VOLTAS

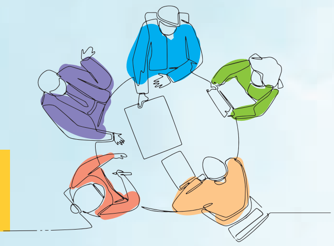
A TATA Enterprise

From Roots to Wings

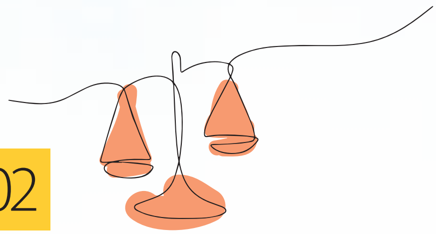
A Journey of Transformation

ANNUAL REPORT 2022-23

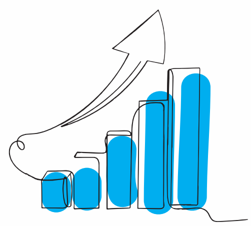
ACROSS THE PAGES

01 

CORPORATE OVERVIEW

02 

STATUTORY REPORTS

03 

FINANCIAL STATEMENTS

REPORTING APPROACH

As a principal document, this Report emphasizes on providing an understanding of strategies, business models and major impact across economic, social and environmental areas. Aligned with the business strategy of Voltas, it describes the material issues that influences the Company's ability to create sustainable value. The Report forms an integral part of the Company's strategy and business practices. And thus, also highlights the key aspects of social and environmental sustainability.

SCOPE AND BOUNDARY

This Report uses a holistic approach and furnishes information for the year ended 31 March, 2023. It adequately provides information on all business segments, in which the Company operates for creating value in the short, medium and long-term.

FRAMEWORKS

The Company has followed the principles of Integrated Report <IR> as laid out by the International Integrated Reporting Council (IIRC), which aims to address the needs of the Company's various stakeholders. The Company fully complies with the NSE and BSE listing requirements and SEBI guidelines. The Statutory Reports, including the Directors' Report, Management Discussion and Analysis (MD&A), the Corporate Governance Report and the Business Responsibility and Sustainability Report, are in line with the Companies Act, 2013, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the prescribed Secretarial Standards.

LEADERSHIP ACCOUNTABILITY

The Company's senior management, under the supervision of the Managing Director & CEO, have reviewed the contents of this Report. The Board Members of the Company have provided the necessary governance oversight.

Investor Information

Market Capitalization as at 31 March, 2023	₹ 27,075 crores
CIN	L29308MH1954PLC009371
BSE Code	500575
NSE Symbol	VOLTAS
Bloomberg Code	VOLT:IN
Dividend Proposed	425% or ₹ 4.25 per share
AGM Date	22 June, 2023

An electronic version of this Report is available online at: https://www.voltas.in/investors/financial-snapshot/

Scan this QR code to navigate investor-related information

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

An Eventful Journey of

ALMOST 7 DECADES THAT CONTINUES...

₹ **9,667** crores	₹ **307** crores	₹ **136** crores
Total Income	**Profit Before Tax**	**Profit After Tax**

Voltas has been on an eventful journey since its establishment in 1954 through a partnership between TATA Sons and Volkart Brothers. Voltas is India's largest air conditioning company and a provider of intelligent solutions for Air Conditioning and Cooling Products (Unitary Cooling Products), Engineering Projects, and Engineering Products & Services.

Voltas has been leading India's air conditioning market for several years with an unwavering focus on customer satisfaction. Its experience across cooling products, engineering projects, textile machinery and mining equipment has enabled the Company to excel across multiple domains. With this undeterred commitment, the Company continues to deliver marquee projects and services to its clients.

The Company constantly strives to provide its customers and industries with the highest quality goods and services. Through its joint venture with Arçelik for Voltas Beko, the Company has added an extensive range of home appliances, providing a one-stop solution for its customers.

During the year, the Business Transfer Agreement (BTA) for transferring its B2B businesses relating to Projects business comprizing Mechanical Electrical and Plumbing (MEP)/Heating, Ventilation and Air-Conditioning (HVAC) and Water projects, Mining and Construction Equipment (M&CE) business and Textile Machinery Division (TMD) business to its wholly owned subsidiary, Universal MEP Projects & Engineering Services Limited (UMPESL) was consummated with effect from 1 August, 2022. Through this subsidiary, the Company provides a wide range of engineering solutions.

This internal restructuring will lead to:

- More focused management and functioning of the businesses
- Commercial ease through execution of projects under one entity
- Better flexibility for the Company to expand its business further in the B2C space

Moving along its orbit, Voltas aims to partner in developing the nation while keeping the community as its core priority.

Voltas has continued on this journey since 1954, constantly expanding the range of products, improving services, and providing innovative solutions to meet the evolving needs of its customers. Today, as the Company continues on its path, it is determined to remain committed to excellence in everything the Company does to ensure the utmost customer satisfaction.

From Roots to Wings

A Journey of Transformation

The theme 'From Roots to Wings: A Journey of Transformation' beautifully captures the remarkable evolution of Voltas over the years. It is incredible that from its humble beginning as a small enterprise, Voltas has grown to become a reputed brand in the air conditioning, refrigeration and consumer durable industry and across diverse business divisions, including Project Solutions, Textile Machinery and Mining & Construction Equipment.

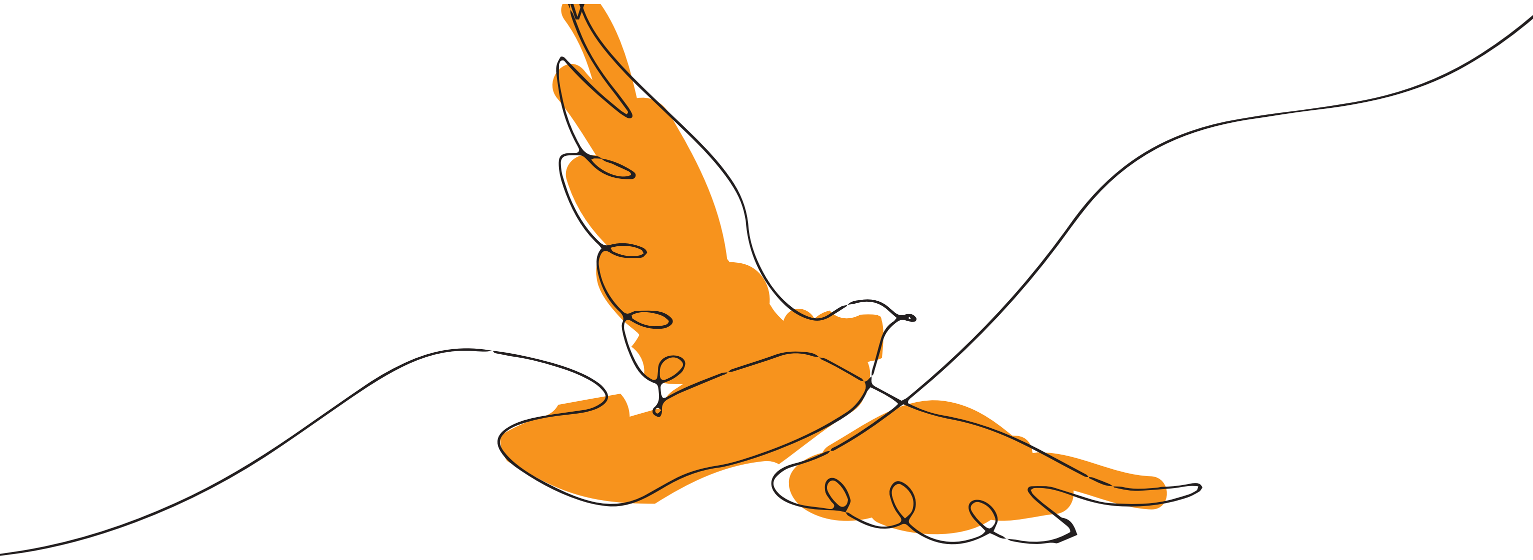
What truly defines this journey for Voltas is its unrelenting commitment to excellence, quality, innovation, and customer satisfaction that the Company has nurtured over time. The cultural pillars of teamwork, respect, excellence, customer focus, and core values of Voltas have guided the Company through its path so far, shaping its culture and driving growth.

Voltas emphasizes on technology and sustainability, which has played a significant role in the Company's continued progress. It is evident that the Company is now on a **Transformational Journey from Roots to Wings** as it takes flight towards greater heights. With a strong focus on innovation, and value engineering, Voltas is relentlessly working towards strengthening its position as a market leader in the room air conditioning industry – offering its customers the best possible products and services, while at the same time remaining close to the roots in India and contributing to "AatmaNirbhar" (self-reliant) India.

In alignment with the Company's commitment to a sustainable world, Voltas is leveraging its strong foundation in efficient engineering to develop sustainable solutions for turnkey projects both in India and abroad. With its unyielding passion, the Company has also expanded its horizons into the Textile Machinery Division (TMD). Under the Mining & Construction Equipment Division, Voltas has come a long way post establishing itself in Earthmoving, Mining and Agricultural machinery (EMA) since 1954.

It is remarkable how the Company has evolved from its roots to spread its wings and soar to new heights, achieving greater success and impacting communities in a positive way.

Our Story so far…



The story of Voltas is one of relentless innovation and unwavering passion. Its distinguished offerings are crafted to captivate and inspire, leaving an indelible impression in the hearts of the Company's valued customers. Voltas takes immense pride in providing unmatched delight through its products and services, fostering a loyal customer base.

As the Company traverses through it's journey, it consistently embraces its relationships and innovation is the driving force that propels its endeavours. Voltas constantly pushes boundaries and explores unexplored territories, tirelessly striving to enhance the convenience and comfort of its customers and clients. The Company's collaborative efforts and resolute commitment are interwoven into every facet of its work, reflecting a steadfast pursuit of excellence.

At Voltas, the Company's story deeply resonates with its stakeholders – a tale of passion, innovation, and unwavering commitment. The Company is dedicated to making a lasting impact and feels privileged to be a part of the journey that enriches the lives of its stakeholders.

Our Offerings

Residential


Convenience Stores


Offices & Businesses

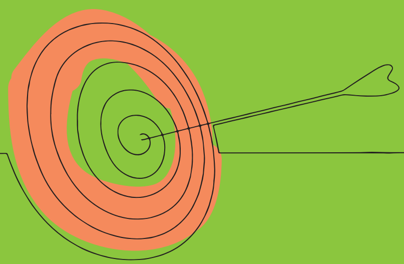

Societal Infrastructure


Textile Industry


Mining & Construction Sites

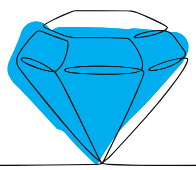

VISION

Driving value through smart engineering



MISSION

We will offer our customers appropriate engineering solutions in the form of Products, Projects and Services of superior value in our area of expertise and experience – Air Conditioning, Refrigeration, Electro-Mechanical Works, Water Management and Industrial Capital Equipment to build and sustain market leadership.



DRIVEN BY VALUES

Values are the guiding principles that we use across the verticals to underpin decision-making, guide our conduct and define our culture. By working together with these Values every day, we build a sustainable business that is more successful and a better place to work.

- **Integrity**

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

- **Excellence**

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

- **Unity**

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

- **Responsibility**

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

- **Pioneering**

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

CULTURAL PILLARS

SMART THINKING

- Fact-based analysis
- Use logic and customer insights

INNOVATIVE

- Look at things with a fresh perspective
- Find alternative and better ways

TEAMWORK

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

WINNING ATTITUDE

- Take responsibility for customers
- Seize every opportunity

FLEXIBLE

- Adapt to every change
- Be prepared to face surprises

VOLTAS
A TATA Enterprise

Message from the MD's Desk

Our journey began in 1954 as a joint venture between Tata Sons and Volkart Brothers, and today, we are a diversified business house ranging from consumer goods to MEP to textile machinery to Mining & Construction Equipment. We are constantly evolving and transforming to meet the dynamic needs of our customers.

Dear Shareholders,

As we reflect on the past year, I am grateful to all our stakeholders who continuously supported and believed in our Company. It was a year filled with mixed emotions, marked by both significant challenges and promising opportunities. But despite it all, we kept cruising ahead on our course with determination and commitment. These traits have helped us sail through the short-term blips and as we embark on another journey for our Company in 2023-24, I take pride in reflecting on the distance we have covered over the past seven decades, which have provided us with invaluable lessons, experiences, achievements, and a sense of pride.

Economic Overview

The year saw major impact on the global economy erupting out of the prolonged Russia and Ukraine war, causing supply chain disruptions, significant surge in prices for essential goods worldwide. To cushion the effect of the accelerated inflation rates, central banks worldwide acted promptly by hiking the interest rates to mitigate its impact.

In an effort to bolster the nation's growth and development in 2022-23, the Government of India extended its support by allocating funds for domestic capacity expansion and infrastructure development. This move was targeted at stimulating demand, generating employment opportunities, and fostering growth across various industries. The Government has implemented various structural reforms aimed at improving macroeconomic activities, those which will contribute towards increasing disposable income and better private consumption. Moreover, initiatives such as 'Make in India', 'AatmaNirbhar Bharat', 'Production Linked Incentives (PLI)' are playing a pivotal role in enhancing Voltas' demand at a macro level and are working positively for the Company's journey as we travel ahead with optimism.

Our Journey

Our journey began in 1954 as a joint venture between Tata Sons and Volkart Brothers, and today, we are a diversified business house ranging from consumer goods to MEP to textiles machinery to Mining & Construction Equipment. We are constantly evolving and transforming to meet the dynamic needs of our customers. As we reflect on our achievements, we are proud to share that Voltas has become one of the top ten companies in the TATA group, with a consolidated revenue exceeding billion dollars.

Entering the new fiscal, I am optimistic that our Company's growth trajectory will continue. We have constantly expanded our horizons, spreading our wings towards newer product categories. Our emphasis on growth is reflected in the rise of Voltas Beko – a JV brand that offers home appliances and provides a comprehensive one-stop solution for all the valued customers of Voltas under one roof in joint venture with the leader of appliances, Arçelik. Today, Voltas is not just a room air conditioner company but is also making forays in the consumer durable space along with a markable presence in the segments it operates in.

In four years, Voltbek has sold an impressive 3.3 million units, a testament to the trust and commitment brand Voltas carries with the end consumers.

Besides these, Voltas is involved in engineering projects and infrastructure solutions space. As part of the Company's domestic projects business in India, Voltas has been a part of some of the largest iconic projects in India. Proving its mettle we have enriched our experience by successfully working on metro projects, hospitals and social infrastructure projects viz water & electricals in major cities across the country.

Financial Book: Our Roots Securing the Next

The Company's consolidated total income for the year stood at ₹ 9,667 crores, reflecting a ~19% growth over the previous year's income of ₹ 8,124 crores. The profit before share of profit/loss of joint ventures and associates and tax stood at ₹ 672 crores. The Company's profit before tax (after the share of profit/ loss of joint ventures/associates) was recorded at ₹ 307 crores. During the year, the Company made a significant provision of ₹ 244 crores under exceptional items, relating to the termination of a contract and encashment of bank guarantees for two overseas projects in Dubai and Qatar, respectively. We have taken the necessary legal steps to protect our interests and to recover the monies owed to us.

Operational Highlights

During the year, the Unitary Cooling Products business has relatively performed better amid the lower consumer sentiment towards discretionary spend and unseasonal rains. Launches of our various products in this segment, particularly the new range of Room ACs, Commercial Air Conditioning, Air Coolers, and Commercial Refrigeration products helped us stay ahead with the trends.

During the previous year, we entered into a technology license agreement with Vestfrost Solutions, Denmark, to develop, manufacture, sell and service medical refrigeration and vaccine storage equipment. This aligns with one of our goals of entering Bio Medical and Cold Chain industry, and will enable us to combine Vestfrost Solutions' strong technological capabilities with our own manufacturing and distribution capacities for vaccine storage equipment such as ice-lined refrigerators, vaccine freezers, and ultra-low temperature freezers, in the Indian market.

Moving ahead, the Company's business operations secured significant projects in various fields. During the year our 100% subsidiary, UMPESL won multiple project orders valued at ~₹ 3,762 crores, including a solar power project, estimated to benefit over 46 million Indians. We remain committed to supporting the Government's mission of providing 100% quality, reliable, and affordable power supply to consumers and households across India.

Our IOBG segment was awarded a project worth ₹ 942 crores in Riyadh, Saudi Arabia, for Qiddiya Water Theme Park. In addition, IOBG also won multiple projects, including Jubail for HVAC division, involving the world's largest desalinated water production plant. It highlights our technical finesse and execution capabilities in the international arena.

In the Textile Machinery Division (TMD), our broader strategies remain to grow market share in capital machines, both in Spinning and Post Spinning. We have added Spreading machines and Weaving preparatory machines to our portfolio. We are looking for adding new Principals for Non-woven, Embroidery to strengthen value chain in Post Spinning.

During the year, the performance of Mining and Construction Equipment (M&CE), both in Mozambique and India operations was in line with our expectations. Our customer-centric approach and cost optimization solutions have resulted in consistent performance in Mozambique, year on year. On the domestic front, export levy on iron ore slowed down mining activities which impacted equipment sales and after sales services for the major part of the year. However, the subsequent removal of this levy helped us sustaining the demand for crushing and screening equipment in India. The M&CE vertical continued to grow on a consistent basis.

As we move towards a secured future, our focus will remain around securing newer orders with the support of our financial strength. Our extensive presence, emphasis on the emerging channels, excellent distribution network, strong brand equity and attractive consumer offers, positions the brand ahead of the curve.

People Orientation

Being part of the Tata Group, we believe in taking care of our people. The Company actively participates in internal trainings, seminars, meetings, and other forums organized by the Group from time to time. With these training interventions, Voltas strives to share knowledge and expertize with its internal talent, which will help in staying prepared for unseen circumstances. In addition, it actively engages in industry forums, seminars and awareness sessions, to stay updated on the latest developments.

Customer Centricity

Technology is rapidly transforming industries, creating new and innovative solutions, and revolutionising how we design and build products and services. At Voltas, we recognize the importance of staying up-to-date with the latest trends and evolving standards in the global market. To achieve this, our R&D and manufacturing teams are working tirelessly to incorporate smart technologies such as the Internet of Things (IoT) and Artificial Intelligence (AI) into our products and services. By doing so, we are able to offer our valuable customers cutting-edge solutions which keeps Voltas ahead of the curve. Our commitment to integrating these technologies into our products and services has helped us sustain our position as a leader in the fiercely competitive industry.

Innovation has been at the core of all our offerings and the Company has recently launched the 2023 Inverter AC range with a unique value proposition of 'Pure & Flexible Air Conditioning'. The range caters to the evolving consumer needs of upgrading home appliances with advanced features like air purification technology, multi-adjustable mode, HEPA filter, super UVC, and ice wash technology. Additionally, Voltas introduced new SKUs across its range of Air Conditioners, Air Coolers and

Commercial Refrigeration. In the water cooling solutions space, we are expanding our business by adding newer products and technologies to our product portfolio. Voltas also aims to strengthen its JV brand Voltas Beko, by introducing a range of new products while remaining committed to the 'Make in India' initiative. The Company launched a line of home appliances, including 'Smart Hygiene' dishwashers, new Frost-free refrigerators, and Top-load washing machines.

Community Focused

For Voltas, giving back to the community is a core value that drives its business decisions across the value chain. Guided by the TATA Group philosophy, the Company recognizes the community as a key stakeholder across its operations, including customers, people, business partners, environment, and society.

Voltas has adopted a mantra of 'Engage, Equip, and Empower' to guide its community engagement efforts. As part of this commitment, Voltas has internally identified the evolving consumer preference of Life Rejuvenation, Self-care, Immersive Consumer Experience, Time for more, and G'Local to better understand the community's needs. By mapping these trends, the Company aims to develop programmes and initiatives aligned with the community's needs and aspirations, empowering and supporting them.

Further, as part of its commitment to corporate social responsibility, Voltas is focused on sustainable livelihood, community development, and issues of national importance.

The Voltas team also participates in the 'Joy of Giving' festival with Goonj, encouraging its employees and their social circles to donate necessary items to benefit urban and rural communities in need.

Sustainability at Core

Voltas is mainly looking at moving towards renewable energy with the goal to become carbon neutral for its operations and water positive by 2030. Based on the products, we are actively looking out for using lesser raw materials and/or replacing it with sustainable alternates. Our impetus is towards making products and solutions more energy efficient. To this end, we have already made significant progress, with our Waghodia manufacturing facility currently operating at approximately 30% renewable energy, and the corporate office running entirely on 100% solar energy. Furthermore, we have also installed an electric vehicle charging facility at our corporate office, which is powered by solar energy, demonstrating our commitment to reducing our carbon footprint.

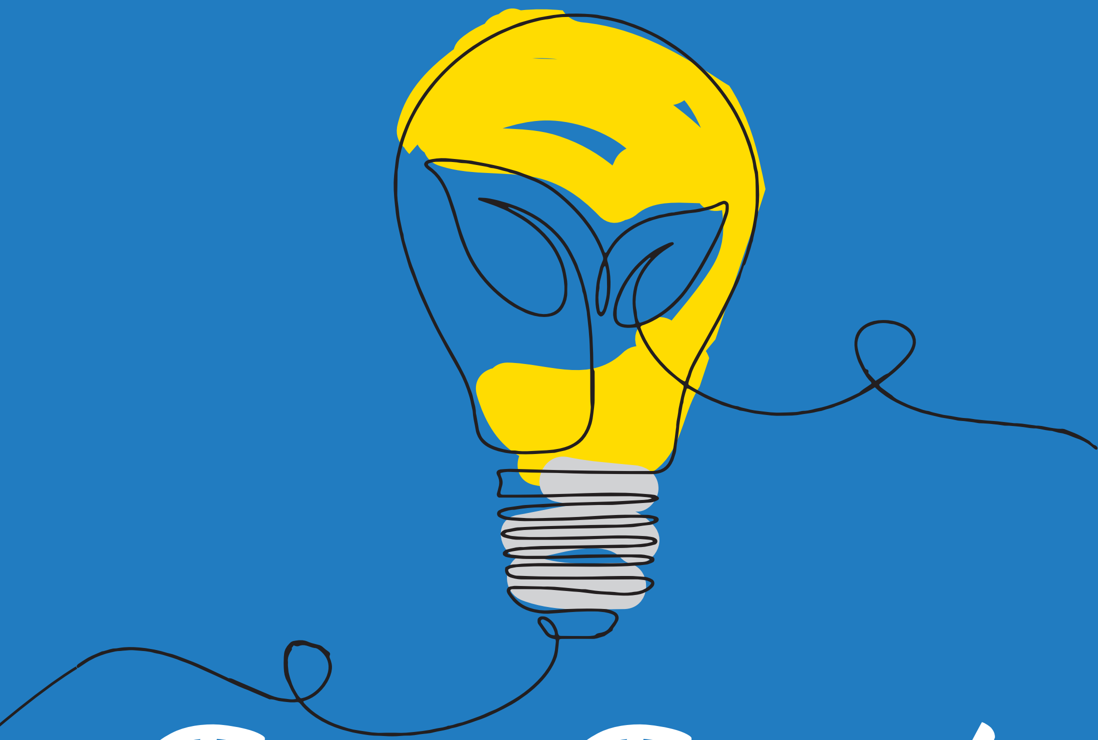
To further strengthen our commitment, we have undertaken several macro-level steps to reduce the environmental impact of our operations, some of which include:

- Using refrigerants like R32 in Air Conditioners, which have Zero Ozone Depleting Potential. We have also optimized the design of the Air Conditioning Outdoor units, resulting in reduced copper consumption and refrigerant gas usage. We have introduced hydrocarbon (R290) refrigerants in our Commercial Refrigeration Freezers.
- Moving towards a circular economy, we are using recycled plastic in the manufacturing of the finished products.
- Promoting star rated products that consume less water and electricity in our Voltas Beko range of Washing Machines. We have also pioneered the first washing machine made from recycled plastic.
- Partnering with producer responsibility organizations (PRO) to efficiently collect the e-waste by following CPCB guidelines to ensure appropriate waste recycling and disposal.

As I look back at our achievements in the past year, I express gratitude to our dedicated team for their tireless efforts. I am proud to recognize the resilience and commitment of our employees at all levels and business partners who enabled us to succeed against all odds. I extend my deepest appreciation to the Board of Directors, investors and stakeholders for unrelenting support as we embark on the next phase of our journey towards even greater success. Together, we can continue to lead the way and make an impact in the world.

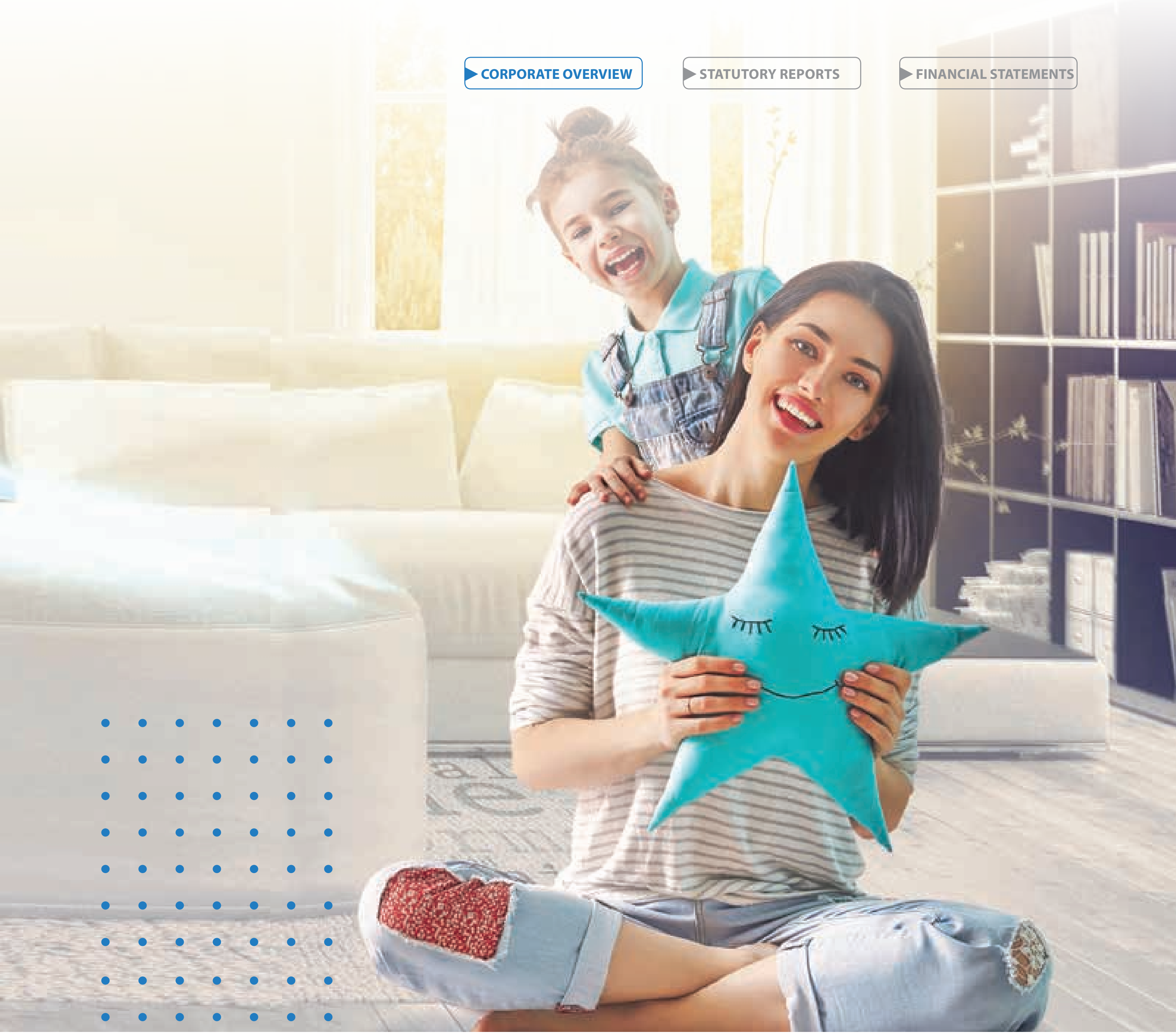
With my best wishes,

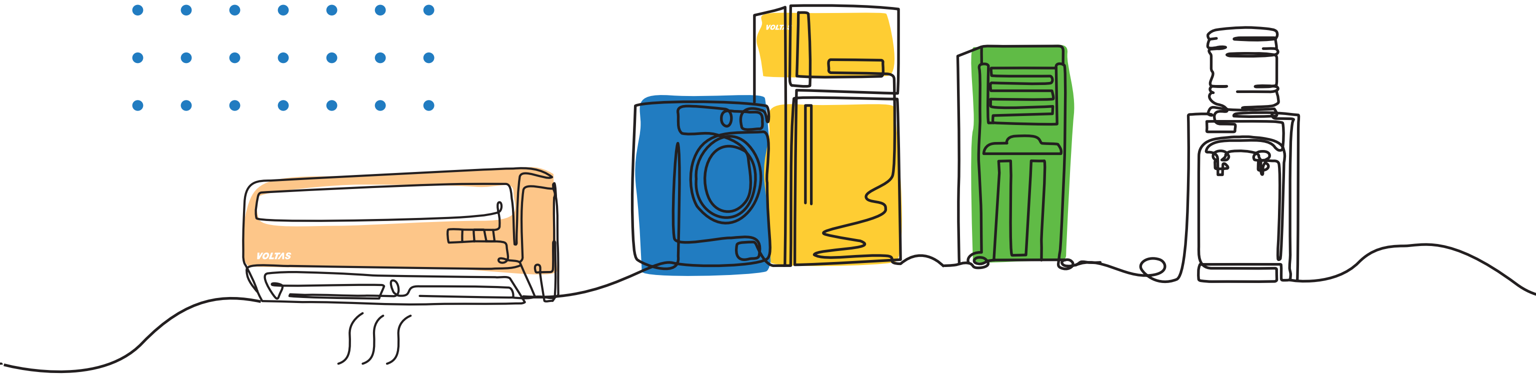
Pradeep Bakshi
MD & CEO
Voltas Limited



From Foundation to Innovation

OUR PRODUCTS AND SERVICES SOARING NEW HEIGHTS




VOLTAS

Unitary Cooling Products (UCP)

OUR OFFERINGS

- ROOM AIR CONDITIONERS (RAC)
- AIR COOLERS
- AIR PURIFIERS
- VISI COOLERS
- WATER DISPENSERS
- WATER COOLERS
- COLD ROOMS
- CHEST FREEZERS
- MEDICAL REFRIGERATION
- DUCTED AC
- VARIABLE REFRIGERANT FLOW (VRF)
- CASSETTE AC
- TOWER AC
- CHILLERS

Unitary Cooling Products (UCP) caters to a diverse range of customers by offering integrated solutions, serving both business-to-consumer (B2C) and business-to-business (B2B) segments.

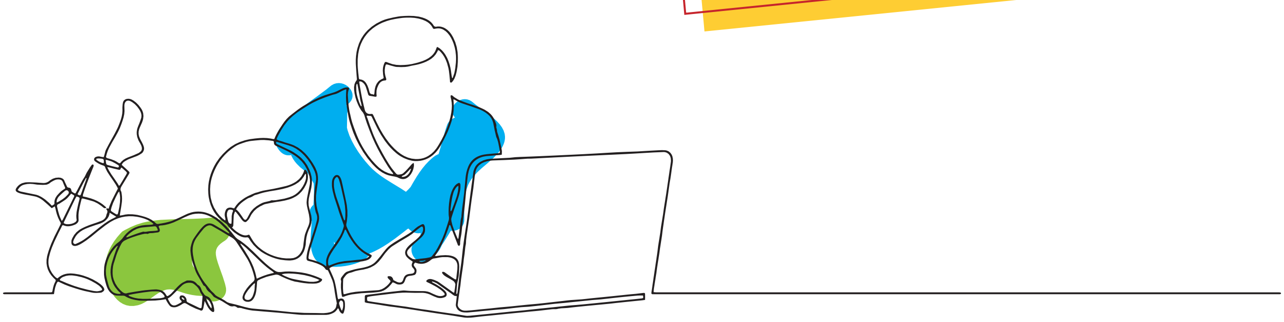
The Company's products are designed for residential as well as commercial spaces, providing energy-efficient solutions, advanced features, and long-lasting durability. This is made possible by Voltas' commitment to continue expanding its product offerings to meet the evolving needs of its customers. Voltas has forged strong partnerships with Original Equipment Manufacturers (OEMs) and continues to increase the Company's presence through channel partners and Exclusive Brand Outlets (EBOs), E-Commerce platform and Experience Zones. These strategic alliances enable the Company to effectively serve its customers and extend its brand footprint in the market. Moreover, the Company maintains adequate component inventory to ensure the timely delivery of quality products, which continues to contribute to its growth.

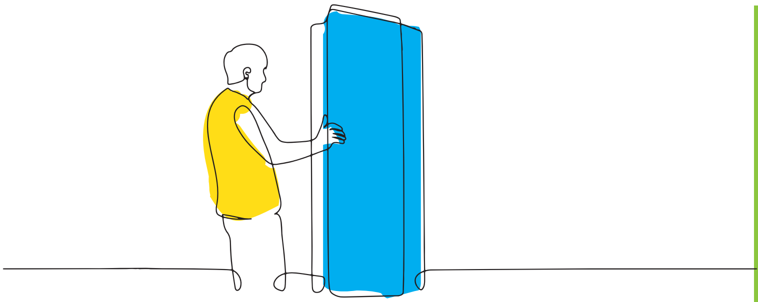
HIGHLIGHTS

- **Achieved growth in all categories across all geographies and an increase in customer segments**
- **Experienced significant growth of over 25% in the segment, delivered substantial bottom-line growth**
- **Providing value for money and quality products to customers**

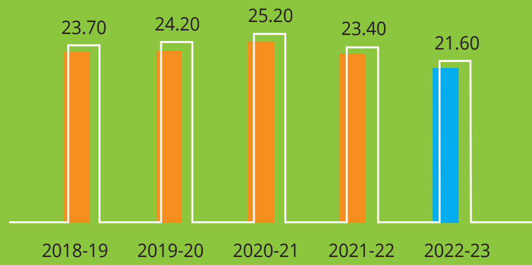
OFFERS

Comprehensive Warranty | Cashback | Attractive EMIs | Installation Offer





Market Share (%)



25,000+
Touchpoints

64
New RAC SKUs

51
Voltas Fresh Air Coolers SKUs

23
New Commercial Refrigeration SKUs

VOLTAS
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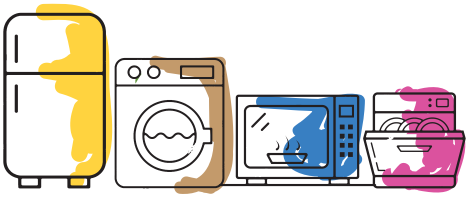
Voltas Beko

OUR OFFERINGS



- REFRIGERATORS
- WASHING MACHINES
- MICROWAVES
- DISHWASHERS

Since its launch, Voltas Beko, one of India's fastest-growing home appliance brands, has sold over 3.3 million products. Voltas Beko offers state-of-the-art, technology-driven appliances such as refrigerators, washing machines, microwaves, dishwashers and more, exclusive designs made from high-quality materials. Voltas Beko is aggressively expanding its presence in India by targeting 15,000 outlets. With a strong network of over 7,000 consumer, currently, coupled with excellent after-sales services, Voltas Beko is rapidly expanding its presence in the Indian home appliances market.

HIGHLIGHTS

- **Launched fully automatic top-load washing machine with heater**
- **Launched over 100 SKUs in the year**

Voltas Beko - A range of Consumer Durables

OFFERS

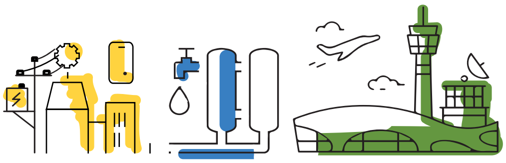
- Cashback
- Upto 3 years comprehensive warranty with 12 years warranty on Compressors/Motors on select range of products
- Attractive EMI Options on Select Products
- Zero Down Payment with Long-term EMI of up to 18 months

7,000+
Touchpoints

150+
SKUs

International Operations Business Group (IOBG)

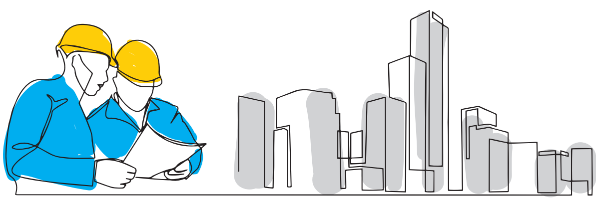
OUR OFFERINGS



- MECHANICAL, ELECTRICAL AND PLUMBING (MEP)
- HEATING, VENTILATION AND AIR CONDITIONING (HVAC)
- WATER MANAGEMENT

Voltas' International Operations Business is dedicated to expanding the Company's global footprint and identifying new business prospects beyond India. IOBG specializes in providing comprehensive electromechanical solutions and services to its clients in Middle East and Asia region.

With the announcement of the Dubai Government's 'D33' initiative, the region is abuzz with new project opportunities. Notably, the upcoming Palm Jebel Ali project is expected to be a game-changer, offering hotels, residential and commercial spaces, and other amenities. This project is nearly four times the size of Palm Jumeirah and is poised to attract a large influx of high net-worth individuals from Europe and the Far East. Overall, IOBG remains focused on pursuing strategic business opportunities in international markets and delivering top-notch electromechanical solutions and services to clients beyond India.



HIGHLIGHTS

- **Successfully completed multiple projects across GCC, including Dubai, Oman, Qatar, Bahrain, and others**
- **Saudi Arabia is experiencing explosive growth with 5 Giga projects, including Neom, Red Sea Development, Qiddiya, Amaala, and Diriyah Gate**

DEWA HQ Al Sheraa Building

₹ **2,356** crores

Order Book

Zayed National Museum, UAE

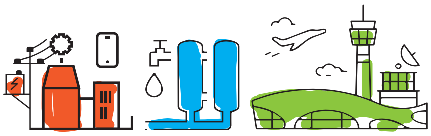
Universal MEP Projects & Engineering Services Limited (UMPESL)

Voltas recently underwent an internal restructuring process, consolidating its B2B businesses (MEP, Infrastructure, Textile Machinery, Mining & Construction Equipment) into a 100% wholly owned subsidiary, Universal MEP Projects & Engineering Services Limited (UMPESL). Further leveraging the strong legacy and expertize of Voltas, UMPESL, a TATA enterprise, is pursuing renewed growth ambitions.

Dragline Boom repaired by Voltas

Infrastructure Solutions

OUR OFFERINGS



- MECHANICAL, ELECTRICAL AND PLUMBING (MEP)
- HEATING, VENTILATION AND AIR CONDITIONING (HVAC)
- WATER INFRASTRUCTURE
- ELECTRICAL & SOLAR JOBS
- OPERATIONS AND MAINTENANCE

Voltas, through its 100% wholly-owned subsidiary (UMPESL), offers a comprehensive range of services to various infrastructure industries, including building construction, airports, ports, power, and water treatment. The Company offers integrated MEP solutions that cover the entire spectrum of Mechanical, Electrical, and Plumbing Systems' Design, Engineering, Procurement, Construction, and Commissioning. With extensive experience and technical expertize, the Company is well-equipped to provide top-notch infrastructure solutions that cater to the diverse needs of its customers in the domestic market.

UMPESL has gained a competitive edge by successfully completing major solar projects, UG cabling, and rural electrification projects. The Water Management Business caters to a complete water-related activity chain, handling the entire water treatment process from start to finish. The services are tailored to meet each project's unique requirements, considering sustainability, energy efficiency, and cost-effectiveness. Voltas through UMPESL is committed to providing high-quality infrastructure solutions and services that are customized to meet the specific needs of its customers.

₹ **5,799** crores

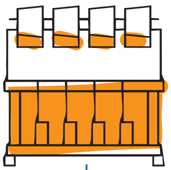
Order Book

HIGHLIGHTS

- **Secured MEP-Major projects: Chennai Metro, Bangalore Metro (emerged as L1), Data Centre Jobs (Noida), Godrej Commercial Building (Bangalore), Phoenix Equinox Commercial Complex (Hyderabad) and more**
- **Successfully completed Water Projects of Steel Authority of India, Bokaro & Rourkela and OWSSB Cuttack**
- **Delivered the best-in-class services in Solar EPC Project and ranked no. 3 in the leading Utility-scale Solar EPC, by MERCOM India Research**
- **Secured orders of ~₹ 500 crores for Water supply under Jal Jeevan Mission**
- **Successfully installed 265 water treatment and distribution plants in the Madhepura district in Bihar. The Company is working on similar groundwater projects, to benefit 600 villages in Uttar Pradesh**

Textile Machinery Division (TMD)

OUR OFFERINGS



- CAPITAL MACHINERY
- ACCESSORIES
- ALLIED MACHINERY
- AFTER-SALES SERVICES

TMD specializes in offering engineering products and services to the textile industry. TMD, through its Principals, provides extensive range of machines and equipments such as spinning, weaving, knitting, processing, and finishing machinery, complemented by excellent after-sales support and maintenance services.

The products offered by TMD are known for their exceptional quality, reliability, and cost-effectiveness, making them a preferred choice among textile manufacturers in India and overseas. By consistently meeting and exceeding the clients' expectations, TMD has established a strong reputation as a leading provider of engineering solutions in the textile industry. Whether it is the efficient utilization of resources, the seamless integration of machinery, or the timely delivery of products and services, TMD is committed to delivering excellence.

HIGHLIGHTS

- **Reached an all-time high level of performance with healthy order booking and continued focus on the 'After-sales' business**
- **Spreading machines and Weaving preparatory machines added to the portfolio in 2022-23**

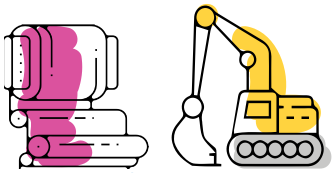
60%
Market share of spinning machinery

10+
Average years of association with major principals of textile machinery from India and overseas

LMW Comber LK69

Mining and Construction Equipment (M&CE)

OUR OFFERINGS



- OPERATIONS AND MAINTENANCE
- CRUSHING & SCREENING MACHINERIES

In 1954, Voltas established the M&CE division as the Earthmoving, Mining & Agricultural (EMA) machinery division. Since then, M&CE has grown its business across India and expanded its reach to Mozambique through partnerships with Tata Mozambique and Tata Africa. The Company's primary focus lies in serving mining companies, and proudly positions itself as an engineering solutions provider.

Within heavy earthmoving equipment's trade and service business, M&CE has emerged as the trusted official product support partner for renowned industry leaders like Joy Global-Letourneau Loaders and Komatsu South Africa. With the continuous growth in infrastructure development and investment, M&CE has strategically positioned itself to cater to large-scale projects such as roadways, ports, power generation, and irrigation.

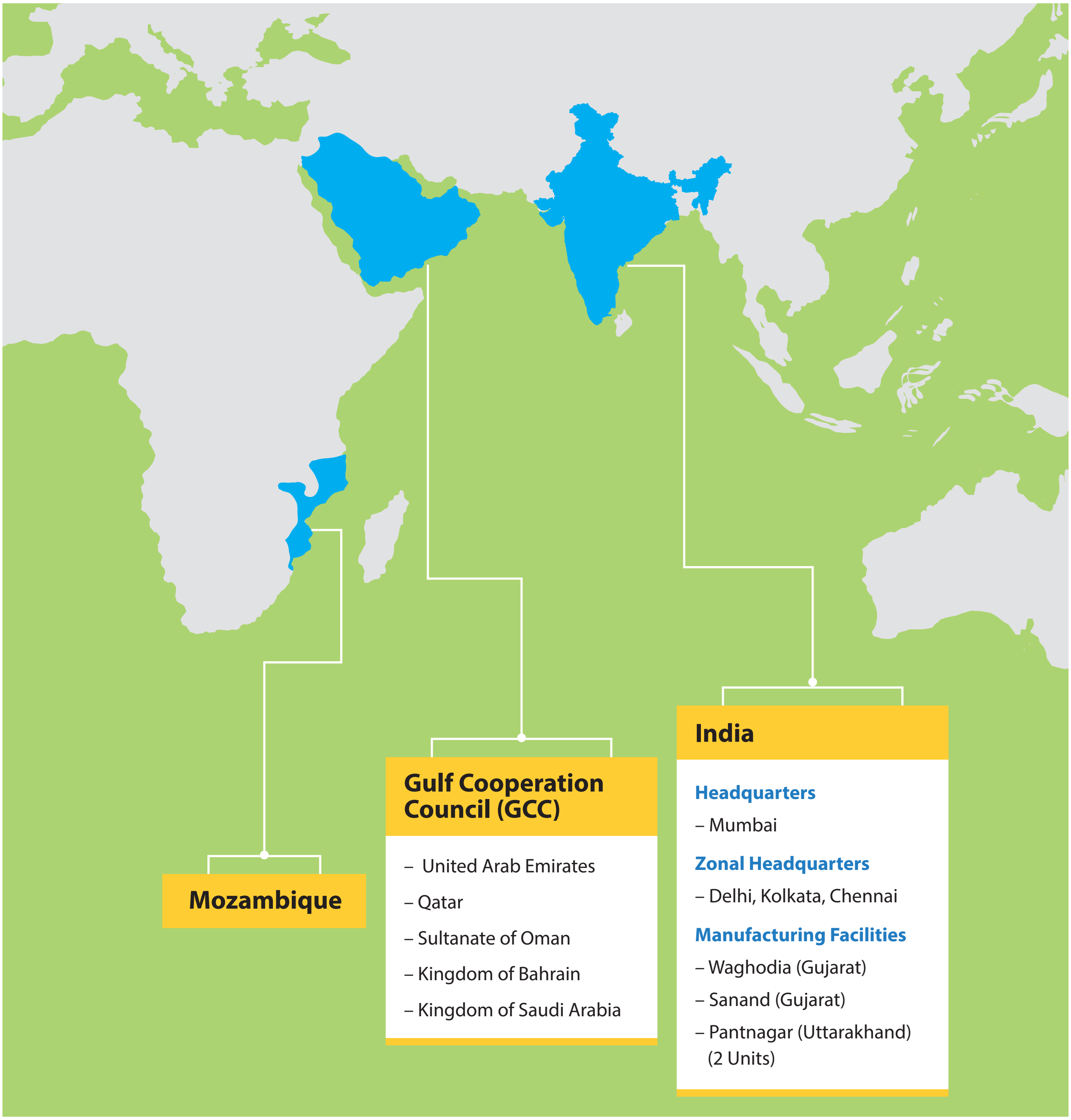
In the Indian context, M&CE excels in providing specialized equipment for extracting and processing various minerals. Whether it's mining iron ore, coal, copper, zinc, or limestone, the Company's expertize and equipment are geared towards maximizing efficiency and productivity in these sectors.

HIGHLIGHTS

- Gained the confidence of new business owners in Mozambique
- Entered into strategic partnership to make Indian operations more sustainable
- Working on new business opportunities in African region

Powerscreen Premiertrak 600

Our Journey of Growth and Development



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

Our Journey of Embracing Excellence

Team Marksmen recognized Voltas UPBG as one of **India's most trusted brands** on 28 March, 2022

Voltas iobg bagged **CBNME MEP AWARDS** on 5 April, 2022

Voltas IOBG won **'Technical Facilities Management Company of the Year'** at OER Manufacturing Excellence Summit on 30 June, 2022

Voltas IOBG Oman bagged three awards at the **MEED Project Awards** on 13 September, 2022

Voltas IOBG bagged **4 trophies at MEP ME Awards** on 26 September, 2022

Voltas IOBG Oman bagged **two awards at the MEED Project Awards** on 28 November, 2022

Voltas CSR felicitated at **FICCI CSR Summit** on 20 December, 2022

Voltas TBEM recognized by the Tata Business Excellence Group at **BEC** on 20 December, 2022

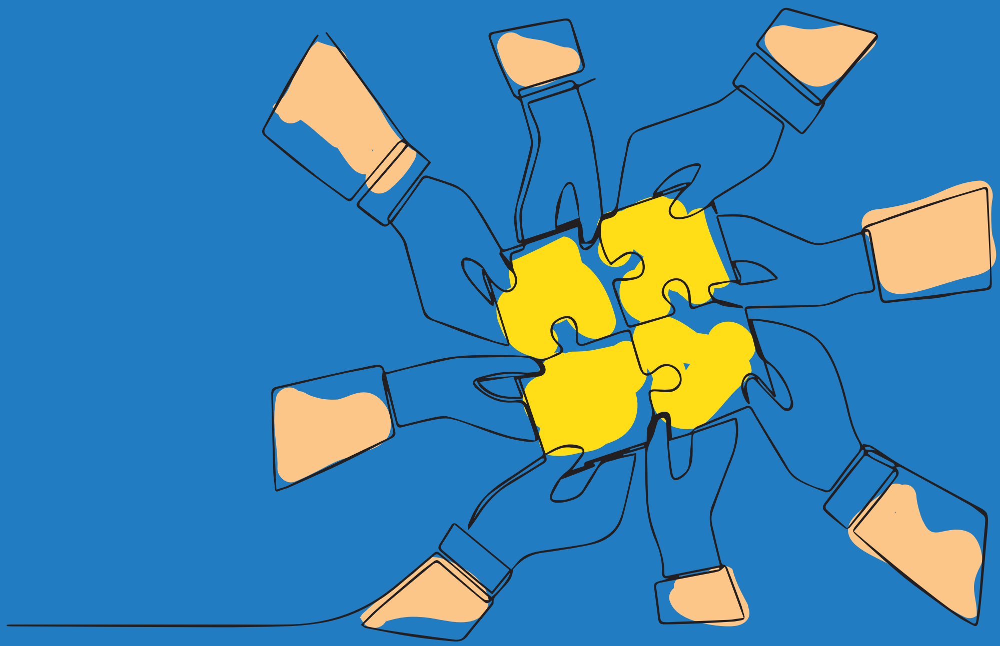
Universal MEP Projects & Engineering Services Limited won two awards at the 65th **'Annual Mines Safety Week 2022'** on 5 January, 2023

Voltas Limited & its creative partner - SGA Adsvita Communique - proudly receive the esteemed Platinum Award, showcasing remarkable industry performance in crafting an exceptional annual report for 2021-22

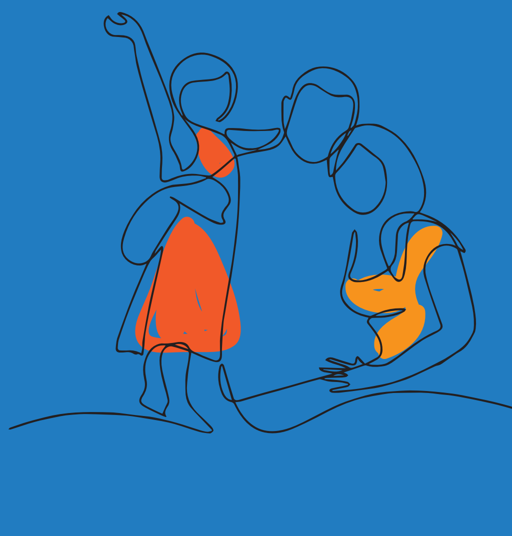
Voltas Limited and SGA Adsvita Communique shine as a global leader, securing the impressive #22 spot among the Top 100 Reports Worldwide for 2021-22

Voltas Limited & SGA Adsvita Communique (creative partner) receive the prestigious Technical Achievement Award for their excellence in annual report communications, setting new standards in the industry for 2021-22

Voltas Beko Factory Sanand, Gujarat



Value Creation Approach



Integrating Stakeholder Feedback into Our Decision-making

Stakeholder Engagement

The Company recognizes the significance of effective stakeholder management and strives to address the concerns of individuals or parties affected by its business through various communication channels and platforms. Voltas' key stakeholders include Employees, Suppliers, Contractors, Government bodies, and the Community. By working closely with all stakeholders, Voltas ensures that their concerns are fully understood and addressed in the best possible way, strengthening the Company's relationships and promoting trust in its business practices.

Internal

- Employees

Direct

- Suppliers and Contractors
- Shareholders and Lenders
- Customers
- Dealer and Distributors

Industry Bodies

- Contractors
- Industry Bodies
- Associations

Broader Society

- Community
- Media
- Government and Regulatory Authorities

Stakeholders	Why are they Important	Engagement Channels
Internal Stakeholders		
Employees	• Smooth functioning • Core pillar	• Regular feedback and communication • Employee recognition programmes • Intranet • Emails
Direct Stakeholders		
Shareholders and Lenders	• Promote capital growth • Long-term support • Provide financial resources	• Annual Report and AGM • Periodic conference/Investor meets • Investor conferences and roadshows • Analyst calls and meetings
Customers	• Long and beneficial relationships will help to keep up the business	• Net Promoter Score • Feedback surveys
Suppliers	• To facilitate business operations to provide an edge in the market	• Supplier management • Portals • Supplier audits • Surveys
Dealers and Distributors	• Ensuring the quality of products	• Feedback • Surveys
Industry Bodies Stakeholders		
Contractors	• Value creation through OHS training and fair labour practices	• Contractors • Management portals • Surveys • Feedback
Industry Associations	• Develop partnerships on mutual interest	• Industry conferences • Regional industry events • Industry forums
Trade Associations	• Develop partnerships on mutual interest	• Regional industry events • Memberships in associations
Broader Society Stakeholders		
Community	• To create a positive social impact	• CSR initiatives
Media	• For innovation and strategizing business objectives	• Media briefings • Press releases
Government and Regulatory Authorities	• Legal, compliances or policies important to the Company's business	• Meetings

Mapping the Materiality Landscape

Materiality Assessment

Materiality assessment helps Voltas identify the most significant issues relevant to its stakeholders. The goal is to ensure that the Company's sustainability efforts are aligned with the needs and expectations of its stakeholders', as well as the Company's own goals and values.

