32	327.30
Segment Total	3546.04	1803.52	2115.30	2780.09	3147.36	3984.00
Unallocated	2072.28	410.20	668.73	615.73	Nil	Nil
	5618.32	2213.72	2784.03	3395.82	3147.36	3984.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)
35. (B) Information about Consolidated Secondary Business Segments

	₹ in Lakhs	2011-12 ₹ in Lakhs
Revenue by Geographical Market		
India	347950.33	332560.14
Middle East	186993.83	178913.06
Others	16462.26	6028.96
Total	551406.42	517502.16
Capital Expenditure		
India	3032.05	1090.11
Middle East	502.27	708.59
Others	11.72	4.82
Total	3546.04	1803.52
Carrying Amount of Segment Assets		
India	222680.78	202976.31
Middle East	130384.41	125177.94
Others	2753.71	4828.01
Total	355818.90	332982.26

- 36.** The Group has consolidated the accounts of the following Joint Ventures as on 31st March, 2013 and its percentage holding is given below :

Name of the Joint Venture	Country of Incorporation	% holding
Universal Voltas L.L.C.	United Arab Emirates	49.00
Naba Diganta Water Management Ltd.	India	26.00
Universal Weathermaker Factory L.L.C.	United Arab Emirates	49.00
ETA-Voltas-Hitachi Plant *	United Arab Emirates	37.50
NDIA Package 19 Project*	Qatar	77.08
Sidra Medical & Research Centre Project*	Qatar	51.08
Olayan Voltas Contracting Company Ltd.	Saudi Arabia	50.00
Voltas Qatar W.L.L.	Qatar	75.00

* Jointly controlled operations

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

	₹ in Lakhs	2011-12 ₹ in Lakhs
ASSETS		
Net Block (including Capital WIP)	1770.02	2131.23
Current Assets	46948.85	43935.23
Non Current Assets	912.62	589.94
LIABILITIES		
Reserves and Surplus	(4761.84)	(27436.21)
Current Liabilities	49065.27	50309.15
Non Current Liabilities	1308.30	1254.24
INCOME		
Revenue from Operations	68795.43	74598.96
Other Income	(864.36)	407.24
EXPENSES		
Cost of Sales, Services and Expenses	84071.09	72583.54
Depreciation	516.75	596.80
Interest	998.58	1245.96
TAXES	85.48	Nil
CONTINGENT LIABILITIES	10413.60	2848.21
CAPITAL COMMITMENTS	4717.30	2564.72



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

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

For and on behalf of the Board

<i>Chairman</i>	Ishaat Hussain
<i>Managing Director</i>	Sanjay Johri
<i>Directors</i>	Nasser Munjee
	N. N. Tata
	Nani Javeri
	R. N. Mukhija
	Vinayak Deshpande
	Thomas Mathew T.
<i>Executive Vice President - Corporate Affairs & CFO</i>	Anil George
<i>Vice President- Taxation, Legal & Company Secretary</i>	V. P. Malhotra
<i>Mumbai, 20th May, 2013</i>	

DETAILS OF SUBSIDIARY COMPANIES AS AT 31ST MARCH, 2013

The Company has opted for exemption granted vide Circular No.2/2011 related to not attaching the Balance Sheet of Subsidiaries under Section 212(8) of the Companies Act, 1956. The relevant details of Subsidiaries as at 31st March, 2013, as required vide Circular No.2/2011 are as follows:

	Weathermaker Limited (WML) # @	Saudi Ensas Company for Engineering Services W.L.L. (Saudi Ensas) # @	Lalbuksh Voltas Engineering Services & Trading L.L.C. (LALVOL) # @	Voltas Oman L.L.C. (VOLLC) # @	Voltas Netherlands B.V. (VNBV) #	Voice Antilles N.V. (VANV) *	Universal Comfort Products Limited (UCPL)	Rohini Industrial Electricals Limited (RIEL)	Auto Aircon (India) Limited (AAIL)
	AED ₹ in Lakhs	SR ₹ in Lakhs	OMR ₹ in Lakhs	OMR ₹ in Lakhs	OMR ₹ in Lakhs	USD ₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
1. Capital	1500000	223.80	379.86	250000	355.50	500000	711.00	618729	429.95
2. Reserves & Surplus	21457167	3201.41	(2436485)	1726607	2455.23	(386180)	(549.15)	9341404	6491.35
3. Total Assets	28060115	4186.57	9277480	4241773	6031.80	899077	1278.50	9982534	6936.87
4. Total Liabilities	5102948	761.36	9113965	2265166	3221.07	785257	1116.65	22401	15.57
5. Investments (excluding investment in subsidiary)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	3864316	2685.31
6. Turnover / Income	29527131	4405.45	14895746	3577119	5086.66	697695	992.12	5231130	3635.11
7. Profit / (Loss) before Tax	2615889	390.29	317434	20967	29.82	(178155)	(253.34)	5091329	3537.96
8. Provision for Taxation	Nil	Nil	74550	Nil	Nil	Nil	Nil	Nil	Nil
9. Profit / (Loss) after Tax	2615889	390.29	242884	20967	29.82	(178155)	(253.34)	5091329	3537.96
10. Proposed Dividend	2250000	335.70	Nil	Nil	Nil	Nil	Nil	3000000	2084.70

Notes:

The foreign currency figures of WML, Saudi Ensas, LALVOL, VOLLC, VNBV and VANV have been converted into Indian Rupees on the basis of appropriate exchange rates.

Exchange rate as on 31st March, 2013: 1 EURO = ₹ 69.49.

@ Financials of WML, Saudi Ensas, LALVOL and VOLLC are for the year ended 31st December, 2012: 1 AED = ₹ 14.92, 1 OMR = ₹ 142.20, 1 SR = ₹ 14.61.

* Financials of Voice Antilles N.V. are for the period upto 14th September, 2012 (date of liquidation): 1 USD = ₹ 54.30.

Notes

[illegible]

Electro-Mechanical Projects - International



Voltas made a sensational splash with MEP works at Abu Dhabi's [Yas Water Park](#) – recognized as the 'greatest water park experience in the world', with over 40 thrilling rides.

Voltas formed a project-specific JV to win and execute [North Gate Mall](#), its first ever private sector contract in Qatar.



Tunnel ventilation works for the prestigious [Marina Coastal Expressway](#) project in Singapore now under execution.



Top honours for Voltas at [MEP Middle East Awards](#)... 3rd time in a row!

- 'MEP Contractor of the Year'
- 'Overall GCC Project of the Year' for Abu Dhabi's Yas Waterworld (shared with consultancy firm WS Atkins).



Voltas completed its first 'Green Mark'-compliant project in SE Asia, providing HVAC and ventilation solutions for [National University Health Systems](#) – Singapore's leading institution for healthcare, academics and medical research.



[Barwa City](#) project at Qatar now completed: Voltas provided MEP works for 80 buildings in this futuristic township designed as an ideal modern habitat.

Engineering Products



Expanding its footprint across the Indian textiles market, Voltas teamed up with **Benninger AG** of Switzerland, a leading name in textile machinery.

Voltas successfully strengthened its thrust to become a **service partner** for major overseas companies. Vale, the world's 3rd largest mining company, chose Voltas for its equipment in Mozambique, including the CAT 6090, the world's largest hydraulic excavator. A similar contract was signed with TZ Hongkong for Rope Shovels manufactured in China.



The LeTourneau L950 loader at EMTA's Panem Mines, supplied and serviced by Voltas, was named the '**Best Performing Machine**' for the 2nd year running – testimony to the technical skill and dedication of Voltas' site service team, and the equipment's own superb qualities.



VOLTAS LIMITED

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**Active
Dehumidifier**



**Super Dust
Guard**



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As a continuing policy of product innovation at VOLTAS, the design and specifications are subject to change without prior notice. The visuals of the product shown above are representative only. Actual product might differ from one shown. *Finance at sole discretion of finance company. The above mentioned benefits are available in select models only.