Sustainability Matters

Top Material Issues

Materials Sourcing

Voltas is in the process of developing a localized ecosystem with an aim to reduce dependency on imports

Energy Management

Voltas is putting efforts towards decarbonizing by switching to eco-friendly refrigerants and by improving operational energy efficiency

Employee Health & Safety

Voltas prioritizes people, health, and safety to reduce work-related incidents over the years

Company Targets

Shift towards 100% zero ODP for RAC products

Install solar panels on the rooftop of its factory and corporate offices to increase usage of renewable energy

Focus on reducing injury rate among labour and report zero fatalities

	Materials Topic	Strategic Objective	Approach
Environmental	Product Management	Committed to improving and innovating new products	Decarbonizing by switching to eco-friendly refrigerants, improving operational energy efficiency
	E-Waste Management	Safe disposal of E-waste	Following E-waste disposal rules and regulations
	Environmental Compliance	Compliance with statutory standards	Regular checking and monitoring systems
Social	Fair Labour Practices	To reinforce equal opportunity policy	Adhering to the governing labour laws of the land and contract management guidelines
	Health and Safety	To provide a resilient and safe working atmosphere	Implementing safety measures through training and awareness
	Local Community Engagement	To bring a positive impact on communities and strengthen the bond	Empowering local communities through initiatives like education, safe drinking water, skill development
Governance	Shareholders Engagement	To address the concerns of shareholders	Shareholder relationship management through the Shareholders Relationship Committee
	Product Lifecycle	To provide quality products and retain customers	Innovating through customer insights and inputs
	Development of Energy-Efficient Products and Spaces	To provide products/solutions that have a positive impact on the environment	Investing in R&D
	Economic Performance and Market Share	To provide better returns for the Company's investors	Investing in a joint venture for a sustainable tomorrow
	Governance and Ethics	To create a safe, transparent environment for stakeholders	Adopting TATA business model

Thriving in a Dynamic Business Landscape

Operating Environment

Following the TATA Group philosophy, Voltas regards the 'Community' as a pivotal stakeholder that is essential to the Company's success. For Voltas, the community encompasses shareholders, customers, employees, business partners, the environment, and society as a whole. This holistic approach reflects Voltas' commitment to consider the needs and interests of all stakeholders, and recognizing their integral role in the Company's operations and achievements. By prioritizing the well-being and satisfaction of the community, Voltas aims to build meaningful and sustainable relationships that contribute to its overall success and positive impact on society. Each member of the Company's community is a consumer in their own right. Voltas has always focused on consumer needs and preferences.

Evolving Consumer Trends

We identified the following:

G'Local:

Local preferences will take centre-stage. Going forward, consumers will prefer local brands with a Global appeal. AatmaNirbhar Bharat initiative further emphasizes on 'Make in India' products.

Voltas' Offerings:

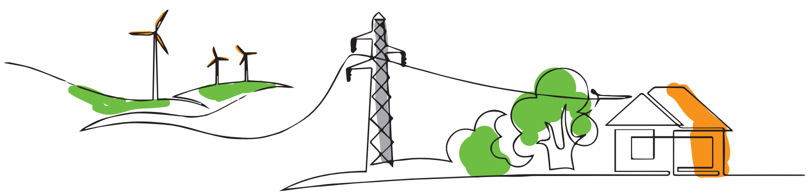
- Room ACs & Components (Capacity Augmentation)
- AC Compressor Manufacturing
- Commercial & Medical Refrigeration Products
- Home Appliances (Voltas Beko)

Life Rejuvenation:

Covid-19 pandemic has reset priorities and there is more focus on sustainable living (net-zero economy). Around 67% of consumers positively impact the environment through everyday actions. Consumers prefer brands with a purpose, especially towards sustainability. Organizations which fulfil the sustainability promise to consumers are winners.

Voltas' Offerings:

Pioneered Energy Efficient ACs



Self-care:

Self-care, acceptance and inclusion are at the forefront of consumer psyche. Covid-19 pandemic has enhanced consumers' focus on health & well-being. Consumers prioritizes goods & services that elevate sense of self-care and happiness.

Voltas' Offerings:

Pure Air AC Range with features – Hepa filter, Anti-dust filter, PM 1.0 Display, Super UVC Technology and Titanium Dioxide Coated Filter

Immersive Consumer Experience:

Phygital Experience is the future of Retail. This is not the era of product-centric companies. It's all about Customer Experience.

Voltas' Offerings:

Five Voltas Experience Zones in Mumbai, Delhi, Bangalore, Chandigarh and Faridabad are operational currently with more to follow

Time for more:

Consumers are increasingly valuing convenience & comfort. New generation is extremely Tech-savvy & live life on the go. Smart/Connected Products are on the rise. Adoption of subscription-based services has increased.

Voltas' Offerings:

Voltas AC with features like Advanced WiFi, Artificial Intelligence, CRM Connectivity, Predictive Maintenance

Evolving Customer Landscape

In line with the TATA Group Philosophy, community is the key stakeholder for the Company's business, critical to its success. The community of Voltas comprizes of its shareholders, customers, business partners, the environment and society.

Each member of the Company's community is a consumer in his/her own right. Voltas has always focused on consumer needs and preferences.

Sustainable Landscape

A significant discovery of an untapped 5.9 million-ton lithium reserve in the Jammu and Kashmir region has positioned India as the 7th largest global lithium resource. Lithium-ion batteries, crucial for electric cars and renewable energy storage, are witnessing exponential demand growth in the power and transport sectors. India aims to extract and refine this material, reducing mineral imports and accelerating the development of its electric vehicle industry while advancing clean-energy goals. This achievement presents a promising outlook for the Mining and Construction Equipment Division moving forward.

In case of the Company's Cooling products segment, customers are now seeking aspirational products and services that prioritize energy efficiency, high star ratings, inverter technology, environmental consciousness, and cost-effectiveness. This applies to both Room Air Conditioners and Commercial Refrigeration Products, aligning with the governing BEE star ratings in both categories.

SUSTAINABLE FOOTPRINTS INITIATIVES UNDERTAKEN BY VOLTAS

Be carbon neutral, water positive, and use 100% sustainable energy

Moving to more SKUs of inverter products and high star-rated products, bringing low-cost and energy efficiency

Climatic Change

The demand for air conditioners is being influenced by changing climatic conditions and increasing humidity. However, the currently available air conditioning technologies, used to control indoor humidity, have negative environmental implications. These technologies consume significant amount of electricity, utilize CFC-based refrigerants that contribute to global warming, and their manufacturing and delivery processes release greenhouse gases. Consequently, there is a growing need for new technologies that can minimize these emissions. Voltas is prepared to meet this demand by offering products that adhere to new environmental standards and aim to reduce their environmental impact.

Further, Voltas is responding to the pressing need for environmental sustainability by launching new eco-friendly products and revising operational processes that consume fewer resources by manufacturing more inverter ACs and high star-rated products. After successfully delivering split inverter ACs, the Company has recently started producing and selling Window inverter AC. Further, the Company's product basket also includes Voltas Maha Adjustable Inverter AC, Pure-Air Inverter AC with HEPA filter, Air Conditioners with a protective coating to the cooling coil, Chest freezers and Chest Coolers with R290 refrigerant, among others. Voltas also promotes environmental conservation by supporting clients in solar infrastructure projects and building Solid Waste Management and other initiatives for communities.

Water treatment plant

AC quality control and testing line at Pantnagar

Refrigerator Assembly Line at Sanand

Water Landscape

Water is a crucial natural resource, and Government of India is taking an intiative to boost the infrastructure towards ensuring that tap water reaches every house across the country. The Indian water and wastewater treatment (WWT) technology market is projected to register a CAGR higher than 8.5% during the forecast period of 2023-28.

The Water Management Business Division (WMBD) of UMPESL places equal importance on raw water and wastewater treatment. With sustainability and water conservation goals as the prime objectives and adopting suitable eco-friendly technologies, UMPESL follows the Conventional Filtration process for large plant capacities and Pressure Filtration for small plant capacities for raw water treatment. Depending on customer requirements and tender specifications, wastewater treatment involves SBR/MBBR Technologies and UF-RO Filtration techniques. Voltas had in the recent past, successfully executed two STP projects in Patna under BUIDCO and is currently in the third year of operation and maintenance. The projects are part of the Namami Gange initiative. Furthermore, Government initiatives in the water sector, including 'Namami Gange', 'Jal Jeevan Mission', 'Swachh Bharat', 'AMRUT', are creating opportunities for UMPESL.

Government Landscape

To push the textile sector with 'Make in India' and 'Make for the World' initiative, the Government announced the ₹ 4,445 crores 'PM MITRA mega textile parks' to be set up in Tamil Nadu, Telangana, Karnataka, Maharashtra, Gujarat, MP and UP. The implementation of this initiative is expected to have a significant positive impact on the textiles sector, aligning it with the overarching 5F vision of seamless integration across the entire value chain, from farm to fibre to factory to fashion to foreign. The establishment of mega textile parks is a significant step towards transforming the textiles sector, providing it with modern and state-of-the-art infrastructure to enhance its competitiveness in the global marketplace and create job opportunities.

Additionally, Government launched the Production Linked Incentive (PLI) Scheme with an approved outlay of ~₹ 10,683 crores to promote the production of Man-Made Fabric Apparels and Products of Technical Textiles to enable the textiles industry to achieve size and scale and to become competitive.

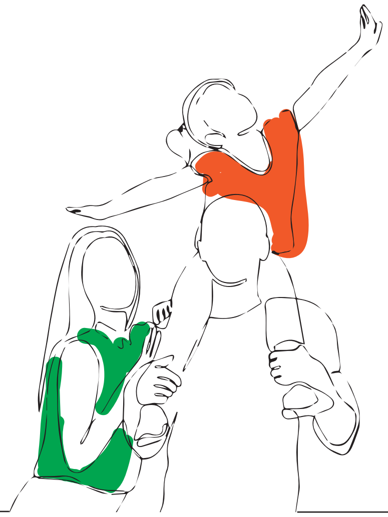
TMD will have a positive impact with the opening of textile parks to gain orders. Further, in the long-run, the PLI scheme, as the incentive given to the Man-Made fabrics and apparel, would draw investments in back-end processes. TMD's customers would be availing these benefits and needing the machines offered by the business (Spinning, Knitting, Weaving and Processing), which will indirectly benefit UMPESL.

In Solar Business ~ 350 GW worth of projects are expected to come up in the next nine years till 2030 as per GOI targets. This is acting as an opportunity for EPC, with ~₹ 5,00,000 crores set to come up in next nine years i.e. ~₹ 58,000 crores every year. A mere 3% market share will mean ~₹ 1,700 crores worth of business for UMPESL.

Furthermore, under another Government initiative of 'Har Ghar Bijli', UMPESL, secured several project orders worth ~₹ 1,770 crores in the Electrical Power Distribution business, for the fiscal year 2022-23. The Company's ability to win these orders in a

highly competitive market is a testament to its experience and expertize in the power distribution sector. These projects will benefit over 46 million Indians in States such as Uttar Pradesh, Madhya Pradesh. UMPESL has taken these orders to support the Government of India's objective of delivering 100% reliable, and affordable power supply to households and consumers across India.

Moving ahead, infrastructure is a major sector that propels the overall development of the Indian economy. An increase in capital expenditure on infrastructure investment by 33%, i.e., ~₹ 10 lakh crores for 2023-24, which is 3% of GDP is further creating urban infrastructure in tier-II and tier-III cities by establishing urban infrastructure development fund. This creates the opportunity for UMPESL.



Supply Chain Landscape

The sourcing of critical components was disrupted due to geopolitical tension, non-tariff barriers, or unforeseen events like a pandemic. Voltas' ability to supply its products and services were impacted by such disruption in the operations of the Company's key component suppliers, trade, or logistics partners, both within and outside India.

Voltas Beko Factory at Sanand

To safeguard this, Voltas has taken proactive measures to address this risk by engaging with the local ecosystem, establishing an integrated manufacturing plant that reduces the Company's reliance on external sources and minimizes the impact of any external shocks.

In a step towards a self-reliant India and to ensure creating an eco-system of local sourcing, the Government designed the Production Linked Incentive (PLI) framework. This will provide a level playing field for AC manufacturers with their global peers. The scheme will incentivize manufacturers to produce high-quality products in a conducive environment.

It has been Voltas' constant endeavour to manufacture and source locally to sail through any headwinds caused by global macro-economic factors. It also leverages quick procurement and low material handling cost once the material procurement happens locally. In order to benefit from the PLI Scheme and carve a niche for India in this space, the Company is planning to manufacture cross-flow fans, heat exchangers and plastic moulding components.

VOLTAS
A TATA Enterprise

Our Business Model

INPUTS

FINANCIAL CAPITAL

Operating Working Capital	₹ 1,827 crores
Owners Funds	₹ 5,452 crores
Debt (mainly overseas operations)	₹ 651 crores
Total Assets	₹ 10,279 crores
Net Worth	₹ 5,422 crores
Total Capital Employed	₹ 5,494 crores

MANUFACTURED CAPITAL

Existing Manufacturing Locations	4
Facilities Added in last 5 years (Waghodia and Sanand)	2
Manufacturing Capacity (CAC)	5 lakh ton
Manufacturing Capacity (AC)	2.7 million units

INTELLECTUAL CAPITAL

Investment in R&D	₹ 16.17 crores
R&D Team Strength	38
Research & Development Centres	5

HUMAN CAPITAL

Investments towards Employee	₹ 2.13 crores
Training, Programmes	886
Employee engagement Initiatives during the Year	54
Average Work Experience Of Senior Management	25+ years
Spend on Employee Safety	₹ 50 lakhs
Total No. of Employees	9,600 +

NATURAL CAPITAL

Renewable Energy Generated	4,472 GJ
Water Consumption	46,089 KL
Energy Consumption	46,840 GJ
Energy Savings	4,739 GJ

SOCIAL AND RELATIONSHIP CAPITAL

CSR Spend	₹ 14.60 crores
EBOs	260+
Touchpoints	25,000+
Experience Zones	5

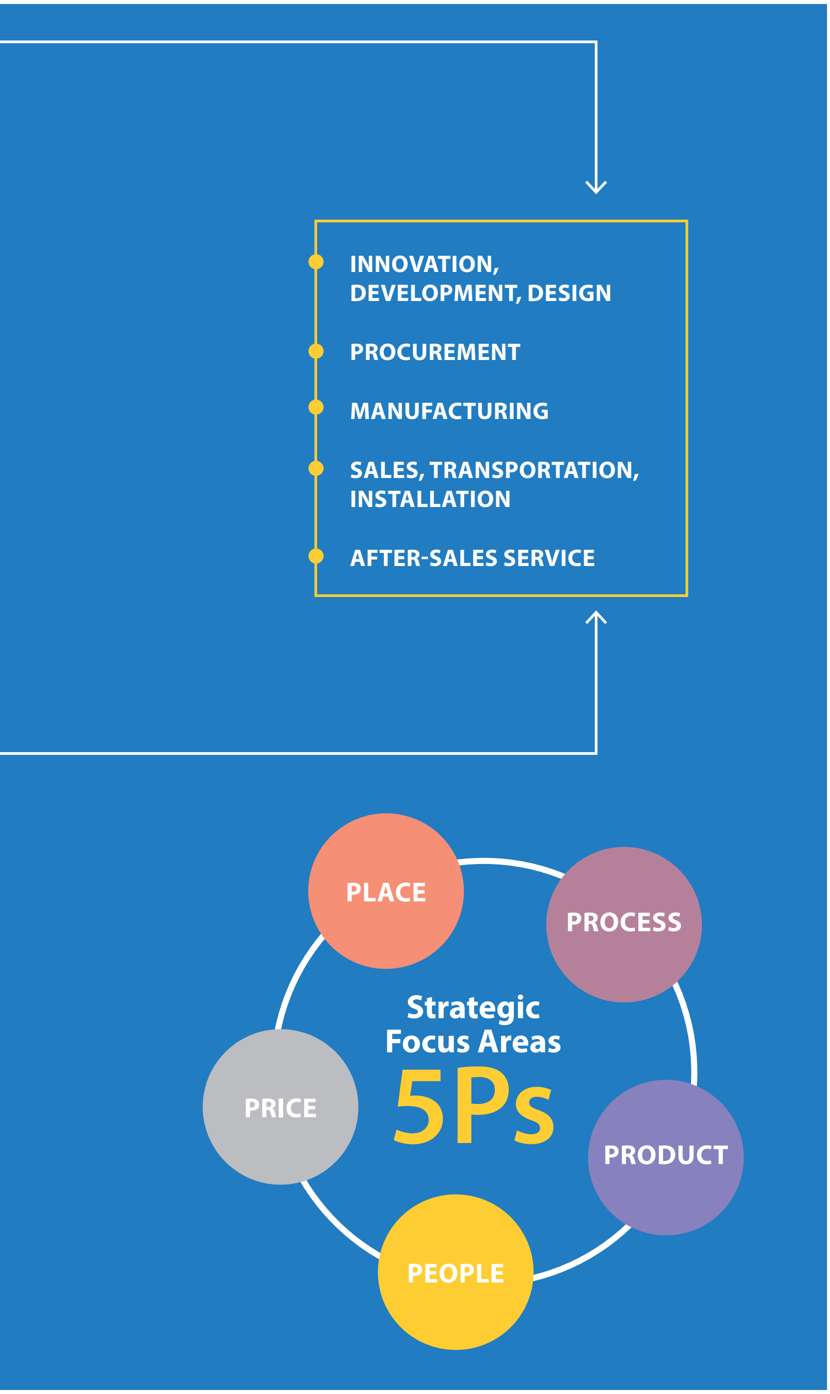
BUSINESS MODEL

OUTCOME

PROVIDING STAKEHOLDER VALUE

- SUPPLIERS
- SHAREHOLDERS AND LENDERS
- CUSTOMERS
- DEALERS AND DISTRIBUTORS
- CONTRACTORS
- INDUSTRY ASSOCIATION
- COMMUNITY
- MEDIA AND ACADEMIC INSTITUTIONS
- GOVERNMENT AND REGULATORY AUTHORITIES

OUTPUTS



FINANCIAL CAPITAL

Market Capitalization	₹ 27,075 crores
Return on Capital Employed	6%
Return on Equity	2.50%
Dividend Payout Ratio (before exceptional item)	33%
Total Income	₹ 9,667 crores
Profit Before Exceptional Item & Tax	₹ 551 crores
Profit Before Tax	₹ 307 crores
Profit After Tax	₹ 136 crores
Credit Ratings (ICRA)	AA+
Debt: Equity ratio	0.11:1
EPS (per Share)	₹ 4.08

MANUFACTURED CAPITAL

No. of Units Sold (Consumer)	3.4 million +
Sales of Commercial Products Tonnage	2.4 lakh ton
Active Project Sites	225+

INTELLECTUAL CAPITAL

No. of 5 Star SKUs Launched during the Year	21
Room AC Market Share	21.60%
Window AC Market Share	36.40%

HUMAN CAPITAL

Turnover per Permanent Employee	₹ 3.22 crores
Percentage of Employees Trained	92%
Total Training Mandays	75,000+
Lost Time Injury Frequency Rate	0%

NATURAL CAPITAL

Water Recycled and Reused	5,767 KL
E-waste Recycled	17,500+ MT

SOCIAL AND RELATIONSHIP CAPITAL

Investor Interactions during the Year	100+ meetings
Social Media Impressions	20+ millions
Customer Satisfaction Index (Consumer)	82%
Grievance Resolution Time (UPBG only)	72 hours
CSR Beneficiaries	30,000+

Our Sound Financial Standing – Key Strength

Financial Capital

The Company has remained resilient and innovative despite facing global geopolitical tension and supply chain issues. Elevated inflation had kept the discretionary spend for the end-consumers in check during the year, this is more relevant for the categories having lower penetration like ACs and even in case of Voltas Beko products. Mix of events which were beyond the Company's control, such as increased input costs and lag in passing these costs to the end-consumer due to slump in demand and competitive intensity in product business to garner the market share impacted the margins for the Company. In International projects business, the unilateral actions in few of the contracts has resulted into an invocation of the bank guarantees, creating a roadblock in the profitability of projects business.

The Company has taken various initiatives including value engineering to absorb most of the input costs, amidst the volatility in commodity prices, supply chain disruptions, depreciation of the currency and exceptional events dithering the performance of the Company. It has also taken various steps with its value chain partners to ensure a minimal impact on the working capital across the regions that it operates in.

As a continuous process, improving working capital and achieving a high Return on Capital Employed (RoCE) across all business divisions remained a priority. Albeit, tapered demand during most part of the year, intermittent rains in the peak season have resulted in higher working capital.

FOCUS AREAS

- **Strong order booking across existing and newly appointed distributors**
- **Maximize the returns and ROCE**
- **Cost optimization**
- **Maximization of ROI**

The Company has always considered Cash as a key yard stick in considering profitability in its business. Healthy position of cash and bank balance including investments continues to remain a strong support system for various initiatives, including the proposed capex plan for expansion of production capacities and various other organic/inorganic growth avenues.

The Company will also prioritize securing healthy order books with clients who have strong financial and operational capabilities and ensure the timely execution of projects in the Project business.

Forex Risk:

The Company understands the risks associated with fluctuations in foreign currency due to its imports. The Company maintains a minimum hedge of 25% on its foreign currency exposure for subsequent three months to address this challenge. The Company has implemented several measures to achieve this target, including reserving a portion of its earnings in foreign currency through the Exchange Earners Foreign Currency (EEFC) account and entering into forward contracts in a timely manner to safeguard against any depreciation in the currency of its business operations. By actively managing its foreign currency exposure, Voltas aims to mitigate risks and ensure financial stability for the Company.

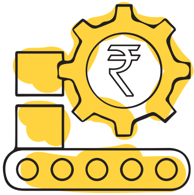
Voltas Beko Factory at Sanand

Capital Trade-off

	CAPITALS IMPACTED	STAKEHOLDER IMPACTED	STRATEGIC GOALS
FINANCIAL CAPITAL	Financial	Employees	• Raising organizational effectiveness
	Intellectual	Customers	• Creating fortune for shareholders
	Human	Communities	• Strengthening cash transfers
	Social	Government	
	Natural	Shareholders	
		Vendors	

Our Journey of Manufacturing Excellence

Manufacturing Capital



As a multinational corporation, Voltas leverages its vast resources and capital to engage in extensive research, development, and manufacturing endeavours. This allows the Company to provide air conditioning and cooling solutions that are both highly efficient and innovative in nature. In addition to focusing on customer-centric product development, Voltas recognizes the importance of value engineering techniques. These techniques enable the Company to sustain its margins despite increasing input costs. By employing efficient and effective engineering practices, Voltas optimizes its product designs to ensure cost-effectiveness and profitability, without compromizing quality or performance.

By consistently striving to innovate and develop products that cater to the needs of its customers, the Company remains committed to expanding their usage and promoting sustainability. Voltas aims to enhance its contribution to environmental conservation by actively exploring opportunities and advancements in recycling technologies.

Powering the Next with the Company's Manufacturing Facility

Voltas currently has 4 best-in-class manufacturing facilities located at Pantnagar, for RAC and Commercial Refrigeration Products, for CAC at Waghodia and Voltas Beko at Sanand, for home appliances. As a firm believer and supporter of the 'Make in India' initiative, creating a sustainable and cost-effective eco-system remains a top priority. Voltas recognizes the benefits of developing and manufacturing products in India and with that in view, plans are there to expand in Chennai with a proposed capex of around ₹ 450-500 crores The Company believes in the merits of backward integration of certain products like Heat Exchanger, Cross Flow Fan and Plastic components, and had applied to avail the Production Linked Incentive provided by the Government for this category.

This proposed Room AC manufacturing facility in South India, will improve the Company's reach and services for the South and West markets. With the objective of product portfolio extension in the Commercial Refrigeration category, the Company signed a technical license agreement with Vestfrost Solutions, Denmark, for medical refrigeration equipment. The relevant SKUs will be introduced in the coming year with the long-term objective of attaining leadership in this category.

Voltas Beko aims to become one of the established players in the home appliances segment. Voltas Beko's state-of-the-art factory in Sanand, Gujarat, has a production capacity of 1 million units, and the Company plans to optimally utilize its production capacity to meet customer requirements.

Using Recycled Plastic in Washing Machines or Other Products

As part of its commitment to ecological sustainability, the Company actively works towards minimizing its plastic consumption in packaging and has adopted more environment friendly alternatives as substitutes. One key approach the Company has undertaken is incorporating a certain percentage of recycled plastic into its merchandize. Additionally, the Company is progressively phasing out the use of non-recyclable plastic components in packaging.

Way Forward

The Company is doubling the production capacity for the air conditioning and commercial refrigeration categories in Chennai and Waghodia. This, alongwith the development of components ecosystem in the consumer durable sector, the Company is committing a total capex outflow in the range of ₹ 450-500 crores which will be incurred over next 18-24 months.

Business Restructuring

During the year, transfer of domestic B2B businesses of Voltas relating to Projects business comprizing Mechanical Electrical and Plumbing (MEP)/Heating, Ventilation and Air-Conditioning (HVAC) and Water projects, Mining and Construction Equipment (M&CE) business and Textile Machinery Division (TMD) business to its wholly owned subsidiary viz. Universal MEP Projects & Engineering Services Limited ('UMPESL') via slump sale was consummated w.e.f 1 August, 2022.

In furtherance to focus on the Products business, the Voltas Board recently decided to transfer its international projects business to its step-down 100% wholly owned subsidiary – Universal MEP Projects Pte Limited (UMPPL), in the Republic of Singapore. The Company's direct investments in some of the other overseas subsidiaries would also be transferred to UMPPL. The aforesaid internal restructuring would be subject to requisite approvals, as may be required. With this, the international business operations will be housed in a separate entity – UMPPL. This will facilitate sustained profitable growth both in Products and Projects businesses, independent of each other.

FOCUS AREAS

- **Enhancement of manufacturing capabilities**
- **Localization of supply chain efficiencies**

Capital Trade-off

	CAPITALS IMPACTED	STAKEHOLDER IMPACTED	STRATEGIC GOALS
MANUFACTURED CAPITAL	Financial	Employees	• Developing future capacity
	Intellectual	Customers	• Reducing environmental effect
	Human	Community	• Sourcing raw materials responsibly
	Social	Government	
	Natural	Stakeholders	
		Vendors	

VOLTAS
A TATA Enterprise

Our Journey with Technology to Create Smart Solution

Intellectual Capital

Voltas operates across various portfolios, utilizing technology as a crucial facilitator to develop best-in-class products and offer seamless services to its stakeholders across the value chain. Through the Company's unwavering dedication to technological advancement, Voltas consistently meets the needs of its end-users and delivers unparalleled value. The Company's commitment to customer satisfaction is evident in its focus on introducing smart and futuristic solutions that form the foundation of its diverse range of offerings.

Technological Developments during the Year 2022-23

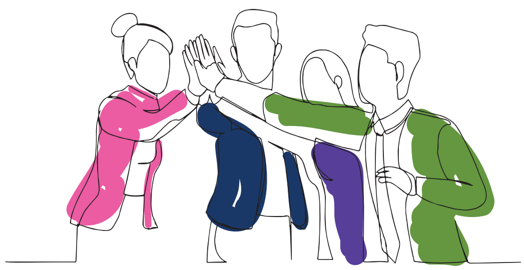
Voltas adopted a cloud-first approach for new IT implementations to enhance speed, scalability, and enablement. Existing applications were modernized to be cloud-ready for migration as per business needs. Cyber Security was formalized with strategy and governance. Upgrades and refreshes were undertaken to improve security and productivity. Analytics, including Data Lake and Customer Data platforms, were utilized. Voltas In-Shop Demonstration Applications (VISA) migrated to Amazon Web Services (AWS) for better performance. Overall, these measures ensure improved IT efficiency and performance during the year. Further, the Company is working on a digital transformational journey in an enterprise-wide single program, 'V-Vartana'.

Tech Intervention in Products

- ICE WASH technology used in Room ACs enhances the efficiency and lifespan by washing away dust with melted ice.
- Anti-corrosive coating on exposed copper tubing in the heat exchanger to prevent pinholes.
- Replacing 5mm with 7mm copper tubes in the heat exchanger reduced weight by 15% and CO_2 emissions.
- Launched a new line of Glass-top Deep freezers for commercial refrigerators, with improved aesthetics and energy efficiency.
- In Air Coolers, Voltas uses recycled materials without compromizing quality.
- Working on localization of design for medical freezers pursuant to the technology license agreement entered into with Vestfrost Solutions, Denmark.

FOCUS AREAS

- **Initiatives to remain future-ready**
- **Support new growth engines**
- **Build robust system**
- **Facilitate remote working and real-time monitoring**



Tech Intervention in Customer Care

- WhatsApp Services for Customer & Dealer for service and complaint registrations.
- Dealer App for call registration & tracking.
- FAQs, DIY Videos & Product manuals over website for customer.
- Introduction of Voice Bots for Customer Product issue resolution, which is an industry first.

Outlook

To enhance customer experience, Voltas has several ongoing projects and initiatives covering services, complaints and new opportunities. In 2023-24 and beyond, the Company plans to offer an omni-channel experience by implementing a Customer Data Platform (CDP) to ensure seamless customer engagement across various channels. Additionally, it has undertaken steps to address the issue of technicians' unavailability during peak season times by bringing in Mobiforce, which provides extra bandwidth to deploy service engineers. Future priorities include improving customer engagement, promptly fulfilling orders, upgrading the Siebel platform, implementing digital solutions for inventory and workforce management, upgrading the SAP environment, implementing a Product Life cycle Management solution, and introducing IoT-based solutions for maintenance and plant operations.

Waghodia Factory - Pantnagar

Capital Trade-offs

	CAPITALS IMPACTED	STAKEHOLDER IMPACTED	STRATEGIC GOALS
INTELLECTUAL CAPITAL	Financial	Employees	• Utilize resources and skills
	Manufactured	Customers	• Innovative products
	Social	Community	• Explore possibilities
		Government	
		Stakeholders	
		Vendors	

Shaping the Industry with Our Advanced Product Solutions

Your Company's products are designed to cater to the evolving needs of modern consumers who seek advanced features for enhanced comfort and convenience. Voltas' new RAC range offers a variety of advanced features, including Super Silent Operation for peaceful sleep, Ice Wash and Filter Cleaning Indicators for optimal performance, and an Anti-Corrosive Coating. These features are carefully crafted to offer its customers the best experience possible, ensuring their needs are satisfied. As consumers increasingly rely on technology to upgrade their home appliances, Voltas is proud to offer innovative solutions to address common concerns.

Voltas PureAir Adjustable AC Powered with HEPA Filter and PM1.0 Sensor to Deliver Pure and Cool Air

Key Features

HEPA Filter: The new AC range comes with HEPA Filter along with PM1.0 sensor and AQI Indicator to deliver pure air

Multi-Adjustable Mode: This gives the option of intelligent switching within multiple tonnages, basis ambient heat and the number of people in the room

Super Silent Operation: Ultra quiet performance for noiseless sleep

Ice Wash Technology: Quick freezing and de-freezing of the condenser coil results in complete coil cleaning. Thus enhancing the cooling performance

Filter Clean Indicator: Indicates and informs the user to clean the Air Filter for better performance

Anti-Corrosive Coating: Gives the condenser coil a longer life and helps in cooling better and for a longer time

Voltas PureAir Adjustable AC Powered with Super UVC and Titanium Dioxide Filter to Deliver Pure and Cool Air

Key Features

Super UVC: Powered with Super UVC technology and TiO2-coated air filtration system

Multi-Adjustable Mode: Gives the option of intelligent switching within multiple tonnages, basis ambient heat and the number of people in the room

Super Silent Operation: Ultra quiet performance for noiseless sleep

Ice Wash Technology: Quick freezing and de-freezing of the condenser coil results in complete coil cleaning. Thus enhancing the cooling performance

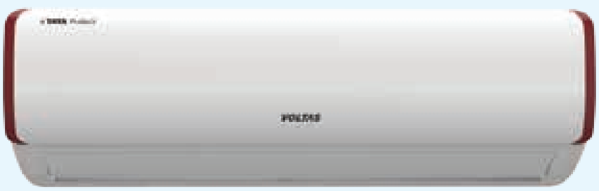
Filter Clean Indicator: Indicates and informs the user to clean the Air Filter for better performance

Anti-Corrosive Coating: Gives the condenser coil added life and helps in cooling better and longer

Maha-Adjustable Inverter Air Conditioners

Key Features

- **Flexible Air Conditioning:** Comes with a unique value proposition that allows the user to choose from multiple tonnage options.
- **Multi-Adjustable Mode:** Intelligent switching within multiple tonnages, basis ambient heat and the number of people in the room, leading to savings and reduced running cost
- **Superdry Mode:** Controls the humidity levels in the room by quick dehumidification
- **Eco-friendly Refrigerant:** Uses green R32 refrigerant, which is environment-friendly
- **High Ambient Cooling:** Keeps user comfortable even at 52° C



Voltas Fresh Air Coolers

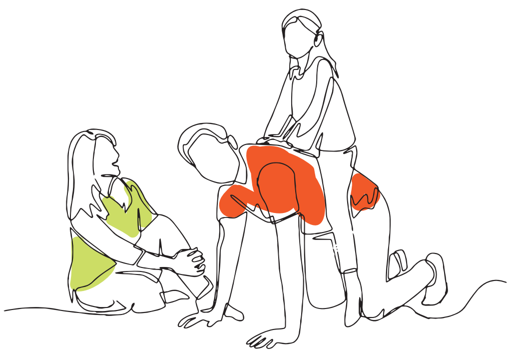
Key Features

- **Smart Humidity Controller:** Optimizes the humidity in the air
- **Mosquito Repellent:** Resists mosquito breeding and keeps them away
- **Turbo Air Throw:** Large fan size delivers powerful air throw to cool large spaces
- **Pre-Soaking:** Pre-cools the Honeycomb pads before starting the fan, releasing cool and fresh air
- **4 Side Honeycomb Cooling Pads:** Better and faster cooling without letting dirt and sediment deposit and more durable

RO-Enabled Water Dispensers

Key Features

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



Eco-Friendly Water Coolers

Key Features

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

Commercial Refrigeration Products

Key Features

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

COLD ROOM

The Company's Cold Room Refrigeration systems are eco-friendly, energy-efficient, and IoT-enabled solutions, designed to meet varied industry demands.

Voltas Beko Refrigerators

Key Features

- **StoreFresh+™:** Keeps fruits and vegetables fresh for longer duration by minimizing temperature fluctuation and maintaining precise moisture levels
- **NeoFrost ™ Dual Cooling:** Uses two separate cooling circuits ensuring that cool air is distributed evenly throughout the refrigerator
- **ProSmart™ Invertor Motor:** Smart and fast cooling system with inverter compressor makes the refrigerator four times quieter during operation
- **Fresh Guard™:** Comes with a specially coated filter and UV LEDs that remove 90% of odour. Runs frequently and over shorter periods, which makes it more energy efficient in comparison to other refrigerators
- **Active Fresh Blue Light:** Simulates natural lighting conditions inside the refrigerator to preserve Vitamin C in fruits and vegetables by continuing the process of Photosynthesis inside

Voltas Beko Microwaves

Voltas Beko's range of microwave ovens includes Solo, Grill and Convention model types and combinations of the same. These microwaves are designed to suit the needs of Indian households.

Key Features

- Auto cook programme
- Large urntable to maximize the cooking and heating space
- Perfect aesthetics look which complements cooking and kitchen
- Advanced feather touch digital display
- Active Defrost technology

Voltas Beko Washing Machines

Key Features

- **Jet Wash:** Additional tap on top which throws water at high-speed enabling better mixing of detergent and deep cleaning
- **Fountain Wash:** Fountain-like water spray to avoid detangling clothes
- **Steam Wash™:** Loosens up stains and minimizes creases by passing steam through clothes
- **Hygiene+:** Targets bacteria and viruses for a germ-free wash
- **Silent Invertor Motor:** Highly efficient and durable with low noise levels
- **Hand Wash Port:** Cleans collars and cuffs effectively
- **5 Star Rating:** Energy efficient and keeps electricity bills in check
- **StainExpertTM:** A Special treatment to remove tough stains effortlessly. Fight dirt without damaging your clothes

PROUDLY MADE in INDIA

Voltas Beko Smart Hygiene Dishwashers

Key Features

- Unique and functional range of full-size and tabletop dishwashers
- Aquaflex™ technology for faster, more efficient and gentle washing of utensils
- Aquasense™ technology for heavily soiled pots and pans
- CornerIntense™ ensures that dishes in every corner are rinsed out effortlessly
- The ProSmart™ Inverter Motor increases the washing temperature, and adjusts the water pressure. This function also speeds up washing cycles up to 3 times
- Cleaning at a high temperature of 70° C
- Eliminating stubborn and sticky stains left by oil, grease and fat

Variable Refrigerant Flow (VRF)

Key Features

- Wide indoor unit selection range
- DC brushless fan motor
- High efficiency heat exchanger
- Precise temperature control
- Reliable inverter drive technology

TOP DISCHARGE

SIDE DISCHARGE

3HP – 34HP

Packaged & Ducted Air Conditioner

Key Features

- High performance range (Thermo & Tropico)
- Energy Efficient
- Silent indoor and outdoor unit
- Slim ducted indoor units
- BMS Compatible

Light Commercial ACs

Key Features

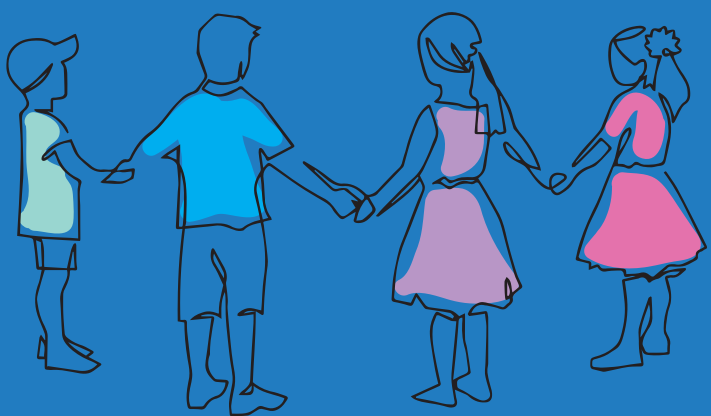
- Instacool compressor
- Silent operation
- Uniform cooling
- Wide angle air-throw
- High efficiency

Chiller Package Units

Key Features

- Wide capacity range 15 TR to 2500 TR
- Available in Scroll, Screw, Magnetic and Centrifugal range
- Eco-friendly refrigerant
- High efficiency
- Compact design

Our Holistic Approach to ESG



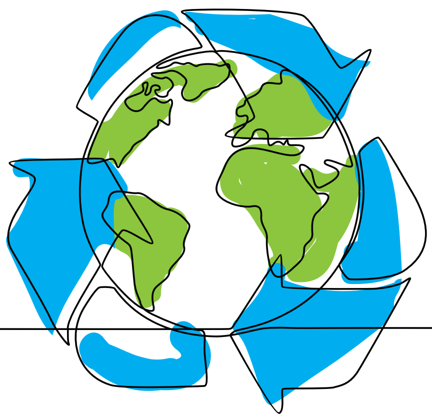
Our Journey towards a Sustainable Tomorrow

Environment

Environmental, Social and Governance (ESG) has always been our means to achieve a growth for our businesses that is equitable, inclusive and sustainable. Under the Environmental aspect, the Company aims towards catalyzing decarbonization through renewable energy and energy efficiency not only in operations but also through its products and services. It also includes the Company's journey towards being water positive for its operations and recycling and reducing waste.

Under Social, the Company's intent is to develop its workforce, empower communities through skill development and drive positive change, engage with its stakeholders to create beneficial and responsible outcomes.

The governance aspect pertains to the Company's adherence to compliance and standards in its business practices as well as enhancing transparency and integrity.



ESG PRIORITIES

- Decarbonizing operations
- Reducing and recycling waste
- Achieving water-positive operations
- Ensuring sustainable supply chains
- Offering products and services that encourage sustainability through product stewardship
- Ensuring health and well-being of the workforce
- Encouraging customer centricity
- Adopting digitalization
- Focussing on community development
- Upholding ethics and integrity
- Ensuring diversity and inclusion

ESG Score Card: Our ESG Performance in Numbers

Environment

1,200 MWP
Solar energy installed capacity

1,006
Total tCO2e emissions mitigated through clean energy

Net Zero
Aspirational goal towards carbon neutrality for the Company's operations

100%
Zero Ozone
Depleting potential refrigerants for RAC products

17,500+ MT
of E-waste sent for recycling

Social

30,000+
Number of people benefited through CSR initiatives

9,600+
Workforce

100%
Reduction in Lost Time Injury frequency rate since 2020-21

16,500+
Individuals trained upto 2022-23 under Recognition of Prior Learning (RPL)

Governance

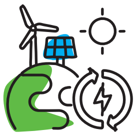
8
Board Committees

712
New hires

75,000+
Behavioural and Technical - training person-days for the workforce

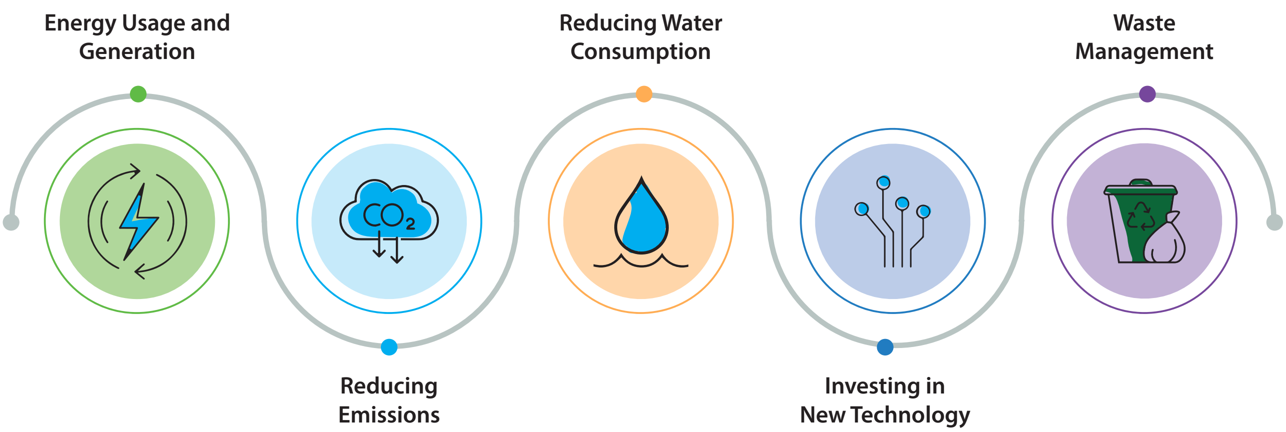
Nurturing Natural Capital Using 3Rs: Reduce, Recycle, Reuse

Natural Capital- Environment



Voltas has set an ambitious objective to achieve carbon neutrality and water positivity in its operations, reflecting its strong commitment to sustainability. Voltas' comprehensive 'To Do List' encompasses several key areas: adopting cleaner energy sources, enhancing energy efficiency in products, promoting sustainable products and services to customers; establishing sustainable supply chain; optimizing waste recycling and reuse; prioritizing health and well-being; and leveraging technology and digitalization. Additionally, the Company has revamped its Enterprise Risk Management (ERM) framework to include ESG (Environmental, Social, and Governance), highlighting its recognition of the importance of sustainable practices in mitigating risks.

Our Areas of focus



VOLTAS
A TATA Enterprise

Promoting Energy Efficiency with Our Products

Voltas: For a Cooler, Greener Tomorrow

- Under commercial air conditioning, the VXV 6 series offers the industry's highest energy efficiency in cooling and heating by utilizing all DC Inverter compressors.
- Under commercial refrigeration, the Company's combo cooler enables energy savings of up to 40%.
- The air-cooled chillers utilize multiple compressors in most models with independent refrigerant circuits. The microprocessor controller ensures that only the required number of compressors operate during part-load conditions, thereby saving power.
- Voltas' Maha adjustable AC has a unique adjustable mode that can run on multiple tonnages (0.7/1.2/1.5/1.7/2) depending on ambient temperature or the number of people. Thus, saving electricity costs due to energy efficiency.
- Voltas uses zero ODP refrigerants for room air conditioners and promotes the sale of more energy-efficient products, for example, inverter ACs.

Efforts towards Environmental Management

Waste Management

Voltas strongly emphasizes its environmental commitment by actively implementing the 3R approach: Reduce, Reuse, and Recycle. The Company proactively manages factory waste, carefully tracking and segregating hazardous and non-hazardous materials for appropriate disposal. Voltas is dedicated to minimizing waste generation and maximizing opportunities for recycling and reusing as part of its ongoing efforts

Zero-liquid Discharge Plant

The Company's factory in Waghodia, Gujarat, has a zero-liquid discharge plant which recycles wastewater and reuses this treated water for internal purposes.

Initiatives to Replace Plastic Items from Offices and Branches

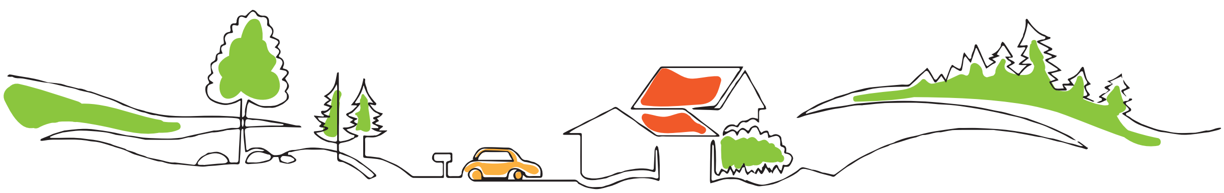
To manage plastic waste, the Company has limited the usage of packaged mineral water. At the Corporate office it has replaced conventional tea bags with biodegradable tea bags.

Reuse of Waste Wood

Discarded or unused wooden pallets are repurposed to create furniture within the Company's factory, minimizing waste and promoting sustainable practices.

Electronic Waste Management

To meet the e-waste collection targets set by the Central Pollution Control Board (CPCB), Voltas has established partnerships with Producer Responsibility Organizations (PROs). Through buy-back programmes, the Company collects e-waste from various sources such as offices, plants, and customers. This collaborative effort ensures the proper recycling and disposal of e-waste, adhering to the necessary environmental regulations.



Water Management

Voltas emphasizes water management for implementation of practices and strategies to preserve, protect, and optimize the utilization of water resources. The Company firmly recognizes that effective water management is crucial for maintaining the sustainability of water – an indispensable resource, vital for life on this planet.

To accomplish its water conservation objectives within its service offerings, Voltas, through its 100% wholly-owned subsidiary (UMPESL) is implementing eco-friendly technologies that facilitate the complete recycling of treated water. The Company has collaborated with technology experts to enhance treatment efficiency and reduce operational costs. In India, Voltas has successfully executed several raw water treatment plants, catering to both municipal and industrial sectors, with capacities ranging from 36 to 225 MLD. Currently, UMPESL is constructing eight additional water treatment plants, with capacities ranging from 6.5 MLD to 53 MLD, as part of rural water supply projects in Odisha. The primary aim is to ensure access to clean drinking water for every household within the project area, and these projects are nearing completion.

When it comes to managing its own operations, Voltas is actively engaged in promoting sustainable water management practices. The domestic water consumed by the Company's AC and CR factories in Pantnagar is directed to the common Effluent Treatment Plant (ETP) in the SIDCUL (State Infrastructure and Industrial Development Corporation of Uttarakhand Limited). Furthermore, the Company's Commercial Air conditioning factory in Waghodia operates as a zero-liquid facility, emphasizing Voltas' commitment to efficient water usage and conservation

Water treatment plant

KEY ELEMENTS

- Water conservation, consumption and distribution with water-saving initiatives
- Water quality management: Monitoring and controlling water quality to ensure its safe use for various purposes
- Integrated water resources management: Coordinating water management activities across all of the Company's business verticals and stakeholders to ensure a holistic and sustainable approach

Being a Catalyst And Helping Clients Towards Climate Change Mitigation

Progress on the Renewable Energy Front During 2022-23

Order Booked

33 MW DC, Sembcorp, Gangavathi Ph-II, Karnataka

Solar Projects Commissioned

27 MW DC, Sembcorp, Gangavathi Ph-I, Karnataka

225 MW DC, Azure, Bikaner, Rajasthan

300 MW AC, Azure, Bikaner, Rajasthan

300 MW AC, SBE/Adani, Hapasar, Rajasthan

Solar Projects Handed Over

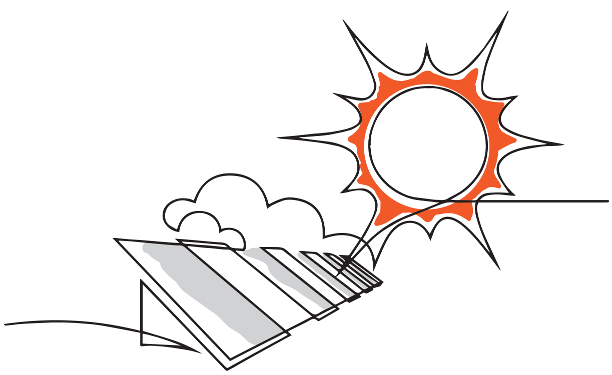
225 MW DC, Azure, Bikaner, Rajasthan

300 MW AC, Azure, Bikaner, Rajasthan

Projects Completed

70 MW DC Fortum Retrofit project

23.5 MW DC MMEPL project



Paradigm Shift towards Sustainability

Amid numerous societal challenges such as climate change, economic crises, water pollution, the rise of diseases, overconsumption of resources leading to unmanaged waste, and human rights violations, the pursuit of a sustainable future has become essential. As part of its broader sustainability objectives, Voltas is committed to achieving its aspirational goal of Net Zero for Scope 1 and 2 emissions in its operations. The Company's upcoming expansions will prioritize sustainability as a fundamental aspect of its business practices and construction methods. Furthermore, Voltas is actively working towards establishing sustainable supply chains, recognizing that collaboration serves as a catalyst for driving change, particularly in the realm of sustainability.

Voltas values its workforce as one of its most valuable assets and believes employees are key drivers of sustainability in their respective roles and departments. To reinforce this belief, the Company plans to enhance employee engagement and provide comprehensive training on various aspects of Sustainability/ ESG (Environmental, Social, and Governance). Voltas aims to foster a collective commitment to sustainable practices throughout the organization by empowering its employees and promoting their understanding of sustainability.

Towards Making a Better World

As a Company that also operates within the consumer durable industry, Voltas thrives in challenging weather conditions and adapting to changing industry dynamics through innovation. The Company has expanded into new markets by consistently exceeding customer expectations with energy-efficient products and enhanced its existing offerings. The Company's commitment to simplifying customers' lives with sustainable solutions and improving their living spaces is reflected in recent media stories highlighting its innovative approach.

Sustainable cold storage facilities: renewable energy and IoT to reduce crop wastage and costs

Sustainable cold storage facilities: renewable energy and IOT to reduce crop wastage and costs

Demand for eco-friendly cold storage facilities is rising due to sustainable materials and renewable energy sources like solar panels and energy-efficient refrigerants. Pre-cooling and packaging facilities

Early summer boosts AC, fridge sales

SHUBHRA TANDON
New Delhi, February 26

Usually, cooling appliances are in demand starting from March, but with early onset of summer this year, sales are already rising

एसी की डिमांड फिर बढ़ने लगी, 20% तक बढ़ सकती है बिक्री

बिज़नेस संवाददाता | मुंबई

देश में अब तक गर्मी ज्यादा नहीं बढ़ी है, लेकिन एसी की मांग बढ़ने लगी है। रेटिंग एजेंसी इक्रा का अनुमान है कि चालू वित्त वर्ष में एसी की बिक्री 15-20% बढ़ सकती है। डेटा एजेंसी स्टेटिस्टा के मुताबिक, बीते वित्त वर्ष करीब 1 करोड़ एसी बिके। इस वित्त वर्ष ये आंकड़ा 1 करोड़ से भी ऊपर निकल सकता है। कंज्यूमर इलेक्ट्रॉनिक्स एंड अप्लायंसेस मैनुफैक्चरर्स एसोसिएशन के प्रेसिडेंट एरिक ब्रेगेंजा ने कहा कि एसी की बिक्री में 20% बढ़ोतरी के साथ चालू वित्त वर्ष में व्हाइट गुड्स इंडस्ट्री 15-20% ग्रोथ की उम्मीद कर रही है। वोल्टास के मुताबिक इस साल पीएलआई स्कीम के तहत

पीएलआई स्कीम से घटेंगे दाम, पर समय लगेगा

गोदरेज अप्लायंसेज के बिज़नेस हेड और ईवीपी कमल नंदी ने कहा कि एसी के लिए सरकार की पीएलआई स्कीम से घरेलू मैनुफैक्चरिंग बढ़ी है। हालांकि एसी की कीमतों में कमी आने में समय लगेगा।

उनकी कंपनी 350-400 करोड़ रुपए का निवेश करेगी। अगले कुछ वर्षों में एसी कंपोनेंट के आयात पर निर्भरता घटकर 20-30% पर आ सकती है।

Budget is growth oriented, to aid pvt capex, says India Inc

...al air-conditioning business along with the flagship Room AC business ...
... will together showcase world-class energy efficient green products and ...

...naging Director & CEO, Voltas Limited said, "As market leaders in air cond...
...gically superior. Our innovation and new solutions in the cooling and co...
...ngths during ACREX 2023, where we are presenting our latest offerings ...

...ed on building smart products with integrated smart monitoring for effic...
...t commercial ACs, Room ACs along with their services such as HVAC eq...

...2023 Inverter AC range which comes with the unique value proposition ...
... to purify the indoor air, and is also loaded with convertible cooling techn...

Voltas sells 1.4 million units of ACs in Jan-Aug

HELPED BY AN increase in demand for cooling products due to intense summer this year, Tata group firm Voltas has sold around 1.4 million units of residential air conditioners till August this year.

Prioritizing Employee Development and Well-being

Work Culture

Voltas believes in empowering its workforce, driving transformation within the business, and fostering diverse teams. The commitment is to create ample opportunities for the Company's workforce at all levels, enabling them to thrive and excel in their roles.

FOCUS AREAS AND HR STRATEGIC PILLARS FOR 2021-28

- Organization Design
- Capability Building
- Employee Engagement
- Total Rewards
- Simplification & Digitalization
- Employer Branding
- Sustainability, CSR & Safety

30,800+
Person-days of SHE Training

9,600+
Number of Employees

75,000+
Employee Training Man-days

Building a Diverse Workforce and Talent

Voltas firmly upholds the significance of a diverse workforce across all levels. The Company adopts a comprehensive approach by developing internal resources and recruiting fresh talents. As an equal-opportunity employer, Voltas strives to foster a culture where all employees can thrive, irrespective of gender, age, or other distinguishing factors. By combining a diverse workforce, the Company aims to create an inclusive environment that values and harnesses each individual's unique strengths and perspectives.

The Company prioritizes creating a secure and harassment-free workplace. And so it conducts programmes at all locations to promote gender equality, sensitivity, and redressal mechanisms. These programmes are delivered through face-to-face meetings and e-learning modules. The efforts are supplemented by tools such as the POSH Manual, Classroom training, and E-learning portal, which have contributed in this direction.

Employee Well-being

Voltas prioritizes the well-being of its employees, which is evident through the diverse initiatives undertaken by the Company to safeguard their physical and mental health. The HR team at Voltas extends support to employees in need of medical assistance. Moreover, the Company organizes Annual Health Check-up camps in its offices and factories. Additional services such as access to doctors on call, a stress helpline, health awareness seminars, and wellness tips are also provided, ensuring comprehensive support for employee well-being.

Investing in Leadership

The Company has a strong learning culture focused on building new skills and capabilities. It creates personalized programmes and training for its workforce, and has even identified organizational trainings like technical, functional, leadership development, and culture-building programmes. Voltas recruits fresh talent from across the country to create a robust frontline workforce through campus recruitments.

The Voltas Virtual Campus (VVC)

The Voltas Virtual Campus (VVC) is an engaging and easy-to-use learning platform powered by Disprz LMS. It offers unique collaborative features that make upskilling by bringing fun elements for the Voltasites. The Company's Handytrain learning app helps bridge gaps and enables employees, associates, contractors, and franchisee service technicians to grow and develop new skills.

The app offers videos, local language support, smart cards, messaging features, quizzes, surveys, e-learning modules, and more, making it easier for colleagues to share insights. Its speciality lies in enabling managers to easily track the learning and development progress, including assessment scores and course completion.

20,000

Workforce Trained with Digital platforms

Nirantar Privriddhi – The New Digital Enabler at Voltas

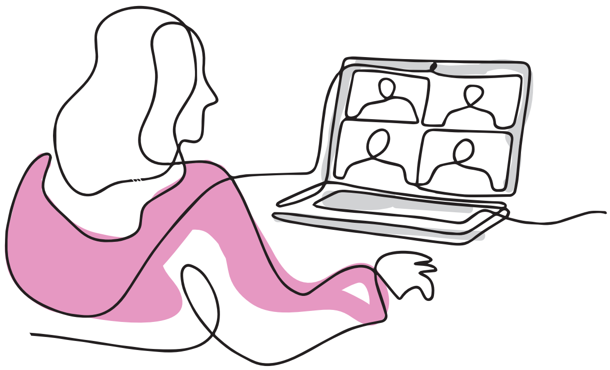
The introduction of this new single-window digital repository and data control system enhances the internal system at Voltas. It provides employees with the opportunity to learn and share knowledge and insights among colleagues. The platform is designed to establish a strong digital ecosystem for knowledge management, enabling everyone to contribute and share their learnings. This initiative will greatly assist the Company in achieving process excellence, enhancing the customer experience, and creating value.

HOW WILL NIRANTAR PRIVRIDDHI HELP VOLTAS?

- **Learning & Knowledge Sharing**
- **Business Process Management**
- **Quality Assurance**
- **Innovation**
- **Replication of Ideas**
- **Continual Improvement**
- **Value Creation for Stakeholders**

Workforce Engagement

Workforce engagement, according to Voltas, encompasses the Company's commitment to creating a conducive work environment. Voltas places great importance on the satisfaction of its workforce, considering it a key indicator of overall Company satisfaction. The Company believes that effective communication, opportunities for growth, feedback mechanisms, events, organizational improvements, rewards, strong leadership, and fostering a positive work-life balance are crucial factors in promoting workforce engagement. Additionally, Voltas encourages the alignment of individual and business goals to foster a sense of purpose and accomplishment.



Capital Trade-off

	CAPITALS IMPACTED	STAKEHOLDER IMPACTED	STRATEGIC GOALS
HUMAN CAPITAL	Financial Intellectual Manufactured	Employees Customers	• Help teammates in developing career • Build a safe working environment

Customer-First Approach

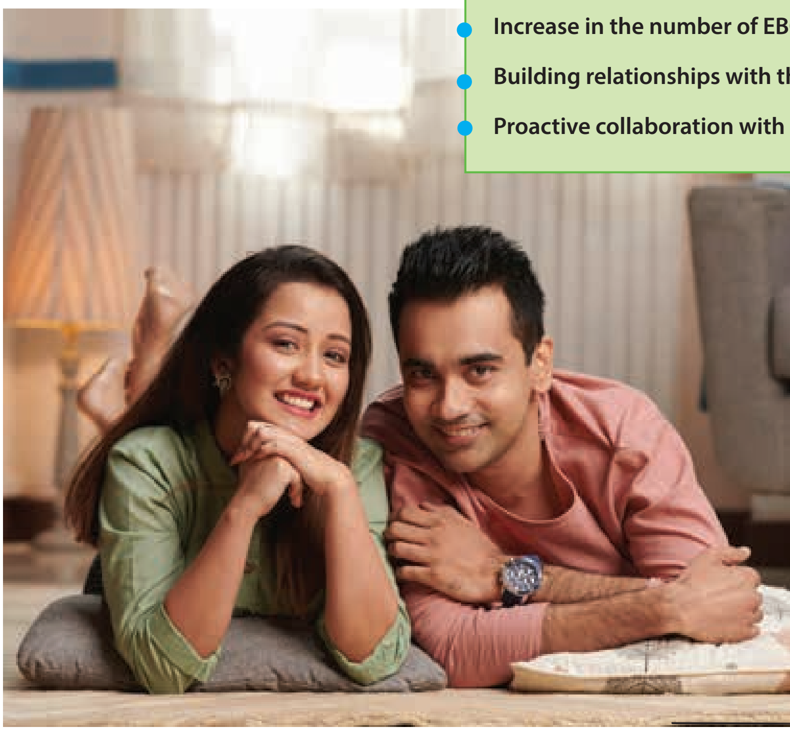
Social: Customers

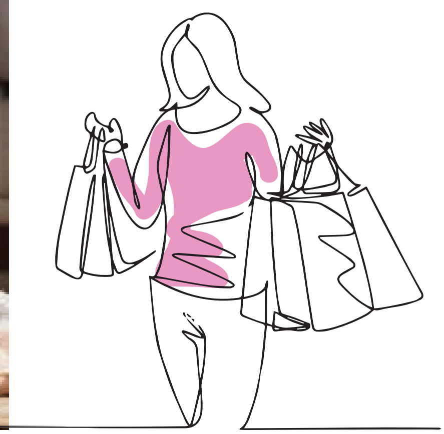
The Company consistently strives to establish a comprehensive customer connection across multiple channels, driven by emerging market trends. Various initiatives, including expanding the dealer network, increasing the number of Exclusive Brand Outlets (EBOs) and Experience Zones, and strengthening the online E-Commerce platform (www.voltas.com), aim to provide customers with a wide range of choices and enhanced convenience.

The Company's engineering solutions business also has a strong and robust customer outreach mechanism. The testimony of this is a strong order booking in domestic business and multiple recognitions that Voltas has been receiving in the international markets.

FOCUS AREAS

- Increase in the number of EBOs and Experience Zones
- Building relationships with the customers
- Proactive collaboration with industry and Government





Customer Satisfaction Approach - Across Length and Breadth

At Voltas, the Company offers multiple ways for customers to raise service requests, ensuring a seamless experience. The Company aims to make it easy for the customers so that they keep coming back to buy its products.

- Offer extended warranties, annual maintenance schemes, and various accessories for its products
- Diagnostic assistance to customers through WhatsApp and Interactive Voice Response (IVR) options

1,700+
Service Centres

93%
Customer Care Net Promoter Score (NPS)

110+
Do it Yourself videos (DIY)

The Voltas count of customer appreciation was 3,894 till February 2023, with an increase of 140% YOY

The Next

To elevate customer care, the Company is fostering a mindset that embraces the notion that the future of service is centred on 'care'. Voltas' approach is rooted in the 'Serve, Care, Love' philosophy. Additionally, the Company is in the initial stage of implementing various initiatives, including slot management, ITI (Industrial Training Institute) training, voice bots, and automated spare planning, to enhance convenience, skill development, and efficiency in catering to its customers. These measures reflect the Company's commitment to constantly improving its services and providing the best possible experience to its valued customers.

Our Outstanding Focus on Customer Satisfaction has been acknowledged through various Accolades, including:

- **TATA Business Excellence Group award for best customer-centric practices**
- **Recognition from FLIPKART for achieving the Best NPS (Net Promoter Score) and Speed of Service**
- **OHSSAI Safety Award for Safety**
- **Awards from Regional Retail Counters for its exemplary performance**

Hit Campaigns

#Gharleaaopahadonwalisaafhawa

The campaign's slogan, 'Ghar le aao, pahadon wali saaf hawa,' effectively conveys the idea of bringing fresh, pure air of the mountains to your home by using Voltas' new PureAir adjustable ACs. The campaign aims to resonate with consumers looking for ways to improve the air quality in their homes and create a more comfortable and healthier indoor environment.

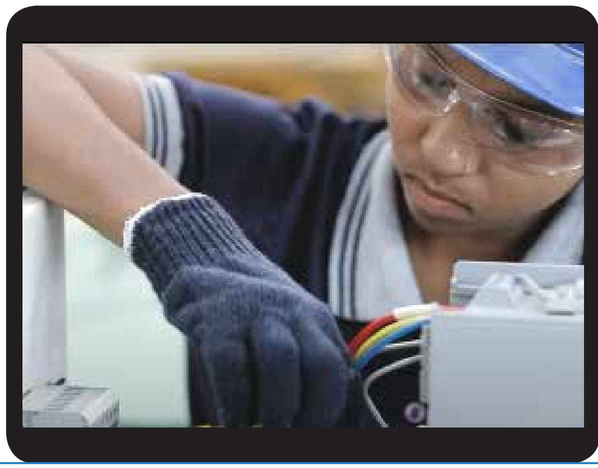
Overall, the 'Ghar le aao, pahadon wali saaf hawa' campaign appears to be a well-thought-out and impactful marketing strategy for Voltas' new PureAir ACs, and is likely to generate interest and sales for the Company.

Scan to watch
https://www.youtube.com/watch?v=7Rn_u5jgc30

#HumseDeshKiPehchaan

Voltas came up with a new digital film #HumseDeshKiPehchaan, to commemorate the 76th Independence Day of India. The campaign aimed to honour the spirit of 300 million blue-collar workers in India. The film gives voice to the community of blue-collar workers who have been relentlessly trying to skill themselves to a continual journey of being 'AatmaNirbhar', making India stronger than ever.

Scan to watch
https://www.youtube.com/watch?v=KK2bCGvbtHo



Retail Branding

Innovative Initiatives

#VoltasKaFestiveMela - Experience zone, Prabhadevi

The campaign kicked off during Navratri, creating an unprecedented buzz for Voltas among consumers. During the campaign, Voltas invited social media influencers to showcase the brand's strengths and value proposition.

Scan to watch
https://www.youtube.com/watch?v=gJdoUa0U11w&t=14s

#Republic Day Celebrations - Experience zone, Bangalore

Commemorating India's Republic Day celebrations, Voltas organized a week-long showcase at its Experience Centre located in Ulsoor, Bangalore. The campaign witnessed influencers visiting the Ulsoor Experience Centre and walking their audiences through the entire product portfolio, showcasing a range of futuristic products from Voltas and Voltas Beko.

Instore Promotions

The Festive Mela had a special treat in store for visiting customers. Visitors could upload images from the Experience Zone and define their 'World of Smart Homes' by tagging @MyVoltas and @VoltasBeko on Instagram. The most innovative captions were chosen for exciting prizes from Voltas.

Instore Branding

#WhatsNewInLajpat #ContestAlert

Voltas & Voltas Beko unveiled the new Experience Zone at Lajpat Nagar, in New Delhi, the First Experience Zone in South Delhi and Second in Delhi NCR.

Scan to know more

https://www.instagram.com/p/CqYTTxoBr0S/?igshid=YmMyMTA2M2Y

Video Branding

#VoltasBekoDishwashers #HygieneWash

A new ad campaign for Voltas Beko dishwashers hits germs for a clean sweep!

The YouTube campaign focuses on the power of the smart solution for hygiene and offers an alternate option to traditional cleaning methods. Check out the two videos below that demonstrate the effectiveness of the product

Scan to see the video

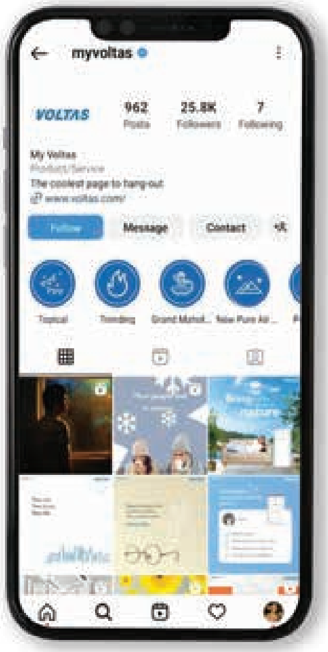
https://www.youtube.com/watch?v=VLG71H08nb4

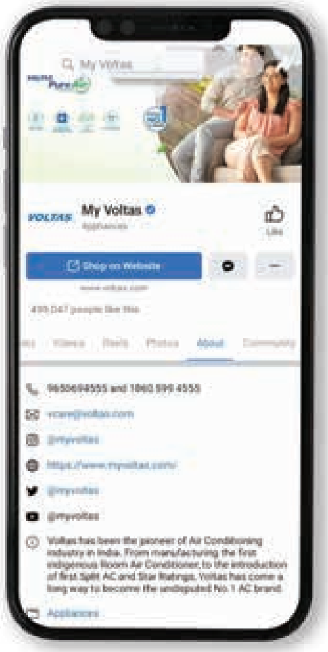
https://youtu.be/oKXe_vb7YoA

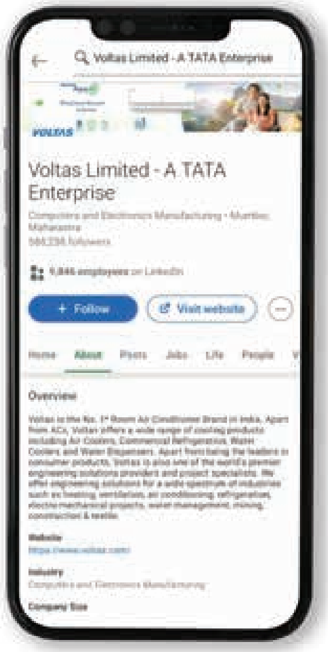
~ 2 Million

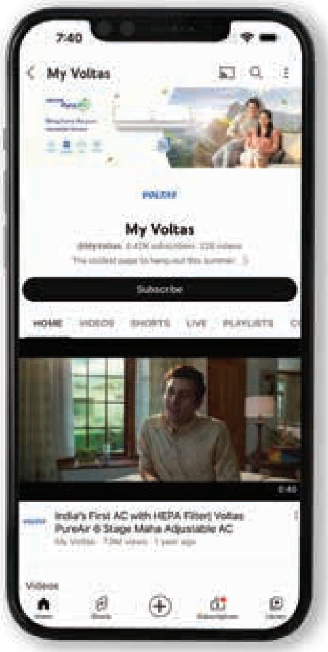
Views on YouTube

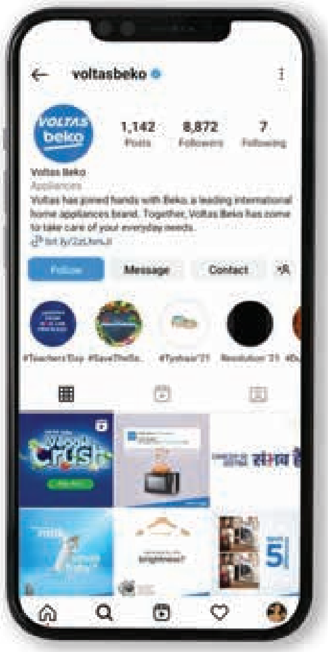
Capturing Our Digital Presence











Empowering Communities for the Future

Social: Communities

Voltas' CSR endeavors follow an 'Engage, Equip, and Empower' approach, focusing on addressing the needs of society in a sustainable manner, particularly reaching out to the most marginalized sections at the bottom of the social pyramid. Affirmative Action is a common thread for all the CSR initiatives of Voltas, where projects actively work towards inclusion of SC and ST communities, women and People with Disabilities (PWD). With every passing year, the Company strengthens its CSR interventions for optimum impact.

'Giving Back'

Giving back to the community is one of the commitments of Voltas. The Company has designed its CSR framework based on the Tata Ethos and community needs. There are three verticals in the framework, namely:

(a) Sustainable Livelihood

(b) Community Development

(c) Issues of National Importance

Employee Volunteering

In 2022-23, 1,116 Voltas employees volunteered in 105 volunteering events of various kinds, clocking 2,947 volunteering hours and reaching out to 3,365 beneficiaries.

CSR Implementing Partners

- Tata Strive
- GMR Varalakshmi Foundation
- Care Foundation
- Greysym Learning Foundation
- Agnel Institute of Technical Training and Entrepreneurship Development
- Pratham Education Foundation
- Coastal Salinity Prevention Cell
- Action For Food Production
- Alamelu Foundation
- Akshaya Patra Foundation
- KARO Trust
- Human Development Charitable Trust
- Bethany Trust
- Sir Ratan Tata Institute

₹ 14.60 crores

Spent on CSR Initiatives

Our Programmes

Sustainable Livelihood

Skill Development Centres, Pan India

Voltas has been aggressively pursuing skill development and training programmes for youth. It has established skilling centres and training facilities for both technical and non-technical training programmes across India in collaboration with the various CSR Implementing Partners.

Technical Courses:

- Plumbing
- Electrical connections
- Room air conditioning
- Central air conditioning

Non-technical courses:

- Banking and financial services (BFSI)
- IT-based services
- Nursing assistance
- Tailoring

23,000+
Individuals trained upto 2022-23

27
Skill development centres

Skill Development Centre, Thane

Recognition of Prior Learning (RPL) Project

RPL was started with the aim to promote technicians and semi-skilled workers and help the existing workforce with skill upgradation and certification. The RPL project was implemented with support from Care Foundation and Greysym Learning Foundation (GSLF). The curriculum includes Safety at Work and Customer Care modules to help the trainees perform their work more efficiently.

16,500+
Individuals trained upto 2022-23

Skill Development Centre, Panvel

Skill Development Centre, Jamshedpur

Community Development

Supporting Education

Support for children in need of education in Mumbai: For the past four years, Voltas has been providing financial assistance to a centre for children with special needs. This endeavour includes providing instructional materials, teaching aids, etc.

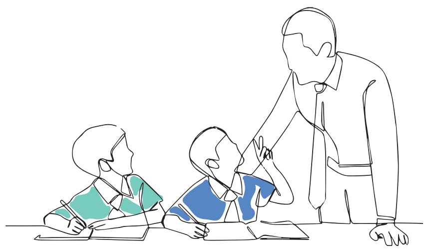
Voltas has also provided support for the refurbishment of classrooms at Bai RFD Panday Girls School in Mumbai and Navjyoti Manovikas Kendra in Jodhpur. Other care initiatives include providing mid-day meals to schools in Waghodia, supporting skill development centres in Chennai, and supporting libraries to fulfil book-reading needs in the digital era.

Mid-day meal, Waghodia and Panvel: Voltas provided mid-day meals to 42 schools surrounding Voltas' plant at Waghodia through Akshaya Patra Foundation. It also provided mid-day meals to 40 tribal children in the Raigad district through Bethany Society. This daily meal provision is an important feature in ensuring continuum of education as well as ensuring nourishment to these children.

42 Schools
Mid-day meals

3.80 Lakh meals to
2,700 Children

School upgradation



Mid day meal

Educational support to children with special needs

Supporting Healthcare

Health acts as a significant part of human lives. To take care of community health, Voltas undertakes initiatives that include:

Support to a cancer care hospital, Ranchi: The support was utilized towards establishing a comprehensive cancer care centre, particularly for procuring medical equipment.

Treatment of cancer patients, Mumbai: Voltas has been supporting this project for the past four years. Under this, treatment expenses for cancer patients from poor socio-economic conditions are covered.

The Company also carries out blood donation drives within the organization in collaboration with local hospitals across offices.

Issues of National Importance

One of the key projects under this vertical is the Participatory Ground Water Management and Sustainable Agriculture Project in the Beed district of Maharashtra. Through this initiative, Voltas takes proactive measures to mitigate drought, manage groundwater, and promote sustainable agriculture.

The Company initiated a project in six villages of Maharashtra in collaboration with Action for Food Production (AFPRO) to encourage sustainable farming practices and implement strategic interventions to enhance farmer capacity and water resource management.

Another focus area for Voltas under this segment was implementing Integrated Sanitation Project in Waghodia. It has four components: (a) Household Toilets (b) School Sanitation (c) Solid Waste Management (d) Menstrual Hygiene Management. The Project was implemented in 10 villages around Voltas Waghodia Plant, emphasizing community participation and convergence with Government programmes and schemes.

~5,000
Family Coverage

900+
No. of training sessions conducted on menstrual health and hygiene

300
No. of toilets constructed

1,800+ hectare
Land brought under irrigation through water conservation/harvesting initiatives

730+ million litres
Water Harvested through the programme

Alternative livelihood support

Water harvesting structures

Women Empowerment

- Voltas has added women-oriented courses such as Tally, nursing assistant, and BFSI.
- To empower women battling divorce or domestic violence cases, a special initiative was launched in cooperation with the Bandra and Thane Family Courts in Mumbai.
- A Farmer Producing Organization (FPO) with four female directors has been formed.
- Furthermore, women are supported with vermicomposting units as an alternative livelihood source.
- Workshops are conducted to raise awareness about Menstrual Health Management (MHM) among women of various ages.
- Providing water-connectivity support for daily chores of households in 10 villages.

Improved agricultural practices

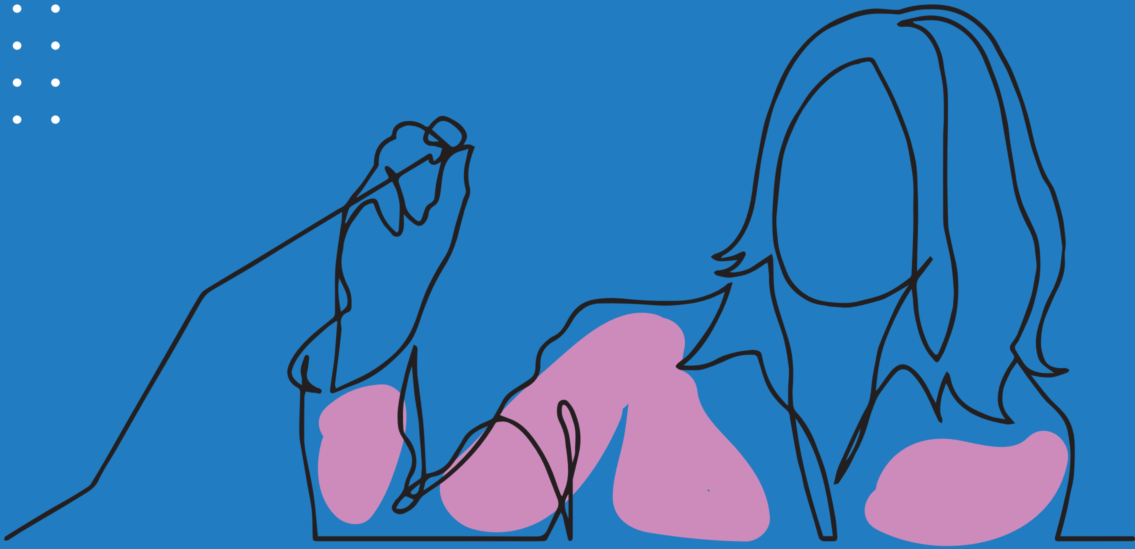
Farmer trainings

Key Priorities for the Next Year

- Voltas has set a target of training and creating a pool of 45,000 technicians by 2025
- Cultivating intellectual capital using training modules
- Emphasizing skill-building programmes through affirmative action
- Developing entrepreneurship
- Fostering collaborations with NGOs, NSDC, and Sector Skill Council
- Increasing value by concentrating on safety, client service, soft skills, ethics, and values

Capital Trade-off

	CAPITALS IMPACTED	STAKEHOLDER IMPACTED	STRATEGIC GOALS
NATURAL CAPITAL	Financial	Employees	• Create long-term wealth
	Manufactured	Customers	• Enhancing local production
		Government	• Social welfare growth
		Shareholders	
		Vendors	



Board and Governance

Our Strong Foundation for Effective Governance

Governance Framework

Voltas has a strong governance framework that consists of a system of rules and practices designed to ensure smooth functioning across the Company. It prioritizes transparency in its practices, while maintaining confidentiality, impartiality, and fairness in handling concerns. These practices help the Company in maintaining balance and create value for its management, shareholders, financiers, Government, customers, suppliers, and the community.

Policies and Programme

Voltas is committed to maintaining the highest standards of ethical conduct and integrity in all of its business dealings. To this end, Voltas has established a comprehensive compliance programme that includes a range of policies, frameworks, and training programmes. The aim of the programme is to promote ethical behaviour while ensuring compliance with laws, regulations and Company policies. This programme is regularly reviewed and updated to keep pace with the constantly changing business environment

Policy- Building Healthy Work Culture Whistle Blower Policy

Voltas has adopted a Whistle Blower Policy as required under Section 177(9) of the Companies Act and SEBI Listing Regulations. The policy allows employees, directors, business associates, channel partners, or customers of the Company to make a protected disclosure related to matters concerning the Company or any other Tata Company.

SHE Policy - Safety, Health and Environment

The SHE Policy (Safety, Health, and Environment) is a performance enhancement policy that promotes a healthy and safe working environment. It helps the Company reduce work-related injuries, fatalities, diseases, disasters, and loss of assets. Voltas has also adopted technology and innovation to improve the strategic guidelines and operational management processes for the Company's quality, safety, occupational health, environmental preservation, and sustainable growth. The SHE Policy is communicated to all employees, customers, and stakeholders and is understood across all levels of the Company through regular training, communication, and reinforcement in internal meetings and management review forums.

BOARD COMMITTEES

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

Taking the Flight with Confidence

Risk Management

Voltas has adopted a consistent framework and standard process to ensure a coordinated and integrated approach to managing risks & opportunities across the Company. This lays the foundation for establishing a risk-aware culture with independent, proactive and systematic risk management involving clearly defined roles and responsibilities, principles, standards, methods, templates and training measures. The Company has developed and implemented a robust Enterprise Risk Management (ERM) Framework by engaging a global consulting firm for benchmarking with leading international risk management standards such as ISO 31000 and the Committee of Sponsoring Organization of the Treadway Commission ('COSO'). The ERM Framework intends to reinforce the commitment of Voltas to effectively identify and manage the existing and emerging risks and harness the underlying opportunities while safeguarding the business value to achieve the Company's strategic objectives. Voltas intends to develop and maintain a robust risk governance mechanism to facilitate risk-informed decision-making by leveraging a fully integrated ERM Framework.

ERM Framework

The principal objective of Voltas ERM framework is to formulate a resilient and robust methodology to identify, manage and mitigate key enterprise, business segment and functional risks. The ERM framework clearly defines the roles and responsibilities of key ERM stakeholders, along with standard reporting templates, for effective reporting and monitoring of risk profiles across the Company.

Risk Management Process

Risk Identification

Voltas conducts a rigorous risk identification exercise linking strategic business plans and emerging risks, considering an ever-evolving business landscape. Various risk identification techniques are leveraged across functions and business segments to conduct an ongoing risk assessment based on business operations.

Risk Assessment

Once identified, the risks are evaluated using the standard risk assessment scale to ascertain their risk exposure levels, i.e., potential impact, the likelihood of occurrence, and risk velocity. These risks are further classified into Critical, High, Medium and Low based on their overall assessment score.

Risk Prioritization

Based on the outcomes of risk assessment and risk rating scores, risk prioritization is done considering the potential consequences for the Company if the risks were to materialize, the likelihood of those risk events occurring and the speed with which the risk may affect Voltas. Risk prioritization enables optimized deployment of the Company's resources for effectively managing risks that matter.

Risk Response

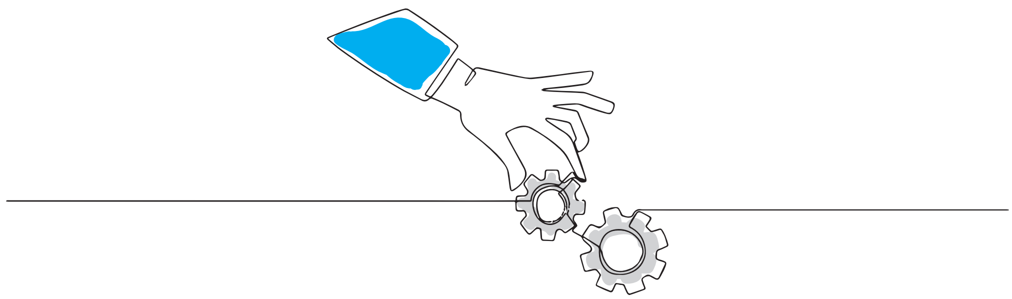
Relevant risk response strategies and controls are defined for the identified risks based on exposure vis-à-vis the Company's overall risk appetite. Risk responses are devised to reduce the potential impact or the likelihood of risk occurrence.

Risk Monitoring and Reporting

Risks and defined response action plans are regularly assessed, updated and reported at appropriate levels within the Company to maintain ongoing oversight.

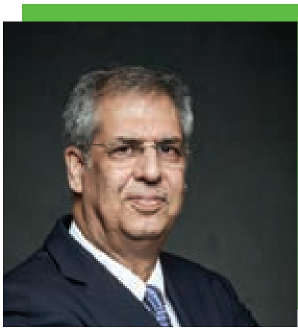
Forex risks

The Company has a well-defined and continuously monitored forex policy for hedging currency exposure in place. The Company's forex policy guiding it to ensure that atleast 25% of its subsequent three months exposure remains hedged alongwith its initiative of conserving earnings in foreign currency in Exchange Earners' Foreign Currency (EEFC) account, helps the Company reduce the severity of impact of steep currency depreciation we that it witnessed during the year.



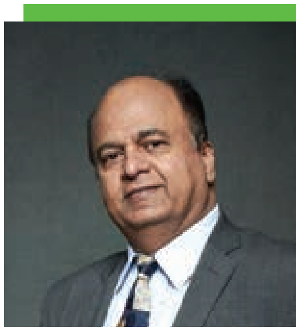
VOLTAS
A TATA Enterprise

The People Guiding Our Journey



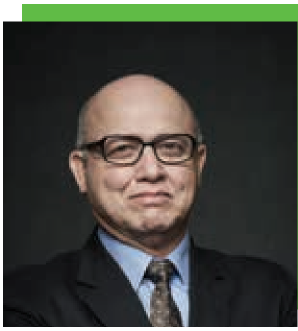
Noel Tata
Non-Executive Chairman

C C M



Pradeep Bakshi
Managing Director & CEO

M M M M



Vinayak Deshpande
Non-Independent, Non-Executive Director

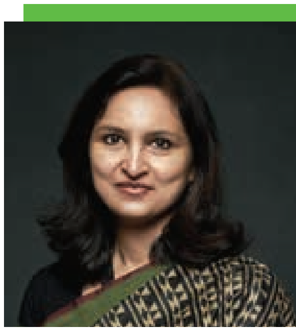
C C

Debendranath Sarangi
Independent Non-Executive Director

M M M

Bahram N. Vakil
Independent Non-Executive Director

C M M



Anjali Bansal
Independent Non-Executive Director

M M M

Arun Kumar Adhikari

Independent Non-Executive Director M M

Zubin Dubash

Independent Non-Executive Director C C

Saurabh Mahesh Agrawal

Non-Independent Non-Executive Director

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

Corporate Information

Chairman

Noel Tata

Managing Director & CEO

Pradeep Bakshi

Directors

Vinayak Deshpande

Debendranath Sarangi

Bahram N. Vakil

Anjali Bansal

Arun Kumar Adhikari

Zubin Dubash

Saurabh Mahesh Agrawal

Chief Financial Officer

Jitender Pal Verma

Head– Taxation, Legal & Company Secretary

V. P. Malhotra

AUDIT COMMITTEE

Chairman

Zubin Dubash

Members

Debendranath Sarangi

Arun Kumar Adhikari

NOMINATION AND REMUNERATION COMMITTEE

Chairman

Bahram N. Vakil

Members

Noel Tata
Anjali Bansal

SHAREHOLDERS RELATIONSHIP COMMITTEE

Chairman

Noel Tata

Members

Bahram N. Vakil
Pradeep Bakshi

CORPORATE MANAGEMENT

Managing Director & CEO

Pradeep Bakshi

Chief Financial Officer

Jitender Pal Verma

Chief Human Resources Officer

Narendren Nair

Chief Executive Officer, Voltbek Home Appliances Private Limited

Jayant Balan

Head – Merger & Acquisition

Dinesh Singh

SOLICITORS

Messers Mulla & Mulla & Craigie
Blunt & Craigie Blunt & Caroe

AUDITORS

S R B C & CO L.L.P.
Chartered Accountants

BANKERS IN INDIA

State Bank of India
Bank of India
Punjab National Bank
HDFC Bank
Citibank N.A.
BNP Paribas
Kotak Mahindra Bank
ICICI Bank
Axis Bank
HSBC Bank Limited

OVERSEAS

Emirates NBD Bank PJSC
HSBC Bank Middle East Limited
First Abu Dhabi Bank
Doha Bank
HSBC Bank Limited
Abu Dhabi Commercial Bank
BNP Paribas
National Bank of Oman
Bank Sohar
Dukhan Bank
Bank Muscat
Al Masraf
Arab Bank
Citibank
Saudi British Bank

REGISTERED OFFICE

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

SHARE REGISTRAR

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

Voltas Experience Zones

Management Discussion and Analysis

GLOBAL ECONOMY

Despite witnessing major challenges in 2022—Omicron, conflict between Russia and Ukraine, extraordinary global monetary tightening, and the China slowdown—the global economy did better than expected. The Euro area steered clear of deep economic contraction while the US economy remained more resilient than expected. Strong private sector balance sheets provided a meaningful buffer against a significant downturn in 2022.

Looking ahead, the global economy will remain fragile in the next fiscal. As per IMF's latest World Economic Outlook report (April 2023), global growth is expected to moderate to 2.8% in 2023 from an estimated 3.4% in 2022.

Emerging markets (EM) are set to outperform developed markets (DM) in 2023, following two years of developed market outperformance. EM outperformance is expected to be led by a recovery in China on the back of its exit from its zero-Covid policy and relatively strong growth in India and Indonesia, supported by domestic demand.

Most DM central banks raised policy rates at an unprecedented pace in 2022. The US Federal Reserve raised the policy rate by a cumulative 425 bps to 4.25% - 4.50% in 2022, the fastest pace of tightening since the early 1970's. As the inflation peaks, major DM central banks are expected to slow their pace of rate hikes. That said, as inflation is expected to remain above central banks' targets, policy rates will remain higher for longer.

INDIAN ECONOMY

As per IMF's latest World Economic Outlook report (April 2023), India's growth is expected to slow down to 6.1% in 2023-24 from ~6.8% in 2022-23 (estimated) due to tightening financial conditions and global headwinds. Still, India's growth outlook remains solid on strong domestic fundamentals such as a relatively low level of inflation compared to the DMs, a prudent monetary and fiscal policy mix and as a consequence of several reforms carried out in recent years, in addition to political stability. Indeed, India will continue to be the fastest growing major economy for the third consecutive year.

India's growth outperformance is expected to lead to strong domestic demand, partially offsetting the impact of global headwinds. Consumption growth will remain healthy, supported by a sustained recovery in consumer services (retail sales, hotels and restaurants, transport and communications); an improvement in labour market conditions, particularly in the formal sector; increasing consumer confidence; an expected recovery in rural demand; and higher purchasing power with moderating inflation.

The investment cycle is expected to strengthen further, supported by higher private capex and the Government's continued focus on capital spending. A pickup in private capex will be led by healthier balance sheets of companies and banks along with improving capacity utilization in manufacturing. While slowing global growth will drag exports, India's rising share in global manufacturing exports will provide some cushion as will the growth in services exports. Key risks to India's growth outlook include a significant tightening in financial conditions to contain high inflation, a sharp rise in commodity prices and protracted recessionary tendencies in DMs.

INTERNATIONAL GROWTH MARKETS OF VOLTAS

MENA

As per IMF's latest World Economic Outlook report (April 2023), the Middle East and North Africa (MENA) region is anticipated to grow by 3.1% in 2023. The global environment presents great opportunities for Gulf Cooperation Council (GCC) countries and developing oil exporters, as oil and gas prices continue to be significant sources of export earnings and fiscal revenues.

UAE

UAE's GDP is forecasted to grow by 3.5% in 2023 as against 7.4% in 2022. Being a major beneficiary of the higher oil prices, UAE is expected to be favourably positioned to counter the economic challenges posed due to the geo-political tensions. With sanctions being imposed on Russia, countries are turning to the Middle East as a partner of choice to meet their energy demands. UAE is also reaping the rewards of its timely response to the COVID-19 pandemic and is focusing on improving its non-oil GDP.

QATAR

Qatar's GDP is expected to grow at slower pace of 2.4% in 2023 as against 4.2% in 2022. The country's growth is anticipated to be driven by fixed capital formation due to investment activity, especially in the country's Liquified Natural Gas (LNG) infrastructure. Having received the opportunity to host the prestigious FIFA World Cup, Qatar is also expected to benefit from increased tourism activity..

SAUDI ARABIA

Saudi Arabia is the world's 18 largest economy, and grew by 8.7% in 2022. However, its growth is expected to be slow (3.1%) in 2023 because of the decision taken by the Organization of Petroleum Exporting Countries (OPEC) and its allies to reduce oil output. Nevertheless, structural reforms to improve the business environment are expected to catalyse private investment and ensure robust non-oil growth.

Source: IMF World Economic Outlook report (April 2023)

BUSINESS OVERVIEW

As an integral member of the Tata Group, Voltas has established itself as a leader in India in cooling products, and prides itself on being the country's No.1 Room Air Conditioner brand. Moreover, the Company has a diversified footprint in other business domains, including Engineering Products and Electromechanical Projects and Services. The Company has maintained its market leadership over the years by consistently delivering high-quality products to its customers. Voltas maintains its market positioning in India and in the MENA region.

Voltbek Home Appliances Private Limited (Voltbek) is a joint venture with an equal partnership between Voltas and Arçelik –one of Europe's largest household appliance manufacturers. This partnership has enabled Voltas to leverage Arçelik's robust R&D capabilities and combine them with Voltas' strong distribution network. As a result, Voltas Beko has become one of the fastest-growing brands in India. Voltas Beko brand has sold over 3.3 million units of Home Appliances, including Refrigerators, Washing Machines, Microwaves and Dishwashers, thus becoming one of the first few new brands to reach this landmark in a short tenure.

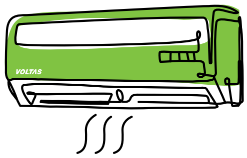
Voltas has also established a strong foundation in efficient engineering and is responsible for creating sustainable solutions for turnkey projects both, in Indian and overseas markets and benefits from providing engineering solutions to a diverse range of industries – Rural Electrification, Textile Machinery, Mining and Construction Equipment, Water Management and Treatment and several more.

In the face of a turbulent global scenario, Voltas has exhibited its resilience. The Company's leadership in the Unitary Cooling Products business, and strong execution track record in the Projects business have enabled it to navigate through macro-economic challenges such as rising input costs and tightened consumer spending.

Range of Consumer Durables from Voltas & Voltas Beko

UNITARY COOLING PRODUCTS

Room Air Conditioners (RAC)



During the year, Voltas observed strong market demand for ACs with higher star ratings and also successfully increased the sales volume of air -conditioners' in the inverter category. This was made possible with the support of the Company's expanded portfolio of SKUs with better features and strategic pricing. Voltas' success in the Inverter Split AC category also prompted the Company to recently launch the inverter Window category. With a year-to-date market share of 21.6%, Voltas continues to hold the undisputed top spot in the overall AC market. The Company's market leadership is expected to be further reinforced by the growth of its exclusive brand outlets and active engagement with various channels and channel partners across the country's length and breadth.

Opportunities and Outlook

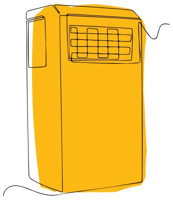
The Indian Room Air Conditioner Market is expected to reach USD 5 billion by 2027-28, with a CAGR of ~10%. Voltas, being the industry leader with a market share of 21.6% (2022-23) in this segment, is expected to be at the forefront of this growth. The Company's superior product range, distinct brand positioning, and extensive channel network will allow it to capitalize on several trends forecasted to shape the Industry's future.

We continue to remain very optimistic on the Room Air Conditioner (RAC) business which will reap the benefits of the growth drivers, including hotter summers, rising disposable incomes and aspiration for a better lifestyle. Easy access to consumer finance has provided a much-needed boost to this category and will continue to do so in the future.

Household consumption was resilient and rural demand is expected to pick up in the coming years on the back of stability in the overall macro-economic environment, including tapering of inflation and higher consumer confidence.

The Company is setting up a backward integrated manufacturing facility in South India in line with the Government's policy of promoting 'Make in India'. The Government's Production Linked Incentive (PLI) scheme, which the Company has availed of, has provided traction for the industry to establish manufacturing capacities across India.

Air Coolers

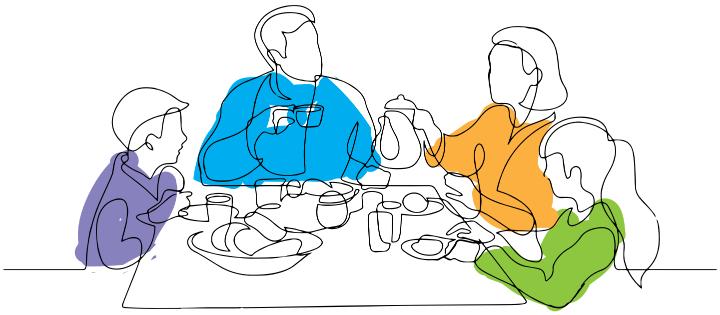


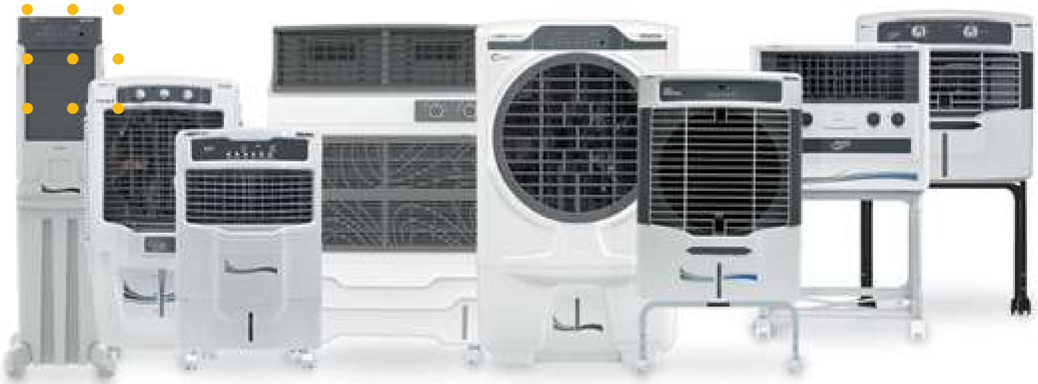
The Air Cooler segment is a key product line extension strengthening Voltas' positioning in the cooling products industry. The expansion of SKUs across all product categories and the implementation of distribution and dealer schemes have facilitated increased market penetration for the Company. Thereby, creating a positive outlook for upcoming operations and revenue. A 7.2% market share in this aggressive and fragmented market has improved Voltas' total profitability in the category.

As an alternative to air conditioners, air coolers are increasingly popular among the growing lower middle class, which allows Voltas to compete in a high-growth market segment. In a country where many areas have a limited power supply, an air cooler ensures that it remains an integral part of many households. The Company's investments in the air cooler business coupled with incentive schemes directed towards primary sales and expansion of channel footprints, have allowed this vertical to grow by 27% during the year under review.

Opportunities and Outlook

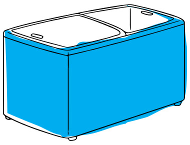
India's Air Cooler market is expected to exhibit a CAGR of 7.4% during 2022-27 period on the back of rising disposable income in the country. Moreover, with increased encouragement given to organized channels, Voltas is expected to harness several opportunities to cater to the increasing demand for air coolers in the coming years. The benefits of air coolers are not limited to the higher air quality but also the energy efficiency it delivers to users. Dry weather conditions and growing pollution levels across various cities make air coolers an attractive customer proposition.





Range of Air Coolers from Voltas

Commercial Refrigeration



The Commercial Refrigeration segment continued its growth journey during 2022-23 and introduced many new SKUs. With the doubling of our capacity at the Waghodia Plant at Vadodara, Gujarat, Voltas will be in a sweet spot to launch a number of consumer-focused products with enhanced features. Further, with the long-term goal of maintaining market leadership, the Company is expanding its product portfolio to include Medical Refrigeration equipment.

The growth for this segment arises from the growing demand for frozen foods as dietary preferences have evolved with rapid urbanization, fuelled by the consumption of impulse goods such as ice-creams, chocolates and beverages. After witnessing a strong recovery with the resumption of post-pandemic normalcy, the segment has demonstrated high growth of 26% in volume.

Opportunities and Outlook

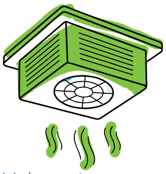
Commercial Refrigeration market size for the categories, the Company operates, is projected to expand at ~9% CAGR till the financial year 2025. Voltas had the opportunity to leverage the strong network it has established over the years to foster the growth of commercial refrigeration products. The stringent regulations surrounding the pollution caused by refrigeration will provide a better scope for innovation. Fluorocarbon refrigerants adversely affect the ozone layer. However, environmentally sustainable practices worldwide have resulted in the development of increasingly efficient mechanisms, in the field of hydrocarbon refrigerant. Voltas has already introduced the hydrocarbon refrigerant (R290) in the largest volume category (Freezers/Convertibles/Glass Top/Chest Coolers) and is working towards the application of Next-Generation Refrigerants for all our product range.

Threats

The global geo-political tensions have caused significant impacts across various businesses, resulting in rising input costs and supply chain disruptions. In addition, the global policy measures such as interest rate hikes to control inflation resulted in weakened consumer sentiment. The Company's strong brand image and market leadership have allowed it to navigate turbulent times. Voltas' constant focus towards customer centricity, extensive distribution network and strategic localization have allowed it to remain a market leader across the majority of categories in the cooling industry.

Wide Range Of Commercial Refrigeration Products Designed For Indian Needs

Commercial Air Conditioning (CAC)



Voltas is a prominent player in the commercial air conditioning segment and this business encompasses air conditioning needs for both, human comfort and industrial applications. Due to the Company's equitable distribution network, the synergy between RAC and CAC enables Voltas to have a comprehensive presence in all market segments. CAC business includes sales of various cooling systems, such as VRF systems, Chillers, Ducted units, Light Commercial units for comfort cooling, Vapor Absorption Machines, LTR systems for process cooling, in addition to Customer Care and Retrofit business. From small to big commercial settings, commercial air conditioning is utilized to chill, heat, and dehumidify the air. Commercial Air Conditioning units can be used in offices, shops, cafes, restaurants, schools, leisure centres, gyms and other commercial properties to maintain a comfortable temperature and air quality for customers or employees in summer and winter.

Voltas is planning to leverage digitalization in approaching customers and making them aware of its products and services. Voltas also intends to leverage digital tools to deliver enhanced value to customers while increasing the efficiency of its products and services and reducing carbon emissions. In addition, to fortify its network, Voltas has rolled out a new and improved channel partner policy and implemented digital tools and carbon emission reduction measures.

Opportunities and Outlook

As the economy gradually recovers, the CAC segment is expected to play an increasingly essential role in driving both, the Company's top line and bottom line. The need for comfort and demand for cooling across industries is increasing with every passing day, coupled with significant awareness and focus on carbon reduction. Voltas is creating new benchmarks in improving efficiencies and safety features in the product and service offerings.

Range of Commercial Air Conditioners from Voltas

Waghodia Factory, Pantnagar

ELECTRO- MECHANICAL PROJECTS AND SERVICES

International Operations Business Group (IOBG)

Voltas has a proven track record of executing large scale complex projects for over 4 decades in the overseas markets. The Company is one of the premier MEP contractors in the GCC countries, primarily focusing on UAE and other countries such as Oman, Qatar and Bahrain.

We have won several awards in the Middle East on the strength of engineering prowess, safety practices and superior execution skills. Recently, the Company also ranked #1 in MEP Contractors List 2022.

Voltas specializes in MEP, electro-mechanical works comprizing HVAC, electrical systems for buildings, plumbing, firefighting, ELV and specialized systems, building security, district cooling plants, and utility plants, water treatment solutions, irrigation and landscaping and solar power systems. Voltas has set up a MEP prefabrication - Modular Solutions Factory at Jebel Ali, Dubai, serving the region through various contractors. The Company also has a strong foothold in the UAE's Facility Management / Operation & Maintenance work.

The Company exercised caution due to geopolitical uncertainties coupled with higher commodity prices, and has adopted a selective bidding approach.

Qasr Al Hosn

Opportunities and Outlook

The GCC will witness continued economic growth driven by the Government's initiatives in the Kingdom of Saudi Arabia (Vision 2030), Qatar (National Vision 2030) and Dubai (Dubai Economic Agenda 'D33'). Investments are expected in many infrastructure projects such as roads, tunnels, water distribution, district cooling, sewage treatment and power distribution. The Company is well-positioned to leverage its strengths to exploit these upcoming opportunities and selectively become a part of all the major projects. Very recently, the Company bagged the prestigious MEP project at Qiddiya Water Theme Park in the Kingdom of Saudi Arabia.

The Company will continue to focus on MEP, district cooling plants with chilled water network, installation and maintenance of sewage treatment plants, including network management, water storage (pumped) distribution and automation.

Threats

Solvency issues related to the Main Contractors could lead to disruptions and delays in the project execution and exposure to credit risk. Moreover, arbitrary actions, violating the spirit of contractual terms and conditions, including encashment of bank guarantees issued by the Company to the Main Contractors could significantly impact the profitability and liquidity of the Company.

Unavailability of skilled labour in the host country, in compliance with localization or demographic profile requirements, may lead to reduced productivity and higher costs.

Disruptions in global supply chains and fluctuating commodity prices may pose a threat to the business profitability. Further, the impetus on local manufacturing and the in-country value approach may impact business.

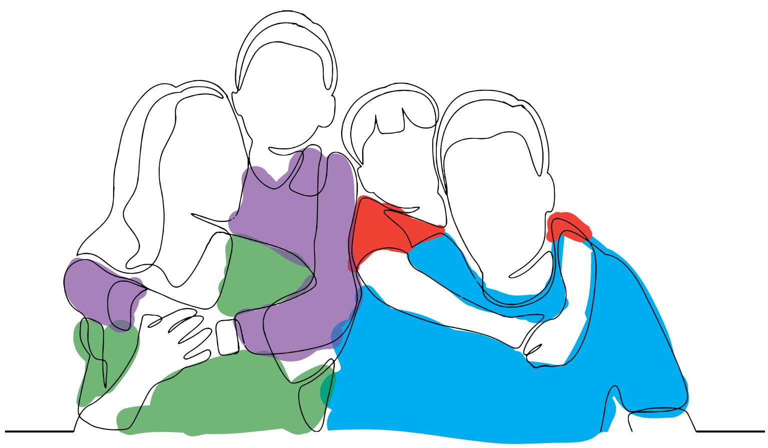
VOLTBEK HOME APPLIANCES PRIVATE LIMITED (VOLTBEK)

The home appliances industry is among the fastest-growing sectors in the Indian market. This growth is driven by both large and small appliances. Further, the evolving nature of the community, changing lifestyles of Indian consumers, nuclear families, single-person households, advanced technology products and migration of the population have created large markets for this product segment.

Voltbek continues to combine the technical expertise of Arçelik and the brand and distribution strength of Voltas, to expand its presence in Indian households. Further to gain market share in the low penetrated market, Voltbek is manufacturing 'Made in India' products in Sanand and focusing on expanding distribution in the organized trade network, especially in the South and West India's market.

The strong focus of Voltbek in offering state-of-the-art innovative products ensures that it remains a popular choice in households and allows it to develop more energy-saving consumer durable goods, which will become an increasingly preferred option in the years to come. Voltbek has recently launched a fully automatic top load Washing Machine with heater which has had a good response.

The in-house manufacturing of products allows the business to produce customer-centric products with high quality and comfort. To scale up the business, certain initiatives have been taken up: installing full-scale manufacturing of the largest refrigerator category DC (Direct Cool), and the fastest-growing Frost-Free (230L - 270L) refrigerators at the Company's Sanand factory. Voltbek is attempting to create a USP by producing technically advanced products with a good value for money proposition. In addition, it aims to expand its reach and



penetration by focusing on Organized Retail and increasing reach and extraction from distribution channels. Voltbek is also focusing on E-commerce channel platform and developing a wide range of 'Made in India' products with rich features across categories and capacities.

Opportunities

India is being viewed as an increasingly promising opportunity for the electrical goods market. This is backed by changes in the structure of the Indian population coupled with favourable Government policies, which has set up an exponential growth trajectory for industry players. Moreover, the increased affordability of home appliances due to rising disposable incomes and the range of financing options available to an Indian consumer has generated an increased demand for this segment.

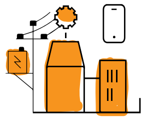
Further, the focus on greater energy efficiency has brought the need for technological innovation, and the development of state-of-the-art innovative products, allowing to create a new range of products. The significant policy changes, especially those related to the regulatory and business environment, will further aid growth in this sector. The upcoming National Electronics Policy will have a core strategic objective of domestication in manufacturing, and this is likely to establish India as a production hub with other major manufacturing destinations like China. Foreign companies would be keen on establishing manufacturing units in India, leading to the emergence of an ecosystem of self-reliance and local manufacturing.

Threats

The monetary policy measures to control the soaring inflation rates have resulted in a tightened spending environment which can result in muted consumer sentiment. Thus, posing a threat to the sale of discretionary goods and services. The rise in input costs due to supply chain disruptions has influenced the margins of leading manufacturers. Another key fundamental driving the success of the electrical goods industry is the distribution of a stable power supply. Non-availability of a reliable source of power supply in several parts of the country, which is imperative for consumer electronics, could affect the demand projected for the electrical goods industry.

UNIVERSAL MEP PROJECTS & ENGINEERING SERVICES LIMITED (UMPESL)

INFRASTRUCTURE SOLUTIONS

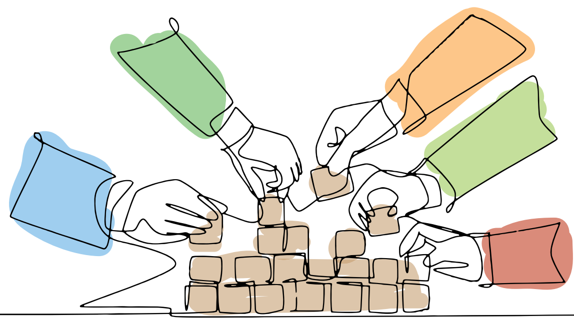


Voltas' expertise gained over the years allows it to contribute to nation-building. The Infrastructure Solution business which was transferred during 2022-23 from Voltas to UMPESL, a 100% wholly owned subsidiary, caters to Mechanical, Electrical and Plumbing (MEP), Rural Electrification, Water Infrastructure Operations and Maintenance for medium-to-large projects in industries such as commercial buildings, data centres, manufacturing sites, modern infrastructure like Metros and Airports.

MEP

Voltas strategically shifted its focus from working with a general contractor to a direct client approach, thereby securing orders directly from end-users with better commercial conditions and sustainable gross margins. The orders spread all over India are progressing well, enabling timely project completion and better revenue recognition.

During the year, UMPESL secured a robust order book of ₹1,178 crores, including significant projects such as Data Centre job (Noida), Godrej Commercial Building (Bangalore), Phoenix Equinox Commercial Complex (Hyderabad), Chennai Metro, Bangalore Metro, and a MMRDA Tunnel Project.



Delhi Metro Rail Corporation (DMRC)

WATER

In the Water sector, UMPESL primarily serves Municipal/ Government clients with less than 5% of revenue coming from Private Sector Industrial clients. UMPESL offers three distinct services: Treatment Equipment Manufacturing, EPC Contract for Water Treatment and Distribution projects and Operations & Maintenance (O&M) Contracts.

Water projects are well-funded and to ensure profitability and healthy cash flow, UMPESL is selective in considering new proposals and maximizing O&M initiatives. UMPESL secured new orders of about ₹815 crores, including around ₹500 crores for water supply under the Jal Jeevan Mission (JJM) under the State Water & Sanitation Mission of the UP Government.

ELECTRICAL

UMPESL has developed highly effective transmission and distribution systems, enabling the Company to bring electricity even to the most remote areas. These systems have played a crucial role in the successful electrification of over 30,000 villages across the country, improving the lives of countless individuals and communities.

The Extra High Voltage Transmission Industry is transforming to achieve 'One Nation – One Grid – One Frequency' for better renewable energy synchronization. Therefore, the Transmission & Distribution (T&D) sector is expected to see an investment of ₹5.8 lakhs crores in the next 5 years. New orders worth ₹1,769 crores are anticipated in 2023-24 which will create opportunities for us in UP, MP and West Bengal and includes multiple substation projects with air and gas insulation and other distribution projects.

UMPESL will continue picking up healthy orders and deliver a sustainable performance with minimal risks. Infrastructure Solutions business witnessed a jump in order book to ₹5,799 crores in 2022-23 as compared to ₹3,638 crores in 2021-22.

Opportunities and Outlook

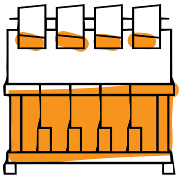
Growth of the economy and the Government's focus on infrastructure development, are expected to improve business with ample opportunities in the segments of water, electrical, and modern infrastructure. Timely and cost-effective execution across sub-verticals of Infrastructure Solutions provides an edge over similar other players in the Industry.

The AatmaNirbhar Plan of the Indian Government with an objective of self-sustainability for most of the Industrial sectors augurs well for the infrastructure development in India. The key challenge however, continues to be the timely execution of projects within allocated costs along with smart and efficient working capital management.

Water Treatment Plant

Khan Nagar Pumping Station Panel Room

Textile Machinery Division (TMD)



In recent times, fluctuations in cotton and yarn prices have caused instability in the textile industry. Due to low demand for yarn from foreign markets, the market remained sluggish, resulting in reduced utilization of spinners. The decrease in demand for clothing in Western markets impacted the apparel sector, with exporters operating only at 60% capacity. Despite these challenges, TMD's business performance achieved record-high levels, due to strong order booking and emphasis on 'After-Sales' business. The Company's increased efforts strengthen the income potential of each of its product lines with the spinning equipment market share rising to 64%.

The Company has a strong presence across 16 locations in India, which includes textile hubs such as Madurai, Ludhiana, Surat, Coimbatore and others. In 2022-23, the Company expanded its portfolio with the addition of post-spinning allied machinery and weaving preparatory equipment and explored opportunities by identifying new principals for non-woven, embroidery and other products. During the year under review, the TMD business was transferred by Voltas to UMPESL.

LMW Machine sold by Voltas

Outlook and Opportunities

India's textile industry not only caters to the rising domestic demand but also has the potential to establish India as a hub for exporting textile products, representing the largest export opportunity. The Indian Textile and Apparel industry is valued at about USD 2.5 billion, which is currently growing at a rate of 5% annually. India's textile and apparel industry is moving from labour-intensive production to a more developed and industrialized sector, which bodes well for Voltas.

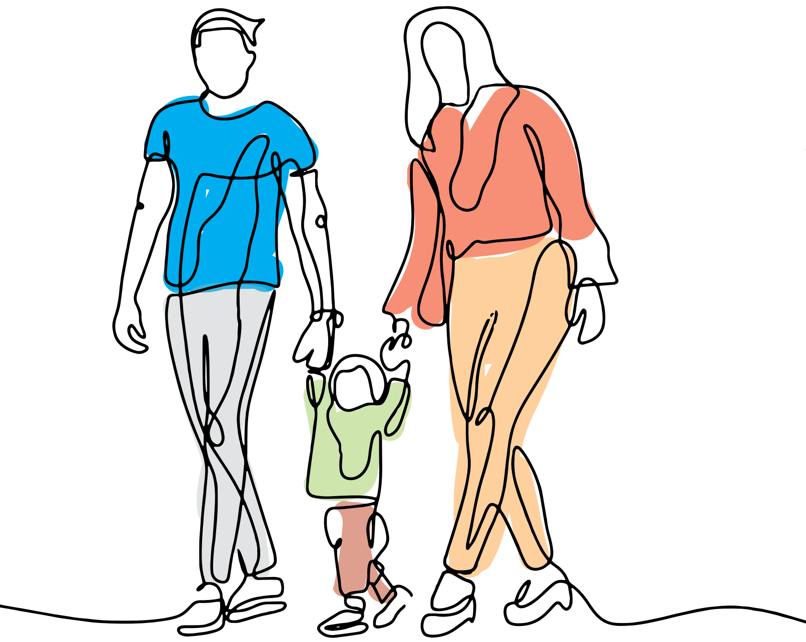
The industry has strong support from the Government in the form of the Production-Linked Incentive (PLI), the Rebate of State and Central Levies and Taxes (RoSCTL) Scheme, the Remission of Duties and Taxes on Exported Products (RoDTEP), and the 7 Mega Integrated Textile Region and Apparel (PM MITRA) Parks, with a total investment of ₹4,445 crores, all contributing to the textile industry's continued growth potential.

With an ambition to accelerate its growth, Voltas has 'Six Strategic Priorities' for 2023-24: grow revenue and market share of Spinning machinery, grow revenue in each line in PSD machinery, continue growth in 'After Sales' business, selectively add new partners, expand the horizons and build brand, which will enable to maintain its sustained growth.

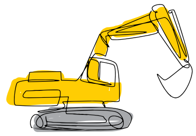
Threats

The most significant concern surrounding the textile machinery industry is its cyclic nature and also the lack of break through innovation in the past few years. The global macro-economic environment has also resulted in reduced spending globally, which has been a barrier towards increasing the capital expenditure in the textiles' sector.

TMD however, believes in adding value through robust technological solutions. The Company has worked closely with industry stalwarts to integrate technology in its business. It has ramped up its 'After-Sales' offerings to de-risk the business from the industry's capital cyclical nature.



Mining and Construction Equipment (M&CE)



During the year under review, the M&CE business was transferred from Voltas to UMPESL and UMPESL continues to operate as an engineering solutions provider, adding value to the global mining industry by maintaining earthmoving equipment at a competitive cost. Heavy mining equipment is the backbone behind the production process in the global opencast mining sector. UMPESL assures high availability and reliability of the equipment, leading to a considerable difference in the overall performance, allowing operators to reduce the overall output cost per ton.

Mozambique Business

The Company strengthened its position in Mozambique in 2022-23 by gaining confidence of the new mine owner, Vulcan (Jindal Group), which acquired these mines from Vale in the previous year. As a result, Vulcan was able to operate the mines more effectively and increased its coal output to 12 mtpa. UMPESL continues to develop newer business relationships in the region.

India Business

The Company has been a major player in India's heavy and earthmoving machinery industry, and is widely acknowledged for launching many global brands in the Indian mining industry. M&CE supports equipment in India through their nationwide sales and service offices and warehouses network, together with Heavy Engineering Shop conveniently situated on job sites.

During the year, sales of power screen machines and parts were affected by the Government's imposition of 30% to 50% export duty fine on iron ore. The recent lifting of Government's ban shall bode well for reviving the equipment demand in the coming year. Meanwhile, the aggregate sector has rescued to sustain equipment sales in the otherwise muted market.

M&CE Powerscreen Machine

Opportunities and Outlook

The Construction Equipment industry in India has the biggest prospects for expansion and opportunities in terms of growth and investment. The major factors currently driving demand in India are the infrastructure projects by public and private enterprises like building construction, tunnels, maintenance, road construction, power plants, ports, and urban infrastructural developments, including smart cities. This will help the business immensely.

In addition, UMPESL intends to broaden the scope of its service agreements in Mozambique. In India, the focus will be to increase the customer reach through strategic service partnerships for various mining equipment running in coal mines.

Threats

Increase in export duty fines on iron ore has marginally impacted the demand for capital equipment and has an impact on the profitability of operations. The construction equipment manufacturers face the challenge of bringing new technology. Lack of special incentives or schemes to finance the import of hi-tech construction equipment for infrastructure projects limits innovation in the industry. However, a customer centric approach and pool of highly skilled engineers shall help the M&CE business to continue leadership in the Crushing & Screening equipment and securing contracts for the mining business in India and in Mozambique.

FINANCIAL PERFORMANCE: CONSOLIDATED

Financial performance as a measure of operational performance:

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

₹ in crores

	2022-23	2021-22	Change	Change%
Segment-A (Unitary Cooling Products)	**6,475**	4,882	1,593	33
Segment-B (Engineering Projects)	**2,402**	2,470	(68)	(3)
Segment-C (Engineering Products)	**522**	489	33	7
Total	**9,399**	7,841	1,558	20

Despite early rains in April/May 2022, being the peak season period for Room Air Conditioners (RACs), the Unitary Cooling Products (UCP) business achieved an overall 33% growth in revenue in 2022-23 over last year.

(B) EMPLOYEE BENEFITS EXPENSE

₹ in crores

	2022-23	2021-22	Change	Change%
Employee benefits expense	**667**	618	49	8

Employee benefits expense comprise salary, wages, and commission to the Directors and Company's contribution to Provident Fund and other funds, gratuity and staff welfare expenses. The Employee benefits expense was higher by 8% on account of increase in manpower, especially for Products business and the annual increments.

(C) FINANCE COSTS

₹ in crores

	2022-23	2021-22	Change	Change%
Interest	**30**	26	4	15

Finance costs is interest paid on bank credit facilities availed for the execution of overseas projects.

(D) PROFITABILITY

₹ in crores

	2022-23	2021-22	Change	Change%
Profit before exceptional items and tax	**551**	697	(146)	(21)
Exceptional items	**(244)**	-	(244)	(100)
Profit before tax	**307**	697	(390)	(56)
Profit after tax	**136**	506	(370)	(73)

Due to severe competition and aggressive pricing adopted by competitors, the margins in RAC business remained under pressure. Further, due to delays in certifications and release of payments in Projects businesses, the Company has in line with its prudent policy created provisions on the receivables, thereby impacting the profitability.

At the same time, due to the unilateral encashment of bank guarantees by the Main Contractors, including the termination of a contract as a sequel to the termination of the Main Contract by the Client, the Company has made a provision of ₹244 crores in respect of receivables and bank guarantees encashed for two overseas contracts of the Project business and the same have been reflected under Exceptional items. The Company has initiated legal proceedings against the Main Contractors for recovery of the proceeds of bank guarantees encashed and other amounts due from these Main Contractors.

Financial Position : Consolidated

(A) BORROWINGS (Non-current and Current)

₹ in crores

	2022-23	2021-22	Change	Change%
Borrowings	**616**	343	273	80
Lease liabilities	**35**	18	17	94
Total	**651**	361	290	80

Borrowings represent working capital and term loan facilities availed for overseas Projects business.

(B) INVESTMENTS

₹ in crores

	2022-23	2021-22	Change	Change%
Non-current investments	**2,801**	3,181	(380)	(12)
Current investments	**307**	434	(127)	(29)
Total	**3,108**	3,615	(507)	(14)

Investments include debt mutual funds, investment in bonds, preference shares and strategic equity instruments in Tata group companies and in joint ventures and associates. Drop in value of investments is offset by investments in bank and other deposits classified under Other Financial Assets.

(C) INVENTORIES

₹ in crores

	2022-23	2021-22	Change	Change%
Raw materials, components, stores and spares	**771**	567	204	36
Work-in-progress (net)	**9**	7	2	29
Finished goods	**492**	598	(106)	(18)
Stock-in-trade of goods (for trading)	**320**	489	(169)	(35)
Total	**1,592**	1,661	(69)	(4)

Movement in inventory reflects the mix of high level of raw materials to meet the seasonal demand and low level of inventory in finished goods and stock-in-trade, signifying higher sales volumes during 2022-23.

(D) TRADE RECEIVABLES

₹ in crores

	2022-23	2021-22	Change	Change%
Trade receivables	**2,192**	2,110	82	4

Trade Receivables have increased depicting the increased time in receipt of due receivables in the Projects businesses.

(E) OTHER ASSETS

₹ in crores

	2022-23	2021-22	Change	Change%
Other current financial assets	**353**	80	273	341
Other non-current financial assets	**272**	83	189	228
Contract assets	**978**	748	230	31
Other current assets	**316**	271	45	17
Other non-current assets	**86**	104	(18)	(17)

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

(F) LIABILITIES AND PROVISIONS

₹ in crores

	2022-23	2021-22	Change	Change%
Current liabilities	**4,620**	4,056	564	14
Non-current liabilities	**166**	153	13	8

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

FINANCIAL PERFORMANCE: STANDALONE

Financial performance as a measure of operational performance:

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

₹ in crores

	2022-23	2021-22	Change	Change%
Segment-A (Unitary Cooling Products)	**6,475**	4,882	1,593	33
Segment-B (Engineering Projects)	**913**	1,619	(706)	(44)
Segment-C (Engineering Products)	**182**	489	(307)	(63)
Total	**7,570**	6,990	580	8

The Board of Directors of Voltas had earlier at its Meeting held on 12 February, 2021, approved the transfer of domestic B2B businesses relating to Projects business comprising Mechanical Electrical and Plumbing (MEP)/ Heating, Ventilation and Air-Conditioning (HVAC) and Water projects, Mining and Construction Equipment (M&CE) business and Textile Machinery Division (TMD) business to its wholly owned subsidiary, Universal MEP Projects & Engineering Services Limited ('UMPESL') via slump sale through a Business Transfer Agreement ('BTA'), which was consummated on 1 August, 2022, being the 'Closing Date'. Accordingly, total revenue of the Company (stand-alone) includes revenue of transferred businesses for part of the year and therefore not comparable with last year.

(B) OTHER INCOME

₹ in crores

	2022-23	2021-22	Change	Change%
Other income	**175**	168	7	4

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

(C) EMPLOYEE BENEFITS EXPENSE

₹ in crores

	2022-23	2021-22	Change	Change%
Employee benefits expense	**437**	489	(52)	(11)

Employee benefits expense comprise salary, wages, and commission to the Directors and Company's contribution to Provident Fund and other funds, gratuity and staff welfare expenses.

(D) FINANCE COSTS

₹ in crores

	2022-23	2021-22	Change	Change%
Interest	**12**	15	(3)	(20)

Finance costs is interest paid on borrowings from banks for execution of overseas projects.

(E) DEPRECIATION AND AMORTIZATION EXPENSES

₹ in crores

	2022-23	2021-22	Change	Change%
Depreciation and Amortization Expenses	**36**	33	3	9

The charge for depreciation on fixed assets was higher for the year 2022-23 as compared to the previous year as it also included depreciation on Right to Use Asset as per Ind AS 116.

(F) OTHER EXPENSES

₹ in crores

	2022-23	2021-22	Change	Change%
Other expenses	**699**	596	103	17

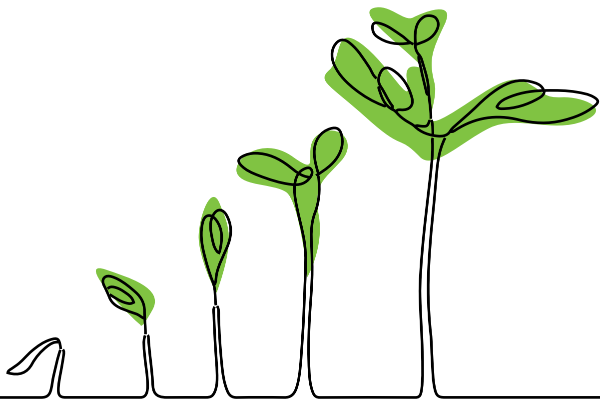
Other expenses include repairs and maintenance, travel and communication costs, service maintenance charges, other selling expenses, external services/contract labour charges, subscriptions, e-auction charges, C&F charges, moving and shifting expenses, staff selection expenses, brand equity expenses and commission paid to Non-Executive Directors. Increase in Other expenses is on account of higher sales volume of Unitary Cooling Products business.

(G) PROFITABILITY

₹ in crores

	2022-23	2021-22	Change	Change%
Profit before exceptional items and tax	**553**	763	(210)	(28)
Exceptional items (net)	**975**	-	975	100
Profit before tax	**1,528**	763	765	100

Profit before exceptional items was lower on account of lower margins in RAC business and provisions made in Project businesses. Exceptional items (net) comprises gain on transfer of businesses to UMPESL; reversal of provision earlier made for diminution in value of investments in UMPESL and provisions on account of cancellation of contract and encashment of bank guarantee.



Financial Position: Standalone

(A) BORROWINGS (Non-current and Current)

₹ in crores

	2022-23	2021-22	Change	Change%
Borrowings	**285**	126	159	126
Lease liabilities	**30**	14	16	114
Total	**315**	140	175	125

Borrowings were primarily for execution of overseas projects which have increased due to higher bank credit facilities availed in UAE.

(B) INVESTMENTS

₹ in crores

	2022-23	2021-22	Change	Change%
Non-current investments	**4,655**	3,691	964	26
Current investments	**307**	434	(127)	(29)

Non-current investments comprise investment in subsidiaries, joint ventures, associates and investment in Mutual Funds, Bonds and Preference Shares. Current investment comprise investment in Mutual Funds and Bonds/Debentures. The increase in Non-current investments was primarily on account of additional capital infusion in UMPESL and Voltbek. The movement in Current and Non-Current investments is also on account of re-classification based on cash outflow forecast for next 12 months.

(C) INVENTORIES

₹ in crores

	2022-23	2021-22	Change	Change%
Raw materials, components, stores and spares	**762**	562	200	36
Work-in-progress (net)	**8**	7	1	14
Finished goods	**491**	597	(106)	(18)
Stock-in-trade of goods (for trading)	**286**	489	(203)	(42)
Total	**1,547**	1,655	(108)	(7)

Inventories as at year end is a mix of high inventory of raw material built up for the peak season and low level of finished goods and stock-in-trade representing higher sales volume during the year 2022-23.

(D) TRADE RECEIVABLES

₹ in crores

	2022-23	2021-22	Change	Change%
Trade Receivables	**1,289**	1,520	(231)	(15)

Due to better focus on cash collections across businesses, trade receivables were lower by 15% in 2022-23 as compared to last year.

(E) CASH AND CASH EQUIVALENTS

₹ in crores

	2022-23	2021-22	Change	Change%
Cash and Cash Equivalents	**374**	451	(77)	(17)

Cash and bank balance at the year-end stood at ₹374 crores. Reduction in current liabilities is on account of lower trade payables due to shift in procurement – to domestic vendors as compared to overseas suppliers with whom the Company had longer credit period.

(F) OTHER ASSETS

₹ in crores

	2022-23	2021-22	Change	Change%
Other current financial assets	**381**	110	271	246
Contract assets	**373**	576	(203)	(35)
Other non-current financial assets	**261**	76	185	243
Other current assets	**222**	222	-	-
Other non-current assets	**71**	95	(24)	(25)

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

(G) LIABILITIES AND PROVISIONS

₹ in crores

	2022-23	2021-22	Change	Change%
Current liabilities	**3,130**	3,519	(389)	(11)
Non-current liabilities	**139**	129	10	8

Current liabilities comprise contract liabilities, short-term borrowings, trade payables, short-term provisions, income tax liabilities and other current liabilities. Non-current liabilities consist of long-term provisions and trade payables.

RISK AND CONCERNS

The Company has developed and implemented a robust Enterprise Risk Management (ERM) Framework, by engaging E&Y for benchmarking with leading international risk management standards such as ISO 31000 and Committee of Sponsoring Organization of the Treadway Commission ('COSO'). The Company has adopted a consistent Framework and standard process to ensure a co-ordinated and integrated approach for managing Risks and Opportunities across the organization. The ERM Framework intends to reinforce the commitment of Voltas to effectively identify and manage the existing and emerging risks and harness the underlying opportunities while safeguarding the business value to achieve its strategic objectives. Voltas intends to develop and maintain a robust risk governance mechanism to facilitate risk informed decision-making by leveraging a fully integrated ERM Framework.

Risk Monitoring and Reporting

Risks and defined response action plans are regularly assessed, updated and reported at appropriate levels within the organization to maintain an ongoing oversight.

In addition to establishing an effective ERM framework, Voltas has been evaluating opportunities for adopting technology tools to enhance risk management processes' implementation.

Some of the key business risks are in relation to: Supply Chain, Commodity Prices, Human Resources, Cyber Security, Macro-Economic factors, Competition, Environmental, Social and Governance and Brand Reputation. The Company has put in place adequate measures to mitigate these risks.

Risk Governance

BOARD OF DIRECTOR

Maintain an oversight of the ERM systems and review top enterprise level risks which may threaten the existence of the organization

RISK MANAGEMENT COMMITTEE

Set the tone at the top to establish risk aware culture and provide guidance and feedback to manage key enterprise level risks to management

BUSINESS SEGMENTS & FUNCTIONS

Identify, assess, monitor and review key functional and business segment level risks and cascade top risks to the management for their feedback, guidance and support

CHIEF RISK OFFICER

Develop effective ERM systems and standard templates to facilitate consistent implementation of risk management processes across Voltas

INTERNAL AUDIT

Provide an independent assurance while communicating key audit findings and risk identified during audit assignment to the management

HUMAN RESOURCE

Voltas places a high priority on human resources and regards it as a fundamental aspect of the Company. The Company considers its employees one of its most valuable assets and places human resources management at the forefront to build a strong team while promoting diversity in the workforce. At Voltas, seven strategic pillars guide the effective functioning of business processes in line with human resources management. It includes organization design, capability building, employee engagement, total rewards, simplification and digitalization, employer branding, sustainability along with CSR and Safety.

Voltas believes in providing better opportunities to its workforce and has implemented strict policies to guide employee behaviour and promote challenges. Therefore, the Company's key focus is on mapping critical jobs with the right person under the right head. The internal movement of talent is decided and development plans are aligned to this critical mapping. Voltas hires fresh talent from across the country to create a robust frontline workforce through campus recruitments. It invests in capability-building, digitalization, and engaging workers. Further to serve the pool of talent planning and management processes, Voltas has both long-term and short-term strategies. The Company undertakes robust learning and development initiatives that include technical, functional, leadership development and culture-building programmes. Moreover, through digital tools such as Disprz Learning Management System and Nirantar Privriddhi, the Company has effectively educated over 20,000 contract and staff workers through various programmes.

Employee care and well-being are a priority for Voltas. Under this, it takes various initiatives such as running a compulsory Annual Health Check-up for all employees. It has also tied up with a Diagnostics Centre leveraging pan-India reach to facilitate access to quality healthcare services. Voltas aims to create a safe and harassment-free environment. For this, Voltas runs workplace awareness programmes to address sensitive situations like female equality and complaints in each location. These programmes combine both in-person discussions and online learning modules like Women and Child Development's Manual on Sexual Harassment of Women at Workplaces, POSH Classroom Training, and an employee e-learning website. These programmes put together safeguards Voltas' work culture.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal financial control framework is commensurate with the size and complexity of its business operations, and in line with the IFC framework prescribed under Section 134(5) of the Companies Act, 2013. The control framework has documented policies and procedures covering

Team Voltas at Pantnagar Factory

all financial and operating functions. The controls are designed in line with the Companies Act 2013, and the Guidance Note on 'Audit of Internal Financial Controls over Financial Reporting' issued by The Institute of Chartered Accountants of India (ICAI). The Company's internal control systems are periodically tested by the Voltas' Management, Statutory and Internal Auditors.

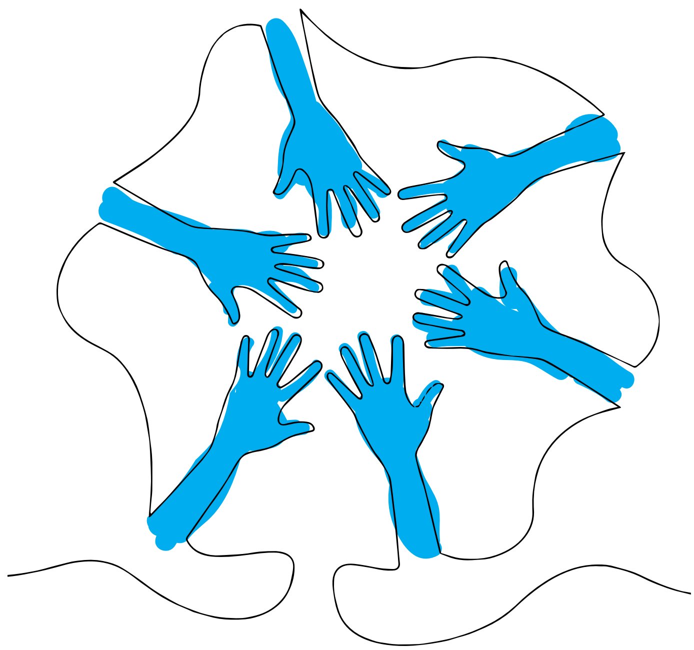
The Company has an independent internal audit function headed by the Chief Internal Auditor supported by co-sourced audit teams from leading Chartered Accountant firms. The Chief Internal Auditor reports to the Board Audit Committee and the Internal Audit department is staffed by qualified and experienced personnel.

Internal audit (IA) carries out a focused and risk-based annual internal audit plan approved by the Board Audit Committee. The scope and coverage of audits include review and reporting on key process risks, adherence to operating guidelines and statutory compliances. IA also provides recommendations for control improvements and enhancement in the efficiency of operations.

The Audit Committee regularly reviews significant audit findings, adequacy and reliability of financial reporting and internal control and risk management frameworks. During the year, the operating effectiveness of internal controls was tested as part of the Management's control testing program. Based on the assessment and evaluation of the results thereof, the Board, with the concurrence of the Audit Committee, was of the opinion that the Company's Internal Financial Controls were adequate and operating effectively as of 31 March, 2023.

CAUTIONARY STATEMENT

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



VOLTAS
A TATA Enterprise

Highlights

			2022-23	2021-22	2020-21	2019-20	2018-19
1.	**SALES AND SERVICES**	₹	**9,399**	**7,841**	**7,457**	**7,627**	**7,085**
2.	**OTHER INCOME (INCLUDING OTHER OPERATING INCOME)**	₹	**268**	**283**	**288**	**262**	**226**
3.	**COST OF SALES AND SERVICES (INCL. EXCISE DUTY)**	₹	**7,378**	**5,897**	**5,555**	**5,555**	**5,262**
4.	**OPERATING, ADMINISTRATION AND OTHER EXPENSES**	₹	**1,617**	**1,419**	**1,396**	**1,470**	**1,307**
5.	Staff Expenses (included in 3 & 4)	₹	(667)	(618)	(602)	(672)	(642)
	Number of Employees (including Contract Staff)	Nos.	9,614	8,343	8,617	8,821	8,261
6.	**OPERATING PROFIT**	₹	**551**	**697**	**709**	**795**	**689**
7.	**EXCEPTIONAL INCOME/(EXPENSES)**	₹	**(244)**	**—**	**—**	**(51)**	**(12)**
8.	**PROFIT BEFORE TAXATION**	₹	**307**	**697**	**709**	**744**	**677**
	Percentage to Sales and Services	%	3.3	8.9	9.5	9.8	9.6
	Percentage to Total Net Assets	%	5.0	11.9	13.5	16.5	15.3
9.	**TAXATION**	₹	**171**	**191**	**180**	**223**	**163**
10.	**PROFIT AFTER TAXATION**	₹	**136**	**506**	**529**	**521**	**514**
	Percentage to Sales and Services	%	1.4	6.5	7.1	6.8	7.3
	Percentage to Shareholders' Funds	%	2.5	9.2	10.6	12.2	12.5
11.	**PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY**	₹	**135**	**504**	**525**	**517**	**508**
12.	**RETAINED PROFIT**	₹	**10**	**322**	**397**	**372**	**353**
13.	**DIVIDEND ON EQUITY CAPITAL**	₹	**141**	**182**	**165**	**132**	**132**
	Percentage	%	425	550	500	400	400
14.	**PROPERTY, PLANT AND EQUIPMENT INCLUDING OTHER INTANGIBLE ASSETS (AT COST)**	₹	**707**	**560**	**564**	**550**	**518**
15.	**DEPRECIATION**	₹	**340**	**322**	**317**	**300**	**294**
16.	**INVESTMENTS**	₹	**3,109**	**3,615**	**3,046**	**2,343**	**2,386**
17.	**NET CURRENT AND NON-CURRENT ASSETS**	₹	**2,597**	**1,975**	**1,905**	**1,234**	**1,716**
18.	**DEFERRED TAX ASSET (NET)**	₹	**30**	**32**	**56**	**71**	**99**
19.	**TOTAL NET ASSETS**	₹	**6,103**	**5,860**	**5,254**	**4,498**	**4,425**
20.	**SHARE CAPITAL**	₹	**33**	**33**	**33**	**33**	**33**
21.	**OTHER EQUITY**	₹	**5,419**	**5,467**	**4,960**	**4,247**	**4,077**
22.	**EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY**		**5,452**	**5,500**	**4,993**	**4,280**	**4,110**
	Equity per Share (Book Value)	₹ †	***163.86**	***165.25**	***149.22**	***127.20**	***121.21**
	Earnings per Share	₹ †	***4.08**	***15.23**	***15.87**	***15.63**	***15.35**
	Number of Shareholders	Nos.	**2,79,240**	**1,75,827**	**1,50,995**	**1,25,527**	**1,19,915**
	Share Prices on Stock Exchange - High	₹ †	***1,348**	***1,357**	***1,131**	***741**	***665**
	- Low	₹ †	***738**	***918**	***428**	***449**	***471**
23.	**BORROWINGS**	₹	**616**	**343**	**251**	**218**	**315**
	Debt/Equity Ratio (Percentage to Shareholders' Funds)	%	**11**	**6**	**5**	**5**	**8**

Notes :
1. All amounts are Rupees in Crores except those marked †.
2. Figures from 2012-13 onwards are based on Consolidated Financial Statements.
3. Previous year's figures have been regrouped / reclassified, wherever necessary.
4. Figures for 2015-16 onwards are as per Ind AS. The figures for preceding years are as per old IGAAP.
5. Operating profit from 2015-16 onwards includes share of profit / (loss) of joint ventures and associates.
6. *Face Value of ₹ 1 each (Shares of ₹ 100 each split into Shares of ₹ 10 each in 1990 and thereafter, into Shares of ₹ 1 each in 2006).
7. ** denotes value below ₹ 50 lakhs.

2017-18	2016-17	2015-16	2014-15	2013-14	1994-95	1984-85	1974-75	1964-65	1954-55	
6,380	6,033	5,720	5,166	5,280	811	266	159	42	10	1
222	274	164	148	123	8	2	**	**	**	2
4,591	4,298	4,114	3,619	3,891	604	211	138	35	8	3
1,210	1,271	1,242	1,227	1,194	192	56	19	5	2	4
(587)	(618)	(635)	(590)	(595)	(100)	(32)	(10)	(4)	(1)	5
8,118	8,429	8,741	8,424	9,101	10,667	8,147	7,252	5,082	2,324	
804	719	534	468	318	23	1	2	2	**	6
1	1	29	46	22	(1)	—	—	—	—	7
805	720	563	514	340	22	1	2	2	**	8
12.6	11.9	9.8	9.9	6.4	2.7	0.5	1.0	5.9	2.5	
19.9	20.7	18.3	23.1	16.3	5.0	1.1	4.6	18.3	6.5	
227	200	170	128	94	**	—	1	1	**	9
578	520	393	386	246	22	1	1	1	**	10
9.1	8.6	6.9	7.5	4.7	2.7	0.5	0.5	2.3	1.4	
14.8	15.7	14.0	18.4	13.5	13.2	4.1	6.7	17.6	9.1	
572	517	387	384	245	—	—	—	—	—	11
437	414	309	286	174	10	**	**	1	**	12
132	116	86	74	61	12	1	1	**	**	13
400	350	260	225	185	35	10	12	15	6	
470	460	484	459	461	307	50	12	4	1	14
290	278	280	266	251	107	16	6	1	**	15
2,754	2,268	1,946	1,094	732	82	5	1	1	—	16
1,108	1,008	901	902	1,116	149	66	29	9	3	17
5	20	31	35	24	—	—	—	—	—	18
4,047	3,478	3,082	2,224	2,082	431	105	36	13	4	19
33	33	33	33	33	34	10	6	3	2	20
3,872	3,274	2,778	2,069	1,786	131	20	6	3	**	21
3,905	3,307	2,811	2,102	1,819	165	30	12	6	2	22
*117.88	*99.93	*84.96	*55.59	*48.29	50	305	191	216	1,027	
*17.30	*15.64	*11.70	*11.62	*7.42	7	12	13	38	93	
1,07,457	1,08,646	1,05,465	99,973	1,03,543	84,180	45,237	14,395	7,356	150	
*675	*425	*360	*301	*164	176	470	211	276		
*401	*267	*211	*149	*63	92	356	125	183		
142	171	271	122	263	266	75	24	7	2	23
4	5	10	6	14	162	253	200	136	151	

REPORT OF THE BOARD OF DIRECTORS

To the Members

Your Directors present their 69th Annual Report and the Audited Statement of Accounts for the year ended 31 March, 2023.

1. Financial Results

₹ in crores

	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
Total Income	9,667	8,124	7,850	7,266
Profit for the year after meeting all expenses but before exceptional items, interest and depreciation	742	870	601	811
Interest	30	26	12	15
Depreciation and amortisation	40	37	36	33
Profit before exceptional items, share of profit/(loss) of joint ventures and associates and tax	672	807	553	763
Exceptional items	(244)	-	975	-
Share of profit/(loss) of joint ventures and associates	(121)	(110)	-	-
Profit before tax	307	697	1,528	763
Tax expenses	171	191	123	180
Profit after tax	136	506	1,405	583
Other comprehensive income (net)	(38)	170	(57)	166
Total comprehensive income	98	676	1,348	749

2. Operations

In 2022, the domestic economy experienced an overall revival without any Covid restriction. However, due to the geo-political tension between Ukraine and Russia, countries across the globe continued to remain impacted. Supply chain disruptions and strengthening of the Dollar Index resulted in depreciation of local currencies. Increases in Oil and other energy costs have fuelled inflation in developed and developing economies forcing Central Banks across the globe to withdraw accommodative policies by increasing their benchmark rate. The high cost of borrowing will impact future growth across economies.

Given the above challenges, the International Monetary Fund (IMF) has lowered its outlook for the global economy to 2.8%. Nevertheless, India continues to be the fastest growing economy in the world. The Central Bank in India has also taken cognizance of high inflation and has announced increases in its benchmark rate aggregating 250 bps during the year before pausing in the last Monetary Policy meeting in April 2023.

Amidst a demanding environment and various headwinds, the Company has sustained its topline for the year under review largely due to the availability of an un-interrupted season for its Unitary Cooling Products business and the timely execution of project orders.

The Company's focus on the Inverter sub-category with competitive pricing and a larger number of SKUs yielded positive results. Inverter ACs now account for over 75% of total Split ACs sold, as compared to 63% in the previous year.

The Commercial Refrigeration Products business has registered an excellent growth due to the increased participation of OEMs engaged in the ice-creams, chocolates and beverages Industries and expansion of modern retail stores across the country. With the objective of product portfolio expansion, your Company has entered into a Technology License Agreement with Vestfrost Solutions, Denmark for medical refrigeration products which have a good potential to grow in the future.

In Air Coolers, introduction of SKUs across all product sub-categories and targeted secondary scheme with channel partners resulted in profitable growth for the category alongwith increase in market share over the previous year. Investments in product differentiation which secure long term benefits of value engineering has started delivering the desired result, which will further strengthen the brand recognition in future.

The Company is expanding its production capacity for both, Air-conditioner (to produce 2 million room ACs) and Commercial Referigeration products to cater to the increased demand and balance the supply chain. The capex outflow for the above is expected to be in the range of ₹ 450-500 crores, to be incurred over the next 18-24 months. The capex will be largely funded through internal accruals. However, other funding options may also be evaluated.

Resumption of commercial activities at an accelerated pace, expansion of retail outlets and focus on retrofit jobs along with high customer retentions enabled the Commercial Air Conditioning (CAC) business achieve growth in turnover and profitability as compared to last year.

A lower carry forward order book position and muted order inflow during the first half of the year under review kept the growth under pressure for the Projects business. However, the order inflow has significantly improved in the latter part of the year. The delay in closure of few critical projects, cost escalations and provisions made due to the unilateral action of the Main Contractors by encashing bank guarantees issued by the Company for 2 overseas projects, including termination of a sub-contract in the UAE, have significantly impacted the performance and profitability of the international business operations. The Company has made a provision of ₹ 244 crores towards the encahsed bank guarantees amount and other moneys receivable from the Main Contractors and has initiated legal proceedings against the Main Contractors. The said provisions have been reflected as exceptional items in the financial statements.

The Engineering Products and Services comprising Mining & Construction Equipment and Textile Machinery have performed better given the revival in the capital cycle, focus by the Government on the Infrastructure development along with sector specific production linked incentive scheme announced.

Voltbek, the joint venture company for white goods has, despite being a relative new entrant, achieved a cumulative sales volume in excess of 3.3 million units which is a good milestone, demonstrating the trust in the Voltas-Beko brand and acceptance of the products across the value chain. The efforts of substituting imports by inhouse manufacturing of high value added products, the launch of innovative and customer centric products and the focus on channel expansion by leveraging the strength of the joint venture partners has enabled Voltbek to accelerate its overall performance.

Your Company has achieved a higher turnover compared to the previous year and the consolidated total income from operations was ₹ 9,667 crores. The consolidated Profit before share of profit/loss from joint ventures and associates and exceptional items was ₹ 672 crores and consolidated Net Profit after tax was significantly lower at ₹ 136 crores. Voltas ended the year with an Earnings per Share of ₹ 4.08 (Face Value per share of ₹ 1).

The Company's balance sheet continues to remain strong and healthy. The borrowings are primarily for the overseas operations. The tight control on the working capital with focus on collections in Projects business has improved the overall cash flow and the investments.

3. Reserves

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

4. Dividend Distribution Policy

In accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Board of Directors of the Company has adopted a Dividend Distribution Policy ('Policy') based on the need to balance the twin objectives of appropriately rewarding the Company's shareholders with dividend, and of conserving resources to meet its future requirements. The Policy is attached to this Report as Annexure I, and the same is also available on the Company's website at https://www.voltas.com/images/_ansel_image_collector/DIVIDEND_DISTRIBUTION_POLICY_1.pdf.

5. Dividend

Based on the Company's performance and keeping in mind the shareholders' interest, the Directors recommend a dividend of ₹ 4.25 per equity share of ₹ 1 each (425%) for the year 2022-23 (2021-22: 550%). The dividend would result in a cash outflow of around ₹ 141 crores, reflecting pay out of 10% of the Net Profit and a pay out of 32.69% after excluding the exceptional items (net).

The dividend on equity shares is subject to the Shareholders' approval at the 69th Annual General Meeting ('AGM') scheduled to be held on 22 June, 2023. The Register of Members and Share Transfer Books of the Company will remain closed from 10 June, 2023 to 22 June, 2023 (both days inclusive) for the purpose of payment of the dividend for the year ended 31 March, 2023, and the AGM.

6. Finance

Cash management has been a focus for the Company. During the year, the Company invested further capital of ₹ 122.50 crores into Voltbek to support its accelerated growth plan. The cash and bank balance, including investments, continue to remain robust to support various initiatives including the capex plans for the expansion of production capacities and organic/inorganic growth avenues.

The minimal borrowing in the Company's balance sheet represents fund-based borrowings for overseas operations leveraging interest and cross currency, with domestic borrowing being largely confined to non-fund-based facilities. The credit rating has been reconfirmed to AA+ for the long-term and A1+ for short-term borrowings of the Company by the Rating Agency, enabling the Company avail banking facilities at competitive rates.

Digital transformation by adoption of digital technology in various processes has made the Company more effective and efficient. Cost optimisation across all functions, along with tight control on working capital, has resulted in generating a cash surplus during the year.

The year under review has seen a gradual withdrawal of accommodative stance extended during pandemic period by the Central Bank by increasing benchmark rate by 250 bps to contain the inflation. The action of the Central Bank has resulted in hardening of yields across maturities, with short term instruments impacted the most. The Company's investment policy considers three important principals of investing viz safety, security and liquidity and the investments are prudently monitored by the Investment Committee. As on 31 March, 2023, the Company's liquid investments (Mutual Funds, Bonds, ICDs and Bank Fixed Deposits) was over ₹ 2,000 crores.

Strengthening of the Dollar Index, widening of current account deficit and slower economy growth has resulted in the depreciation of the Rupee by close to 10% during the year under review. The Company has a well defind Forex policy, based on which its currency exposure is closely monitored to hedge the forward risk in a more structured and timely manner.

7. Business Restructuring

- **Domestic Businesses**

  As earlier reported, in order to have better emphasis on sustainable and profitable growth with increased focus on B2C and B2B verticals, the Board had in the year 2021-22, approved the proposal for transfer of the domestic business relating to MEP, HVAC and Water projects, Mining and Construction Equipment (M&CE) business and Textile Machinery Division to its 100% wholly-owned subsidiary, Universal MEP Projects & Engineering Services Limited (UMPESL) by slump sale and a Business Transfer Agreement (BTA) was executed on 24 March, 2021 between the Company and UMPESL. The said transfer was subject to certain 'Conditions Precedent' which have been completed and the transaction has been consummated on 1 August, 2022, being the 'Closing Date'. After taking into consideration the working capital adjustments, the consideration for transfer of aforesaid B2B businesses was ₹ 1,190 crores which has been received by the Company from UMPESL.

- **Overseas Operations**

  The Company has from time to time made investments in overseas subsidiaries and joint venture companies either directly or through its wholly owned subsidiary – Voltas Netherlands B.V. (VNBV), located in the Netherlands. In order to simplify the entire structure for better control and keeping in mind the future potential for business opportunities in the Middle East and Asia and in order to have ease for the overseas business operations and considering close proximity and better connect, VNBV has, during the year under review, transferred its entire ownership in the shareholding of the following joint ventures/ subsidiaries : Universal Voltas LLC – 49%; Saudi Ensas Company for Engineering Services WLL (Saudi Ensas) – 8%; Voltas Oman SPC – 100% and Lalbuksh Voltas Engineering Services Trading LLC (Lalvol) – 40%, to its wholly owned subsidiary, Universal MEP Projects Pte Limited (UMPPL), established in the Republic of Singapore, by way of its capital contribution. The legal process for change in the ownership has been completed and the Commercial Registration Certificates of the aforesaid companies have been suitably amended to reflect the name of UMPPL as a shareholder in place of VNBV. VNBV has also approved transfer of its 49% shareholding in Voltas Qatar WLL and the legal process for change in the Commercial Registration Certificate of Voltas Qatar WLL is in progress.

The Board has, at its Meeting held on 26 April, 2023, also approved the proposal for transfer of overseas branch offices of the Company in Dubai, Abu Dhabi, Sharjah in United Arab Emirates (UAE), Doha in Qatar, Bahrain and Singapore to UMPPL, the wholly owned subsidiary of Voltas Netherlands B.V. (VNBV), and a step-down subsidiary of Voltas. The transfer of business operations of Voltas overseas branch offices would be on a slump sale basis through execution of Business Transfer Agreement (BTA) for each branch separately, subject to satisfactory completion of 'Conditions Precedent', as on the 'Closing Date', including novation of existing contracts of Voltas in favour of UMPPL by the Main Contractors/Clients and such other compliances/procedures necessary or as may be applicable in the respective local jurisdictions.

The Board has also approved transfer of Voltas direct investments in overseas subsidiary companies – Weathermake FZE (100%) in Jebel Ali Free Zone, UAE; Saudi Ensas in Kingdom of Saudi Arabia (92%) and Lalvol in Sultanate of Oman (20%) to UMPPL through execution of Share Purchase Agreement (SPA) for each company respectively, subject to requisite approvals as may be required.

The 'Closing Date' for transfer of overseas branch operations and investments in overseas subsidiaries is targeted to be completed by end December 2023 or such other date as may be mutually agreed between Voltas and UMPPL. With the aforesaid internal re-structuring, international operations of the Company, including the Company's investments in overseas joint ventures/subsidiaries would be housed in a separate wholly owned subsidiary – UMPPL. The consideration for transfer of Voltas overseas branch offices and investments in overseas subsidiaries would be at arm's length based on an independent valuation, subject to necessary adjustments, if required in accordance with the provisions of BTA and SPA, respectively at the time of Closing.

This internal restructuring would enable the Company focus on the Products businesses and Projects businesses, independent of each other and to expand their respective growths. It woud also provide flexibility to Voltas to expand its Product businesses further in the B2C space.

8. Tata Business Excellence Model (TBEM)

Voltas has launched a digital centralised repository – 'Nirantar Privriddhi' for facilitating knowledge management and sharing of best practices by the Business Excellence and Quality Assurance (QA) team. This portal makes all the quality standards and QA reports available centrally. As part of capturing the voice of customers, CAST survey is initiated for all the consumer businesses.

Voltas also actively participated in TATA Innovista and contributed 5 entries which are currently under evaluation at the group level.

The Company will continue its efforts towards achieving business excellence.

9. IT Initiatives

During the year under review, the Company's IT team ensured the smooth transitions of all systems and applications in line with the Company's new organisation structure. Further, to enhance speed, scalability and system readiness, the IT team resorted to a cloud-first approach for all new developments and implementations. Modernisation of existing applications to make them cloud-ready are in process for the current and future business needs. The Company has migrated Voltas In-Shop Demonstration Applications (VISA) to Amazon Web Services (AWS) for ensuring better performance as part of Cloud first strategy. There was an increased focus on Cyber Security with upgrades and refreshes across applications for improving security and productivity. IT team also used various analytical tools including Power BI (Business Intelligence tool from Microsoft) for CXOs, MIS reporting, customer insight, service insight, and process insights, including consolidating digital assets and is moving towards Data Lake and Customer Data Platforms (CDP) to enhance the overall customer experience. IT solutions have been implemented as part of Industry 4.0 initiatives. PLM (Product Life- cycle Management) solutions, new line management solutions and IoT-enabled equipment for preventive and predictive maintenance are some of the key initatives for Industry 4.0. All these efforts are directed towards creating a future ready, digitally advanced and data driven organisation.

10. Safety Health Environment (SHE)

Voltas commenced its safety cultural transformation journey in 2019 and is currently in the 'Independent' phase on the Bradley Curve. To ensure consistency across all business units, the Company implemented several measures such as:

- Standardization of SHE management across all the businesses, including review and revision of policy, manuals, risk assessment and procedures.
- Establishment of SHE strategy and SHE goal settings, including training index, number of observations and number of leadership audits.
- Implementation of business-centric SHE leadership programmes, including mandatory training of senior leaders and their engagement in leadership audits. A total of 343 leadership audits were conducted by 137 senior leaders.
- Conducted dedicated campaigns on road safety with the participation of over 1,500 employees as well as 5S campaigns across all our work locations. Implemented 5S (Seiri, Seiton, Seiso, Seiketsu, and Shitsuke) in manufacturing units and 2S (Seiri & Seiton) in all project sites.
- Certification, Re-certification and Surveillance of businesses for ISO 9001, ISO 14001 and ISO 45001.
- Creation of 40 model sites across the organisation.
- Digitization of SHE management processes, including QR code-based hazard/observation reporting, contractor safety management platform, vendor management platform, visitor management system and technician tracking app. 758 contractors were registered on Vendor and CSM platform, and around 10,000 technicians were tracked through technician tracking app.
- E-Learning modules including launch of new App 'Disprz' were introduced to increase SHE awareness among employees.
- Conducted SHE Conclaves for business partners in Kolkata, Chennai, Bhubaneswar, Delhi and Mumbai to strengthen their competencies. A total of 16,000 person-hours of training and awareness was created among 400 contractors and around 600 employees from various businesses.
- Annual Safety Culture Survey was extended to workers, technicians and contractors and there was good response.
- Conducted Industrial Hygiene & Occupational Health Surveys at Manufacturing plants.

11. Sustainability Development

Based on the Tata Ethos of 'Giving back to the Community', Voltas has designed its CSR framework in three verticals **(a) Sustainable Livelihood** which emphasizes on skilling and employability building for marginalized youth and women **(b) Community Development** which focuses on issues like quality education, health and water **(c) Issues of National Importance** which addresses national level issues like disaster response/ mitigation and sanitation.

Affirmative Action is a common thread for all the CSR initiatives of Voltas, and the projects undertaken actively work towards inclusion of SC and ST communities, Women and People with Disabilities (PWD).

Sustainable Livelihood

Skill Development and Employability Enhancement of marginalised youth has been the flagship programme of Voltas. The Company offers courses in Air Conditioning, Plumbing, Electrical, BSFI, Retail, IT enabled services, Tally and Accounting, Nursing assistant and Tailoring, which are industry oriented and relevant to market requirements. These courses have well-designed content, provide hands-on-training in well-equipped laboratories, on-job-training in real-life situations, soft skills and safety.

Through 27 Skill Development Centres across 13 States in India, Voltas is creating a shared value which converges the aspirations of the community and the requirements of the Industry to create a larger pool of skilled technicians. Voltas has up to 31 March, 2023 skilled around 39,700 students in various trades and has set a target of skilling up to 45,000 students by 2024-25.

During 2022-23, the Company had appointed KPMG to carry out an impact assessment study of the aforesaid programmes on the lives of the beneficiaries and an executive summary of their findings forms part of the Annual Report on CSR Activities annexed to this Report.

Voltas has received the coveted Appreciation Plaque for its commendable work in the Skill Development and Livelihood category of the FICCI CSR awards in a special event organised at New Delhi on 12 December, 2022.

Community Development

This vertical focusses on Education, Health and Water based on the priority needs of the local communities. The key communities addressed through this vertical are women, children, differently abled persons, farmers, schools and other institutions.

Issues of National Importance

Voltas supports the social issues of national importance, including disaster management. Two major projects pursued under this vertical are:

(i) Integrated Sanitation Project, Waghodia (Gujarat):

The Company initiated this project in 10 villages of the Waghodia District in Gujarat through Coastline Salinity Prevention Cell (CSPC), an independent agency, for enhancing overall sanitation in the villages through Water, Sanitation and Hygiene (WASH) interventions.

(ii) Participatory Ground Water Management and Sustainable Agriculture Project, Beed (Maharashtra):

The Company initiated this project in 6 villages of Beed District of Maharashtra through Action for Food Production (AFPRO), an independent agency, for creation and efficient management of water resources and promoting sustainable farming practices to address or mitigate perennial drought situation in the area.

During 2022-23, the Company had appointed Price Waterhouse Chartered Accountants LLP (PW) to carry out an impact assessment study of the aforesaid projects on the lives of the beneficiaries and an executive summary of their findings forms part of the Annual Report on CSR Activities annexed to this Report.

12. Corporate Social Responsibility (CSR)

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

During 2022-23, the Company spent ₹ 14.60 crores towards various CSR activities, in line with the requirements of Section 135 of the Companies Act, 2013 ('Act'). Details of the composition of the CSR Committee and Meeting held during 2022-23 are disclosed in the Corporate Governance Report.

13. Consolidated Financial Statements

The Consolidated Financial Statements of the Company and its subsidiaries for the year 2022-23 are prepared in compliance with the applicable provisions of the Act and as stipulated under Regulation 33 of the Listing Regulations, as well as in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. The Audited Consolidated Financial Statements, together with the Auditor's Report thereon, forms part of this Annual Report.

14. Subsidiary/Joint Ventures/Associate Companies

As on 31 March, 2023, the Company had 9 subsidiaries (direct and indirect), 4 joint ventures and 1 associate company.

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

The Policy for determining material subsidiaries of the Company is also provided on the Company's website at https://www.voltas.com/images/_ansel_image_collector/DETERMINING_MATERIAL_SUBSIDIARY_POLICY_1.pdf

As of 31 March, 2023, the Company did not have any material subsidiary.

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

- Consequent upon consummation of BTA, with effect from 1st August, 2022, Revenue from Operations of Universal MEP Projects & Engineering Services Limited (UMPESL), a wholly owned subsidiary of the Company also include revenue of businesses transferred by Voltas. Further in line with the requirements of the Accounting Standard, the previous year numbers have also been restated. Accordingly, UMPESL has reported turnover of ₹ 1,767 crores and profit before tax of ₹ 235 crores in 2022-23, as compared to ₹ 1,589 crores and ₹ 184 crores, respectively in the previous year.
- Voltbek Home Appliances Private Limited (Voltbek), the joint venture with Arçelik A.Ş. for Consumer White Goods has reported a turnover in excess of ₹ 1,000 crores for 2022-23. However, due to increase in costs on account of inflationary pressures, which were not fully passed onto the market, Voltbek has reported a higher loss in the current financial year as compared to the previous year. The long term prospects remain buoyant and Voltbek has achieved a cumulative sales volume of over 3.3 million units (upto 2022-23). This is a significant milestone achieved in a short duration of time by Voltbek, despite being a new entrant in the market. There has been steady growth in market share for Refrigerators and Washing Machines during 2022-23 over last year and several initiatives and action plans have been put in place for achieving breakeven. Voltas as one of the main shareholders (49%) has provided full support in terms of its Distribution Reach, Channel Partners network and financial support in the form of capital infusion. Similarly, Arcelik is extending support in terms of product technology and making similar capital infusion. The paid-up capital of Voltbek as on 31 March, 2023 was ₹ 1,277 crores. During 2022-23, the Company has invested ₹ 122.50 crores in share capital of Voltbek and the Company's total investment in Voltbek was ₹ 625.73 crores.

Except as mentioned above, there have been no material changes in the nature of the business of the subsidiaries, including associates and joint ventures during the financial year 2022-23.

The name of Voltas Water Solutions Private Limited (VWS), an associate of the Company, has been struck-off from the Register of Companies with effect from 26 July, 2022 based on an application made to the Registrar of Companies, Maharashtra, Mumbai. Accordingly, VWS ceased to be an associate of the Company during the year 2022-23.

15. Number of Board Meetings

During 2022-23, seven Board Meetings were held on 12 April, 2022; 5 May, 2022; 2 August, 2022; 1 November, 2022; 6 December, 2022; 9 February, 2023 and 10 March, 2023. All the Board Meetings were held physically and facility of participation at Board Meetings through video conferencing was provided to those Directors who had requested for the same.

16. Policy on Directors' Appointment and Remuneration, including Criteria for Determining Qualifications, Positive Attributes, Independence of a Director

Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board has adopted the Remuneration Policy for Directors, KMPs and other employees. NRC has formulated the criteria for determining qualifications, positive attributes and independence of an Independent Director, alongside the criteria for Performance Evaluation of individual Directors, the Board as a whole and the Committees. The Company's Policy on Directors' appointment and remuneration, and other matters provided in Section 178(3) of the Act is disclosed in the Corporate Governance Report, which is a part of the Annual Report and is also available on https://www.voltas.com/images/_ansel_image_collector/DISCLOSURE_OF_REMUNERATION_POLICY_FOR_DIRECTORS.pdf

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

Pursuant to the provisions of the Act and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Board carried out an evaluation of its performance, Committees and individual Directors. The performance of the Board as a whole, Committees and individual Directors was evaluated by seeking inputs from all Directors based on certain parameters as per the Guidance Note on Board Evaluation issued by SEBI such as: Board structure and composition; Meetings of the Board in terms of frequency, agenda, discussions and dissent, if any, recording of Minutes and dissemination of information; Functions of the Board, including governance and compliance, evaluation of risks, stakeholder value and responsibility, Board and Management, including evaluation of the performance of the Management. The Directors also made their self-assessment on certain parameters – attendance, contribution at meetings and guidance/support extended to the Management. The feedback received from the Directors was discussed and reviewed by the Independent Directors at their separate Annual Meeting held on 21 March, 2023, and also shared with the NRC/Board. At the separate Annual Meeting of Independent Directors, the performance of Non-Independent Directors, including the Chairman, Board as a whole and various Committees was discussed. The Independent Directors in the said meeting also evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties. They expressed their satisfaction in respect thereof. The performance of the individual Directors, performance and role of the Board/ Committees was also discussed at the Board Meeting held on 26 April, 2023. The performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

18. Statutory Auditors

At the 68th Annual General Meeting (AGM) held on 24 June, 2022, the Members of the Company approved the reappointment of S R B C & Co. LLP (SRBC) as Statutory Auditors as well as Branch Auditors of the Company for a second term of five years from the conclusion of 68th AGM till the conclusion of 73rd AGM of the Company to be held in the year 2027, to examine and audit the accounts of the Company for five consecutive financial years between 2022-23 and 2026-27.

The Auditors' Report for 2022-23 does not contain any qualifications, reservations or adverse remarks, except for Key Audit Matters.

19. Cost Auditors

The Company has maintained the accounts and cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013. The Board had appointed M/s. Sagar and Associates, Cost Accountants as the Cost Auditors for 2022-23, and they have been reappointed as Cost Auditors of the Company for 2023-24. Approval of the Members is being sought for ratification of their remuneration at the ensuing AGM.

20. Secretarial Auditor

M/s. N. L. Bhatia and Associates, the Practicing Company Secretaries were appointed as Secretarial Auditor to undertake the Secretarial Audit of the Company for the year 2022-23. Their Secretarial Audit Report, in prescribed Form No. MR-3, is annexed to the Directors Report as Annexure IV, and does not contain any qualification, reservation or adverse remarks. M/s. N. L. Bhatia and Associates have been reappointed as the Secretarial Auditor for 2023-24.

21. Audit Committee

The Audit Committee comprises Mr. Zubin Dubash (Chairman), Mr. Debendranath Sarangi and Mr. Arun Kumar Adhikari, all Independent Directors, in line with Section 177 of the Act. The Board accepted the recommendations made by the Audit Committee from time to time. Details of Audit Committee Meetings held during the year 2022-23 are disclosed in the Corporate Governance Report.

22. Internal Financial Controls

The Internal Financial Controls (IFCs), its adequacy and operating effectiveness is included in the Management Discussion and Analysis, which forms part of the Annual Report. The Auditors Report also includes their reporting on IFCs over Financial Reporting.

23. Reporting of Fraud

No instances of fraud were reported by the Auditors under Section 143(12) of the Companies Act, 2013.

24. Risk Management

Pursuant to Section 134(3)(n) of the Act and Regulation 21 of Listing Regulations, the Company has a Risk Management Committee (RMC) comprising Mr. Zubin Dubash (Chairman), Mr. Debendranath Sarangi and Mr. Arun Kumar Adhikari, all Independent Directors. The Company has formulated a Risk Management Policy to establish an effective and integrated framework for the Risk Management process. During 2022-23, three Meetings were held on 27 June, 2022, 30 September, 2022 and 21 March, 2023, wherein, the top 10 risks and relevant mitigation measures identified for the Company were reviewed and discussed.

During 2022-23, the Company had appointed Ernst & Young (E&Y) to conduct an Enterprise Risk Management (ERM) study for Voltas. This exercise has been completed and as advised by E&Y, the Company had adopted an ERM Standard, ERM Policy and revised RMC Charter. The ERM Policy is to establish a common organisation-wide understanding of ERM and outline desired actions and behaviours from key stakeholders and forms the basis for implementing the Risk Management framework across the Company. The ERM Standard sets out the objects and elements of Risk Management process within the organisation and help to promote the Risk-aware corporate culture. The RMC Charter defines the roles and responsibilities of the Risk Management Committee and other requirements.

25. Particulars of Employees

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

(a) The ratio of each Director's remuneration, to the median remuneration of the Company's employees for 2022-23:

Directors	Ratio to Median Remuneration
Mr. Noel Tata	2.02
Mr. Vinayak Deshpande	0.30
Mr. Debendranath Sarangi	4.55
Mr. Bahram N. Vakil	4.36
Ms. Anjali Bansal	3.87
Mr. Arun Kumar Adhikari	4.37
Mr. Zubin Dubash	4.73
Mr. Saurabh Agrawal	0.24
Executive Director	
Mr. Pradeep Bakshi Managing Director & CEO	65.43

Note: Ratio of Remuneration of Directors was computed based on sitting fees paid during 2022-23 and commission paid for 2021-22 in 2022-23. However, in line with the internal guidelines, no commission was paid to Mr. Vinayak Deshpande and Mr. Saurabh Agrawal for 2021-22, as they were in full-time employment with another Group company. They were paid sitting fees only.

(b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in 2022-23:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% Increase in Remuneration in 2022-23 over 2021-22
Mr. Noel Tata	*
Mr. Pradeep Bakshi	22.20
Mr. Vinayak Deshpande	(41.51)
Mr. Debendranath Sarangi	17.51
Mr. Bahram N. Vakil	(9.50)
Ms. Anjali Bansal	(16.49)
Mr. Arun Kumar Adhikari	12.82

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% Increase in Remuneration in 2022-23 over 2021-22
Mr. Zubin Dubash	(1.00)
Mr. Saurabh Agrawal	(46.81)
Mr. Jitender P. Verma (Chief Financial Officer)	**
Mr. V. P. Malhotra (Company Secretary)	12.37

* As no commission was paid to Mr. Noel Tata for 2021-22, being in employment with another Group company, the percentage increase in his remuneration is not comparable and hence, not mentioned.

** Since remuneration for 2021-22 is for part of the year, the percentage increase in his remuneration is not comparable and hence, not mentioned.

(c) Percentage increase in the median remuneration of employees in 2022-23:

15.38%

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

1,689 employees.

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

Average percentile increase in salary of employees other than managerial personnel was 8.67%. Average percentile increase in managerial remuneration was 12.11% in 2022-23 over 2021-22.

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

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

(g) A statement containing names of top ten employees, in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate Annexure in this Report. Further, the Report and the Accounts are being sent to the Members, excluding the aforesaid Annexure. In terms of Section 136 of the Act, the said Annexure is open for inspection at the Registered Office of the Company. Any Shareholder interested in obtaining a copy of the same may write to the Company Secretary. None of the employees listed in the said Annexure are related to any Director of the Company.

26. Employee Stock Option, Sweat Equity and Equity Shares with Differential Voting Rights

The Company did not issue any Employee Stock Options, Sweat Equity shares and Equity shares with differential voting rights.

27. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

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

28. Directors and Key Managerial Personnel (KMP)

During the year under review, there has been no change in Directors and KMP of the Company.

In accordance with the provisions of the Act and the Company's Articles of Association, Mr. Noel Tata and Mr. Saurabh Agrawal retire by rotation and being eligible, offer themselves for re-appointment.

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

Mr. Pradeep Bakshi (Managing Director & CEO), Mr. Jitender Pal Verma (Chief Financial Officer) and

Mr. V. P. Malhotra (Head-Taxation, Legal and Company Secretary) are the Key Managerial Personnel (KMPs) of the Company, in line with the requirements of Section 203 of the Act.

Mr. Pradeep Bakshi, Managing Director & CEO of the Company is also the Managing Director of Universal MEP Projects & Engineering Services Limited (UMPESL), a 100% wholly-owned subsidiary of the Company. Mr. Pradeep Bakshi does not draw any remuneration from UMPESL. No other Director is the Managing or Whole-time Director of any subsidiary of the Company.

29. Declaration by Independent Directors

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

The Board is of the opinion that the Independent Directors possess the requisite qualifications, experience, expertise and they hold high standards of integrity.

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

30. Business Responsibility and Sustainability Report

Pursuant to Regulation 34(2)(f) of Listing Regulations, as amended, the Business Responsibility and Sustainability Report in prescribed format forms part of this Annual Report.

31. Corporate Governance

Pursuant to Schedule V of Listing Regulations, Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance forms part of the Annual Report. A declaration signed by the Managing Director in regard to compliance with the Code of Conduct by the Board Members and Senior Management Personnel also forms part of the Annual Report. Code of Conduct and various other policies are available on the website of the Company at the link: https://www.voltas.com/about/corporate-governance

32. Details of the Establishment of Vigil Mechanism for Directors and Employees

The Company has adopted a Whistle Blower Policy ("the Policy") as required under Section 177(9) of the Act and Listing Regulations. The Policy provides a mechanism for Directors and employees of the Company to approach the Ethics Counsellor/Chairman of the Audit Committee of the Company in case of any concern. The Whistle Blower Policy can be accessed on the Company's website at the link: https://www.voltas.com/images/_ansel_image_collector/WHISTLE_BLOWER_POLICY_1.pdf

33. Particulars of Loans, Guarantees or Investments under Section 186 of the Act during 2022-23

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act, made during the year as also given in the Notes to the financial statements are given below:

Name of the Entity	Nature of Transaction	Particulars of Loan, Guarantees given or Investments made during 2022-23			Purpose for which the loans, guarantees and investments are proposed to be utilised
		Loan/ ICD (₹ in crores)	Investment (₹ in crores)	Guarantee (₹ in crores)	
LIC Housing Finance Limited	Inter Corporate Deposit (ICD)	85.00	--	--	General Corporate purpose
UP Power Corporation Limited	Investment in Bonds	--	25.64	--	General Corporate purpose
ICICI Home Finance Limited	ICD	110.00[1]	--	--	General Corporate purpose
Mahindra & Mahindra Financial Services Limited	ICD	70.00[2]	--	--	General Corporate purpose
L&T Finance Limited	Investment in Bonds	--	42.27[3]	--	General Corporate purpose
Bajaj Finance Limited	Investment in NCDs	--	9.93	--	General Corporate purpose
Housing Development Finance Corporation Limited	Investment in NCDs	--	30.45	--	General Corporate purpose
Universal MEP Projects & Engineering Services Limited*	Subscription of Rights equity shares	--	1,190.00	--	Strategic investment
	Guarantee to Bank	--	--	750.00	Business purpose, as a collateral
Voltbek Home Appliances Private Limited#	Subscription of Rights equity shares	--	122.50	--	Strategic investment

* wholly-owned subsidiary

\# Joint-venture company

1. including ₹ 30 crores repaid during the year. As on 31 March, 2023, the outstanding amount was ₹ 80 crores.
2. including ₹ 50 crores repaid during the year. As on 31 March, 2023, the outstanding amount was ₹ 20 crores.
3. Entire amount of ₹ 42.27 crores redeemed on maturity during the year.

34. Particulars of Contracts or Arrangements with Related Parties

During the year under review, the Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Act, except the consummation of the Business Transfer Agreement (BTA) earlier executed in March 2021 for transfer of domestic B2B businesses to UMPESL on a slump sale basis, whereby the existing contracts/agreements/arrangements have been assigned/novated by Voltas to UMPESL. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form No. AOC-2 for 2022-23 forms part of this Annual Report as Annexure V.

35. Secretarial Standards

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

36. Details of Significant and Material Orders passed by the Regulators/Courts/Tribunal

No significant and material orders were passed by the Regulators or the Courts or Tribunals impacting the going concern status and Company's operations in future.

37. Proceeding under Insolvency and Bankruptcy Code, 2016

There are no proceedings, either filed by the Company or against the Company, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before the National Company Law Tribunal or other Courts as on 31 March, 2023.

38. Deposits from Public

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the 31 March, 2023.

39. Directors' Responsibility Statement

Based on the framework and testing of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external agencies, including audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2022-23. Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, based on the assurance given of the business operations, to the best of their knowledge and ability, confirm that:

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

(ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied their recommendations consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;

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

(iv) they have prepared the annual accounts on a going concern basis;

(v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and operating effectively; and

(vi) they have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

40. Annual Return

Pursuant to Sections 92(3) and 134(3)(a) of the Act, the Annual Return for 2022-23 is available on the Company's website at the link: https://www.voltas.in/file-uploads/general/Voltas_AnnualReturns_FormMGT-7_2022-23.pdf

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a 'Respect for Gender' Policy on prevention, prohibition and redressal of sexual harassment in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') and the Rules there under. As per the requirement of POSH Act, the Company has formed an Internal Committee to address complaints pertaining to sexual harassment at work place. The Company did not receive any complaint during 2022-23.

42. Other Disclosures

During the year, there were no transactions requiring disclosure or reporting in respect of matters relating to:

(a) issue of equity shares with differential voting rights as to dividend, voting or otherwise;

(b) issue of shares (including sweat equity shares) to employees of the Company under any scheme;

(c) raising of funds through preferential allotment or qualified institutional placement;

(d) instance of one-time settlement with any bank or financial institution.

43. General

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

On behalf of the Board of Directors

Noel Tata
Chairman

Date: 26 April, 2023
Place: Mumbai

ANNEXURE I

DIVIDEND DISTRIBUTION POLICY

Background

The Securities and Exchange Board of India ("SEBI") has, by notification dated 8 July, 2016, amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by inserting a new Regulation 43A. The said Regulation mandates the top 500 listed entities (based on the market capitalisation calculated as on 31 March of every financial year) to formulate a dividend distribution policy and disclose the same in their annual reports and on their websites. Accordingly, the Company has formulated its Dividend Distribution Policy, which has been approved and adopted by the Directors at the Board Meeting held on 22 March, 2017.

Objective

This Policy is based on the need to balance the twin objectives of appropriately rewarding the shareholders with dividend in a fair and consistent manner and of conserving cash resources to meet the Company's growth and business exigencies.

Dividend Payout

Dividend will be declared out of the relevant financial year's Profit after Tax of the Company after complying with the provisions of the Companies Act, 2013 and Rules thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Only in exceptional circumstances, including but not limited to Loss after Tax in any particular financial year, the Board may consider utilising Retained Earnings for declaration of dividend, subject to the applicable provisions of the Companies Act, 2013.

The Board may recommend special dividend as and when it deems fit.

The Board will endeavour to maintain a dividend payout ratio in the range of 25% to 45% of the annual standalone Profit after tax, taking into consideration and balancing the interests of the business, the Company's financial creditors and shareholders.

Criteria to be considered for determining the quantum of dividend

The Board will consider various financial, internal and external factors, including but not limited to the following before making any recommendation for dividend:

- **Financial Factors:**
  (a) Result of Operations
  (b) Earnings stability
  (c) Working Capital requirements and surplus
  (d) Liquidity position
  (e) Quantum of profits
  (f) Future fund requirements, including for Brand / Business Acquisitions, Expansion/ Modernisation of existing business
  (g) Providing for unforeseen events and contingencies
  (h) Any other financial factor as the Board may deem fit

- **Internal factors:**
  (a) Business expansion plan
  (b) Investment plans
  (c) Contractual restrictions
  (d) Contingent liabilities
  (e) Past dividend trends
  (f) Any other factor as deemed fit by the Board

- **External factors:**
  (a) Industry outlook and business cycles for underlying businesses
  (b) Overall economic / regulatory environment
  (c) Capital market

Frequency of Dividend

The Companies Act, 2013 provides for two forms of Dividend:

- **Final Dividend:**

  The final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of final dividend to the shareholders for their approval at the General Meeting of the Company.

- **Interim Dividend:**

  Interim dividend can be declared by the Board of Directors once or more during the financial year as may be deemed fit. The Board shall have the absolute power to declare interim dividend during the financial year, in line with this Policy, after taking into consideration the expected performance of the Company and other requirements of the Companies Act, 2013, including depreciation for the full year and tax on profits.

Circumstances under which the shareholders may not expect dividend

(a) Proposed expansion plans requiring higher allocation of capital.

(b) Significantly higher working capital requirements adversely impacting free cash flow.

(c) Whenever Company undertakes any acquisitions or investments including in joint ventures, new product launches etc., requiring significant capital outflow.

(d) Proposal for buyback of shares.

(e) In the event of loss or inadequacy of profits.

In case the Board proposes not to distribute profit, the grounds thereof and information on utilisation of undistributed profit, if any, shall be disclosed to the shareholders in the Annual Report of the Company.

Utilisation of Retained Earnings

Retained Earnings will be used for the Company's growth plans, working capital requirements, debt repayments, issue of bonus shares, buyback of shares, declaration of dividend, other contingencies and any other permitted usage under the Companies Act, 2013.

General

The Company has only Equity shares and currently does not have any other class of shares.

This Policy would be reviewed on a periodic basis and would be suitably modified / revised, if so required and necessary. In the event of a conflict between this Policy and the applicable regulations, the regulations shall prevail. In case of any deviation from the Policy, the rationale for the same will be suitably disclosed in the Annual Report of the Company and on the Company's website.

The Policy will be disclosed on the Company's website at www.voltas.com and in the Annual Report.

ANNEXURE II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

for financial year 2022-23

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

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

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

2. Composition of CSR Committee:

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

3. Web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

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

(i) CSR Committee Composition and CSR Policy:

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

(ii) CSR Projects programmes undertaken by the Company:

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

4. Executive Summary of Impact Assessment of CSR projects, during 2022-23:

The Company has during 2022-23 carried out Impact Assessment on Sustainable Livelihood programmes implemented through 27 Skill Development Centres across India, by KPMG Assurance and Consulting Services LLP (KPMG) and on two separate CSR projects of National Importance relating to Integrated Sanitation programme in 10 villages near Waghodia, Gujarat and Participatory Ground Water Management and Sustainable Agriculture programme in 6 villages in Beed, Maharashtra, by Price Waterhouse Chartered Accountants LLP (PW). The executive summary of the Impact Assessment Reports of KPMG and PW is given as Annexure 'A'. The web-links for their full reports are as under:

- https://www.voltas.in/images/_ansel_image_collector/ImpactAssessmentReport-SustainableLivelihoodProgram-March2023.pdf

- https://www.voltas.in/images/_ansel_image_collector/ImpactAssessmentReport-ParticipatoryGroundwaterManagementandSustainableAgricultureProgram-March2023.pdf
- https://www.voltas.in/images/_ansel_image_collector/ImpactAssessmentReport-IntegratedSanitationProgram-March2023.pdf

5. **(a)** **Average net profit of the Company as per Section 135(5):** ₹ 717.46 crores.

(b) **Two percent of average net profit of the Company as per Section 135(5):** ₹14.35 crores.

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

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

(e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** ₹ 14.35 crores.

6. **(a)** **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 13.45 crores.

(b) **Amount spent in Administrative overheads:** ₹ 0.73 crore.

(c) **Amount spent on Impact Assessment, if applicable:** ₹ 0.42 crore.

(d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹ 14.60 crores.

(e) **CSR amount spent or unspent for the Financial Year:**

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

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

Sl. No.	Particular	Amount (₹ in crores)
(1)	**(2)**	**(3)**
(i)	Two percent of average net profit of the Company as per Section 135(5)	14.35
(ii)	Total amount spent for the Financial Year	14.60
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.25
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set-off in succeeding Financial Years [(iii)-(iv)]	0.25

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:**

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135(6) (₹ in crores)	Balance Amount in Unspent CSR Account under Section 135(6) (₹ in crores)	Amount Spent in the Financial Year (₹ in crores)	Amount transferred to a Fund as specified under Schedule VII as per second proviso of section 135(5), if any		Amount remaining to be spent in succeeding Financial Years (₹ in crores)	Deficiency, if any
					Amount (₹ in crores)	Date of transfer		
1	2021-22	Nil	Nil	12.94	Nil	NA	Nil	Nil
2	2020-21	Nil	Nil	11.71	Nil	NA	Nil	Nil
3	2019-20	NA	Nil	10.10	Nil	NA	Nil	Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

○ Yes ☑ No

If yes, enter the number of Capital assets created/acquired : Not Applicable

Details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)		
Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
	None	NA	NA	Nil	NA	NA	NA

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5):

Not Applicable

Pradeep Bakshi
Managing Director & CEO
Place: Mumbai

Noel Tata
Chairman – CSR Committee
Place: Mumbai

Date: 26 April, 2023
Encl: Annexure 'A'

ANNEXURE 'A'

Executive summary of Impact Assessment Studies:

I. Sustainable Livelihood Programmes:

The Company has through its various implementing partners such as Tata Community Initiative Trust (Tata Strive), Greysym Learnings Foundation, GMR Varalakshmi Foundation, Care Foundation, etc., promoted sustainable livelihood and economic development through youth employment, education and training from 27 Skill Centers spread across 13 States in India, to enhance the skillsets and make the youth/candidates industry ready. The Company offers technical courses in room air conditioning (RAC), commercial air conditioning (CAC), plumbing and electrical, which are industry-oriented and relevant to market requirements. The non-technical courses include banking, financial services and insurance, retail, IT-enabled services, tally and accounting, nursing assistant and tailoring. The Company has up to 2022-23 trained over 23,000 youths through its technical and non-technical programmes.

Recognition of Prior Learning (RPL) programme helps the existing workforce with skill upgradation and certification and this initiative positively impacts the work efficiency, productivity and income of the existing unskilled and semiskilled technicians. Over 16,500 RAC/CAC technicians have been formally trained and certified under the RPL programme.

The aforesaid courses are conducted by experienced trainers and they combine classroom lectures with practical training to provide a holistic learning experience.

During 2022-23, the Company appointed KPMG to study the status and impact of CSR intervention under Sustainable Livelihood, including the perception amongst key stakeholders. KPMG covered 558 trainees and 180 key stakeholders, including candidates currently enrolled and undergoing training at the Skill Centers, candidates who have already completed their training, candidates certified through RPL programme, parents, staff of Skill Centers and employers. The study adopted a mixed method approach leveraging both, quantitative and qualitative research and was conducted across 11 locations of Voltas training centres through in-person interactions and the RPL candidates were consulted virtually. Interviews and focused group discussions were conducted with other stakeholders, including parents, employers, and implementing partners to gain their insights. Majority of the parents reported that the training was very helpful to improve the technical/non-technical knowledge and crucial to make the youths employable across industries. They also complimented Voltas for such free of cost programmes to ensure social mobility and access to equal opportunities. The Employers reported that they conducted on-campus recruitment drive to assess the knowledge of the candidate about the sector and final fitment before offering the job. They were generally satisfied with the performance of the candidates. The Centre staff reported that the programme covered all important aspects of skill training, including practical exposure, distinct pedagogy, lectures and trainings from Subject Matter Experts ensuring robust internal assessments and certifications.

The key findings of their study are as under:

- 98% respondents expressed that the curriculum is relevant.
- 96% respondents expressed complete satisfaction about improved knowledge and skill.
- 82% respondents reported to be in jobs, while 18% have turned entrepreneurs.
- 85% respondents reported increase in the household income after placements.

II. Integrated Sanitation Programme:

The Integrated Sanitation programme provides Water, Sanitation and Hygiene (WASH) intervention in 10 villages of the Waghodia District in Gujarat and was implemented through Coastline Salinity Prevention Cell (CSPC), an independent agency. These interventions include construction of toilets, menstrual hygiene management training for women, water-connectivity support for daily chores of households, WASH infrastructural support for Anganwadis and Schools, and provision of soak-pits and vermicomposting beds. Voltas Waghodia plant officials and volunteers played a pivotal role in shaping up the project through regular ideation and support in implementing and monitoring the programme.

Menstrual Health Management (MHM) awareness was conducted through workshops, with women across different age groups on structured modules. The water-connectivity initiative has brought water directly at the homes of beneficiaries and has become a self-sustaining community activity. Anganwadi centres and schools were supported either in the form of drinking water facilities, repair/ construction of toilets or overall beautification of the institution.

The Company appointed PW to assess the overall impact of these interventions. For this study, PW collected a sample size of 144 beneficiaries through focus group discussions and in-depth interviews. Additionally, 41 physical visits through purposive sampling for constructed toilets, soak pits, vermicompost units and WASH support provided to Anganwadis and Schools were conducted.

The key findings of PW are as under:

- 100% respondents reported using the toilets, soak-pits and water pipeline constructed during the programme.
- 100% respondents can identify and share about the health benefits of usage of toilets, soak-pits and water pipeline constructed during the programme.
- 92% women respondents reported doing away with myths and misconceptions regarding menstrual cycle, except for the religious ones.
- 85% women respondents reported having access to hygienic menstrual cycle management mechanisms.
- 67% of beneficiaries belong to Scheduled Caste (SC) and Scheduled Tribe (ST) category contributing towards the Affirmative Action principle of Voltas.

III. Participatory Ground Water Management and Sustainable Agriculture Programme:

The Company had initiated the Participatory Ground Water Management and Sustainable Agriculture project in 6 villages of Beed District of Maharashtra through Action for Food Production (AFPRO), an independent agency. This programme aims to build capacity of the farmers through strategic interventions and technology transfer for creation and efficient management of water resources and promoting sustainable farming practices to address or mitigate perennial drought situation in the area. Beneficiaries were provided with water harvesting/ recharging structures within the village at community level and individual level. Beneficiaries were also provided with various trainings on better crop management, vermicomposting unit and exposure visits to support them in improving productivity and knowledge. Water Committees were formed in each village which played a vital role in identification of project sites and in convincing the people to support in providing space for stream widening and deepening.

The Company appointed PW to assess the impact of the programme on the lives of community/beneficiaries. A mixed method approach leveraging both quantitative and qualitative research was deployed. A sample size of 111 beneficiaries through quantitative survey and 284 samples were covered through qualitative method - 14 Focussed Group Discussions with 245 beneficiaries and In-Depth Interviews with 6 Farmer Producer Organisations members and 16 Panchayati Raj Institution members. Additionally, 11 physical visits through purposive sampling for Community level and individual level water harvesting/ recharging structures and 6 vermicompost units were conducted.

The key findings of PW for this initiatives are as under:

- Average monthly income has increased by 39%.
- Average yield increased by 2697 kg in Rabi and by 1042 kg in Kharif season. Average land under irrigation increased from 2 acres to 4.2 acres, per household.
- Population with potable water throughout the year has increased from 10% to 65%.
- Population migrating for 4 to 6 months for livelihood has reduced from 53% to 38%.

ANNEXURE III

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

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

CONSERVATION OF ENERGY:

With a view to conserve the natural resources by managing energy in manufacturing activities, following energy conservation projects were taken during the year under review:

(a) Solar rooftops installed in factory premises served as an alternative source of energy generation and produced 648 MW of electrical energy at Waghodia Plant resulting in reduction of carbon footprint. Moreover, the electricity generation increased by 30% over last year.

(b) Old pumps were replaced with new energy-efficient, high capacity pumps with VFD (Variable Frequency Drive) resulting in annual saving of 479 MW of electricity at Waghodia Plant.

(c) Waghodia Plant deploys material handling equipment which operates on 100% electric power, ensuring clean and eco-friendly operation while reducing overall energy costs.

(d) Capacity enhancement at Waghodia Plant and improvement in productivity has resulted in 22% reduction in electricity consumption per TR manufactured, resulting in cost savings and a reduced carbon footprint.

(e) 250W High bay Sodium vapour lights replaced by 100W LED lights resulting in annual power saving of 76,000 KWH and also savings in cost.

(f) Replaced 30" industrial fans with HVLS fans resulting in power saving of 51,195 KWH.

(g) Installed Solar Street lights and flame proof LED lights resulting in power saving.

TECHNOLOGY ABSORPTION:

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

(a) Developed in-house manufactured Heat Exchangers (BIS accredited).

(b) Use of 5mm copper tubes in Heat Exchangers in place of 7mm copper tubes reduced the size of Heat Exchangers, resulting in lesser consumption of refrigerant gas and thereby reduction in CO_2 emissions.

(c) Developed in-house Indoor Units of Split Air conditioners.

(d) Developed Hot/Cold compact series (840 mm) Air conditioners with single rotary compressor.

(e) Upgradation of BEE Star labelled products.

(f) For Indoor Units, 5 tools developed in-house to reduce dependency on imports/OEMs.

(g) Developed Air conditioners with new features like Ultra Silent (for low noise operation), Ice wash (for better cleaning of evaporator) and Filter Clean Indicator (for reminding customer to clean filter).

(h) Developed and implemented using recycled material in Air coolers.

(i) The Company has entered into a Technology Licence Agreement with Vestfrost Solutions, Denmark for manufacturing, selling, marketing, operation, maintenance and servicing of medical refrigeration and vaccine storage equipment in India.

RESEARCH & DEVELOPMENT (R&D):

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

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

  (i) Developed full range of products from 1 ton to 2 ton Window and Split Air Conditioners as per upgraded BEE Energy Efficiency Regulations.

  (ii) Developed new range of Glass Top Deep Freezers with improved aesthetics as well as improved energy efficiency levels.

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

  (i) Developed Energy efficient Water Cooled Screw Chillers for Metro Stations.

  (ii) Developed AHRI (Air Conditioning, Heating and Refrigeration Institute) certified Air Cooled Scroll Chillers for Metro Stations.

(iii) Developed Side Discharge VRF (Variable Refrigerant Flow) of 8 HP, 10 HP and 12 HP with R410A refrigerant.

(iv) Developed Oil Free Magnetic Bearing Chillers up to 180 TR.

(v) Developed Heat Exchangers for Dual independent circuit Air Cooled Chillers with common tube sheet.

EXPENDITURE ON RESEARCH & DEVELOPMENT:

The Company has incurred Research & Development expenditure of ₹ 16.17 crores (including capital expenditure of ₹ 1.40 crores) during 2022-23.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earnings in foreign exchange: ₹ 178.99 crores

Expenditure in foreign currency: ₹ 0.67 crore

Value of import on CIF basis: ₹ 1,052.85 crores

On behalf of the Board of Directors

Date: 26 April, 2023
Place: Mumbai

Noel Tata
Chairman

ANNEXURE IV

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
VOLTAS LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VOLTAS LIMITED** (hereinafter called 'the Company'). Secretarial Audit was conducted in accordance with Auditing Standards issued by the Institute of Company Secretaries of India (ICSI) in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31 March, 2023 complied with the statutory provisions listed hereunder. The Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31 March, 2023 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (to the extent applicable);

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 **(Not applicable to the Company)**;

(f) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the Company during the audit period)**;

(g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable to the Company during the audit period)**;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the audit period)**; and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period)**.

Other Laws applicable to the Company are as given in Annexure A.

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes. **All the decisions at the Board Meetings were passed unanimously and with requisite majority at the Sixty-Eighth Annual General Meeting (AGM) held during 2022-23**.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period, the shareholders of the Company have at the 68th AGM passed a Special Resolution approving change in place of keeping registers and records.

For M/s N. L. Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
PR No.: 700/2020

Bhaskar Upadhyay
Partner
FCS: 8663
CP. No. 9625
UDIN: F008663E000175027

Date: 24 April, 2023
Place: Mumbai

ANNEXURE A

LIST OF OTHER APPLICABLE LAWS

1. Payment of Wages Act, 1936
2. Payment of Bonus Act, 1965
3. Minimum Wages Act, 1948
4. Industrial Disputes Act, 1948
5. Industrial Employment (Standing Orders) Act, 1946
6. Payment of Gratuity Act, 1972
7. Employees Provident Fund and Miscellaneous Provisions Act, 1952
8. Factories Act, 1948
9. Income-tax Act, 1961 and Rules
10. Customs Act, 1962
11. The Central Goods and Services Tax Act, 2017
12. The Integrated Goods and Services Tax Act, 2017
13. State Goods and Services Tax Act
14. State Shops and Establishment Act
15. Contract Labour (Regulation and Abolition) Act, 1970
16. Employees Compensation Act, 1923
17. Employees State Insurance Act, 1948
18. E-Waste Management Rules, 2016
19. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

To,
The Members,
VOLTAS LIMITED

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

(1) Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.

(2) We have followed the auditing standards issued by the Institute of Company Secretaries of India (ICSI) and audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices, we have followed are aligned with Auditing Standards issued by the ICSI and provide a reasonable basis for our opinion.

(3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

(4) Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events, etc.

(5) The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

(6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For M/s N L Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
PR No.: 700/2020

Bhaskar Upadhyay
Partner
FCS: 8663
CP. No. 9625
UDIN: F008663E000175027

Date: 24 April, 2023
Place: Mumbai

ANNEXURE V

FORM NO. AOC-2

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

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

   The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2022-23.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

   (a) Name(s) of the related party and nature of relationship:

   Universal MEP Projects & Engineering Services Limited (UMPESL), wholly-owned subsidiary of the Company.

   (b) Nature of contracts/arrangements/transactions:

   During the year, the Business Transfer Agreement (BTA) earlier executed in March 2021 for transfer of domestic B2B businesses to UMPESL on a slump sale basis, was consummated effective 1 August, 2022.

   (c) Duration of the contracts/arrangements/ transactions:

   Not Applicable

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any:

   As the domestic B2B businesses have been transferred to UMPESL on a slump sale basis, the existing contracts / agreements / arrangements with third parties have been assigned/novated by Voltas to UMPESL. As for value of transactions between Voltas and UMPESL, refer Note 48 of the financial statements for the year ended 31 March, 2023.

   (e) Date(s) of approval by the Board, if any: 2 August, 2022.

   (f) Amount paid as advances, if any: Nil

On behalf of the Board of Directors

Noel Tata

Chairman

Date: 26 April, 2023

Place: Mumbai

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

2. BOARD OF DIRECTORS

(a) Composition

The present Board comprises 9 members: 8 Non-Executive Directors (NEDs) and a Managing Director & CEO. Of the 8 NEDs, 5 are Independent Directors, including a Woman Director. The Company has a Non-Executive Chairman and the number of Independent Directors is more than 50% of the total number of Directors. Except Independent Directors, all other Directors are liable to retire by rotation. None of the Directors on the Board holds directorship in more than ten public companies. None of the Directors on the Board has attained the age of 75 years.

(b) Independent Directors

All the Independent Directors of the Company have confirmed that they satisfy the criteria of Independence as indicated in the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) including any statutory modification/enactments thereof. They have also confirmed their registration with the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs in compliance with the requirements of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties. The Board of Directors of the Company confirm that in its opinion, the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the Management of the Company. None of the Independent Directors of the Company is a Wholetime Director of any listed company and does not serve as an Independent Director in more than 7 listed companies. The Independent Directors are appointed for a term of five years, subject to maximum of 2 terms of 5 years each or upto the age of retirement, whichever is earlier, as per the Retirement Age Policy adopted by the Company. The Company has issued letter of appointment/re-appointment to the Independent Directors in the manner as provided in the Act. The terms and conditions of their appointment/ re-appointment have been disclosed on the website of the Company.

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

During financial year 2022-23, a separate Meeting of Independent Directors of the Company was held on 21 March, 2023 to discuss the performance evaluation based on the self-assessment of Directors and the Board and also to assess the quality, content and timeliness of flow of information between the Management and the Board, including the quality of Board Agenda papers and Minutes. The Independent Directors at their meeting also reviewed the performance of the Chairman of the Company. They have expressed their satisfaction and complimented the good process followed by the Company, including conduct of Board Meetings and quality of Minutes.

The Directors of the Company are familiarised with the Company's operations, business, industry and environment in which it functions and the regulatory environment applicable to it. The familiarisation programme for Directors has been disclosed on the website of the Company- www.voltas.com and the weblink is https://www.voltas.in/images/_ansel_image_collector/FAMILIARIZATION_PROGRAMME_FOR_INDEPENDENT_DIRECTORS_1.pdf

(c) Performance Evaluation

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

(d) Non-Executive Directors' compensation and disclosures

Sitting fees paid to NEDs, including Independent Directors for attending Board/Committee Meetings are within the limits prescribed under the Act. Same amount of Sitting fees is paid to Independent and other NEDs. The shareholders have at the 66th Annual General Meeting (AGM) held on 21 August, 2020 passed an Ordinary Resolution and approved payment of commission to NEDs not exceeding 1% or 3% per annum of the net profits of the Company as the case may, to be calculated in accordance with the provisions of the Act for that particular year. The aforesaid Resolution was for the financial years commencing from 1 April, 2020.

(e) Other provisions as to Board and Committees

During 2022-23, seven Board Meetings were held on the following dates and the gap between two consecutive Board Meetings did not exceed 120 days.

12 April, 2022; 5 May, 2022; 2 August, 2022; 1 November, 2022; 6 December, 2022; 9 February, 2023 and 10 March, 2023.

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

The information as required under Regulation 17(7) of the Listing Regulations is made available to the Board. In addition, all proposals of investments, divestments and decisions in respect of properties of the Company (beyond certain threshold limits) are placed before the Board for its consideration and appropriate decision in the matter. The annual budgets – Revenue, Capital as well as the Divisional Budgets/Annual Operating Plans, including Strategic Business Plan (SBP) are presented in detail to the Directors and their valuable inputs/suggestions are taken and implemented. Similarly, actions in respect of suggestions made/decisions taken at Board/ Committee Meetings are reported and reviewed regularly at subsequent Meetings by the Directors/ Committee Members. Considerable time is spent by the Directors on discussions and deliberations at the Board/Committee Meetings and their active participation is reflected by the number of meetings held during the year and attended by the Directors.

No Director is a Member of more than 10 Committees and Chairman of more than 5 Committees (Committees being Audit Committee and Shareholders' Relationship Committee as per Regulation 26(1) of the Listing Regulations), across all the public companies of which he/she is a Director. Necessary disclosures regarding Committee positions have been made by all the Directors.

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

(f) Code of Conduct

The Board has adopted the Codes for all Directors and Senior Management of the Company and the same have been posted on the website of the Company. All the Board members and Senior Management of the Company have affirmed compliance with their respective Codes as on 31 March, 2023. A declaration to this effect, signed by the Managing Director & CEO of the Company is annexed hereto. Senior management comprises the Division/Department/Functional Heads and Head-Finance of the respective business clusters. The Independent Directors have also confirmed compliance with the Code as prescribed in Schedule IV to the Act.

(g) Category and attendance

The category of the Directors, their attendance at Board Meetings held during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies (as on 31 March, 2023) are given below:

Name of Directors	Category	Board Meetings Attended during 2022-23	Attendance at the last AGM held on 24 June, 2022	Number of Directorships in other public limited companies (excluding directorship in associations, private/ Section 8/ foreign companies)	Number of Committee positions held in other public companies#	
					Chairman	Member
Mr. Noel Tata (Chairman) DIN: 00024713	Non Independent Non-Executive	7	Yes	5	--	1
Mr. Pradeep Kumar Bakshi (Managing Director & CEO) DIN: 02940277	Non Independent Executive	7	Yes	1	--	--
Mr. Vinayak Deshpande DIN: 00036827	Non Independent Non-Executive	5	Yes	3	1	2
Mr. Debendranath Sarangi DIN: 01408349	Independent Non-Executive	7	Yes	3	1	--
Mr. Bahram N. Vakil DIN: 00283980	Independent Non-Executive	7	Yes	3	--	1
Ms. Anjali Bansal DIN: 00207746	Independent Non-Executive	7	Yes	6	--	3
Mr. Arun Kumar Adhikari DIN: 00591057	Independent Non-Executive	5	Yes	5	--	3
Mr. Zubin Dubash DIN: 00026206	Independent Non-Executive	6	Yes	--	--	--
Mr. Saurabh Agrawal DIN: 02144558	Non Independent Non-Executive	5	Yes	7	--	2

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

(h) Directorship held in other Indian listed entities as on 31 March, 2023

Sr. No.	Name of Director	Name of other listed entity	Category of Directorship
1	Mr. Noel Tata	Titan Company Limited	Director (Vice Chairman)
		Tata Investment Corporation Limited	Director (Chairman)
		Trent Limited	Director (Chairman)
		Tata Steel Limited	Director (Vice Chairman)
2	Mr. Vinayak Deshpande	Kennametal India Limited	Independent Director
3	Mr. Debendranath Sarangi	Southern Petrochemical Industries Corporation Limited	Independent Director
		Tamilnadu Petroproducts Limited	Independent Director
4	Ms. Anjali Bansal	The Tata Power Company Limited	Independent Director
		Piramal Enterprises Limited	Independent Director
		Nestle India Limited	Independent Director
5	Mr. Arun Kumar Adhikari	Ultratech Cement Limited	Independent Director
		Aditya Birla Capital Limited	Independent Director
		Vodafone Idea Limited	Independent Director
		Aditya Birla Fashion and Retail Limited	Independent Director
6	Mr. Saurabh Agrawal	Tata Steel Limited	Director
		The Tata Power Company Limited	Director

Mr. Pradeep Bakshi, Managing Director & CEO, Mr. Bahram N. Vakil and Mr. Zubin Dubash, Independent Directors of the Company are not a Director of any other listed entity.

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

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

(1) Mr. Noel Tata, Non-Executive Chairman of the Company is a graduate from Sussex University (UK) and has done the International Executive Programme (IEP) from INSEAD, France. Mr. Noel Tata has been associated with the Tata group for 40 years and currently serves on the Board of various Tata Group companies, including as the Chairman of Trent Limited, Tata International Limited, Voltas Limited and Tata Investment Corporation Limited and as the Vice Chairman of Tata Steel Limited and Titan Company Limited. His last executive assignment was as the Managing Director of Tata International Limited, where, the company witnessed a growth in turnover from USD 500 million to over USD 3.7 billion under his leadership. Prior to Tata International, Mr. Tata served as the Managing Director of Trent Limited where he has overseen the growth of Trent from a one store operation in 1998 to over 550 stores across formats today. Mr. Tata having served as the Managing Director of Trent and Tata International brings with him valuable leadership experience in managing the issues faced by large and complex organisations. The Company and the Board will immensely benefit by leveraging his demonstrated leadership capability, general business acumen, exposure to consumer and retail sector and knowledge of issues

faced by the Company. Mr. Tata also brings rich experience in various areas of business operations, strategy, risk management, financial, societal and governance matters.

(2) Mr. Pradeep Bakshi, Managing Director & CEO of Voltas Limited and Universal MEP Projects & Engineering Services Limited is a Science graduate with Post Graduate Diploma in Marketing Management. He is also on the Board of Voltbek Home Appliances Private Limited. Mr. Bakshi took over as Head of Operations of Unitary Cooling Products business, fifteen years ago, with an emphatic oath of turning around the brand to its current stature. He is one of the most versatile and multi-talented executives, having close to four decades of experience in the Consumer Durable Industry.

Mr. Bakshi is a triumphant professional in the competitive Indian White Goods landscape and has worked with leading brands like Godrej, GE and Electrolux, before starting his career with Voltas, at the end of the year 2001. He represents the all-too-rare combination of thinker, doer and leader, and his vast expertise and experience in the Appliances domain makes him a distinct professional. Under his able leadership, Voltas' Unitary Cooling Products business has consistently grown, well ahead of the Industry. In fact, Voltas ACs achieved leadership position in market share, and has also scored highest in terms of Brand Equity, under his stewardship.

Mr. Bakshi also spearheads the Infrastructure Solutions and Projects business of Voltas, including the Textile Machinery Division (TMD) and Mining & Construction Equipment Division (M&CE). Under his leadership, the Company has successfully bagged multiple marquee MEP, Solar and Water projects, including the prestigious Parliament House, Chennai Metro, several Airports, Dubai Exhibition Centre Expo 2020, Commercial Boulevard project - FIFA World Cup 2022, the prestigious Namami Gange project and many more. TMD business boasts of an order booking of around ₹ 5,000 crores, with market share of 65%. M&CE business has a market share of more than 60% for Powerscreen equipment for the past 5 years and has seen a two-fold jump in revenue from Mozambique operations in the last 5 years. Further, in September, 2018 under his leadership, Voltas Beko brand was launched under a JV with Arcelik of Turkey; which offers a wide range of Refrigerators, Washing Machines, Microwaves and Dishwashers.

An enthusiastic and confident leader, Mr. Pradeep Bakshi has been the Appliances Man of the Year, and has also received the President's award for Energy Conservation, amongst many other awards and accolades.

(3) Mr. Vinayak Deshpande, Non-Executive Director of the Company is a graduate in Chemical Engineering (1980) from IIT, Kharagpur. He has over 39 years of work experience in different roles in diverse companies like Thermax and Tata Honeywell. Mr. Vinayak Deshpande retired as the Managing Director of Tata Projects Limited (TPL) in July 2022. During his long tenure as MD, TPL has achieved all-round excellence in Industrial Infrastructure business. He was earlier the Managing Director of Tata Honeywell Limited for 5 years for its India business till 2004-05. Mr. Deshpande was conferred as the Infrastructure Person of the Year for 2016-17 by 'Construction World' and 'Construction Times' awarded him as the 'Best Infra CEO' of the year 2017. His vast knowledge and experience is beneficial for the Company's Projects business and the Company has constituted a separate Project Committee of the Board, of which Mr. Deshpande is the Chairman. Mr. Deshpande is also the Chairman of the Board and Project Committee of Universal MEP Projects & Engineering Services Limited (UMPESL), a wholly owned subsidiary of the Company.

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

Science from University of Delhi and M.Sc. in Economics from University of Swansea, U.K. While in service, Mr. Sarangi has held high-level responsibilities in several departments including that of Chief Secretary. Mr. Sarangi is also on the Board of UMPESL and his knowledge and experience in general administration and management in Government Sector helps the Company and UMPESL, especially in the Electrical business relating to Rural Electrification and also in projects of Water business under the Rural Water Supply Scheme.

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

(6) Ms. Anjali Bansal, Independent Director of the Company is a Bachelor in Computer Engineering and a Master in International Finance and Business from Columbia University. She is the founder of Avaana Capital, investing in technology and innovation-led start-ups which are catalyzing climate action and sustainability and delivering exponential returns. Ms. Anjali Bansal has invested in and mentored various successful start-ups including Delhivery, Urban Company, Darwinbox, Nykaa, Lenskart and Coverstack. Previously, Ms. Anjali Bansal has been the Non-Executive Chairperson of Dena Bank, appointed by the Government of India to steer the resolution of the stressed bank, eventually leading to a merger with the Bank of Baroda. Prior to that, Ms. Anjali Bansal was a Global Partner and Managing Director with TPG Growth PE, responsible for India, South East Asia, Africa and the Middle East. She started her career as a strategy consultant with McKinsey and Co. in New York. She has chaired the India Board of Women's World Banking, a leading global livelihood-promoting institution. Ms. Anjali Bansal is on the Board of Open Network for Digital Commerce (ONDC), a Government of India initiative as an Independent Director. She was listed as one of the "Most Powerful Women in Indian Business" by India's leading publication, Business Today, and by Fortune India. She was awarded "best women director" for Leadership, Corporate Governance, Sustainability & CSR at the 8th Asia Business Responsibility e-Summit held in November 2021. She is a member of the Young Presidents' Organisation and a charter member of TiE. Her experience and knowledge is helpful for taking appropriate decisions for technology and digital, growth strategy, as well as organisation development related matters.

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

Limited, the Company's joint venture for Consumer Durable products.

(8) Mr. Zubin Dubash, Independent Director of the Company holds a Bachelor's Degree in Commerce from Mumbai University and has done Masters in Business Administration from The Wharton School, Philadelphia. He is a Chartered Accountant from the Institute of Chartered Accountants, England and Wales and has over 42 years of experience in finance and business development. Mr. Zubin recently retired as the COO of Warburg Pincus India Private Limited and was previously Executive President of ATC Tires Private Limited. He was the Managing Director and Head India, Merrill Lynch, Global Private Equity and the Group CFO and a key member of the leadership team of WNS Holdings Limited (NYSE listed company). Mr. Zubin Dubash was associated with the Tata Group, including as Director, Tata Financial Services, a division of Tata Sons and also as an Executive Director of Indian Hotels. Mr. Zubin is also the Chairman of Board Audit Committee and Risk Management Committee in Voltas.

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

3. AUDIT COMMITTEE

(a) Composition, name of Members and Chairman

The Board Audit Committee (BAC) comprise 3 Non-Executive Independent Directors – Mr. Zubin Dubash (Chairman), Mr. Debendranath Sarangi and Mr. Arun Kumar Adhikari. All members of BAC are financially literate and have relevant finance and/or audit exposure. The Managing Director & CEO, Chief Financial Officer (CFO), the Chief Internal Auditor and the Statutory Auditors attend the BAC Meetings as Invitees. The Business Heads also attend the Meetings, when required. The Cost Auditor attends the meetings at which Cost Audit related matters are discussed. The Company Secretary acts as the Secretary and the Minutes are circulated and discussed at the Board Meetings.

(b) Meetings and attendance during the financial year

Seven Meetings of BAC were held during the financial year 2022-23 on the following dates:

4 May, 2022; 1 August, 2022; 30 September, 2022; 31 October, 2022; 11 January, 2023; 8 February, 2023 and 10 March, 2023.

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

Name of Members	No. of Meetings attended
Mr. Zubin Dubash	6
Mr. Debendranath Sarangi	7
Mr. Arun Kumar Adhikari	5

The quorum of BAC Meetings is two Members or one third of the Members, whichever is greater. Necessary quorum was present for the Meetings of BAC. The gap between two Meetings did not exceed 120 days. Mr. Zubin Dubash attended the last AGM of the Company as Chairman of Audit Committee. The Board of Directors has accepted all the recommendations made by BAC from time to time.

(c) Terms of reference and role of Audit Committee

The terms of reference, powers and role of Audit Committee are in accordance with Regulation 18(3) and Schedule II of the Listing Regulations read with Section 177(4) of the Act. The broad terms of reference/functions of BAC are as under:

- Oversight of the Company's financial reporting process and disclosure of its financial information, to ensure that the financial statements are correct, sufficient and credible;
- Review with the Management and auditors the annual/half yearly/quarterly financial statements and auditor's report before submission to the Board, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement in the Board's report;
  - Disclosure under Management Discussion and Analysis of financial position and results of operations;
  - Review of accounting policies, practices & standards and reasons for change, if any;
  - Major accounting entries involving estimates based on exercise of judgement by Management;
  - Qualifications/modified opinion in the draft audit report;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of related party transactions;
- Scrutinise inter-corporate loans and investments;
- Review the statement of uses/applications of funds by major category and the statement of funds utilised for purposes other than as mentioned in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights or private placement issue, and make appropriate recommendations to the Board;
- Approve appointment of the CFO;
- Review of the disclosures from the CEO and CFO made in connection with the certifications as regards the Company's quarterly and annual reports filed with the Stock Exchanges;
- Review analysis of the effects of alternative accounting methods on the financial statements;
- Review utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crores or 10% of the asset size of the subsidiary, whichever is lower;
- Provide recommendations to the Board related to the appointment, re-appointment, remuneration and terms of appointment of the auditors of the Company;
- Review and monitor the auditor's independence and performance and effectiveness of the audit process;
- Hold timely discussions with external/ statutory auditors regarding:
  - The nature, scope and staffing of Audit as well as post-Audit discussion/review for dealing with any area of concern prior to commencement of audit.
  - All critical accounting policies and practices.
  - Significant financial reporting issues and judgements made in connection with preparation of the Company's financial statements;
- Provide approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Review, with the external auditors, certain information relating to the auditor's judgements about the quality of the Company's accounting principles as applied to its financial reporting;

- Review and suitably reply to the report(s) forwarded by the auditors on the matters where the auditors have sufficient reasons to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company;
- Review the adequacy of the internal audit function, if any, including the structure of the internal audit department (including appointment of outsourced Internal Audit Firms), staffing and seniority of the official heading the department, the reporting structure coverage and budget, scope, coverage and frequency of internal audit;
- Discuss with internal auditors (including outsourced internal audit firms) major audit observations and follow-up thereon;
- Review the appointment, removal, performance and terms of remuneration of the Chief Internal Auditor and outsourced internal audit firms;
- Review the appointment, re-appointment, removal and terms of remuneration of the cost auditor and recommend the cost audit report to the Board;
- Review, with the Management, external and internal auditors and the outsourced internal audit firms, the quality, adequacy and effectiveness of the Company's internal control system and any significant deficiencies or material weakness in the internal controls;
- Review management letters/letters of internal control weaknesses issued by statutory auditors;
- Maintain an oversight of the adequacy of the whistle blowing /vigil mechanism;
- Oversee compliance with legal, SEBI and other regulatory requirements and also the Tata Code of Conduct ("TCOC") for the Company and its subsidiaries;
- Review the statement of significant related party transactions submitted by the Management, including the significant criteria/ thresholds decided by the Management;
- Approve related party transactions, including any subsequent modifications thereto;
- Grant omnibus approval in respect of related party transactions which are of repetitive nature and in ordinary course of business upto certain threshold limits as prescribed under the Act, the Rules made thereunder and Listing Regulations;
- Review the financial statements, in particular, the investments made by the unlisted subsidiary companies;
- Perform such other activities as requested by the Board of Directors from time to time;
- Review progress on execution of major overseas projects and the risk ratings and outstandings including action plan for its realisation.

4. SUBSIDIARY COMPANIES

The Company has nine unlisted subsidiary companies, of which two are Indian subsidiaries. The Board of Directors have adopted the Policy for determining 'material' subsidiaries as specified in Listing Regulations. This Policy is uploaded on the Company's website www.voltas.com and the weblink is https://www.voltas.in/images/_ansel_image_collector/DETERMINING_MATERIAL_SUBSIDIARY_POLICY_1.pdf

As defined in Regulation 16(1)(c) of Listing Regulations, during 2022-23 none of the Indian subsidiaries, falls under the category of 'material subsidiary'. The financial statements of all subsidiary companies, including investments made, if any, are periodically reviewed by the BAC. The financial performance, Minutes of Board Meetings of these subsidiary companies and all significant transactions or arrangements entered into by the subsidiary companies are reviewed by the Board. An Independent Director of the Company is on the Board of the Indian wholly-owned subsidiary of the Company.

5. RISK MANAGEMENT COMMITTEE

The Risk Management Committee (RMC) comprise Mr. Zubin Dubash (Chairman), Mr. Debendranath Sarangi and Mr. Arun Kumar Adhikari, Non-Executive Independent Directors. During 2022-23, three Meetings were held on 27 June, 2022; 30 September, 2022 and 21 March, 2023.

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

Name of Members	No. of Meetings attended
Mr. Zubin Dubash	3
Mr. Debendranath Sarangi	3
Mr. Arun Kumar Adhikari	3

The quorum of RMC Meetings is two Members or one third of the Members, whichever is greater and the gap between two meetings was not more than 180 days. The Company has formulated a Risk Management Policy and RMC Charter to establish an effective and integrated framework for the risk management process. The RMC monitor and oversee implementation of the Risk Management Policy including evaluating the adequacy of risk management systems. The RMC periodically reviews the policy, once in two years. considering the changing industry dynamics and evolving complexities, if any. After discussions/deliberations and workshops at Corporate as well as Divisional level, the Company has prioritised top ten Enterprise Level risks (external as well as internal) which comprise financial, operational, sectoral and sustainability and its mitigation measures which are closely reviewed by the respective Businesses/Corporate and changes if any, along with mitigation measures are reported to the RMC. The SBP of the respective Divisions factor the risks associated with the businesses and discussed at Board Meetings. The Minutes of the RMC Meetings and presentations made to RMC are circulated to the Board of Directors along with Agenda for subsequent Board Meetings. The Board of Directors has accepted all the recommendations made by RMC from time to time.

During 2022-23, the Company has developed and implemented a robust Enterprise Risk Management (ERM) framework by engaging Ernst and Young (E&Y), for benchmarking with leading international Risk Management Standards (ISO 31000) and Committee of Sponsoring Organisation of the Treadway Commission (COSO). The principal objective of this ERM framework is to formulate a resilient and robust methodology to identify, manage and mitigate key Enterprise, Business segment and Functional Risks. In consultation with E&Y, the Company has adopted the ERM Standard, the ERM Policy and also updated the RMC Charter. The Company has identified Risk Owners and Risk Champions across the businesses and in order to ensure ownership, detailed presentations on the risk mitigation plans are presented by the respective Risk Owners to RMC.

6. RELATED PARTY TRANSACTIONS

The Company has in line with the requirements of the Listing Regulations formulated a revised Policy on materiality of Related Party Transactions (RPTs) and also on dealing with RPTs. The said policy also defines the material modifications of RPTs and is uploaded on the website of the Company at www.voltas.com and the weblink is https://www.voltas.in/images/_ansel_image_collector/Related_Party_Transactions_05052022.pdf

The Audit Committee had granted omnibus approval upto certain threshold limits for RPTs during 2022-23 and the actual value of transactions were reviewed on quarterly basis vis-à-vis the limits. The Company had no materially significant RPTs that could have any potential conflict with the interest of the Company. During the year under review, besides the transactions reported in the Notes to Accounts (Refer Note No. 48), there were no other RPTs with promoters, directors, management, joint ventures/subsidiaries, etc. that had any potential conflict with the interest of the Company at large. All transactions with Related Parties were on arm's length basis, in the normal course of business during 2022-23, except for transfer of domestic B2B business to UMPESL, a wholly owned subsidiary, for which requisite approvals of the Audit Committee and Board of Directors were obtained. The transaction was at arm's length. The interest of Directors, if any, in transactions are disclosed at Board Meetings and the interested Director does not participate in the discussion or vote on such transactions.

7. MANAGERIAL REMUNERATION

(a) Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) comprise Mr. Bahram N. Vakil (Chairman), Ms. Anjali Bansal (Independent Directors) and Mr. Noel Tata (Non-Executive Director). During 2022-23, three Meetings were held on 12 April, 2022; 26 April, 2022 and 4 July, 2022. The attendance of each member of the Committee is given below:

Name of Members	No. of Meetings attended
Mr. Bahram N. Vakil	3
Mr. Noel Tata	3
Ms. Anjali Bansal	3

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The Minutes of NRC Meetings are circulated and noted by the Directors at Board Meetings. Mr. Bahram N. Vakil, Chairman of NRC was present at the last AGM of the Company. The quorum of NRC meeting is either two members or one-third of the members of the Committee, whichever is greater including at least one Independent Director. The Board of Directors has accepted all the recommendations made by NRC from time to time.

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

(i) Recommend to the Board the setup and composition of the Board and its Committees, including the formulation of the criteria for determining qualifications, positive attributes and independence of Director;

(ii) Support the Board in matters related to the setup, review and refresh of the Committees;

(iii) Devise a policy on Board diversity;

(iv) Identify persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel (KMPs) and Senior Management in accordance with the criteria, and recommend to the Board their appointment/re-appointment or removal;

(v) Specify the manner and criteria for effective evaluation of performance of the Board, its Committees and individual Directors, including Independent Directors and support the Board and Independent Directors, as may be required, in the evaluation process;

(vi) Oversee the performance review process for the KMPs and Senior Management with the view that there is an appropriate cascading of goals and targets across the Company;

(vii) Recommend to the Board as to whether to extend or continue the term of appointment of the Independent Directors, based on the performance evaluation of the Independent Directors;

(viii) Recommend the remuneration policy for Directors, KMPs, Senior Management and other employees;

(ix) On annual basis, recommend to the Board, all remuneration, in whatever form, payable to the Directors, KMPs, and Senior Management of the Company including review and recommendation of actual payment of annual and long term incentives (if any) for Managing Director (MD)/Executive Director (ED), KMPs and Senior Management;

(x) Review matters related to remuneration and benefits payable upon retirement and severance to MD/EDs, KMPs and Senior Management, if so applicable to the Company;

(xi) Provide guidelines for remuneration of Directors on material subsidiaries;

(xii) Review HR and People strategy and its alignment with the business strategy periodically or when a change is made;

(xiii) Review the efficacy of HR practices including those for leadership development, rewards and recognition, talent management and succession planning;

(xiv) Perform other activities as requested by the Board from time to time.

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

(b) Remuneration Policy

The Board has adopted the Remuneration Policy for Directors, KMPs and other employees as disclosed in the Directors Report and uploaded on website of the Company at https://www.voltas.in/images/_ansel_image_collector/DISCLOSURE_OF_REMUNERATION_POLICY_FOR_DIRECTORS.pdf

The key principles governing the Remuneration Policy are as under:

(a) Sitting fees/commission to Directors may be paid within regulatory limits.

(b) Overall remuneration should be reasonable and significant to attract, retain and motivate Directors aligned to the requirements of the Company.

(c) Overall remuneration should be reflective of the size of the Company, complexity of the sector/industry/Company's operation and the Company's capacity to pay the remuneration.

(d) Overall remuneration practices should be consistent with the recognised best practices.

(e) The NRC will recommend to the Board, the quantum of commission for each Director based on the outcome of the evaluation process which also includes attendance and time spent by the Directors for Board and Committee Meetings, individual contributions made by Directors at the Meetings and other than in Meetings.

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

The remuneration of NEDs, by way of sitting fees and commission is decided and approved by the Board of Directors based on recommendations of the NRC. The shareholders have at the 66th AGM held on 21 August, 2020 approved payment of commission to NEDs of a sum not exceeding 1% per annum or 3% per annum of the net profits of the Company, as the case may be calculated in accordance with the provisions of the Act for that particular financial year. The aforesaid Resolution was for financial years commencing from 1 April, 2020. Commission for financial year 2022-23 will be distributed amongst the NEDs in accordance with the directives given by the Board. In addition to commission, the NEDs of the Company are paid sitting fees for attending Board/Committee Meetings, as under:

Meetings	Fees per Meeting
• Board Meeting	₹ 50,000
• Board Audit Committee Meeting	₹ 30,000
• Nomination and Remuneration Committee Meeting	₹ 30,000
• Investment Committee Meeting	₹ 15,000
• Project Committee Meeting	₹ 15,000
• Safety-Health-Environment Committee Meeting	₹ 15,000
• Corporate Social Responsibility Committee Meeting	₹ 15,000
• Risk Management Committee Meeting	₹ 15,000
• Shareholders Relationship Committee Meeting	₹ 15,000
• Annual Independent Directors Meeting	₹ 30,000

Remuneration to Directors

The Directors' remuneration paid/payable and sitting fees paid in 2022-23 and their shareholding in the Company as on date are given below:

- Non-Executive Directors

Name of Directors	Commission for 2022-23	Sitting Fees paid in 2022-23 (₹ in lakhs)	No. of Shares held
Mr. Noel Tata	Refer Note (1) below	4.70	--
Mr. Vinayak Deshpande		3.10	--
Mr. Debendranath Sarangi		6.65	--
Mr. Bahram N. Vakil		4.70	--
Ms. Anjali Bansal		5.00	--
Mr. Arun Kumar Adhikari		4.75	--
Mr. Zubin Dubash		5.55	--
Mr. Saurabh Agrawal		2.50	--

Notes:

(1) Provision of ₹ 2 crores made in the books of accounts. Commission to the Non-Executive

Directors would be approved by the Board, based on the recommendation of NRC and paid in the financial year 2023-24.

(2) In accordance with internal Group guidelines, no commission is payable to Mr. Saurabh Agrawal as he is in full time employment with another Tata company. During the year, Mr. Vinayak Deshpande retired as Managing Director of Tata Projects Limited and commission is payable to him on pro-rata basis. The Company did not have any pecuniary relationship or transactions with the NEDs during 2022-23, except as stated above.

- Remuneration of Executive Director

(₹ in crores)

Name of Director	Salary	Perquisites and allowances including retiral benefits	Commission for 2022-23	No. of Shares held
Mr. Pradeep Bakshi	1.16	2.59	Refer Note (1) below	--

Notes:

(1) Provision of ₹ 4 crores made in the books of accounts. Commission to Mr. Pradeep Bakshi would be approved by the Board, based on the recommendation of NRC and paid in the financial year 2023-24.

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

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

(c) Retirement Policy for Directors

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

8. SHAREHOLDERS RELATIONSHIP COMMITTEE

The Shareholders Relationship Committee (SRC), apart from reviewing the shares related activities, also looks into the redressal of shareholder and investor complaints, compliances in respect of dividend payments and transfer of unclaimed amount to the Investor Education and Protection Fund pursuant to the provisions of Section 125 of the Act. Mr. Noel Tata, is the Chairman and Mr. Bahram N. Vakil, Independent Director and Mr. Pradeep Bakshi, Managing Director & CEO are Members of SRC. During 2022-23, one Meeting of SRC was held on 18 August, 2022 and the same was also attended by the Company Secretary. The Minutes of the SRC Meetings are circulated and noted by the Directors at Board Meetings. Mr. Noel Tata attended the last Annual General Meeting of the Company as Chairman of SRC. In line with Listing Regulations, a charter defining the role of SRC has been formulated as under:

(i) Resolving the grievances of the security holders, including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.

(ii) Review of measures taken for effective exercise of voting rights by shareholders.

(iii) Review of adherence to the Service Standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

(iv) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices to the shareholders of the Company.

(v) To appoint/change the Nodal Officer and/or Deputy Nodal Officer in terms of the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

During 2022-23, 40 complaints were received from SEBI/ Stock Exchanges/Emails which were suitably dealt with. As on 31 March, 2023, only 2 complaints were pending, which were attended and suitably replied by TSR.

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

9. OTHER COMMITTEES

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

(a) Corporate Social Responsibility (CSR) Committee comprise Mr. Noel Tata (Chairman), Mr. Bahram N. Vakil, Mr. Pradeep Bakshi and Ms. Anjali Bansal. A CSR Policy has been formulated by the Committee, which has been approved by the Board, to undertake CSR projects/activities. During 2022-23, one Meeting was held on 18 August, 2022. The scope of the CSR Committee includes approving the budget of CSR activities, reviewing the CSR programmes, formulation of annual action plan and monitoring the CSR spends. The Board of Directors has accepted all the recommendations made by CSR Committee from time to time.

(b) The Board Committee comprising any two Directors is authorised to approve routine matters such as opening/closing and changes in the operation of bank accounts of the Company, to grant limited power of attorney to the officers of the Company, etc. During 2022-23, three Meetings were held on 29 August, 2022; 6 January, 2023 and 21 March, 2023.

(c) The Investment Committee considers and takes appropriate decisions for deployment of surplus funds of the Company/investments in Mutual Funds. The Company has formulated an Investment Policy in consultation with the Investment Committee, which has been approved by the Board. Mr. Pradeep Bakshi, Managing Director & CEO, Mr. Jitender P. Verma, CFO and Ms. Anjali Bansal, Independent Director of the Company are members of the Investment Committee. Two Meetings were held during 2022-23 on 24 January, 2023 and 9 March, 2023. Status of investments made and returns/dividends earned on Mutual Funds are reported to the Investment Committee on a monthly basis and to the Board, on quarterly basis.

(d) The Committee of Board (COB) comprise Mr. Noel Tata, Mr. Bahram N. Vakil, Ms. Anjali Bansal, Mr. Zubin Dubash and Mr. Pradeep Bakshi. The COB periodically meet to discuss and guide the Management on various strategic issues. No Meetings of COB were held during 2022-23.

(e) Project Committee comprising Mr. Vinayak Deshpande (Chairman) and Mr. Pradeep Bakshi, review and monitor the progress and execution of projects. During 2022-23, two Meetings were held on 7 June, 2022 and 6 January, 2023.

(f) The Safety-Health-Environment (S-H-E) Committee comprising Mr. Vinayak Deshpande (Chairman), Mr. Pradeep Bakshi and Mr. Debendranath Sarangi review and monitor the Safety standards and practices followed by the Company. Mr. Debendranath Sarangi was appointed as a Member of S-H-E Committee in place of Ms. Anjali Bansal with effect from 5 May, 2022. During 2022-23, two Meetings of S-H-E Committee were held on 7 June, 2022 and 6 January, 2023.

10. GENERAL BODY MEETINGS

The 66, 67 and 68 AGMs were held through video conferencing/other audio visual means as permitted by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI). The date and time of the AGMs held during preceding three years are as given below.

Date of AGM	Time
66 AGM- 21 August, 2020	3.00 p.m.
67 AGM- 27 August, 2021	3.00 p.m.
68 AGM- 24 June, 2022	3.00 p.m.

(a) Special Resolution for change in place of keeping Register and Records of the Company at the office of TSR Consultants Private Limited, the Registrar and Transfer Agent of the Company at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083 and/or such other place where the office of the Registrar and Transfer Agent of the Company is situated within Mumbai, from time to time, was passed at the 68 AGM.

(b) Special Resolution for appointment of Mr. Arun Kumar Adhikari, Independent Director for a second term of five years with effect from 8 June, 2022 upto 7 June, 2027 was passed at the 67 AGM.

(c) There was no matter that required to be passed by a Special Resolution at the 66 AGM of the Company.

During 2022-23, no Special Resolution was passed through postal ballot and no Extraordinary General Meeting was held.

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

As required under Regulation 36(3) of Listing Regulations, particulars of Director/s seeking reappointment are given in the Explanatory Statement annexed to the Notice of the Sixty-Ninth AGM to be held on 22 June, 2023.

12. DISCLOSURES

- A certificate from M/s. N L Bhatia & Associates, Practicing Company Secretaries, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the companies by SEBI, MCA or any such statutory authority is annexed as part of this Report.
- In accordance with Regulation 24A of the SEBI Listing Regulations, the Company has obtained an Annual Secretarial Compliance Report from M/s. N L Bhatia & Associates, Practising Company Secretaries, confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended 31 March, 2023.
- None of the Directors are related to each other.
- During the last three years, there were no strictures or penalties imposed by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to capital markets.
- The Company has adopted a Whistle Blower Policy which enables the employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct. The mechanism provides for adequate safeguards against victimisation of employees and provides direct access to the Chairman of the Board Audit Committee on concerns relating to financial accounting matters. For all other concerns, if they pertain to employees below the Vice President level, the same gets referred to the Ethics Counsellor and for Vice Presidents and above, the same is referred to the Chairman of the Board Audit Committee. The Whistle Blower Policy has been communicated to the employees of the Company and its functioning is reviewed by the Board Audit Committee, periodically. Concerns received under the Tata Code of Conduct are reported and discussed at the Audit Committee Meetings. The Whistle Blower Policy of the Company has been disclosed on the website of the Company.
- Senior Management has made the disclosure to the Board and confirmed that they had no material financial and commercial transactions that could have a potential conflict with the interest of the Company at large.
- In the preparation of financial statements, the Company has followed the Accounting Standards as prescribed by the Central Government.
- The Company did not raise funds through public/ rights/preferential issues/Qualified Institutions Placement (QIP) during the financial year 2022-23. Hence, disclosure of utilisation of funds is not required.
- In line with the requirements of SEBI, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a firm of Practicing Company Secretaries to confirm that the aggregate number of equity shares of the Company held in NSDL and CDSL and in physical form, tally with the total number of issued/paid-up, listed and admitted capital of the

Company. Report issued by them is filed with Stock Exchanges on quarterly basis.

- The Managing Director & CEO and Chief Financial Officer have in accordance with Regulation 17(8) of Listing Regulations certified to the Board on matters pertaining to CEO/CFO certification.

- The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been made in Directors' Report.

  The Company and its subsidiaries have not made any loans and advances in the nature of loans to firms/companies during the year in which Directors are interested.

- **Compliances**

  - The Company has complied with Corporate Governance requirements specified in Regulations 17 to 27, read with para C and D of Schedule V of Listing Regulations, as applicable.

  - As specified in Regulation 46(1) of the Listing Regulations, the Company has a functional website www.voltas.com and all the information stipulated in Regulation 46(2) is disseminated under a separate 'Investor' section on the website of the Company from time to time, as applicable.

- **Credit Rating**

  The Company has obtained Annual Credit Rating from ICRA Limited (ICRA) for ₹ 2,400 crores Line of Credit (LOC), pursuant to an Agreement between ICRA and Voltas. ICRA has rated the Company as 'AA+ for long-term' and 'A1+ for short-term' LOC [fund base and non-fund base bank facilities].

- **Consolidated payment to Statutory Auditors**

  During 2022-23, ₹ 4.61 crores was paid on consolidated basis to Statutory Auditors of the Company and all entities in the network firm/ network entity of which the Statutory Auditors forms part, towards services rendered by them, as under:

₹ in crores

Sr. No	Particulars	By Company	By Subsidiaries	Total
a.	Statutory Audit fees including tax audit fees	2.78	0.29	3.07
b.	Other services	1.41	0.04	1.45
c.	Reimbursement of expenses	0.08	0.01	0.09
Total		**4.27**	**0.34**	**4.61**

- The Company has complied with the mandatory requirements of Listing Regulations relating to Corporate Governance. The Directors freely interact with the Management on information that may be required by them. The Management also shares with the Board, changes/proposed changes in relevant laws and regulations and their implication on the Company.

  The status of compliance with the non-mandatory requirements are as under:

  - The financial statements of the Company are with unmodified opinion.
  - The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Chief Executive Officer.
  - The Internal Auditor reports to the Audit Committee.

  The Company has not adopted the discretionary requirements in regard to maintenance of Non-Executive Chairman's office and sending half-yearly financial results to the shareholders at their residence.

- **Dividend Distribution Policy**

  The Company has formulated Dividend Distribution Policy which is available on the website of the Company at www.voltas.com and the weblink has been provided in Directors' Report and also annexed to the Directors' Report for ready reference.

- **Commodity price risk or foreign exchange risk and hedging activities**

  The Company does not deal in commodity and hence the disclosure pursuant to SEBI Circular dated 15 November, 2018 is not required. Foreign exchange risk and hedging activities are covered separately in the Annual Report.

13. MEANS OF COMMUNICATION

- The quarterly, half-yearly and annual financial results are published in widely circulated newspapers: Business Standard in English; Sakaal in Marathi and also displayed on the website of the Company https://www.voltas.in/investors/disclosure-under-regulation-46-lodr/ soon after its submission to the Stock Exchanges.
- Shareholding Pattern, Corporate Governance Report, Statements of Investor Grievances, Reconciliation of Share Capital Audit Report, financial results and other event based compliances are uploaded in the prescribed format, on NEAPS and Listing Centre maintained by NSE and BSE, respectively.
- The financial results, official news releases and presentations, conference calls with the institutional investors or with the analysts are displayed on the Company's website https://www.voltas.in/investors/disclosure-under-regulation-46-lodr/. Copies of Press Release are filed with the Stock Exchanges.
- The Company's website contains information on Voltas' management, vision, mission, various policies and corporate sustainability. The section on 'investors' provides financial results, annual reports, shareholding pattern and announcements submitted to the Stock Exchanges. The intimation of Schedule of Analysts Meet sent to the Stock Exchanges as also the recording of conference call on financial results is uploaded on Company website. The section on 'News Room' includes all major press releases.

14. GENERAL SHAREHOLDERS INFORMATION

•	AGM: Date, time and venue	:	Thursday, 22 June, 2023 at 3.00 p.m. by Video Conferencing or Other Audio Visual Means
•	Financial Calendar	:	(a) 1 April to 31 March (b) First Quarter Results – By 14 August, 2023 (c) Second Quarter Results – By 14 November, 2023 (d) Third Quarter Results – By 14 February, 2024 (e) Results for the year ending 31 March, 2024 – By 30 May, 2024
•	Date of Book closure	:	Saturday, 10 June, 2023 to Thursday, 22 June, 2023 (both days inclusive).
•	Dividend Payment date	:	Dividend, if declared would be paid on or after 27 June, 2023.
•	Listing on Stock Exchange	:	– BSE Limited (BSE) P.J. Towers, Dalal Street, Mumbai 400 001 – National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai 400 051

The Company has paid the listing as well as market capitalisation fees to BSE and NSE for the year 2023-24.

- **Stock Code**

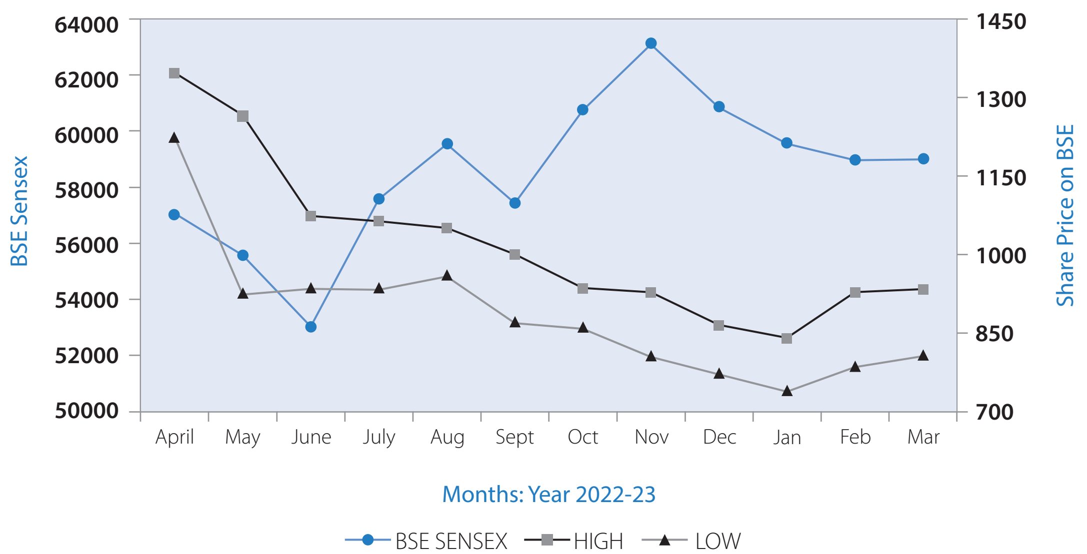
-	BSE	:	500575
-	NSE	:	VOLTAS
-	ISIN for NSDL/CDSL	:	INE226A01021

- **Market Information**

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

Month	BSE Sensex	BSE Limited (BSE)				National Stock Exchange of India Limited (NSE)			
		High ₹	Low ₹	No. of Shares Traded	Turnover ₹ in crores	High ₹	Low ₹	No. of Shares Traded	Turnover ₹ in crores
2022									
April	57,061	1,347.75	1,225.00	9,45,885	121.23	1,347.65	1,222.70	2,15,79,044	2,768.02
May	55,566	1,266.60	923.50	21,84,247	227.45	1,266.60	922.55	3,78,43,792	3,878.56
June	53,019	1,073.55	934.40	9,76,592	97.60	1,058.95	933.60	2,01,49,552	1,994.70
July	57,570	1,063.45	932.60	13,88,701	136.01	1,064.95	932.50	2,39,94,895	2,371.19
August	59,537	1,050.55	958.00	10,42,675	104.31	1,051.30	958.45	2,56,25,362	2,554.49
September	57,427	1,000.20	868.70	21,43,593	199.94	999.90	868.00	2,88,18,126	2,695.18
October	60,747	935.65	857.90	16,10,111	141.92	936.00	857.35	1,80,53,927	1,593.45
November	63,100	927.50	804.00	21,53,757	179.73	928.00	803.60	3,28,55,695	2,766.48
December	60,841	864.95	770.55	10,75,584	88.85	862.40	770.00	1,93,03,946	1,600.65
2023									
January	59,550	840.20	737.60	6,96,226	55.14	834.00	737.20	2,23,05,085	1,764.85
February	58,962	927.75	784.60	16,51,678	143.09	927.40	784.00	3,80,99,681	3,303.10
March	58,992	933.50	805.55	7,99,186	69.78	934.00	805.50	2,46,19,102	2160.85

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



- **Distribution of shareholding as on 31 March, 2023**

No. of equity shares held	No. of Shareholders	No. of Shares held	% of Issued Share Capital
Upto 5,000	2,77,720	3,32,99,178	10.07
5,001 to 10,000	748	53,31,402	1.61
10,001 to 20,000	319	44,42,090	1.34
20,001 to 30,000	81	19,84,425	0.60
30,001 to 40,000	51	18,01,481	0.54
40,001 to 50,000	37	16,70,818	0.51
50,001 to 1,00,000	71	52,10,347	1.57
1,00,001 and above	213	27,71,44,999	83.76
Total	**2,79,240**	**33,08,84,740**	**100.00**
Physical Mode	**7,088**	**46,14,033**	**1.39**
Electronic Mode:	**2,72,152**	**32,62,70,707**	**98.61**
- **NSDL**	**95,220**	**30,98,65,306**	**93.65**
- **CDSL**	**1,76,932**	**1,64,05,401**	**4.96**

- **Shareholding Pattern as on 31 March, 2023**

Category	No. of Shares held	% of Issued Share Capital
Tata Group of companies	10,02,53,480	30.30
Mutual Funds and UTI	4,94,36,941	14.94
Foreign Portfolio Investors	6,80,79,040	20.57
Insurance companies	5,16,76,178	15.62
Bodies Corporate	1,16,94,759	3.53
Alternate Investment Funds	5,65,569	0.17
Non Resident Indians	21,33,345	0.65
Investor Education and Protection Fund Authority	27,04,084	0.82
Central Government Corporations and Banks	14,87,260	0.45
Foreign national	3,833	0.00
Public/Individuals	4,28,50,251	12.95
Total	**33,08,84,740**	**100.00**

- **Shareholders holding more than 1% Equity Shares of the Company as on 31 March, 2023**

Name of Shareholder	No. of Shares held	% of Issued Share Capital
Tata Sons Private Limited	8,81,31,780	26.64
Life Insurance Corporation of India	3,39,03,563	10.25
Tata Investment Corporation Limited	99,62,330	3.01
T. Rowe Price Emerging Markets Stock Fund	99,60,127	3.01
Emerging Markets Equity Trust	85,54,773	2.59
Mirae Asset Mutual Fund	82,88,596	2.50
HDFC Life Insurance Company Limited	82,83,720	2.50
NPS Trust	65,23,395	1.97
Nippon Life India Trustee Limited	60,98,641	1.84
Franklin India Mutual Fund	45,49,818	1.38
Axis Mutual Fund	38,66,802	1.17
SBI Life Insurance Company Limited	38,36,829	1.16
Kotak Mutual Fund	35,86,760	1.08

•	Registrar & Transfer Agent:	:	TSR Consultants Private Limited Unit : Voltas Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai 400083. Tel: 022-66568484 / 8108118484 Fax: 022-66568494 e-mail: csg-unit@tcplindia.co.in website : https://tcplindia.co.in
•	Share Transfer System	:	The transmission cases and demat requests are processed and approved by the Share Transfer Board Committee on a fortnightly basis, which are reported at the subsequent Board Meetings
•	Dematerialisation of shares and liquidity.	:	98.61% of the share capital has been dematerialised as on 31 March, 2023.
•	Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	:	The Company has not issued GDRs/ADRs/Warrants or any Convertible instruments.
•	Plant locations	:	The Company's manufacturing activities are located at: (i) Plot No.1-5, Sector 8, I.I.E. Pantnagar Industrial Area, Dist. Udham Singh Nagar, Rudrapur, Uttarakhand 263 153. (ii) Plot No 1, Sector 10, Pantnagar Industrial Area, Dist. Udham Singh Nagar, Rudrapur, Uttarakhand 263 153. (iii) Plot No. 1A, Siddhi Industrial Infrastructure Park, Village Waghodia, Dist. Vadodara 391 760.
•	Addresses for correspondence		All correspondence relating to shares should be addressed to TSR Consultants Private Limited, the Company's Registrar & Transfer Agent at the address mentioned aforesaid. Shareholders holding shares in electronic mode should address their correspondence to the respective Depository Participants.

- **Unclaimed Dividends**

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

Date of declaration of dividend	Dividend for the year	Due for transfer to the IEPF	Amount lying in unpaid dividend Accounts as on 31 March, 2023 ₹ in crores
29 August, 2016	2015-16	29 September, 2023	1.09
28 August, 2017	2016-17	28 September, 2024	1.44
27 August, 2018	2017-18	27 September, 2025	1.13
9 August, 2019	2018-19	9 September, 2026	1.06
21 August, 2020	2019-20	21 September, 2027	0.91
27 August, 2021	2020-21	27 September, 2028	0.93
24 June, 2022	2021-22	24 July, 2029	0.99

Pursuant to Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), the Equity Shares of the Company in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred by the

Company to IEPF Authority. Accordingly, the Company had during 2022-23, transferred 1,10,556 shares (physical) and 3,654 shares (held in demat) and ₹ 0.86 crore to IEPF Authority in respect of dividend declared by the Company for 2014-15 and which had remained unclaimed for seven consecutive years from the date of transfer to unpaid dividend account. The Company had sent individual notice to all the concerned shareholders whose shares were due to be transferred to the IEPF Authority and had also published notice in newspapers in this regard. The Company has uploaded the details of such shareholders on its website www.voltas.com and website of IEPF Authority www.iepf.gov.in. The concerned shareholders may note that the shares so transferred to IEPF Account, including all benefits accruing on such shares, if any, can be claimed by them only from IEPF Authority by following the prescribed procedure. As earlier stated, Mr. V. P. Malhotra, Company Secretary has been appointed as 'Nodal Officer' under the provisions of IEPF.

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

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

- **Bank details for Electronic Shareholding**

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

- **Bank details for Physical Shareholding**

  In order to provide protection against fraudulent encashment of dividend warrants, the members are requested to provide, if not provided earlier, their Bank Account numbers, names and addresses of the Bank along with original cancelled cheque leaf of the saving/current account in which the credit of dividend is desired, quoting Folio numbers to the Company's RTA – TSR Consultants Private Limited to incorporate the same on the dividend warrants.

- **Physical Transfer of Shares**

  As per Regulation 40 of the Listing Regulations, as amended, the Company had stopped accepting any share transfer requests for shares held in physical form. As mandated by SEBI, the RTA has effective 25 January, 2022, issued shares in demat form only after processing the requests received in prescribed Form ISR-4 for issue of duplicate certificate, transmission, transposition, renewal/exchange of share certificate, endorsement, sub-division/splitting of certificate, consolidation of certificates, etc. by issuing a Letter of Confirmation (LOC) to the concerned shareholder(s) for submission to their respective DP within 120 days from the date of issue of LOC for dematerialistion of shares. For cases where the shareholder failed to submit the LOC to their DP within the aforesaid period, the RTA has credited the shares to Suspense Escrow Demat Account (SEDA) of the Company. Accordingly, 150 shares of ₹ 1 each has been credited to SEDA during 2022-23.

  In view of the above mandatory requirements and in order to eliminate the risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company by sending an email at shareservices@voltas.com or to the Company's Registrar & Transfer Agent, TSR Consultants Private Limited at csg-unit@tcplindia.co.in for any assistance in this regard.

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

- **Dematerialisation of Shares**

  Shareholders presently holding shares in physical form are requested to convert their physical holding into demat holding.

- **Nomination facility**

  Shareholders should register their nominations in Form SH-13 in case of physical shares with the Company's Registrar & Transfer Agent – TSR Consultants Private Limited. In case of dematerialised shares, nomination should be registered by the shareholders with their DP. Nomination would help the nominees to get the shares transmitted in their favour in a smooth manner without much documentation/legal requirements. For change/cancellation of Nomination, Form SH-14 shall be filed with the RTA in case of physical shares and with DP in case of shares held in demat form. The said Forms can be downloaded from the website of the Company www.voltas.com under investor section.

- **Common and Simplified Norms for updation of PAN and Know Your Customer (KYC) details**

  SEBI had vide circular dated 16 March, 2023 introduced Common and Simplified Norms for furnishing PAN, KYC details and Nomination by the Shareholders in supersession of circular dated 3 November, 2021, according to which, all shareholders holding shares in physical form are mandatorily required to furnish PAN (compulsorily linked with Aadhaar), nomination, contact details, bank account details and specimen signature to RTA. Further, it is mandated that the RTA shall not process any service request or complaint of shareholders till PAN, KYC and nomination document/details are received. In case any one of aforesaid documents are not available on or after 1 October, 2023, the folios shall be frozen by the RTA.

  Shareholders holding shares in physical form are therefore requested to provide following Forms for updation of their signatures, PAN, Nomination as the case may be. The said Forms can be downloaded from the website of the Company https://www.voltas.in/investors/kyc-forms-physical-shareholder/ under Investor section:

  (a) From ISR-1: PAN and KYC details;

  (b) Form ISR-2: Updation of signature;

  (c) Form ISR-3: Declaration for opting out of Nomination;

  (d) Form SH-13: Nomination Form;

  (e) Form SH-14: Cancellation/variation of Nomination;

  In accordance with the above SEBI circulars, the Company had last year sent communication along with the said forms to all the shareholders holding shares in physical form requesting for updating their KYC details. Further, the Company had on 8 March, 2023, sent a reminder along with the aforesaid forms to the Shareholders who have not yet updated their KYC details.

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

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

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

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

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

I hereby declare that all the Directors and Senior Management personnel have as on 31 March, 2023 affirmed compliance of their respective Codes of Conduct adopted by the Company and confirmation to that effect has been given by each of them.

Place: Mumbai
Date: 26 April, 2023

Pradeep Bakshi
Managing Director & CEO

ANNEXURE

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
VOLTAS LIMITED

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

In our opinion and to the best of our information and according to the verifications [including Director Identification Number (DIN) status on the portal https://www.mca.gov.in/content/mca/global/en/home.html as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that for the Financial Year ended 31 March, 2023, none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of Original appointment	Date of cessation
1.	Mr. Noel Tata	00024713	27 January, 2003	--
2.	Mr. Pradeep Kumar Bakshi	02940277	1 September, 2017	--
3.	Mr. Vinayak Deshpande	00036827	14 February, 2012	--
4.	Mr. Debendranath Sarangi	01408349	1 September, 2014	--
5.	Mr. Bahram N. Vakil	00283980	1 September, 2014	--
6.	Ms. Anjali Bansal	00207746	9 March, 2015	--
7.	Mr. Arun Adhikari	00591057	8 June, 2017	--
8.	Mr. Zubin S. Dubash	00026206	9 August, 2019	--
9.	Mr. Saurabh Mahesh Agrawal	02144558	21 January, 2021	--

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

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

For **M/s. N L Bhatia & Associates**
Practising Company Secretaries
UIN: P1996MH055800
UDIN: F008663E000175161

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

Date: 24 April, 2023
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED

The Members of Voltas Limited

1. The Corporate Governance Report prepared by Voltas Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2023 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

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

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

    i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

    ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

    iii. Obtained and read the Register of Directors as on March 31, 2023 and verified that atleast one independent woman director was on the Board of Directors throughout the year;

    iv. Obtained and read the minutes of the following committee meetings / other meetings held between April 01, 2022 to March 31, 2023:

        (a) Board of Directors;

        (b) Audit Committee;

        (c) Annual General Meeting (AGM);

        (d) Nomination and Remuneration Committee;

        (e) Stakeholders Relationship Committee;

        (f) Risk Management Committee

v. Obtained necessary declarations from the directors of the Company.

vi. Obtained and read the policy adopted by the Company for related party transactions.

vii. Obtained the schedule of related party transactions during the year and balances at the year end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved by the audit committee.

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

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

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2023, referred to in paragraph 4 above.

Other matters and Restriction on Use

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

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

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
UDIN: 23038730BGYSNI4816
Place: Mumbai
Date: April 26, 2023

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

1	Corporate Identity Number (CIN)	L29308MH1954PLC009371
2	Name	Voltas Limited
3	Year of incorporation	6 September, 1954
4	Registered office address	Voltas House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai 400 033
5	Corporate address	Voltas House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai 400 033
6	E-mail	vpmalhotra@voltas.com
7	Telephone	022-66656251
8	Website	www.voltas.com
9	Financial year for which reporting is being done	2022-23
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)
11	Paid-up Capital	₹ 33.08 crores
12	Contact Person	
	Name of the Person	Ms. Astrid Dias
	Telephone	022 – 66656666
	E-mail	astriddias@voltas.com
13	Reporting Boundary	
	Type of Reporting	Disclosures made in this report are on a standalone basis and pertain only to Voltas Limited

II. Product/Services

14	Details of business activities (accounting for 90% of the turnover)	S.No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
		1	Unitary Cooling Products	Room Air Conditioners, Air Coolers, Commercial Refrigeration products and Commercial Air Conditioning.	85.54%
		2	Electro-Mechanical Projects and Services	Mechanical, Electrical and Plumbing (MEP) and Water projects.	12.06%
		3	Engineering Products and Services	Textile Machinery and Mining & Construction Equipment Business.	2.40%*

15	Products/Services sold by the entity (accounting for 90% of the turnover)	S.No.	Product/Service	NIC Code	% of Total Turnover contributed
		1	Unitary Cooling Products	28192	85.54%
		2	Electro-Mechanical Projects and Services	43219/43229	12.06%
		3	Engineering Products and Services	33125/33127/46595/46599	2.40%*

* Note: Represents Turnover for part of the year as business was transferred to 100% Subsidiary during 2022-23.

III. Operations

16	Number of locations where plants and/or operations/offices of the entity are situated	Location	Number of plants	Number of Offices	Total
		National	3	24	27
		International	NIL	13	13
17	Markets served by the entity				
	a. Number of Locations	Locations	Numbers		
		National (No. of States)	28 States, 8 UTs		
		International (No. of Countries)	20		
	b. What is the contribution of exports as a percentage of the total turnover of the entity?	2%			
	c. A brief on types of customers	The main end users of Voltas products and services are households, commercial and industrial establishments and Government Institutions. The Company also executes MEP/Water projects of Public/Private sector. The Company also executes retrofit jobs in existing equipment for consumers, that enable energy efficiency and utilise waste heat, thus reducing energy consumption.			

IV. Employees

18. Details as at the end of Financial Year

a. Employees and workers (including differently-abled)

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1	Permanent (D)	2,070	1,953	94%	117	6%
2	Other than Permanent (E)	1,992	1,957	98%	35	2%
3	**Total Employees (D+E)**	**4,062**	**3,910**	**96%**	**152**	**4%**
Workers						
4	Permanent (F)	1,032	1,028	99.61%	4	0.39%
5	Other than Permanent (G)	-	-	-	-	-
6	**Total Workers (F+G)**	**1,032**	**1,028**	**99.61%**	**4**	**0.39%**

b. Differently abled employees and workers

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1	Permanent (D)	1	1	100%	-	-
2	Other than (E)	-	-	-	-	-
3	**Total differently abled employees (D+E)**	**1**	**1**	**100%**	**-**	**-**
Workers						
4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	-	-	-	-	-
6	**Total differently abled workers (F+G)**	**-**	**-**	**-**	**-**	**-**

19. Participation/Inclusion/Representation of women

S.No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	9	1	11.11%
2	Key Management Personnel	3	--	--

20. Turnover rate for permanent employees and workers for past 3 years

Category	2022-23			2021-22			2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	27%	30%	27%	16%	20%	17%	11%	14%	11%
Permanent Workers	-	-	-	-	-	-	-	-	-

V. Holding, Subsidiary and Associate Companies (including Joint Ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S.No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Whether holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Universal MEP Projects & Engineering Services Limited (UMPESL)	Subsidiary	100%	No
2	Hi-Volt Enterprises Private Limited	Subsidiary	100%	No
3	Voltas Netherlands B.V. (VNBV)	Subsidiary	100%	No
4	Universal MEP Projects Pte Limited (UMPPL)	Subsidiary	100%	No
5	Weathermaker FZE (WMF)	Subsidiary	100%	No
6	Saudi Ensas Company for Engineering Services & Trading W.L.L. (Saudi Ensas)	Subsidiary	100%	No
7	Lalbuksh Voltas Engineering Services & Trading L.L.C. (LALVOL)	Subsidiary	60%	No
8	Voltas Oman SPC (VOSPC)	Subsidiary	100%	No
9	Voltas Qatar W.L.L. (VQWLL)	Subsidiary*	49%	No
10	Voltbek Home Appliances Private Limited (Voltbek)	Joint Venture	49%	No
11	Universal Voltas L.L.C.	Joint Venture	49%	No
12	Olayan Voltas Contracting Company Limited	Joint Venture	50%	No
13	Naba Diganta Water Management Limited	Joint Venture	26%	No
14	Brihat Trading Private Limited	Associate	33.23%	No

* due to control on composition of Board of Directors.

VI. CSR Details

22	**Whether CSR is applicable as per Section 135 of Companies Act, 2013**	Yes
	Turnover (in ₹)	7,570.31 crores
	Net worth (in ₹)	6,773.10 crores

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Being a Tata Group company, Voltas Limited abides by the Tata Code of Conduct (TCoC), which is a comprehensive document for ethical conduct for all internal and external stakeholders of the Company covering 100% of its operations. TCoC consists of 10 sections with sub-clauses that cover employees, customers, communities and the environment, value chain partners, financial stakeholders, governments, and group companies. TCoC is expanded to Group JVs/Subsidiaries/ Suppliers/Contractors. For receiving complaints/grievances from stakeholders there are defined channels and these are addressed with expediency in upholding the ethical standards practiced in the Group.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	If Yes, then provide web-link for grievance redress policy	2022-23			2021-22		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	https://www.voltas.in/images/_ansel_image_collector/CSR_Policy_%28Revised%29_11102021.pdf	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	Yes	https://www.voltas.in/investors/disclosure-under-regulation-46-lodr/email-address-for-grievance-redressal	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	Yes	https://www.voltas.in/file-uploads/investor-toolkit/Guidelines_governing_investors_policy.pdf	40	2	*	17	1	Resolved Subsequently
Employees	Yes	https://www.tata.com/content/dam/tata/pdf/Tata%20Code%20Of%20Conduct.pdf https://www.voltas.in/file-uploads/general/POLICY_ON_RESPECT_FOR_GENDER_%28POSH%29_1.pdf https://www.voltas.in/images/_ansel_image_collector/ETHICS_AT_VOLTAS_1.pdf	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Yes	https://www.voltas.in/contact/ https://www.voltasservice.com/	56,87,333	60,513	These are complaints recorded through Company customer service processes	48,31,461	1,05,581	These are complaints recorded through Company customer service processes
Value chain partners	Yes**	https://www.voltas.in/images/_ansel_image_collector/TATA_CODE_OF_CONDUCT_FOR_VOLTAS_EMPLOYEE_2.pdf	Nil	Nil	Nil	Nil	Nil	Nil

* Responded by the Company and pending with SEBI as on 31 March, 2023.

**With regards to suppliers and vendors and other agencies, the specific department under the business function resolves grievances raised. Value chain partners can also raise issues through the TCoC platform.

24. Overview of the entity's material responsible business conduct issues

Material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to the Company's business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, is stated hereunder.

Materiality Assessment is a foundational aspect of Voltas Limited given the influence material issues have on the business activities, stakeholders, and their ability to create sustainable value. In 2022-23, Material issues were reviewed concurrent with the evolving business environment, global ESG standards and basis previous year material issues.

S.No.	Material Issue Identified	Whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change	Opportunity	Climate change provides an opportunity to innovate smart engineering products which are energy and resource efficient that enable to lead a comfortable living. Through the commercial refrigeration business, the Company intends to decrease food wastage which would further help in reducing Greenhouse Gas (GHG) emissions due to food wastages. Studies have suggested that climate change would also increase the spread of infectious diseases. The Company has entered into a Technology License Agreement to develop, manufacture, sell and service medical refrigeration and vaccine storage equipment.	NA	Positive
2	Climate Change	Risk	Climate change-related extreme weather conditions expose the Company's operations, as well as the safety and well-being of its employees, at risk. Additionally, economic disruptions caused by transition risks could have an adverse effect on the growth and profitability of the Company.	• Safety trainings and awareness sessions are a mandate across operations, sites and offices. This also includes emergency evacuation due to natural disasters. • Designing and Smart Engineering Products which are more sustainable and energy efficient, in order to meet the growing consumer demand as well as address the concerns related to climate change. • By switching to renewable energy for business operations, the Company aims to achieve Net Zero. Increasing the green cover in the locations where the Company operates aids in promoting biodiversity.	Negative

S.No.	Material Issue Identified	Whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Product Stewardship	Opportunity	Responsible management of a product throughout its lifecycle, from design to disposal, with the goal of minimising its environmental impact. Helps to reduce costs by improving the efficiency of the production processes and reducing waste. IOBG encourage clients to utilise renewable energy sources and energy-efficient technology. Additionally, it helps to attract and retain customers who value sustainability of product and sustain leadership in existing markets.	NA	Positive
4	Waste Management	Opportunity	Sustainable waste management practices and recycling can improve environmental performance and reduce dependency on virgin raw materials, while also potentially increasing financial returns.	NA	Positive
5	Health & Safety	Risk	Aiming to create a work environment where the employees, workers and vendors flourish. Health and safety risks can result in employee injuries and illness impacting productivity and increase in other related cost including external reputation which can negatively impact the Company's bottom line.	Policies (internal) and rigorous trainings for employees and workers against health and safety hazards. The safety campaigns and conclaves communicate all significant hazards across sites, factories and offices. The Company minimise safety and health risks by offering the "Will to stop Work" if an employee, worker, or vendor considers the workplace unsafe to function in. The Company's insurance program includes employees as well as service technicians.	Negative
6	Talent Development	Opportunity	Ability to attract, develop and retain a skilled workforce, can enhance innovation, productivity, and competitiveness. Effective talent management can also improve employee engagement, morale and job satisfaction, leading to reduced attrition and increased employee loyalty.	NA	Positive
7	Sustainable supply chain	Risk	Failure to implement sustainable practices in the supply chain can lead to reputational damage and loss of customer trust, as consumers become more environmentally conscious and demand more sustainable products.	Sustainable Supplier Assessment to ensure the sustainable practices are adopted in the supply chain resulting in improved environmental and social performance.	Negative

S.No.	Material Issue Identified	Whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Regulatory Compliance	Opportunity	Regulatory compliance provides: an increase in the efficiency of products; reduce risks; enables competitive advantage; and creates new business opportunities. Regulatory compliant businesses are less likely to face legal or regulatory action, and damage to reputation.	NA	Positive
9	Digitalization	Opportunity	Digitalization helps to automate and streamline business processes by reducing errors and therefore improves efficiency and accuracy. The Company can understand and meet the needs of their customers in a better way by leveraging customer data and insights can personalise their offerings and improve the customer experience.	NA	Positive
10	Customer Centricity	Opportunity	Customer centricity provides an opportunity, to develop new products that are designed with a focus on increased efficiency, safety and quality. It also helps in receiving customer feedback and understanding their needs and concerns to create products that are not only safe, but also meet the needs of customers.	NA	Positive
11	Business Ethics	Risk	Failure to adhere to business ethics can result in significant risks for a company. If a company is found to be engaging in unethical behavior, it can damage the company's reputation and erode public trust creating a loss of customers, investors, and other stakeholders.	The Company adheres to the Tata Code of Conduct which serves as a guide to each employee and entire value chain, 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.	Negative
12	Economic Performance & Market Share	Opportunity	Economic performance and market share provides an opportunity which can attract investment and it is key for current investors to be satisfied with consistent returns.	NA	Positive
13	Diversity and Inclusion	Opportunity	Diversity and inclusion give an opportunity to individuals with different backgrounds, experiences, and viewpoints to come together in a workforce that is diverse and inclusive. It can open a wide range of possibilities, including improved decision-making, increased consumer base, stronger employer brand, fostering economic development and improved reputation.	NA	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting NGRBC Principles and Core Elements.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	https://www.voltas.in/about/corporate-governance/								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Voltas policies are based on the NVG principles and aligned to the international standards like ISO 45001, ISO 9001 and United Nations SDGs. Voltas follows GRI standards for measuring and reporting its sustainability performance.								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Voltas is committed to providing customers with energy-efficient products and aspires to become net zero and water positive.								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance of each of the principles is reviewed periodically by various Committees led by the Management and Board of Directors.								
Governance, Leadership and Oversight										
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements At Voltas, we have always believed in driving business with purpose. Through reporting, we would like to communicate to our stakeholders, our progress on Environmental, Social and Corporate Governance performance. Sustainability enables businesses to thrive in dynamically changing environments. Innovation and adaptation will be key to overcoming challenges and building resilience, especially in the ever-changing environments around us. We have been working in the past year to strengthen our commitments towards Sustainability, this includes integrating ESG risks to our Enterprise Risk Management framework; building aspirational goals of carbon neutral and water positive for our operations; investing in products and processes that are energy efficient; promoting products and services that help in lowering environmental impact; partnering with waste recyclers; and supporting communities. We believe Sustainability is a journey, and while we believe there is more work to be done, we are also poised to take up challenges and improvements through transforming our ways of doing business.									
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Managing Director & CEO								
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Company has a Board level SHE Committee. SHE (Safety, Health and Environment) Committee gives direction and guidance to the Management on the aspects of Health, Safety and Sustainability. Further the SHE Committee looks into the overall safety management, industrial hygiene and occupational health requirements, not only required by law but through industry best practices. There is also a Board level CSR Committee that monitors CSR expenditures and implementation of projects based on annual action plans.								

10.	Details of Review of NGRBCs by the Company																		
	Subject for Review	Whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	A	A	A	A	A	A	A	A
	Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	A	A	A	A	A	A	A	A

		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	N	N	N	N	N	N	N	N	N

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year.

The TCoC's principles serve as the foundation for Voltas Limited. The Company expect its workers to be familiar with the TCoC and to behave in accordance with its guidelines. To ensure thorough distribution of what is deemed ethical conduct and the consequences of non-adherence, there are regular training sessions for new hires and annual digital certification/re-certification learning program.

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	-	Communication to and discussion with the Board Audit Committee on TCoC cases, annual compliance report that covers aspects of the TCoC and update on Ethics survey outcomes.	-
Key Management Personnel	2 on health and safety 2 on Ethics/TCoC	1. Anti-Bribery & Anti-Corruption (ABAC) Policy 2. Tata Code of Conduct (TCoC)* 3. Prevention of Sexual Harassment (POSH)	100%
Employees other than BODs and KMPs	5,196 on health and safety 3,191 - TCOC/ POSH/ETHICS	1. ABAC 2. TCoC* 3. POSH* 4. Health & Safety	100%
Workers	11,810 on safety 29 on TCoC/ POSH/ETHICS	1. TCoC 2. POSH 3. Health & Safety	100%

*Mandatory programme every 2 years.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year 2022-23.

Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Being a Tata group company, Voltas Limited adheres to the Tata Code of Conduct (TCoC). Clause 10 of TCoC focuses on anti-corruption or anti-bribery policy, Section D: Our Employees, the guidance on Bribery and Corruption is outlined as: Our employees and those representing us, including agents and intermediaries, shall not, directly, or indirectly, offer or receive any unauthorised or inappropriate payments or similar benefits that are thought to be designed to procure favorable advantages for the manner in which our business is conducted. Emphasis is laid on violation by even a single employee of any law relating to anti-bribery, anti-corruption, anti-competition, data privacy, etc. resulting in severe financial penalties and irreparable reputational damage to the Company. The Company's Ethics Counsellor, Officers, and Ethics Committee encourage and enable ethical behavior both internally and with all agencies or business partners (including but not limited to customers and vendors) in their interactions with the Company. People are given the opportunity to voice any concerns they may have about unethical behavior, and such issues are appropriately investigated in strict confidence so that the individual or people who report them do not face any repercussions.

Please refer to the link TATA_CODE_OF_CONDUCT_FOR_VOLTAS_ASSOCIATES_1.pdf for information on anti- corruption policy.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

No Directors/KMPs/employees/workers were involved in bribery/corruption during the year under review and no action was taken by any law enforcement agency.

6. Details of complaints with regard to conflict of interest.

Topic	2022-23		2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of KMPs	Nil	NA	Nil	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in value chain covered by the awareness programmes
4-5	Annually, the Company conducts a two day vendor meet regionally with vendors who provide contractual workforce, where Environment, Health & Safety practices are discussed. These meets also include awards for Vendors who showcase good health and safety track record as well as environmental initiatives. Further, the Company also has a contractor management system based on an online platform for the purpose of tracking and maintaining information. The Company emphasises and ensures that suppliers adhere to TCoC, Health and Safety policy and sustainability indicatives.	81% of total vendors are critical suppliers of contractual workforce.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.

Yes. The Company has a process to manage the conflict of interest involving Board Members. As per the requirements of the Companies Act, the disclosure of interest is required to be given by the Directors in prescribed Form MBP-1 which is brought to the attention at a Board Meeting and taken on record. Further, any transaction in which a Director is interested is brought to the attention of the Board and the interested Director (if any) does not participate in that discussion.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Type	2022-23	2021-22	Details of improvement in social and environmental aspects
Research & Development (R&D)	28%	--	Expenditure on energy efficiency related aspects
Capital Expenditure (CAPEX)	3%	--	Expenditures on safety additions, fire prevention, energy efficient equipment

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes. Company has a supplier sustainability code for RAC equipment and has established process for vendor selection. This includes various principles and guidelines such as Safety, Health and Environment Policy, Legal Compliance, adherence to TCoC, ISO Certification, etc. The Company has started carrying out a Sustainability assessment of its key suppliers for the Room Air Conditioner and Air Cooler businesses.

b. If yes, what percentage of inputs were sourced sustainably?

86% of suppliers of the Room Air Conditioners and Air Coolers business were assessed on ESG metrics like renewable energy usage, health and safety practices, environment, and social compliance etc.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Voltas is conscious to reduce, reuse, and recycle waste material. The Company has partnered with E-waste handlers/recyclers, PRO (Producer Responsibility Organisations) to efficiently collect (as per their collection targets) and dispose E-waste sustainably. Voltas has achieved more than 100% of its target of Recycling E-waste during 2022-23 – 17,559 MT as compared to 11,562 MT stipulated by the Central Pollution Control Board (CPCB).

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes. Extended Producer Responsibility is currently applicable to the Company's activities and waste collection plan is in line with Pollution Control Board requirements. Annually, the Company submits the report to Pollution Control Board on the waste collected as per the EPR plan. Waste management plan of the Company considers the evolving regulations both from a waste minimisation and recycling/reuse perspective.

LEADERSHIP INDICATORS

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details.**

No Life Cycle Assessment carried out for any product of the Company.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Not Applicable

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Nil

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed.**

	2022-23			2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA	539.9	NA	NA	-	NA
E-waste	NA	17,559	NA	NA	13,277	NA
Hazardous waste	NA	860	NA	NA	650	NA
Other waste	NA	758	NA	NA	573	NA

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	Nil

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. **Details of measures for the well-being of employees.**

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees											
Male	1,953	1,953	100%	1,953	100%	-	-	1,953	100%	-	-
Female	117	117	100%	117	100%	117	100%	-	-	-	-
Total	**2,070**	**2,070**	**100%**	**2,070**	**100%**	**117**	**6%**	**1,953**	**94%**	**-**	**-**
Other than Permanent Employees											
Male	1,957	1,866	95%	161	8%	-	-	161	8%	-	-
Female	35	35	100%	-	-	35	100%	-	-	-	-
Total	**1,992**	**1,901**	**95%**	**161**	**8%**	**35**	**2%**	**161**	**8%**	**-**	**-**

b. **Details of measures for the well-being of workers.**

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Workers											
Male	1,028	1,028	100%	1,028	100%	-	-	-	-	-	-
Female	4	4	100%	4	100%	4	100%	-	-	-	-
Total	**1,032**	**1,032**	**100%**	**1,032**	**100%**	**4**	**0.39%**	**-**	**-**	**-**	**-**
Other than Permanent Workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

2. **Details of retirement benefits, for Current and Previous Financial Years.**

S.No.	Benefits	2022-23			2021-22		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	100%	100%	Y	100%	100%	Y
2	Gratuity	100%	100%	Y	100%	100%	Y
3	ESI	1.23%	-	Y	0.25%	-	Y

3. **Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes, all working locations are accessible for differently-abled employees.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

In accordance with the Tata Code of Conduct, Voltas does not unfairly discriminate on any ground, including race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability or any other category protected by applicable law. The Tata Affirmative Action Programme has the goal of enhancing the employability and entrepreneurial abilities of disadvantaged sections of society, women from economically disadvantaged backgrounds, and Person with disabilities, ensuring equal opportunity is provided.

Tata Code of Conduct - Voltas (https://www.voltas.in/images/_ansel_image_collector/TATA_CODE_OF_CONDUCT_FOR_VOLTAS_EMPLOYEE_2.pdf)

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees & Workers	
	Return to work rate	Retention rate
Male*	100%	N.A
Female	100%	25%
Total	**100%**	**25%**

*Paternity leave was not applicable in FY 2021-22.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No	Details of the mechanism in brief
Permanent Workers	Yes	The mechanism to receive and redress grievances are POSH Internal Committee, Ethics Committee, Locational Ethics Councellors, Business HRs and CHRO.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity.

Category	2022-23			2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D/C)
Permanent Employees						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
Permanent Workers						
Male	169	131	78%	138	101	73%
Female	6	6	100%	4	4	100%
Total	**175**	**137**	**78%**	**142**	**105**	**74%**

8. Details of training given to employees and workers.

a. Details of Skill training given to employees and workers.

Category	2022-23			2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who received Skill Training (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who received Skill Training (D)	%(D/C)
Employees						
Male	1,953	1,242	64%	2,273	1,104	49%
Female	117	60	51%	128	50	39%
Total	**2,070**	**1,302**	**63%**	**2,401**	**1,154**	**48%**
Workers						
Male	1,028	1,028	100%	1,110	1,110	100%
Female	4	4	100%	6	6	100%
Total	**1,032**	**1,032**	**100%**	**1,116**	**1,116**	**100%**

b. Details of training on Health and Safety given to employees and workers.

Category	2022-23			2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who received training on Health and Safety (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who received training on Health and Safety (D)	%(D/C)
Employees						
Male	1,953	1,953	100%	2,273	1,104	49%
Female	117	117	100%	128	50	39%
Total	**2,070**	**2,070**	**100%**	**2,401**	**1,154**	**48%**
Workers						
Male	1,028	1,028	100%	1,110	1,110	100%
Female	4	4	100%	6	6	100%
Total	**1,032**	**1,032**	**100%**	**1,116**	**1,116**	**100%**

9. Details of performance and career development reviews of employees and workers.

Category	2022-23			2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	%(D/C)
Permanent Employees						
Male	1,942	1,777	92%	1,188	1,026	86%
Female	116	103	89%	65	53	82%
Total	**2,058**	**1,880**	**91%**	**1,253**	**1,079**	**86%**
Permanent Workers						
Male	169	169	100%	138	138	100%
Female	6	6	100%	4	4	100%
Total	**175**	**175**	**100%**	**142**	**142**	**100%**

10. Health and safety management system.

a.	**Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, What is the coverage of such system?**	Yes, the Occupational Health and Safety (OHS) system covers the Company's employees, contract employees, vendors, and visitors.
b.	**What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**	The Company provides periodic trainings to its employees and contractual workers on Health and Safety for identifying and reporting unsafe practices and areas. A robust framework is in place to identify and report unsafe practices and areas, to ensure safe working conditions. Inspections of the workspace, and evaluations of the equipment, tools, and machinery help to ensure workplace safety. Quantitative analysis; Hazard Identification and Risk Assessment; Internal and External Safety audits; SHE review meetings by Senior Management; Safety leadership audits enable robust work-related hazard identification and risk assessment. There is a Safety, Health and Environment (SHE) policy that serves as a framework to prevent and report injuries at workplace.
c.	**Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Yes/No)**	Yes. Employees and workers can report work-related hazards, near miss's and incidents through manual and digital platforms in the form of safety portal, mobile app and QR code. The Hazard Identification and Risk Assessment (HIRA) process involves identifying work-related hazards; reporting unsafe practices and conditions; calculating the risk levels and taking control measures to prevent such incidents.
d.	**Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**	Yes. Employees and workers have access to non-occupational medical healthcare services like pre-employment and periodic health check up.

11. Details of safety related incidents.

Safety Incident/Number	Category	2022-23	2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	6	5
	Workers	6	5
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Voltas' Safety-Health-Environment (S-H-E) Policy also highlights 'environment friendly processes', 'prevention of pollution' and 'overall environmental protection'. The S-H-E Policy extends to all, including the Suppliers, Contractors and NGOs working with the Company.

Following are the measures taken by VOLTAS to ensure safe and healthy workplace:

- Top driven Health and Safety management program.
- SHE policy by top management.
- Safety leadership program.
- Digitisation for reporting of Hazard, Near miss and incident reporting.
- E-Learning platform for SHE training.
- SHE reviews by the Board S-H-E Committee.
- SHE internal and external audits.
- SHE inspection.
- Integrated (ISO 45001 and 14001) management certification.
- Contractor SHE management system.
- SHE competency building program.
- SHE conclave for contractors and vendors.

13. Number of Complaints on the following made by employees and workers.

Topic	2022-23			2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	NA	Nil	Nil	NA
Health & Safety	Nil	Nil	NA	Nil	Nil	NA

14. Assessments for the year.

Topic	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The corrective actions include amendment in risk assessment, competency building program for employees and contract employees, actions on area of improvements, consequence management and reward and recognition.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

a. **Employees (Yes/No):** Yes

b. **Workers (Yes/No):** Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

100% of statutory dues have been deducted and deposited by the value chain partners.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	2022-23	2021-22	2022-23	2021-22
Employees	-	-	-	-
Workers	-	-	-	-

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

There are no transition assistance programs to facilitate continued employability and management of career endings resulting from retirement or termination of employement.

5. Details on assessment of value chain partners.

Topic	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	86% of Room Air Conditioners suppliers were assessed
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The corrective actions from assessments of health and safety practices and working conditions of value chain partners are Contractor Safety management, Consequence management, SHE conclave for awareness on safety.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   Voltas Limited identifies its stakeholder groups through the Stakeholder Engagement.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website)	Frequency of engagement (Annually/ Half yearly/ Quarterly)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Communities	Yes	Meetings	Need base	-
Contractors	No	Surveys and Feedback Contractor Management Portals	Half yearly	-
Customers	No	Customer Feedback and Complaint Mechanism	Frequently	-
Dealers and Distributors	No	Feedback and Surveys	Half yearly	-
Government and Regulatory Authorities	No	Meetings	Need base	-
Industry Associations	No	Conference	Half yearly	-

LEADERSHIP INDICATORS

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Management periodically conducts Stakeholder Engagement and Materiality Assessment through which it consults the stakeholders on key ESG topics and arrive at material topics. This Materiality Assessment is reported to S-H-E Committee. Consumers have the accessibility to provide feedback on product efficiency.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes. Stakeholder inputs are obtained as part of our Stakeholder Engagement and Materiality Assessment, which serves as the foundation for developing material topics. Thereafter, a roadmap and goals are developed using the identified material topics.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

   The CSR Committee reviews the CSR activities pursued by the Company, comprising skill upgradation programs, participatory Ground Water Management and Sustainable Agriculture Programme, Integrated Sanitation Programme etc., for marginalised communities. The Skill Training/RPL programs provide certifications and placement opportunities to the students.

PRINCIPLE 5: Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity.

Category	2022-23			2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	2,070	2,070	100%	2,118	2,118	100%
Other than permanent	1,992	1,992	100%	562	562	100%
Total Employees	**4,062**	**4,062**	**100%**	**2,680**	**2,680**	**100%**
Workers						
Permanent	1,032	1,032	100%	1,116	1,116	100%
Other than permanent	-	-	-	-	-	-
Total Workers	**1,032**	**1,032**	**100%**	**1,116**	**1,116**	**100%**

2. Details of minimum wages paid to employees and workers.

Category	2022-23					2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F /D)
Employees*										
Permanent	**2,058**	**618**	**30%**	**1,440**	**70%**	**2,118**	**1,096**	**52%**	**1,022**	**48%**
Male	1,942	580	30%	1,362	70%	1,996	1,031	52%	965	48%
Female	116	38	33%	78	67%	122	65	53%	57	47%
Other than Permanent	**411**	**268**	**65%**	**143**	**35%**	**562**	**562**	**100%**	**-**	**-**
Male	405	264	65%	141	35%	541	541	100%	-	-
Female	6	4	67%	2	33%	21	21	100%	-	-
Workers*										
Permanent	**175**	**-**	**-**	**175**	**100%**	**188**	**-**	**-**	**188**	**100%**
Male	169	-	-	169	100%	180	-	-	180	100%
Female	6	-	-	6	100%	8	-	-	8	100%
Other than Permanent	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

*The remuneration related information mentioned is based on the employees from India only as their base location.

3. Details of remuneration/salary/wages.

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category*
Board of Directors (BoD)	8	₹ 46 lakhs	1	₹ 41 lakhs
Key Managerial Personnel	3**	₹ 260 lakhs	-	Nil
Employees other than BoD and KMP	1,185	₹ 11.57 lakhs	65	₹ 9.99 lakhs
Workers	138	₹ 7.79 lakhs	4	₹ 11.97 lakhs

*The remuneration related information mentioned is based on the employees from India only as their base location.

**Also includes MD & CEO.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

The Company has specific clauses as part of the TCoC included in the business agreements and contracts / purchase orders. Human rights form a part of the TCoC. The Company does not employ children at its workplaces and does not use forced labour in any form. The Company's Ethics Counsellor (CFO) receives complaints related to TCoC which are investigated and addressed.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The grievances related to human rights issues are addressed according to the Company policy.

Tata Code of Conduct - Voltas https://www.voltas.in/images/_ansel_image_collector/TATA_CODE_OF_CONDUCT_FOR_VOLTAS_EMPLOYEE_2.pdf

6. Number of Complaints on the following made by employees and workers.

	2022-23			2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	NA	NA	-	NA	NA
Discrimination at workplace	-	NA	NA	-	NA	NA
Child Labour	-	NA	NA	-	NA	NA
Forced Labour/Involuntary Labour	-	NA	NA	-	NA	NA
Wages	-	NA	NA	-	NA	NA
Other human rights related issues	-	NA	NA	-	NA	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has adopted a Whistle Blower Policy which enables the employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct. The mechanism provides for adequate safeguards against victimisation of employees and provides direct access to the Chairman of the Board Audit Committee on concerns relating to financial matters.

1. As part of Whistleblower Policy and POSH Policy, the Company has a section mentioned on the protection of identity of the complainant. All such matters are dealt in strict confidence.
2. Also, as part of its Code of Conduct, the Company does not tolerate any form of retaliation against anyone reporting legitimate concerns. Anyone involved in targeting such a person will be subject to disciplinary action.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. It is mandatory for all the Company's vendors to adhere to the TCoC while signing business agreements and contracts.

9. Assessments for the year.

No third party assessment was carried out in manufacturing plants and offices on child labor, sexual harassment, etc. However, in Voltas, there is zero tolerance towards any such kind of issue and the Company adheres to TCOC which gives mandatory guidelines for protecting safety and security of children, employees and workers.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

No such grievances on Human Rights violations.

2. Details of the scope and coverage of any Human rights due diligence conducted.

Not Applicable

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners.

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	86% of suppliers from the room air conditioners and air coolers business were assessed
Discrimination at workplace	
Child Labour	
Forced/Involuntary Labour	
Wages	

Declaration of adherence to the TCoC on the above is obtained from the value chain partners as part of their contract / purchase orders. The contracts are not renewed or are terminated in case of non-adherence to the Code of Conduct agreed upon.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

A declaration of adherence to the TCoC is obtained from the value chain partners as part of their contract / purchase orders. The contracts are not renewed or are terminated in case of non-adherence to the Code of Conduct agreed upon.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. **Details of total energy consumption (in Joules or multiples) and energy intensity.**

Parameter	2022-23	2021-22
Total electricity consumption (A) (GJ)	42,651.46	52,842.77
Total fuel consumption (B) (GJ)	4,188.63	17,055.59
Energy consumption through other sources (C) (GJ)	-	-
Total energy consumption (A+B+C) (GJ)	**46,840.09**	**69,898.36**
Energy intensity per rupee of turnover *(Total energy consumption/ turnover in rupees) (GJ per million ₹)*	0.614	0.999

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No. None of the facilities have been identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. **Provide details of the following disclosures related to water.**

Parameter	2022-23	2021-22
Water withdrawal by source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	47,550.82	64,343.40
(iii) Third Party water	-	-
(iv) Sea water / desalinated water	-	-
(v) other	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	47,550.82	64,343.40
Total volume of water consumption (in kiloliters)	47,550.82	64,343.40
Water intensity per rupee of turnover *(Water consumed / turnover) (kl per crore ₹ of revenue)*	6.281	9.205

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Zero liquid discharge system is installed at the Waghodia factory as per the norms by the Pollution Control Board, as stated in the License to operate. The factories in Pantnagar are situated in an industrial zone with a common ETP to discharge wastewater.

5. Please provide details of air emissions (other than GHG emissions) by the entity.

Parameter	Please Specify Unit	2022-23	2021-22
NOx	mg/m3	438.96	426.20
SOx	mg/m3	249.56	234.16
Particulate matter (PM)	mg/m3	291.02	243.13
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	mg/m3	-	-
Others – please specify	PPM	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity.

Parameter	Unit	2022-23	2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	829.07	1,252
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	8,602.45	7,016.04
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO_2e/₹	1.14×10^{-7}	1.18×10^{-7}

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide detail.

Yes, since scope 1 and 2 emissions are governed by the energy consumption across all the operational locations. Various energy saving initiatives mentioned above have also been contributing to reducing the overall carbon emissions. The Company intends, to increase the renewable energy usage in its business operations, thus reducing carbon emissions. At Waghodia plant, the Company conducts periodic energy audits, which help reduce energy consumption and improve the energy efficiency.

8. Provide details related to waste management by the entity.

Parameter	2022-23	2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	24.55	9
E-waste (B)	27.00	-
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste (Solid - Oily Clothes, Paint Residue, Spent Filter Media, Liquid - Spent Oil) (G)	2.41	8
Other Non-hazardous waste generated (Paper/Cardboard, Wood, Metal) (H).	1,265.88	817
Total (A+B + C + D + E + F + G+ H)	**1,319.84**	**834**

Provide details related to waste management by the entity (Contd.)

Parameter	2022-23	2021-22
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled*	-	
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	1.02	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	**1.02**	**-**

*Non-hazardous waste is efficiently managed and whatever can be sent for recycling is sent to the authorised vendors. Hazardous waste generated is disposed through Pollution Control Board certified waste collectors.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The hazardous waste from the manufacturing and operational plants primarily includes paint containers, used oil and paint. The non-hazardous waste in factories/offices are efficiently managed and sent for recycling to the authorised vendors. It typically consists of plastic and paper.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, specify details.

S.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	Not Applicable		No offices or operations are present in ecologically sensitive areas

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.

S.No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Yes, the Company is compliant with the applicable environmental laws/ regulations/ guidelines in India.

LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources.

Parameter	2022-23 in GJ	2021-22 in GJ
From renewable sources		
Total electricity consumption (A)	4,471.17	3,815.36
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	**4,471.17**	**3,815.36**
From non-renewable sources		
Total electricity consumption (D)	38,179.74	49,027.40
Total fuel consumption (E)	4,188.63	17,055.59
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	**42,368.37**	**66,082.99**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. The Company has carried out third party energy audit for energy consumption at Waghodia plant. Soham Technologies is the agency that conducted the same.

2. Provide the following details related to water discharged.

Parameter	2022-23	2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-

Parameter	2022-23	2021-22
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment Primary Treatment and sent to CETP	5,052	5,616
(v) Others	-	-
- No treatment	-	-
- With treatment (used for Gardening)	5,767	7,820
Total water discharged (in kilolitres)	**10,819**	**13,436**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

3. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres).

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area (ii) Nature of operations (iii) Water withdrawal, consumption and discharge	None of our factories or offices withdraw, consume and discharge water in areas of water stress.

Parameter	2022-23	2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	Not Applicable	
(ii) Groundwater		
(iii) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	Not Applicable	
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
Recycled water		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No.

4. Please provide details of total Scope 3 emissions & its intensity.

Parameter	Unit	2022-23	2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	-	-
Total Scope 3 emissions per rupee of turnover	tCO2e	-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	tCO2e	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives.

The specific initiatives and innovative technology undertaken for the Company's products and services is described in the below table:

S.No.	Innovation in Product, Process and Technology	Details of the Innovation	Energy Efficient	Water Conservation	Material Reduction	Emissions Management
1	Voltas Maha Adjustable Inverter AC	This has been upgraded to have unique 6-Stage adjustable mode which runs on different tonnages, as per customer needs (i.e., depending on the ambient temperature or number of people in the room). Hence, it not only provides comfort, but also saves electricity costs. Six Stage Adjustable Mode delivers predefined lower and higher cooling capacity by controlling inverter compressor's running frequencies. This technology has the potential to save additional energy by approximately 15% over a normal Inverter Air-conditioner.	✓			✓
2	Pure-Air Inverter AC with HEPA Filter	The Pure-Air inverter AC is one of the newly launched products of Voltas with a unique HEPA filter technology. This filter purifies indoor air and provides anti-microbial protection. The air conditioner has a particulate matter sensor with air quality index ('AQI') indicator. The indicator shows the particulate matter present in the air with highest accuracy. It also operates on an ecofriendly refrigerant.				✓

S.No.	Innovation in Product, Process and Technology	Details of the Innovation	Energy Efficient	Water Conservation	Material Reduction	Emissions Management
3	Air Conditioners with protective coating to cooling coil	To augment the efficiency of an indoor air conditioner by limiting the refrigerant leakage from the cooling coil, an anti-corrosive protective coating has been added to it. The coating acts as a barrier and prevents copper corrosion from the evaporator cooling coil.	✓			✓
4	Introduction of compact and efficient 18K 3-star inverter and 18K 2-star fixed speed AC models	18K 3 Star Inverter and 18K 2 Star Fixed speed AC models were launched with a compact indoor unit (IDU) whereas the specification of the outdoor unit (ODU) remained the same. Since the platform size of the IDU has been reduced, the consumption of raw materials like copper and plastic were reduced, thereby also lowering the gas charge quantity by approximately 20%. This not only reduced material consumption but also the quantity of refrigerant gas.			✓	✓
5	Air conditioners with high efficiency grove technology	In the 2022 product range of outdoor unit air conditioners, high efficiency grooved copper tubes were used. These tubes had a smaller diameter (5mm, vis-à-vis 7mm used previously). The smaller diameter resulted in reduction in the size of the heat exchanger in copper tube by 15%. This initiative also reduced resource consumption as well as the quantity of refrigerant gas.			✓	✓
6	Chest freezers and Chest Coolers with R290 refrigerant	The chest freezers and coolers require lower quantities of R-290 Refrigerant (than the previously used R134a). Further, R-290 is better from an environment perspective as it has a lesser Global Warming Potential (GWP) when compared to other refrigerants.			✓	✓
7	Installation of 500 CFM Screw Type Air Compressor with VFD (variable frequency drive)	The new type of air compressor in the manufacturing operations at Pantnagar is more energy efficient and uses no water. Thereby leading to energy savings of ~40%, and bringing the water consumed in the process from 1248 KL per annum to 0. Moreover, this process is helping the Company save on repair and maintenance cost by about 70%.	✓	✓		✓

7. Does the entity have a business continuity and disaster management plan?

The Company has On Site Emergency Management Plan (OSEMP) that explains the code of conduct of all personnel in the plant along with the actions to be carried out in the event of an emergency. This plan gives guidelines for employees, contractors, transporters, etc. It not only defines the responsibilities of individuals but also explains about prompt rescue operations, evacuations, rehabilitation, coordination, communication, and the system of getting outside help from Government authorities and neighboring industries. Procedure for Emergency, Preparedness, and Response addresses the basic procedures that will be used by the plant when responding to an emergency. This plan covers responses to the following types of emergencies:

(a) Spills/releases or environmental releases

(b) Fires

(c) Explosions

(d) Medical emergencies such as Food Poisoning, COVID -19 disease

(e) Natural Disaster such as Flood, Earthquake, lightening etc.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No. The Company ensures that the waste recyclers responsibly handle the e-waste collected and further send it for recycling. Mechanisms are in place to prevent leakage of refrigerant gases. The Company's energy efficient products help to reduce the energy consumption.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact.

86% of RAC and Air Coolers suppliers (OEMs) were assessed for environmental impact during 2022-23.

PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. (a) Number of affiliations with trade and industry chambers/ associations.

Voltas Limited is a member of 7 trade associations/ bodies dedicated to the related industry sector.

(b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S.No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Refrigeration and Airconditioning Manufacturers Association (RAMA)	National
2	Bureau of Indian Standards (BIS)	National
3	ODS Committee formed by MoEF & CC (Ministry of Environment, Forest, and Climate Change)	National
4	Consumer Electronics and Appliances Manufacturers Association (CEAMA)	National
5	Bombay Chamber of Commerce & Industry (BCCI)	National
6	Indian Merchants Chamber (IMC)	National
7	Indian Society of Heating, Refrigerating & Air Conditioning Engineers (ISHRAE)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

Name of Authority	Brief of the case	Corrective action taken
	No cases	

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity.

The Company's Managing Director & CEO and the R&D Head advocates public policy prescribed by Bureau of Energy Efficiency (BEE), Government of India and the Ozone Cell of Ministry of Environment, Forest and Climate Change, as and when required.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

The Company has not undertaken any Rehabilitation and Resettlement (R&R) as none of its business activities have direct / indirect impact that required R&R.

3. Describe the mechanisms to receive and redress grievances of the community.

CSR Partners have direct interaction with communities and redress the grievances raised, if any.

4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers?

	2022-23	2021-22
Directly sourced from MSMEs/ Small producers	20%	15%
Sourced directly from within the district and neighboring districts	8.43%	10.14%

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above).

Not Applicable.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.

S.No	State	Aspirational District	Amount spent (₹)
1	Uttarakhand	Udham Singh Nagar	44.92 lakhs
2	Andhra Pradesh	Vizianagaram	3.55 lakhs
3	Bihar	Muzaffarpur	Since this is a knowledge partnership, Voltas supports the implementing partner with content curation, technical knowhow, monitoring of the project, training the trainers, conducting assessment of the students etc.

3. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

No. The Tata Affirmative Action Programme offers development programs to encourage vendor-entrepreneurs and source from vendors in marginalised communities.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

Not Applicable, no benefits derived and shared from the intellectual properties owned or acquired.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable.

6. Details of beneficiaries of CSR Projects.

S.No.	CSR Project	No of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalised group
1	Skill Development Programme- PAN India	7,679	100
2	Participatory Ground Water Management and Sustainable Agriculture Programme- Beed	2,000	100
3	Integrated Sanitation Programme- Waghodia	1,400	100
4	Mid Day Meal- Waghodia	2,700	100
5	Mid Day Meal- Panvel	40	100
6	Support in treatment of patients fighting cancer- Ranchi	6,500	100
7	Support in treatment of patients fighting cancer- Mumbai	98	100
8	Support in education of children with special needs- Mumbai	21	100
9	School infrastructure upgradation- Jodhpur	110	100
10	School infrastructure upgradation- Mumbai	55	100
11	Equipment support to skill development centers- Chennai	110	100
12	Equipment support to skill development centers- Mumbai	140	100
13	Support to libraries- Pan India	10,000	-

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company receives consumer grievances and servicing requests through telephone and digital medium (Emails, Whatsapp, Dealer application), and endeavours to provide support within 24 hours. Further, for the Commercial Air-Conditioning business, the Company provides operations and maintenance (O&M) contracts, retrofit design and execution, predictive maintenance. Following are the steps involved in the customer service request,

(a) Customer can create the service request on Voltas customer care through Phone call / Whatsapp.

(b) Align technician to resolve product issue.

(c) After satisfactory resolution-technician receives an OTP from customer for Service Request closure in system.

(d) As soon as customer service request is closed in the Voltas system, the customer will get the NPS web-link via SMS on registered number to share the feedback.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carries below information.

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints.

	2022-23		Remarks	2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	NA	-	-	NA
Advertising	-	-		-	-	
Cyber-security	-	-		-	-	
Delivery of essential services	-	-		-	-	
Restrictive Trade Practices	-	-		-	-	
Unfair Trade Practices	-	-		-	-	
Others	65	229*		40	210*	

* Total pending consumer court cases as at the end of the respective financial year, includes cases pending from previous years that were not closed.

4. Details of instances of product recalls on account of safety issues.

There are no instances of product recalls or forced recalls on account of safety issue.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, The Company has an IT security policy to ensure proper use of its IT Systems, which may include but is not limited to E-mail, applications, computers, peripherals, network, communication Systems, IT equipment, IT facilities, IT infrastructure, Information, and Data, Users of the Company's IT Systems are aware of what the Company deems to be acceptable and unacceptable use of IT Systems. This policy additionally ensures the protection of any confidential and proprietary information of the business or of customers, vendors, or partners.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No known data breach / incident related to Customer data. Hence, not applicable. However, on a continuous basis, the Company keeps enhancing its IT Security Posture as part of Cyber Security preparedness, by implementing tools, practices, policies, awareness etc.

LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information on the products can be accessed on the www.voltas.com.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Apart from the labels that give out specific information related to products from energy consumption, efficiency, disposal etc, various online platforms like websites and social media platforms are used to communicate safe product usage from unpacking to connecting with customer service for installation, service and maintenance. Components and their mechanisms related to products are also explained through videos for awareness of the consumers as well as service technicians.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The commercial air conditioning business also caters to hospitals, and hence these services become crucial. Following is the list of mechanisms to specifically enable uninterrupted maintenance in such areas of work:

- Essential Applications / Job sites such as Hospitals etc. mostly have centralised AC equipment (chillers), with adequate redundancy built into the HVAC System, in the form of standby Units. Through periodic Preventive Maintenance Services as well as by Remote Monitoring of Chillers (under AMC) all the AC equipment, including standby units, it is ensured that all these are always functional. This, therefore enables zero disruption even in cases of breakdown due to unforeseen circumstances.
- For external disruptions, such as lockdown during COVID, uninterrupted maintenance services were rendered by AMC Engineers to Hospitals and COVID Centres, by arranging special travel passes for emergency services with the support from the customers from the respective essential services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief.

Yes. Apart from the product information required as per mandates, the Company displays additional information depending on the type of products: like the type of refrigerant; type of air conditioner – Inverter or fixed speed; customer service information; safety instructions; details on the blowing agent for commercial refrigeration products etc.

5. Did your entity carry out any survey regarding consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, Voltas is actively engaged with its customers through various initiatives and feedback processes. The Company is committed to deliver innovative and efficient product solutions to drive customer satisfaction and trust. At present, customer satisfaction score stands at 84.1%.

6. Provide the information related to number of instances of data breaches along-with its impact and percentage of data breaches involving personally identifiable information of customers.

The Company did not have any incidents of data breach related to customer information.

INDEPENDENT AUDITOR'S REPORT

To the Members of Voltas Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Voltas Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and joint ventures comprising of the consolidated Balance Sheet as at March 31 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements' section of our report. We are independent of the Group, associates, joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">(a) Revenue recognition for long term Mechanical, Electrical and Plumbing (MEP) contracts</td></tr>
<tr><td>The Group revenues include revenue from long-term Mechanical, Electrical and Plumbing (MEP) contracts amounting to INR 2,290.02 crores, disclosed under Note 37 ‘revenue from contracts with customers’ as construction contract revenue, which are recognized over a period of time in accordance with the requirements of Ind AS 115, ‘Revenue from Contracts with Customers’.

Due to the nature of the contracts, revenue is recognized based on percentage of completion method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs, which involves significant judgments including estimate of future costs, revision to original estimates based on new knowledge such as delay in timelines, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/ onerous obligations.

Accuracy of revenues, onerous obligations and profits may deviate significantly on account of change in judgements and estimates.

Considering the variability of assumptions involved in estimation of revenues, the same has been considered as a key audit matter.</td><td>Our audit procedures included the following:

▶ Read the Group’s revenue recognition accounting policies and assessed compliance of the policies with Ind AS 115.

▶ We assessed the design and tested the operating effectiveness of controls over revenue recognition through inspection of evidence of performance of these controls with specific focus on determination of progress of completion, recording of costs incurred, estimation of costs to complete and the remaining contract obligations.

▶ We performed test of details, on a sample basis and evaluated management estimates and assumptions.

▶ We assessed management’s estimates by comparing estimated cost with actual costs and discussion on the project specific considerations with the relevant project managers including on our project site visits. We assessed that, fluctuations in commodity and currency prices, delays, cost overruns related to the performance of work are appropriately taken into consideration while estimating costs to come and also assessed the accounting treatment of expected loss on projects including variable consideration which is recognized in accordance with the Group’s accounting policy of revenue recognition.

▶ We tested on sample basis contracts with low or negative margins, loss making contracts, contracts with significant changes in planned cost estimates and probable penalties due to delay in contract execution

▶ We assessed that the disclosure of revenue in accordance with Ind AS 115 ‘Revenue from contracts with customers’ are appropriately presented and disclosed in Note 58 to the consolidated Ind AS financial statements.</td></tr>
<tr><td colspan="2">Recoverability of and Impairment Allowance of receivables and contract assets of Electro-Mechanical projects and services segment</td></tr>
<tr><td>As at March 31, 2023, trade receivable and contract assets of Electro- mechanical projects and service segment amount to INR 2,438.57 crores.</td><td>Our audit procedures included the following:

▶ We evaluated the Group’s processes and controls relating to the monitoring of trade receivables and review of credit risks of customers.

▶ We assessed the design and tested the operating effectiveness of relevant controls in relation to the process adopted by management for testing the impairment of these receivables and the contract assets.</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
Out of the total trade receivables and contract assets of Electro-mechanical projects and service segment, INR 1,391.48 crores represent trade receivable and contract assets of international business operation. Recoverability of certain receivables and contract assets are impacted due to several factors like the customer profile, delays in obtaining completion certification in certain projects due to long project tenure, project disputes resulting in future claims against the Group and financial ability of the customers etc. As regards the receivable of this segment, the Group follows 'simplified approach' in accordance with Ind AS 109- 'Financial Instruments', for recognition of impairment loss allowance on trade receivables and contract assets. In calculating the impairment loss allowance, the Group has considered its credit assessment for its customers. Owing to the long settlement period involved in a few of the government projects, management also considers the likely delays involved in the settlement process as part of the impairment allowance calculation. The assessment of the impairment of such trade receivables and contract assets requires significant management judgment and hence same is considered as Key Audit Matter.	▶ In respect of impairment allowance on receivable of this segment and recovery of certain trade receivable and contract assets of international business operation we tested the ageing of trade receivable and contract assets. We tested the management's assessment of the customer's financial circumstances, ability to repay the dues based on historical payment trends, assumption used for determining likely losses and delays in collection of trade receivables including any project disputes which may result in future claims against the Group. ▶ We evaluated the assumptions used by management in calculation of the expected credit loss impairment including the impact of the future uncertainties in the economic environment. ▶ We assessed the disclosures on the contract assets and trade receivables in Note 15 and Note 16 respectively and the related risks such as credit risk and liquidity risk in Note 54 of the consolidated Ind AS financial statements.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements

We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, according to the information and explanations given to us and based on the CARO reports issued by the respective auditors of companies included in the consolidated financial statements, to which reporting under CARO is applicable, we report as under:

   Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

S. No	Name	CIN	Holding company / subsidiary / associate/ joint venture	Clause number of the CARO report which is qualified or is adverse
1	Voltas Limited	L29308MH1954PLC009371	Holding Company	(i)(c)
2	Hi-Volt Enterprises Private Limited	U29299MH2021PTC367448	Subsidiary	(xvii)
3	Voltbek Home Appliances Private Limited	U29308MH2017PTC298742	Joint venture	(xvii)
4	Naba Diganta Water Management Limited	U93010WB2008PLC121573	Associate	(i)(c)

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidation of the financial statements have been kept so far it appears from our examination of those books;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of

Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures, none of the directors of the Group's companies, its associates and joint ventures, incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements associates:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated Ind AS financial statements – Refer Note 47 to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures, incorporated in India during the year ended March 31, 2023.

iv. (a) The respective managements of the Holding Company and its subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate and joint ventures respectively that, to the best of its knowledge and belief, as disclosed in the Note 60(v) to the consolidated Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associate and joint ventures to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, associate and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company and its subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate and joint ventures respectively that, to the best of its knowledge and belief, as disclosed in the Note 60(vi) to the consolidated Ind AS financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries, associate and joint ventures from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associate and joint ventures shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The final dividend paid by the Holding Company and its associate companies incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid during the year by the associate company incorporated in India is in accordance with section 123 of the Act.

As stated in Note 63 to the consolidated Ind AS financial statements, the respective Board of Directors of the Holding Company, subsidiary company and its associate companies, incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend

No dividend has been declared or paid during the year by joint venture companies, incorporated in India.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries and joint venture companies incorporated in India, hence reporting under this clause is not applicable.

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
UDIN: 23038730BGYSNH7209
Place of Signature: Mumbai
Date: April 26, 2023

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF VOLTAS LIMTED

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

In conjunction with our audit of the consolidated Ind AS financial statements of Voltas Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") , its associates and joint operations, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, its associates and joint operations, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013, as amended ("the Act").

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated Ind AS financial statements.

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

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

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

Opinion

In our opinion, the Group , its associates and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
UDIN: 23038730BGYSNH7209
Place of Signature: Mumbai
Date: April 26, 2023

VOLTAS
A TATA Enterprise

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH, 2023

₹ in crores

	Note No.	As at 31 March, 2023	As at 31 March, 2022
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	361.07	230.45
(b) Capital work-in-progress	4	98.25	59.29
(c) Investment property	5	49.41	53.32
(d) Goodwill	7	72.31	72.31
(e) Right-of-use assets	6	35.69	20.43
(f) Other intangible assets	7	6.19	7.17
(g) Investments in joint ventures and associates	8	270.52	266.07
(h) Financial assets			
(i) Investments	8	2,530.96	2,915.05
(ii) Loans	10	0.08	0.10
(iii) Other financial assets	11	271.86	83.39
(i) Income tax assets (net)		14.54	11.98
(j) Deferred tax assets (net)	12	35.56	44.00
(k) Other non-current assets	13	86.08	103.55
Total non-current assets		**3,832.52**	**3,867.11**
Current assets			
(a) Inventories	14	1,591.97	1,661.39
(b) Contract assets	15	978.06	748.32
(c) Financial assets			
(i) Investments	9	307.16	434.27
(ii) Trade receivables	16	2,191.85	2,109.67
(iii) Cash and cash equivalents	17	692.72	558.90
(iv) Other balances with banks	18	15.66	12.77
(v) Loans	19	0.49	3.09
(vi) Other financial assets	20	352.89	79.85
(d) Other current assets	21	315.69	270.96
Total current assets		**6,446.49**	**5,879.22**
TOTAL ASSETS		**10,279.01**	**9,746.33**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	22	33.08	33.08
(b) Other equity	23	5,418.99	5,466.48
Equity attributable to owners of the Company		**5,452.07**	**5,499.56**
Non-controlling interests		41.65	38.08
Total Equity		**5,493.72**	**5,537.64**
Liabilities			
Non-current liabilities			
(a) Contract liabilities	24	6.33	3.51
(b) Financial liabilities			
(i) Borrowings	25	21.15	-
(ii) Lease liabilities	26	25.39	12.68
(iii) Other financial liabilities	27	11.46	14.89
(c) Provisions	28	91.97	103.03
(d) Deferred tax liabilities (net)	12	5.28	12.35
(e) Other non-current liabilities	29	4.17	6.32
Total non-current liabilities		**165.75**	**152.78**
Current liabilities			
(a) Contract liabilities	30	520.10	354.19
(b) Financial liabilities			
(i) Borrowings	31	594.82	343.19
(ii) Lease liabilities	32	9.22	4.96
(iii) Trade payables	33		
- Total outstanding dues of micro and small enterprises		248.33	144.19
- Total outstanding dues of creditors other than micro and small enterprises		2,764.30	2,797.86
(iv) Other financial liabilities	34	99.13	103.54
(c) Provisions	35	166.00	158.85
(d) Income tax liabilities (net)		47.65	60.29
(e) Other current liabilities	36	169.99	88.84
Total current liabilities		**4,619.54**	**4,055.91**
Total Liabilities		**4,785.29**	**4,208.69**
TOTAL EQUITY AND LIABILITIES		**10,279.01**	**9,746.33**

Summary of significant accounting policies 2

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

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number : 38730
Place : Mumbai
Date : 26 April, 2023

For and on behalf of the Board

Noel Tata
Chairman
Place : Mumbai

Pradeep Bakshi
Managing Director & CEO
Place : Mumbai

Jitender P. Verma
Chief Financial Officer
Place : Mumbai

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

Date : 26 April, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2023

₹ in crores

		Note No.	Year ended 31 March, 2023	Year ended 31 March, 2022
	Income			
I	**Revenue from operations**	37	9,498.77	7,934.45
II	**Other Income**	38	168.45	189.19
III	**Total Income (I + II)**		**9,667.22**	**8,123.64**
IV	**Expenses**			
	(a) Consumption of materials, cost of jobs and services		4,808.34	4,032.16
	(b) Purchases of stock-in-trade		2,296.28	2,042.75
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	39	273.56	(178.25)
	(d) Employee benefits expenses	40	667.21	617.62
	(e) Finance costs	41	29.59	25.87
	(f) Depreciation and amortisation expenses	42	39.62	37.26
	(g) Other expenses	43	881.01	738.62
IV	**Total Expenses**		**8,995.61**	**7,316.03**
V	**Profit before share of profit / (loss) of joint ventures and associates, exceptional items and tax (III - IV)**		**671.61**	**807.61**
VI	Share of profit / (loss) of joint ventures and associates (net of tax)		(120.65)	(110.31)
VII	**Profit before exceptional items and tax (V + VI)**		**550.96**	**697.30**
VIII	**Exceptional Items**	44	(243.82)	-
IX	**Profit before tax (VII + VIII)**		**307.14**	**697.30**
	Tax Expense			
	(a) Current tax		151.33	191.81
	(b) Adjustment of tax relating to earlier periods		(0.95)	(1.41)
	(c) Deferred tax charge	12	20.54	0.90
X	**Total tax expense**	45	**170.92**	**191.30**
XI	**Net Profit for the year (IX - X)**		**136.22**	**506.00**
	Other Comprehensive Income			
	(a) Items that not to be reclassified to profit or loss			
	(i) Changes in fair value of equity instruments through other comprehensive income		(92.92)	206.54
	(ii) Income tax effect on (i) above	12	23.35	(27.54)
	iii) Remeasurement gain / (loss) on defined benefit plans		20.69	(19.60)
	(iv) Income tax effect on (iii) above	12	(4.27)	4.31
	(b) Items that to be reclassified to profit or loss			
	Exchange gain / (loss) on translation of foreign operations		14.75	6.11
XII	**Other Comprehensive Income [net of tax]**		**(38.40)**	**169.82**
XIII	**Total Comprehensive Income [net of tax] (XI + XII)**		**97.82**	**675.82**
	Profit for the year attributable to :			
	– Owners of the Company		135.01	504.09
	– Non-controlling interests		1.21	1.91
			136.22	**506.00**
	Other Comprehensive income for the year attributable to :			
	– Owners of the Company		(41.62)	168.18
	– Non-controlling interests		3.22	1.64
			(38.40)	**169.82**
	Total Comprehensive Income for the year attributable to :			
	– Owners of the Company		93.39	672.27
	– Non-controlling interests		4.43	3.55
			97.82	**675.82**
XIV	**Earnings per share:**			
	Basic and Diluted (₹) (Face value ₹ 1/- per share)	46	4.08	15.23

Summary of significant accounting policies 2

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

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number : 38730
Place : Mumbai
Date : 26 April, 2023

For and on behalf of the Board

Noel Tata
Chairman
Place : Mumbai

Jitender P. Verma
Chief Financial Officer
Place : Mumbai

Pradeep Bakshi
Managing Director & CEO
Place : Mumbai

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

Date : 26 April, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2023

A. EQUITY SHARE CAPITAL

₹ in crores

Balance as at 01 April, 2021	33.08
Changes in equity share capital	-
Balance as at 31 March, 2022	33.08
Changes in equity share capital	*
Balance as at 31 March, 2023	**33.08**

* value below ₹ 50,000/-

B. OTHER EQUITY

₹ in crores

	Reserves and Surplus (Refer Note 22)							Items of Other Comprehensive Income (Refer Note 22)		Total attributable to owners of the Company	Non-controlling interests	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Staff Welfare Reserve	Legal Reserve	Retained earnings	Equity instruments fair value through other comprehensive income	Exchange difference on translation of foreign operations			
Balance as at 01 April, 2021	**14.25**	**1.26**	**4.77**	**1,418.15**	**0.01**	**2.68**	**2,857.90**	**626.85**	**34.40**	**4,960.27**	**36.10**	**4,996.37**
Net profit for the year	-	-	-	-	-	-	504.09	-	-	504.09	1.91	506.00
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	(15.77)	179.00	4.95	168.18	1.64	169.82
Total comprehensive income for the year (net of tax)	**-**	**-**	**-**	**-**	**-**	**-**	**488.32**	**179.00**	**4.95**	**672.27**	**3.55**	**675.82**
Transferred on divestment of subsidiary, joint venture and associate	(0.53)	-	-	-	-	-	0.53	-	-	-	-	-
Payment of dividend	-	-	-	-	-	-	(166.06)	-	-	(166.06)	-	(166.06)
Transfer from Retained earnings	-	-	-	-	-	0.04	(0.04)	-	-	-	-	-
Dividend paid by subsidiary to minority	-	-	-	-	-	-	-	-	-	-	(1.57)	(1.57)
Transfer to General Reserve	-	-	-	20.00	-	-	(20.00)	-	-	-	-	-
Balance as at 31 March, 2022	**13.72**	**1.26**	**4.77**	**1,438.15**	**0.01**	**2.72**	**3,160.65**	**805.85**	**39.35**	**5,466.48**	**38.08**	**5,504.56**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)

₹ in crores

	Reserves and Surplus (Refer Note 22)							Items of Other Comprehensive Income (Refer Note 22)		Total attributable to owners of the Company	Non-controlling interests	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Staff Welfare Reserve	Legal Reserve	Retained earnings	Equity instruments fair value through other comprehensive income	Exchange difference on translation of foreign operations			
Net profit for the year	-	-	-	-	-	-	135.01	-	-	135.01	1.21	136.22
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	16.32	(69.57)	11.63	(41.62)	3.22	(38.40)
Total comprehensive income for the year (net of tax)	**-**	**-**	**-**	**-**	**-**	**-**	**151.33**	**(69.57)**	**11.63**	**93.39**	**4.43**	**97.82**
Payment of dividend	-	-	-	-	-	-	(181.99)	-	-	(181.99)	-	(181.99)
Transfer from Retained earnings	-	-	-	-	-	0.85	(0.85)	-	-	-	-	-
Dividend paid by subsidiary to minority	-	-	-	-	-	-	-	-	-	-	(0.86)	(0.86)
Transfer to General Reserve	-	-	-	20.00	-	-	(20.00)	-	-	-	-	-
Gain realised on sale of equity instrument classified as FVTOCI	-	-	-	-	-	-	37.96	-	-	37.96	-	37.96
Others	-	-	-	-	-	-	3.15	-	-	3.15	-	3.15
Balance as at 31 March, 2023	**13.72**	**1.26**	**4.77**	**1,458.15**	**0.01**	**3.57**	**3,150.25**	**736.28**	**50.98**	**5,418.99**	**41.65**	**5,460.64**

Summary of significant accounting policies Note 2

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

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number : 38730
Place : Mumbai
Date : 26 April, 2023

For and on behalf of the Board

Noel Tata
Chairman
Place : Mumbai

Pradeep Bakshi
Managing Director & CEO
Place : Mumbai

Jitender P. Verma
Chief Financial Officer
Place : Mumbai

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

Date : 26 April, 2023

VOLTAS
A TATA Enterprise

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2023

₹ in crores

		Year ended 31 March, 2023		Year ended 31 March, 2022	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before tax		307.14		697.30
	Adjustments for :				
	Share of loss of joint ventures and associates	120.65		110.31	
	Depreciation and amortisation expenses	39.62		37.26	
	Allowance for doubtful debts and advances	360.04		93.49	
	Unrealised foreign exchange (gain) / loss (net)	(3.34)		3.88	
	Interest income	(44.59)		(4.01)	
	Dividend income	(6.91)		(5.02)	
	Gain arising on financial assets measured at Fair Value through Profit or Loss (FVTPL) (net)	(63.24)		(81.09)	
	Finance costs	29.59		25.87	
	Unclaimed credit balances written back	(7.66)		(9.79)	
	(Gain) / loss on disposal of property, plant and equipment	1.90		1.14	
	Rental income	(24.60)		(24.40)	
			401.46		147.64
	Operating profit before working capital changes		**708.60**		**844.94**
	Changes in Working Capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	69.42		(381.79)	
	Trade receivables	(287.48)		(386.81)	
	Contract assets	(248.34)		300.20	
	Other financial assets	(211.19)		(5.93)	
	Other non-financial assets	(33.50)		(46.53)	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	80.76		485.27	
	Contract liabilities	168.73		(64.50)	
	Other financial liabilities	(17.76)		7.66	
	Other non-financial liabilities	78.96		15.77	
	Provisions	16.76		32.83	
			(383.64)		(43.83)
	Cash generated from operations		324.96		801.11
	Income tax paid (Net of refunds)		(165.58)		(216.88)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**159.38**		**584.23**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of property, plant and equipment and intangible assets (including capital advances and capital work-in-progress)	(179.93)		(48.16)	
	Proceeds from disposal of property, plant and equipment	2.49		1.26	
	Investment in fixed deposits	(186.74)		43.64	
	Purchase of investments	(1,697.84)		(1,103.84)	
	Investment in Inter corporate deposit	(185.00)		-	
	Proceeds from sale of investments	2,094.85		712.82	
	Interest received	36.19		9.22	

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)

₹ in crores

		Year ended 31 March, 2023		Year ended 31 March, 2022	
	Dividend received:				
	– Joint ventures and Associates	1.93		1.34	
	– Others	6.91		5.02	
	Rent received	25.33		25.42	
	Rental Deposits (repaid) / received	0.21		(11.35)	
	NET CASH FLOW USED IN INVESTING ACTIVITIES (B)		**(81.60)**		**(364.63)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Repayment of borrowings	(1,230.72)		(16.56)	
	Proceeds from borrowings	1,503.50		108.35	
	Interest paid	(28.41)		(22.52)	
	Payment of principal portion of lease liabilities	(6.47)		(8.70)	
	Dividend paid	(182.85)		(167.61)	
	NET CASH FLOW USED IN FINANCING ACTIVITIES (C)		**55.05**		**(107.04)**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**132.83**		**112.56**
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**560.53**		**447.97**
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**693.36**		**560.53**
	Non-Cash Investing and Financing transaction				
	Net gain arising on financial assets measured at FVTPL	63.24		71.37	
	Lease liabilities	23.43		13.45	
		86.67		**84.82**	
	Cash and cash equivalents at the end of the year consist of:				
	Cash and cash equivalents at the end of the year (Refer Note 17)		692.72		558.90
	Effect of exchange difference on restatement of foreign currency Cash and cash equivalents		0.64		1.63
			693.36		**560.53**
	Refer Note17(a) for Change in liabilities arising from financing activities				

Summary of significant accounting policies Note 2

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

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number : 38730
Place : Mumbai
Date : 26 April, 2023

For and on behalf of the Board

Noel Tata
Chairman
Place : Mumbai

Pradeep Bakshi
Managing Director & CEO
Place : Mumbai

Jitender P. Verma
Chief Financial Officer
Place : Mumbai

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

Date : 26 April, 2023

NOTES FORMING PART OF THE IND AS CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2023

1. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of Voltas Limited ('the Company') and its subsidiaries (collectively, 'the Group') for the year ended 31 March, 2023. Voltas Limited is a public limited company domiciled in India. The address of its registered office is Voltas House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai 400033.

The Group belongs to the Tata Group of companies and was established in the year 1954. The Group is engaged in the business of air conditioning, refrigeration, electro-mechanical projects as an EPC contractor both in domestic and international geographies (Middle East and Singapore) and engineering product services for mining, water management and treatment, construction equipment's and textile industry.

The consolidated financial statements for the year ended 31 March, 2023 were approved by the Board of Directors and approved for issue on 26 April, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value as explained in accounting policy of fair value measurement (Note 2 (G)) and financial instruments (Note 2 (Q)) below.

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

The consolidated financial statements are presented in ₹ and all values are rounded to the nearest crores, except when otherwise indicated.

B. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in Note 3.

C. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company and its subsidiaries as at 31 March, 2023.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee

- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income are attributed to the equity holder of the parent of the Group and to the non- controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

D. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but does not have control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit and loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit and loss.

E. REVENUE

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services mentioned below, as it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on handover of materials to transporter. The normal credit term is 7 to 30 days.

The Group provides preventive maintenance services on its certain products at the time of sale. These maintenance services are sold together with the sale of product. Contracts for such sales of product and preventive maintenance services comprise two performance obligations because the promises to transfer the product and to provide the preventive maintenance services are capable of being distinct. Accordingly, a portion of the transaction price is allocated to the preventive maintenance services and recognised as a contract liability. Revenue is recognised over the period in which the preventive maintenance service is provided based on the time elapsed.

Warranty obligation

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section P Provisions and Contingencies.

Revenue from Services

Revenue from services is recognised at the point in time when the services are rendered. Revenue from maintenance contracts is recognised over the period of contract on time elapsed.

In case of mining equipment's long-term maintenance contracts, revenue is recognised over the period of time based on input method where the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of performance obligation.

Agency Commission

The Group procures textile machinery on behalf of its customers. Accordingly, in these arrangements the Group is acting as an agent and records the revenue on net basis that it retains for its agency services.

Revenue from Construction contract

Performance obligation in case of revenue from long - term construction contracts is satisfied over the period of time, since the Group creates an asset that the customer controls as the asset is created and the Group has an enforceable right to payment for performance completed to date if it meets the agreed specifications. Revenue from long term construction contracts, where the outcome can be estimated reliably and 20% of the project cost is incurred, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity.

The stage of completion is measured by input method i.e. the proportion that costs incurred to date bear to the estimated total costs of a contract. The total costs of contracts are estimated based on technical and other estimates. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

Contract revenue earned in excess of billing is reflected under as "contract asset" and billing in excess of contract revenue is reflected under "contract liabilities". Retention money receivable from project customers does not contain any significant financing element, these are retained for satisfactory performance of contract.

In case of long - term construction contracts payment is generally due upon completion of milestone as per terms of contract. In certain contracts, short-term advances are received before the performance obligation is satisfied.

Dividend and Interest income

Dividend income is recognised when the right to receive payment is established. Interest income is recognised using the effective interest method.

F. CONTRACT BALANCES

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

The amount recognised as contract assets is reclassified to trade receivables once the amounts are billed to the customer as per the conditions of the contract. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section R Impairment.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Q Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

G. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

H. EMPLOYEE BENEFITS

(a) Post-employment benefits costs and termination benefits:

(i) Defined Contribution Plans

Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions. The Group operates following defined contribution plans:

(a) Superannuation Fund: Contribution to Superannuation Fund, a defined contribution scheme, is made at pre-determined rates to the Superannuation Fund Trust and is charged to the Statement of Profit and Loss, when an employee renders the related service. There are no other obligations other than the contribution payable to the Superannuation Fund Trust.

(b) Provident and Pension Fund: Retirement benefit in the form of provident fund is a defined contribution scheme in respect of employees of Indian subsidiary companies. The Indian subsidiary companies has no obligation, other than the contribution payable to the provident fund. The group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

(ii) Defined Benefit Plans

The Group's liabilities towards gratuity, pension and post-retirement medical benefit schemes are determined using the projected unit credit method, with actuarial valuation being carried out at the end of each annual reporting period.

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

Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement.

The Group represents the first two components of defined benefit costs in the statement of profit and loss in the line item "Employee Benefits Expenses". Curtailment gains and losses are accounted for as past service costs.

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Groups defined benefit plans.

(b) Short term and other long term employee benefits

Benefits accruing to employees in respect of wages, salaries and compensated absences and which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employee performs the service that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit expected to be paid in exchange of related service. Where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method at the present value of the estimated future cash flow expected to be made by the Group in respect of services provided by employees up to the reporting date. The Group presents the leave as a current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

I. PROPERTY, PLANT AND EQUIPMENT

Capital work in progress is stated at cost. Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable taxes and any directly attributable cost of bringing an asset to working condition and location for its intended use.

Projects under which the property, plant and equipment is not yet ready for their intended use are carried as capital work-in-progress at cost determined as aforesaid.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the depreciable amount of assets (other than free hold land and assets under construction) over the useful lives using the straight-line method. The estimated useful lives are as follows:

Assets	Useful life
Factory Building	30 years
Residential Building	60 years
Plant and Equipment	8-15 years
Office Equipment	3-15 years
Furniture and fixtures	10 years
Vehicles	8 years

The useful life as estimated above is aligned to the prescribed useful life specified under Schedule II of the Companies Act, 2013.

Depreciation on the property, plant and equipment of the Group's foreign subsidiaries has been provided on Straight Line Method as per the estimated useful life of such assets as follows:

Assets	Useful life
Building	6-10 years
Plant and Equipment	3-10 years
Office Equipment	3 to 6 years
Furniture and fixtures	3 to 7 years
Vehicles	3 to 5 years
Porta Cabins	1 to 10 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

J. INVESTMENT PROPERTY

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The estimated useful lives are as follows:

Assets	Useful life
Residential Building	60 years

The useful life as estimated above is aligned to the prescribed useful life specified under Schedule II of the Companies Act, 2013.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in the period in which the property is derecognised.

Though the Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

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

K. INTANGIBLE ASSETS

Intangible assets purchased are measured at cost as of the date of acquisition less accumulated amortisation and accumulated impairment, if any.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated useful life of intangible assets are as follows:

- Manufacturing Rights and Technical Know-how :6 years

- Software : 5 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

L. FOREIGN CURRENCY

The Group's consolidated financial statements are presented in ₹, which is also the 'Holding Company's' functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

In preparing the financial statements of each individual group entity, income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss. Non-monetary items denominated in a foreign currency are measured at historical cost and translated at exchange rate prevalent at the date of transaction.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into ₹ using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non- controlling interests as appropriate).

On disposal of a foreign operation, the associated exchange differences are reclassified to Statement of Profit and Loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

M. LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	99 years
Leasehold building	1-5 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section R Impairment of non-financial assets.

(b) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in Interest-bearing borrowings.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office premises and storage locations (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

N. INVENTORIES

Inventories including Work-in-Progress are valued at cost or net realisable value, whichever is lower. Cost being determined based on weighted average basis. Cost includes all charges incurred for bringing the goods to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

O. TAXES ON INCOME

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the tax are those that are enacted at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

P. PROVISIONS AND CONTINGENCIES

Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of past event, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranties (Trade Guarantees)

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

Contingencies

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Environment Liabilities

E-Waste (Management) Rules, 2016, as amended, requires the group to complete the Extended Producer Responsibility targets measured based on sales made in the preceding 10th year, if it is a participant in the market during a financial year. Accordingly, the obligation event for e-waste obligation arises only if the Group participate in the markets in those years.

Q. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

- **Initial recognition and measurement**

  All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- **Subsequent measurement**

  All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

- **Financial assets at amortised cost**

  Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, loans and other financial assets.

- **Financial assets at fair value through other comprehensive income (FVTOCI)**

  Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the asset's contractual cash flow represents SPPI.

  Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, dividend income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

- **Financial assets at fair value through profit or loss (FVTPL)**

  FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- **Equity Instruments**

  All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, other than investment in Subsidiaries, Associates and Joint Ventures, the Group makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

  If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

  Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- **Derecognition**

  The Group derecognises a financial asset when the rights to receive cash flows from the asset have expired or it transfers the right to receive the contractual cash flow on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

Financial liabilities

- **Initial recognition and measurement**

  Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

  All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- **Subsequent measurement**

  The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

- **Financial liabilities at amortised cost**

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- **Financial guarantee contracts**

  Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amount of income recognised in accordance with the principles of Ind AS 115 amortisation.

- **Derecognition**

  A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

- **Offsetting of financial instrument**

  Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

R. IMPAIRMENT

(a) Financial assets

The Group assesses the expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on the Group's past history of recovery, credit worthiness of the counter party and existing market conditions.

For all financial assets other than trade receivables, expected credit losses are measured at an amount equal to the 12-month expected credit loss (ECL) unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. For trade receivables and contract assets, the Group has applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109 which requires the expected lifetime losses from initial recognition of the receivables.

(b) Non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses including impairment on inventories are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

For contract assets, the Group has applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109 which requires the expected lifetime losses from initial recognition of the contract assets.

S. CASH & CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

T. EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

U. SEGMENT REPORTING

Segments are identified based on the manner in which the chief operating decision-maker (CODM) decides about the resource allocation and reviews performance.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/liabilities".

V. CASH DIVIDEND

The Group recognises a liability to pay dividend to equity shareholders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

W. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

X. GOVERNMENT GRANTS

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

Y. OPERATING CYCLE

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. A portion of the Group`s activities (primarily long-term project activities) has an operating cycle that exceeds one year. Accordingly, assets and liabilities related to these long-term contracts, which will not be realised/ paid within one year, have been classified as current. For all other activities, the operating cycle is twelve months.

Z. CURRENT V/S NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2A. RECENT ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Group's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The amendments are not expected to have a material impact on the Group's financial statements.

3. SIGNIFICANT ACCOUNTING, JUDGEMENTS ESTIMATES AND ASSUMPTIONS

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

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

Key sources of estimation uncertainty

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

Cost to complete

The Group's Management estimates the costs to complete for each project for the purpose of revenue recognition and recognition of anticipated losses on projects, if any. In the process of calculating the cost to complete, Management conducts regular and systematic reviews of actual results and future projections with comparison against budget. This process requires monitoring controls including financial and operational controls and identifying major risks facing the Group and developing and implementing initiatives to manage those risks. The Group's Management is confident that the costs to complete the project are fairly estimated.

Percentage of completion

Management's estimate of the percentage of completion on each project for the purpose of revenue recognition is through conducting some weight analysis to assess the actual quantity of the work for each activity performed during the reporting period and estimate any future costs for comparison against the initial project budget. This process requires monitoring of financial and operational controls. Management is of the opinion that the percentage of completion of the projects is fairly estimated.

As required by Ind AS 115 in applying the percentage of completion on its long-term projects, the Group is required to recognise any anticipated losses on it contracts.

Impairment of financial assets and contract assets

The Group's Management reviews periodically items classified as receivables to assess whether a provision for impairment should be recorded in the statement of profit and loss. Management estimates the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgement and uncertainty. Details of impairment provision on contract assets and trade receivable are given in Note 15 and Note 16.

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

Fair value measurement of financial instruments

Some of the Group's assets are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the

Group engages third party qualified valuers to perform the valuation. The Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about valuation techniques and inputs used in determining the fair value of various assets is disclosed in Note 53.

Litigations

From time to time, the Group is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each Balance Sheet date and revisions made for the changes in facts and circumstances. Provision for litigations and contingent liabilities are disclosed in Note 47 (c).

Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. All assumptions are reviewed at each Balance Sheet date and disclosed in Note 48.

Useful lives of property, plant and equipment and intangible assets

The Group has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Group reviews the useful life of property, plant and equipment and intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

Warranty provisions (trade guarantees)

The Group gives warranties for its products, undertaking to repair or replace the product that fail to perform satisfactory during the warranty period. Provision made at the year-end represents the amount of expected cost of meeting such obligations of rectification / replacement which is based on the historical warranty claim information as well as recent trends that might suggest that past cost information may differ from future claims. Factors that could impact the estimated claim information include the success of the Group's productivity and quality initiatives. Provision towards warranty is disclosed in Note 35.

Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which the goodwill is allocated. The value in use calculations requires the directors to estimate the future cash flows expected to arise from the cash generating unit and suitable discount rate in order to calculate the present value. Where the actual future cash flows expected to arise are less than expected a material impairment loss may arise.

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

₹ in crores

	Freehold Land	Buildings	Plant and Equipment	Office Equipment	Furniture and fixtures	Vehicles	Transferred to / from Investment property	Total Property, Plant And Equipment
Gross carrying amount								
As at 1 April, 2021	29.51	206.76	189.18	88.01	33.73	17.21	(70.78)	493.62
Additions	-	5.56	5.09	6.48	0.78	1.12	-	19.03
Disposals	-	1.18	18.67	4.70	1.30	1.22	(2.03)	25.04
Transfers in / (out)	-	-	-	-	-	-	(0.95)	(0.95)
Exchange differences on consolidation	-	0.24	0.46	0.25	0.05	0.44	-	1.44
As at 31 March, 2022	**29.51**	**211.38**	**176.06**	**90.04**	**33.26**	**17.55**	**(69.70)**	**488.10**
Accumulated depreciation								
As at 1 April, 2021	-	57.69	116.11	57.98	22.67	16.03	(15.23)	255.25
Charge for the year	-	5.18	9.89	9.15	1.86	0.64	(1.09)	25.63
Disposals	-	0.54	17.35	4.30	1.27	0.99	(0.34)	24.11
Transfers in / (out)	-	-	-	-	-	-	(0.40)	(0.40)
Exchange differences on consolidation	-	0.19	0.42	0.20	0.04	0.43	-	1.28
As at 31 March, 2022	**-**	**62.52**	**109.07**	**63.03**	**23.30**	**16.11**	**(16.38)**	**257.65**
Net carrying amount as at 31 March, 2022	**29.51**	**148.86**	**66.99**	**27.01**	**9.96**	**1.44**	**(53.32)**	**230.45**
Gross carrying amount								
As at 1 April, 2022	29.51	211.38	176.06	90.04	33.26	17.55	(69.70)	488.10
Additions	46.80	40.53	62.35	7.67	0.87	0.69	-	158.91
Disposals	-	3.25	8.32	3.28	0.61	0.48	(2.99)	12.95
Exchange differences on consolidation	-	0.67	1.21	0.76	0.14	1.21	-	3.99
As at 31 March, 2023	**76.31**	**249.33**	**231.30**	**95.19**	**33.66**	**18.97**	**(66.71)**	**638.05**
Accumulated depreciation								
As at 1 April, 2022	-	62.52	109.07	63.03	23.30	16.11	(16.38)	257.65
Charge for the year	-	5.03	12.55	8.43	1.76	0.35	(1.06)	27.06
Disposals	-	0.36	7.30	2.97	0.47	0.45	(0.14)	11.41
Exchange differences on consolidation	-	0.58	1.12	0.65	0.12	1.21	-	3.68
As at 31 March, 2023	**-**	**67.77**	**115.44**	**69.14**	**24.71**	**17.22**	**(17.30)**	**276.98**
Net carrying amount as at 31 March, 2023	**76.31**	**181.56**	**115.86**	**26.05**	**8.95**	**1.75**	**(49.41)**	**361.07**

Footnotes :

(a) Buildings includes ₹ 0.0016 crore (31 March, 2022: ₹ 0.0016 crore) being cost of shares and bonds in Co-operative Housing Societies.

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

(b) Title deeds of Immovable Property not held in the name of the Company

₹ in crores

Relevant line item in Balance sheet	Description of item of property	Gross carrying value As at 31 March, 2023	Gross carrying value As at 31 March, 2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
PPE	**Building** 16 Flats in Tata Colony, Lallubhai Park, Andheri (W), Mumbai 4000063	0.06	0.06	Tata Services Limited	Group Company	31 August, 1965	These flats are constructed on land owned by Tata Services Limited in line with arrangement amongst Tata Services Limited and Tata Group of companies (incl. Voltas Limited) Pending certain procedural aspects, title to the undivided share of land relating to the flats owned by Voltas Limited has not yet been transferred in the name of Voltas Limited.
	Building Plot No. 1, Sector 10, SIDCUL Rudrapur, IIE Pantnagar, Udham Singh Nagar, Uttarakhand-263153	8.90	8.90	Universal Comfort Products Limited	Group Company	11 September, 2020	This building was acquired pursuant to a scheme of amalgamation and continued to be registered in the name of amalgamating Company. However, the deed of merger has been registered by the Company.
Right of use assets	**Building** Voltas House, 23 J N Heredia Marg, Ballard Estate, Mumbai-400001	0.23	0.23	Bombay Port Trust	Others	15 June, 2017	The said building was taken on lease by Company from Bombay Port Trust. The Lease has expired on 14 June, 2017. The Company has submitted an application for renewal (in accordance with contractual right) of lease on 15 December, 2016.
	Leasehold land Plot No. 1, Sector 10, SIDCUL Rudrapur, IIE Pantnagar, Udham Singh Nagar, Uttarakhand-263153	2.56	2.56	Universal Comfort Products Limited	Group Company	11 September, 2020	This land was acquired pursuant to a scheme of amalgamation and continued to be registered in the name of amalgamating Company. However, the deed of merger has been registered by the Company.

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

(c) On transition to Ind AS (i.e. 1 April, 2015), the Group has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

(d) (i) Capital Work In Progress (CWIP) Ageing Schedule

As at 31 March, 2023

₹ in crores

Particulars	<1 year	1-2 years	2-3 years	> 3 years	Total
(a) Projects in progress	46.08	51.86	-	0.31	98.25
(b) Projects temporarily suspended	-	-	-	-	-
	46.08	**51.86**	**-**	**0.31**	**98.25**

As at 31 March, 2022

₹ in crores

Particulars	<1 year	1-2 years	2-3 years	> 3 years	Total
(a) Projects in progress	57.27	1.45	0.45	0.12	59.29
(b) Projects temporarily suspended	-	-	-	-	-
	57.27	**1.45**	**0.45**	**0.12**	**59.29**

5 INVESTMENT PROPERTY

₹ in crores

	Freehold Land	Buildings	Total
Gross carrying amount			
As at 1 April, 2021	0.14	70.64	70.78
Additions	-	-	-
Disposals	-	2.03	2.03
Transfers in / (out)	-	0.95	0.95
As at 31 March, 2022	**0.14**	**69.56**	**69.70**
Accumulated depreciation			
As at 1 April, 2021	-	15.23	15.23
Charge for the year	-	1.09	1.09
Disposals	-	0.34	0.34
Transfers in / (out)	-	0.40	0.40
As at 31 March, 2022	**-**	**16.38**	**16.38**
Net carrying amount as at 31 March, 2022	**0.14**	**53.18**	**53.32**
Gross carrying amount			
As at 1 April, 2022	0.14	69.56	69.70
Additions	-	-	-
Disposals	-	2.99	2.99
As at 31 March, 2023	**0.14**	**66.57**	**66.71**
Accumulated depreciation			
As at 1 April, 2022	-	16.38	16.38
Charge for the year	-	1.06	1.06
Disposals	-	0.14	0.14
As at 31 March, 2023	**-**	**17.30**	**17.30**
Net carrying amount as at 31 March, 2023	**0.14**	**49.27**	**49.41**

Footnotes :

(1) The amount included in transfers in / (out) represents the assets transferred from Property, Plant and Equipment (PPE) to Investment Property when it is held for the purpose of earning rental income / capital appreciation.

5 INVESTMENT PROPERTY (Contd.)

(2) Amount recognised in Consolidated statement of profit and loss in relation to investment properties are as follows:

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
Rental income	24.60	24.40
Direct operating expenses (including repairs and maintenance) generating rental income (net of recoveries)	1.71	1.44
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income	5.32	4.87
Profit from investment properties before depreciation and indirect expenses	**17.57**	**18.09**
Depreciation	1.06	1.09
Profit arising from investment properties before indirect expenses	**16.51**	**17.00**

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

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Land	126.58	117.66
Building	901.73	696.05
	1,028.31	**813.71**

The fair value of the investment properties have been derived using the market comparable approach (market value method / sale comparison technique) based on recent market prices without any significant adjustments being made to the market observable data. The valuation was carried out by an independent registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. Accordingly, fair value estimates for investment properties are classified as level 3.

The Group has no restriction on the realisability of its Investment properties and no contractual obligation to construct and develop investment properties.

6 RIGHT-OF-USE ASSETS

₹ in crores

	Leasehold Land	Leasehold Buildings	Total
Gross carrying amount			
As at 1 April, 2021	5.69	17.73	23.42
Additions	-	15.46	15.46
Disposals	-	2.58	2.58
Exchange differences on consolidation	-	0.02	0.02
As at 31 March, 2022	**5.69**	**30.63**	**36.32**
Accumulated depreciation			
As at 1 April, 2021	0.90	9.23	10.13
Charge for the year	0.06	7.13	7.19
Disposals	-	1.43	1.43
As at 31 March, 2022	**0.96**	**14.93**	**15.89**
Net carrying amount as at 31 March, 2022	**4.73**	**15.70**	**20.43**
Gross carrying amount			
As at 1 April, 2022	5.69	30.63	36.32
Additions	-	23.43	23.43
Exchange differences on consolidation	-	0.38	0.38
As at 31 March, 2023	**5.69**	**54.44**	**60.13**

6 RIGHT-OF-USE ASSETS (Contd.)

₹ in crores

	Leasehold Land	Leasehold Buildings	Total
Accumulated depreciation			
As at 1 April, 2022	0.96	14.93	15.89
Charge for the year	0.06	8.41	8.47
Exchange differences on consolidation	-	0.08	0.08
As at 31 March, 2023	**1.02**	**23.42**	**24.44**
Net carrying amount as at 31 March, 2023	**4.67**	**31.02**	**35.69**

7 OTHER INTANGIBLE ASSETS

₹ in crores

	Manufacturing Rights & Technical Know- how	Software	Total
Gross carrying amount			
As at 1 April, 2021	10.04	60.55	70.59
Additions	-	2.05	2.05
Disposals	1.16	0.16	1.32
Exchange differences on consolidation	-	0.12	0.12
As at 31 March, 2022	**8.88**	**62.56**	**71.44**
Amortisation			
As at 1 April, 2021	10.04	52.09	62.13
Charge for the year	-	3.35	3.35
Disposals	1.16	0.16	1.32
Exchange differences on consolidation	-	0.11	0.11
As at 31 March, 2022	**8.88**	**55.39**	**64.27**
Net carrying amount as at 31 March, 2022	**-**	**7.17**	**7.17**
Gross carrying amount			
As at 1 April, 2022	8.88	62.56	71.44
Additions	-	2.04	2.04
Disposals	-	4.27	4.27
Exchange differences on consolidation	-	0.34	0.34
As at 31 March, 2023	**8.88**	**60.67**	**69.55**
Amortisation			
As at 1 April, 2022	8.88	55.39	64.27
Charge for the year	-	3.03	3.03
Disposals	-	4.27	4.27
Exchange differences on consolidation	-	0.33	0.33
As at 31 March, 2023	**8.88**	**54.48**	**63.36**
Net carrying amount as at 31 March, 2023	**-**	**6.19**	**6.19**

Footnotes :

₹ in crores

		As at 31 March, 2023	As at 31 March, 2022
(a)	Goodwill generated on consolidation	72.31	72.31
(b)	Movement in goodwill		
	Balance at the beginning of the year	72.31	72.31
	Balance at the end of the year	72.31	72.31

7 OTHER INTANGIBLE ASSETS (Contd.)

(c) Allocation of Goodwill to Cash-Generating Units (CGU)

(i) The carrying value of the Goodwill pre-dominantly relates to Goodwill that arose on the acquisition of Universal MEP Projects & Engineering Services Limited (Wholly owned subsidiary) of ₹ 71.36 crores (31 March, 2022: ₹ 71.36 crores).

(ii) The Goodwill has been allocated for impairment, testing purposes to Segment-B (Electro-mechanical Projects and Services). The Goodwill is tested annually for impairment, more frequently if there are any indications that Goodwill may be impaired.

(iii) The recoverable amount of Segment-B (Electro-mechanical Projects and Services) CGU has been determined using the value in use calculation. The calculation uses five years projections based on the order book position. Value in use has been determined based on future cashflows after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

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

- Discount rate of 11.74% per annum (31 March, 2022: 12.49% per annum) was applied to arrive at present value of the cash flows.
- Cash flows beyond five years have been extrapolated using a steady growth rate in the range of 5% per annum (31 March, 2022: 5% per annum). This growth rate does not exceed the long-term average growth rate for this industry in India.
- Appropriate industrial beta has been applied (based on the comparative companies data) to arrive at the weighted average cost of capital.

(v) The Management believes that no reasonable change in any of the key assumptions used in the value in use calculation would cause the carrying value of the CGU to materially exceed its value in use.

8. INVESTMENTS

	Currency	Face Value	As at 31 March, 2023		As at 31 March, 2022	
			No.	₹ in crores	No.	₹ in crores
8 (i) Non- current Investments						
A Investments in Associates & Joint Ventures						
(Fully paid - Unquoted Investments; accounted as per Equity Method)						
1 Investments in Associate Companies						
Brihat Trading Private Limited	₹	10	3,352	*	3,352	*
Naba Diganta Water Management Limited	₹	10	47,97,000	9.38	47,97,000	9.38
				9.38		**9.38**
2 Investments in Joint Ventures :						
Voltas Water Solutions Private Limited (Refer footnote 8 (f)) (#)	₹	10	-	-	28,41,500	0.07
Universal Voltas L.L.C., UAE	AED	1,000	3,430	56.63	3,430	51.82
Olayan Voltas Contracting Company Limited, Saudi Arabia (including Share application money)	SR	100	50,000	-	50,000	-
Voltbek Home Appliances Private Limited	₹	10	62,57,34,900	204.51	50,32,34,900	204.87
Gross Investments in Joint Ventures				261.14		256.76
Less : Impairment in value of Investments (#)				-		0.07
				261.14		**256.69**
Investments accounted as per Equity Method				**270.52**		**266.07**

8. INVESTMENTS (Contd.)

		Currency	Face Value	As at 31 March, 2023		As at 31 March, 2022	
				No.	₹ in crores	No.	₹ in crores
B	**Other Investments**						
1	**Investments in Subsidiary Companies**						
	(at cost less impairment unless otherwise stated):						
	Agro Foods Punjab Limited (Refer footnote 8 (a)) (Beneficial rights transferred pending transfer of shares)	₹	100	2,80,000	-	2,80,000	-
	Westerwork Engineers Limited (Under Liquidation) (#)	₹	100	9,600	1.09	9,600	1.09
	Gross Investments in Subsidiary Companies				1.09		1.09
	Less : Impairment in value of Investments (#)				1.09		1.09
					-		**-**
2	**Investments in Other Companies (Investments at Fair Value through Other Comprehensive Income) (Refer footnote 8 (d))**						
(a)	**Fully Paid Unquoted Equity Instruments**						
	Lakshmi Ring Travellers (Coimbatore) Limited (Refer footnote 8 (g))	₹	10	-	-	1,20,000	34.55
	Agrotech Industries Limited	USD	1	3,67,500	-	3,67,500	-
	Tata International Limited (Refer footnote 8 (h))	₹	1,000	15,000	74.42	15,000	33.90
	Tata Services Limited (Refer footnote 8 (b))	₹	1,000	448	0.04	448	0.04
	Tata Industries Limited (Refer footnote 8 (b))	₹	100	13,05,720	20.72	13,05,720	20.72
	Tata Projects Limited (Refer footnote 8 (i))	₹	5	1,10,62,170	181.60	1,10,62,170	298.72
	Premium Granites Limited	₹	10	4,91,220	-	4,91,220	-
	OMC Computers Limited	₹	10	4,04,337	-	4,04,337	-
	Avco Marine S.a.S, France	EURO	10	1,910	-	1,910	-
	Voltas Employees Consumers Co-operative Society Limited	₹	10	750	*	750	*
	Saraswat Co-operative Bank Limited	₹	10	10	*	10	*
	Super Bazar Co-operative Stores Limited	₹	10	500	*	500	*
					276.78		**387.93**
(b)	**Fully Paid Quoted Equity Instruments**						
	Lakshmi Automatic Loom Works Limited (Refer footnote 8 (e))	₹	100	61,520	-	61,520	-
	Tata Chemicals Limited	₹	10	2,00,440	19.49	2,00,440	19.54
	Tata Consumer Products Limited	₹	1	2,28,501	16.22	2,28,501	17.76
	Lakshmi Machine Works Limited	₹	10	5,79,672	578.00	5,79,672	558.20
	Reliance Industries Limited (Refer footnote 8 (c))	₹	10	2,640	-	2,640	-
					613.71		**595.50**
					890.49		**983.43**

8. INVESTMENTS (Contd.)

		Currency	Face Value	As at 31 March, 2023		As at 31 March, 2022	
				No.	₹ in crores	No.	₹ in crores
3	**Investment in Preference Shares**						
	Fully Paid Unquoted Preference Shares (at amortised cost)						
	Tata Capital Limited						
	7.50% Cumulative Redeemable Preference Shares	₹	1,000	2,50,000	25.00	2,50,000	25.00
	7.10% Cumulative Redeemable Preference Shares	₹	1,000	2,00,000	20.00	2,00,000	20.00
	7.33% Cumulative Redeemable Preference Shares	₹	1,000	50,000	5.00	50,000	5.00
					50.00		**50.00**
4	**Investment in Unquoted Mutual funds (at fair value through profit or loss)**				**1,448.09**		**1,700.94**
5	**(i) Investment in Debenture/Bonds (at amortised cost)**						
	Fully Paid Quoted Debenture/Bonds:						
	Rural Electrification Corporation Limited :						
	8.01% Tax Free Bonds	₹	1,000	-	-	50,000	5.26
	7.17% Tax Free Bonds	₹	10,00,000	70	7.31	70	7.37
	5.75% Tax Free Bonds	₹	10,000	-	-	500	0.53
	8.18% Tax Free Bonds	₹	10,00,000	-	-	50	5.31
	National Housing Bank						
	8.26% Tax Free Non Convertible Debentures	₹	5,000	-	-	18,049	9.49
	Housing and Urban Development Corporation Limited						
	8.51% Tax Free Bonds	₹	1,000	-	-	1,50,000	15.84
	7.07% Tax Free Bonds	₹	10,00,000	50	5.27	50	5.30
	Indian Railway Finance Corporation Limited						
	8.35% Tax Free Bonds	₹	10,00,000	-	-	250	27.69
	Tata Motors Finance Limited						
	11.50% Non Convertible Debentures	₹	10,00,000	500	54.50	500	54.50
	UP Power Corporation Limited						
	9.70% Non Convertible Debentures	₹	10,00,000	250	25.38	-	-
					92.46		**131.29**
	(ii) Investment in Debenture/Bonds (at fair value through profit or loss)						
	Fully Paid Quoted Debenture/Bonds:						
	TMF Holdings Limited						
	7.2962% Perpetual Non Convertible Debentures	₹	10,00,000	500	49.92	500	49.39
					49.92		**49.39**

8. INVESTMENTS (Contd.)

	Currency	Face Value	As at 31 March, 2023		As at 31 March, 2022	
			No.	₹ in crores	No.	₹ in crores
6 Investment in Others						
Government Securities	₹			*		*
				*		*
Other Investments				**2,530.96**		**2,915.05**
Total : Non-current Investments - Net				**2,801.48**		**3,181.12**
Footnotes :						
(i) Aggregate amount of quoted investments and market value thereof				756.09		776.18
(ii) Aggregate amount of unquoted investments				2,046.48		2,406.10
(iii) Aggregate amount of impairment in value of investments				1.09		1.16

Abbreviations for Currencies :

₹ : Indian Rupees SR : Saudi Riyal AED : United Arab Emirates Dirhams

USD : United States Dollar EURO : European Union Currency

* value below ₹ 50,000/-

Footnotes:

8(a) Under a loan agreement for ₹ 0.60 crore (fully drawn and outstanding) entered into between Agro Foods Punjab Limited (AFPL) and the Punjab State Industrial Development Corporation Limited (PSIDC), the Group has given an undertaking to PSIDC that it will not dispose off its shares in AFPL till the monies under the said loan agreement between PSIDC and AFPL remain due and payable by AFPL to PSIDC. During 1998-99, the Group had transferred its beneficial rights in the shares of AFPL.

8(b) For these unquoted investments categorised under Level 3, their respective cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

8(c) In respect of the Group's investment in 2,640 equity shares of Reliance Industries Limited, there is an Injunction Order passed by the Honourable High Court of Kanpur restraining the transfer of these shares. The share certificates are, however, in the possession of the Group. Pending disposal of the case, dividend and fair value on these shares has not been recognised.

8(d) Investments at Fair Value Through Other Comprehensive Income (FVTOCI) reflect investment in quoted and unquoted equity shares. These equity shares are designated as FVTOCI as they are not held for trading purpose and are not in similar line of business as the Group, thus disclosing their fair value change in profit and loss will not reflect the purpose of holding.

8(e) During the previous year, Lakshmi Automatic Loom Works Limited had consolidated the face value of equity shares from ₹10/- each to face value of ₹ 100/- each.

8(f) During the current year, Voltas Water Solutions Private Limited, a dormant joint venture of the Company, had been struck off from Registrar of Companies records w.e.f. 26 July, 2022 and accordingly investment had been written off by utilising impairment allowance.

8(g) During the current year, shares of Lakshmi Ring Travellers (Coimbatore) Limited were tendered pursuant to the Buy Back offer received by the Company.

8(h) Fair value has been determined basis offer of issuance of equity shares on preferential basis.

8(i) Fair value has been determined basis right issue offer announced.

9. CURRENT INVESTMENTS

		Currency	Face Value	As at 31 March, 2023		As at 31 March, 2022	
				No.	₹ in crores	No.	₹ in crores
A	**Investment in Debenture/Bonds (at amortised cost)**						
	Fully Paid Quoted:						
	The Tata Power Company Limited						
	10.75% Non Convertible Debentures	₹	10,00,000	-	-	500	52.52
	Tata International Limited						
	9.85% Non Convertible Debentures	₹	10,00,000	-	-	500	50.57
	Rural Electrification Corporation Limited :						
	8.01% Tax Free Bonds	₹	1,000	50,000	5.18	-	-
	5.75% Tax Free Bonds	₹	10,000	500	0.53	-	-
	8.18% Tax Free Bonds	₹	10,00,000	50	5.23	-	-
	National Housing Bank						
	8.26% Tax Free Non Convertible Debentures	₹	5,000	18,049	9.33	-	-
	Housing and Urban Development Corporation Limited						
	8.51% Tax Free Bonds	₹	1,000	1,50,000	15.54	-	-
	Indian Railway Finance Corporation Limited						
	8.35% Tax Free Bonds	₹	10,00,000	250	27.29	-	-
	Bajaj Finance Limited						
	5.50% Non Convertible Debentures	₹	10,00,000	100	10.40	-	-
	Housing Development Finance Limited						
	6.95% Non Convertible Debentures	₹	10,00,000	200	21.28	-	-
	7.20% Non Convertible Debentures	₹	10,00,000	100	10.59		
					105.37		**103.09**
B	**Investment in Unquoted Mutual funds (at fair value through profit or loss)**				**201.79**		**291.18**
C	**Investment in Inter Corporate Deposits (at amortised cost)**				**-**		**40.00**
Total Current investments					**307.16**		**434.27**
Footnotes :							
(i)	Aggregate amount of quoted investments and market value thereof				105.37		103.09
(ii)	Aggregate amount of unquoted investments				201.79		331.18
(iii)	Aggregate amount of impairment in value of investments				-		-

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

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Loans to Employees (Unsecured, considered good)	0.08	0.10
Total non-current loans	**0.08**	**0.10**

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

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
(a) Security deposits	7.57	6.72
(b) Deposits with customers / others	8.63	4.67
(c) Fixed deposits with remaining maturity of more than 12 months	255.48	71.82
(d) Others	15.59	15.59
Less: Impairment Allowance	15.41	15.41
Total other financial assets (Non-current)	**271.86**	**83.39**
Footnotes :		
(1) Break up of security details of other financial assets (non-current)		
(i) Unsecured, considered good	271.86	83.39
(ii) Credit impaired	15.41	15.41
	287.27	**98.80**
(2) Impairment Allowance		
(i) Unsecured, considered good	-	-
(ii) Credit impaired	15.41	15.41
	15.41	**15.41**

12. DEFERRED TAX

(a) The following is the analysis of deferred tax assets / (liabilities) presented in the consolidated balance sheet :

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
(i) Deferred Tax Assets		
Deferred tax assets	35.56	44.00
Deferred tax liabilities	-	-
Deferred Tax Assets (net)	**35.56**	**44.00**
(ii) Deferred Tax Liabilities		
Deferred tax assets	128.13	141.81
Deferred tax liabilities	(133.41)	(154.16)
Deferred tax liabilities (net)	**(5.28)**	**(12.35)**

12. DEFERRED TAX (Contd.)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Reconciliation of deferred tax assets (net):		
Opening balance	44.00	55.77
Tax income/(expense) during the period recognised in profit or loss	(8.53)	4.37
Tax income/(expense) during the period recognised in OCI	-	(0.07)
Exchange gain/(loss) on translation of foreign operations	0.09	-
Reclassified to deferred tax liabilities	-	(16.08)
Closing balance	**35.56**	**44.00**
Reconciliation of deferred tax liabilities (net):		
Opening balance	(12.35)	-
Tax income/(expense) during the period recognised in profit or loss	(12.01)	(5.27)
Tax income/(expense) during the period recognised in OCI	19.08	(23.16)
Reclassified from deferred tax assets	-	16.08
Closing balance	**(5.28)**	**(12.35)**

(b) The balance comprise temporary differences attributable to:

(i) Deferred Tax Assets

₹ in crores

	As at 31 March, 2022	Reclassification to deferred tax liabilities	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	Exchange gain/(loss) on translation of foreign operations	As at 31 March, 2023
Provision for employee benefits (including Voluntary Retirement Scheme)	0.13	-	2.23	-	-	2.36
Allowance for receivables, loans and advances	25.33	-	5.66	-	-	30.99
Provision for contingencies and claims	0.51	-	0.88	-	-	1.39
Estimated Loss on Projects	0.96	-	(0.68)	-	-	0.28
Unutilised brought forward loss and unabsorbed depreciation	0.38	-	(0.38)	-	-	-
MAT credit entitlement	16.31	-	(16.31)	-	-	-
Others	0.38	-	0.07	-	0.09	0.54
Deferred Tax Assets	**44.00**	**-**	**(8.53)**	**-**	**0.09**	**35.56**
Deferred Tax Liabilities	**-**	**-**	**-**	**-**	**-**	**-**
Deferred Tax Assets (net)	**44.00**	**-**	**(8.53)**	**-**	**0.09**	**35.56**

12. DEFERRED TAX (Contd.)

(ii) Deferred Tax Liabilities

₹ in crores

	As at 31 March, 2022	Reclassification to deferred tax liabilities	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	Exchange gain/ (loss) on translation of foreign operations	As at 31 March, 2023
Provision for employee benefits (including Voluntary Retirement Scheme)	38.37	-	(3.47)	(4.27)	-	30.63
Allowance for receivables, loans and advances	77.12	-	(2.47)	-	-	74.65
Provision for contingencies and claims	10.84	-	(1.77)	-	-	9.07
Unpaid statutory liabilities	3.77	-	0.46	-	-	4.23
Government Grant	1.83	-	(0.17)	-	-	1.66
Estimated Loss on Projects	0.78	-	(0.55)	-	-	0.23
Free Maintenance services	5.73	-	0.33	-	-	6.06
Others	3.37	-	(1.77)	-	-	1.60
Deferred Tax Assets	**141.81**	**-**	**(9.41)**	**(4.27)**	**-**	**128.13**
Property, plant and equipment and intangible assets	(31.80)	-	(0.38)	-	-	(32.18)
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(88.01)	-	-	23.35	-	(64.66)
Unrealised gains on fair valuation of Mutual funds	(34.35)	-	(2.22)	-	-	(36.57)
Deferred Tax Liabilities	**(154.16)**	**-**	**(2.60)**	**23.35**	**-**	**(133.41)**
Deferred Tax Liabilities (net)	**(12.35)**	**-**	**(12.01)**	**19.08**	**-**	**(5.28)**

(c) The balance comprise temporary differences attributable to:

(i) Deferred Tax Assets

₹ in crores

	As at 31 March, 2021	Reclassification to deferred tax liabilities	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	Exchange gain/ (loss) on translation of foreign operations	As at 31 March, 2022
Provision for employee benefits (including Voluntary Retirement Scheme)	35.96	(35.85)	0.09	(0.07)	-	0.13
Allowance for receivables, loans and advances	96.23	(77.92)	7.02	-	-	25.33
Provision for contingencies and claims	8.55	(8.04)	-	-	-	0.51
Unpaid statutory liabilities	3.31	(3.31)	-	-	-	-
Government Grant	1.70	(1.70)	-	-	-	-
Estimated Loss on Projects	1.15	(0.98)	0.79	-	-	0.96
Unutilised brought forward loss and unabsorbed depreciation	6.79	-	(6.41)	-	-	0.38
MAT credit entitlement	13.58	-	2.73	-	-	16.31
Free Maintenance services	6.06	(6.06)	-	-	-	-
Others	0.91	(0.86)	0.33	-	-	0.38
Deferred Tax Assets	**174.24**	**(134.72)**	**4.55**	**(0.07)**	**-**	**44.00**

12. DEFERRED TAX (Contd.)

₹ in crores

	As at 31 March, 2021	Reclassification to deferred tax liabilities	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	Exchange gain/ (loss) on translation of foreign operations	As at 31 March, 2022
Property, plant and equipment and intangible assets	(30.61)	30.78	(0.17)	-	-	-
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(60.47)	60.47	-	-	-	-
Unrealised gains on fair valuation of Mutual funds	(27.39)	27.39	-	-	-	-
Deferred Tax Liabilities	**(118.47)**	**118.64**	**(0.17)**	**-**	**-**	**-**
Deferred Tax Assets (net)	**55.77**	**(16.08)**	**4.37**	**(0.07)**	**-**	**44.00**

(ii) Deferred Tax Liabilities

₹ in crores

	As at 31 March, 2021	Reclassification to deferred tax liabilities	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	Exchange gain/ (loss) on translation of foreign operations	As at 31 March, 2022
Provision for employee benefits (including Voluntary Retirement Scheme)	-	35.85	(1.86)	4.38	-	38.37
Allowance for receivables, loans and advances	-	77.92	(0.80)	-	-	77.12
Provision for contingencies and claims	-	8.04	2.80	-	-	10.84
Unpaid statutory liabilities	-	3.31	0.46	-	-	3.77
Government Grant	-	1.70	0.13	-	-	1.83
Estimated Loss on Projects	-	0.98	(0.20)	-	-	0.78
Free Maintenance services	-	6.06	(0.33)	-	-	5.73
Others	-	0.86	2.51	-	-	3.37
Deferred Tax Assets	**-**	**134.72**	**2.71**	**4.38**	**-**	**141.81**
Property, plant and equipment and intangible assets	-	(30.78)	(1.02)	-	-	(31.80)
Unrealised gains on fair valuation of investments through Other Comprehensive Income	-	(60.47)	-	(27.54)	-	(88.01)
Unrealised gains on fair valuation of Mutual funds	-	(27.39)	(6.96)	-	-	(34.35)
Deferred Tax Liabilities	**-**	**(118.64)**	**(7.98)**	**(27.54)**	**-**	**(154.16)**
Deferred Tax Liabilities (net)	**-**	**16.08**	**(5.27)**	**(23.16)**	**-**	**(12.35)**

13 OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
(a) Balance with Government Authorities	72.87	78.20
(b) Capital advances	11.57	23.09
(c) Advance to suppliers	0.49	1.07
(d) Others	3.21	6.07
Less: Impairment Allowance	2.06	4.88
Total other non-current assets	**86.08**	**103.55**
Footnote :-		
Impairment Allowance :		
(a) Balance with Government Authorities	1.20	3.89
(b) Advance to suppliers	0.86	0.99
Total	**2.06**	**4.88**

14 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
(a) Raw materials and Components	771.39	567.29
(b) Work-in-progress	8.56	7.43
(c) Finished goods	491.13	597.63
(d) Stock-in-trade	320.47	488.66
(e) Stores and spares	0.42	0.38
Total Inventories	**1,591.97**	**1,661.39**
Inventories includes goods-in-transit:		
(a) Raw materials and Components	115.06	161.94
(b) Stock-in-trade	19.66	31.83
Total goods-in-transit	**134.72**	**193.77**

Footnote :

Provision / (reversal) for write-down on value of inventory recognised in statement of profit and loss	(0.61)	(9.72)

15 CONTRACT ASSETS (CURRENT) (UNSECURED)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Amount due from customers under construction contracts	1,111.62	863.28
Less: Impairment Allowance	133.56	114.96
Contract assets (Current) (Net)	**978.06**	**748.32**
Footnotes :		
(1) Break up of security details		
(i) Unsecured, considered good	1,048.01	751.56
(ii) Contract assets - credit impaired	63.61	111.72
	1,111.62	**863.28**
Less: Impairment Allowance	133.56	114.96
	978.06	**748.32**

15 CONTRACT ASSETS (CURRENT) (UNSECURED) (Contd.)

(2) Contract assets are initially recognised for revenue earned from electro mechanical projects contracts as receipt of consideration that is conditional on successful completion of project milestone. Upon completion of milestone and acceptance/certification by the customer, the amounts recognised as contract assets are reclassified to trade receivables. At 31 March, 2023, contract assets balances have increased as compared to 31 March, 2022 on account of delay in certification of work by the customers.

16 TRADE RECEIVABLES (CURRENT) (AT AMORTISED COST) (UNSECURED)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Trade receivables	2,753.19	2,499.30
Less: Impairment Allowance	561.34	389.63
Trade receivables (net)	**2,191.85**	**2,109.67**
Footnotes :		
(1) Break up of security details		
(i) Unsecured, considered good	2,332.99	2,281.73
(ii) Trade Receivables - credit impaired	420.20	217.57
	2,753.19	**2,499.30**
Less: Impairment Allowance	561.34	389.63
	2,191.85	**2,109.67**

(2) At 31 March, 2023, Trade receivables has increased as compared to 31 March, 2022 on account of increase in operations of the Group.

(3) Trade receivables are non interest bearing and are generally on terms of 7 to 30 days in case of sale of products and in case of long term construction contracts, payment is generally due upon completion of milestone as per terms of contract. In certain contracts, short term advances are received before the performance obligation is satisfied.

(4) The Group applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables and contract assets. The Group follows the simplified approach for recognition of impairment allowance on trade receivables and contract assets. The application of the simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment allowance based on lifetime ECLs at each reporting date. ECL impairment loss allowance (or reversal) recognised during the period is recognised in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

(5) **Movement in impairment allowance on trade receivables and contract assets.**

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Balance at the beginning of the year	504.59	442.82
Allowances / (write back) during the year	223.27	93.49
Written off against past provision	(32.96)	(31.72)
Balance at the end of the year	**694.90**	**504.59**

16 TRADE RECEIVABLES (CURRENT) (AT AMORTISED COST) (UNSECURED) (Contd.)

(6) **Trade receivables (current) ageing :**

As at 31 March, 2023

₹ in crores

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade Receivables - Considered Good	934.49	717.98	241.71	252.00	59.35	40.81	2,246.34
(ii) Undisputed Trade Receivables - Considered Doubtful	-	-	-	66.05	130.41	106.11	302.57
(iii) Disputed Trade Receivables - Considered Good	-	-	-	71.94	0.05	14.66	86.65
(iv) Disputed Trade Receivables - Considered Doubtful	-	-	-	7.42	6.19	104.02	117.63
Total : Trade receivables (Current)	**934.49**	**717.98**	**241.71**	**397.41**	**196.00**	**265.60**	**2,753.19**

As at 31 March, 2022

₹ in crores

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade Receivables - Considered Good	1,135.20	711.26	200.20	123.29	49.09	29.73	2,248.77
(ii) Undisputed Trade Receivables - Considered Doubtful	-	-	-	0.87	52.08	136.52	189.47
(iii) Disputed Trade Receivables - Considered Good	-	-	-	10.31	7.64	15.01	32.96
(iv) Disputed Trade Receivables - Considered Doubtful	-	-	-	-	0.14	27.96	28.10
Total : Trade receivables (Current)	**1,135.20**	**711.26**	**200.20**	**134.47**	**108.95**	**209.22**	**2,499.30**

17 CASH AND CASH EQUIVALENTS

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Cash on hand	0.82	0.73
Cheques on hand	9.10	14.77
Remittance in-transit	0.02	-
Balances with banks		
- On current accounts	443.77	478.39
- Fixed deposits with maturity less than 3 months	239.01	65.01
Total Cash and cash equivalents	**692.72**	**558.90**

Footnotes :

(a) Changes in liabilities arising from financing activities :

₹ in crores

Particulars	As at 31 March, 2023	
	Borrowings	Lease liabilities
Opening balance	343.19	17.64
Cash flows	272.78	(9.99)
New leases	-	23.43
Accretion of interest	-	3.53
Closing balance	**615.97**	**34.61**

₹ in crores

Particulars	As at 31 March, 2022	
	Borrowings	Lease liabilities
Opening balance	251.40	9.21
Cash flows	91.79	(8.70)
New leases	-	15.46
Foreign exchange management	*	-
Accretion of interest	-	1.67
Closing balance	**343.19**	**17.64**

* less than ₹ 50,000/-

(b) At 31 March, 2023, the Group had available ₹ 869.65 crores (31 March, 2022: ₹ 1,130.51 crores) of undrawn committed borrowing facilities. Sanction limits of domestic operations are secured against inventories, receivables and other current assets.

18 OTHER BALANCES WITH BANKS

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Earmarked balances - unpaid dividend Accounts	7.55	7.79
Margin money	8.11	4.98
Total Other Bank balances	**15.66**	**12.77**

Footnote :

Margin money deposit is placed as guarantee to project customers and Government authorities.

19 LOANS (CURRENT) (AT AMORTISED COST)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Loans to employees (Unsecured, considered good)	0.49	3.09
Total loans (Current)	**0.49**	**3.09**

20 OTHER FINANCIAL ASSETS (CURRENT) (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED) (AT AMORTISED COST)

₹ in crores

		As at 31 March, 2023	As at 31 March, 2022
(a)	Security deposits	17.98	20.18
(b)	Inter-corporate deposits	185.00	-
(c)	Due from related parties	39.44	-
(d)	Interest accrued	13.70	5.30
(e)	Recovery against bank guarantees encashment	135.83	-
(f)	Fixed deposits with remaining maturity of less than12 months	-	0.04
(g)	Others	106.98	60.68
		489.93	**86.20**
	Less: Impairment Allowance	146.04	6.35
Total other financial assets (Current)		**352.89**	**79.85**

Footnotes :

(1)	Break up of security details of other financial assets (current)			
	(i)	Unsecured, considered good	352.89	79.85
	(ii)	Credit impaired	146.04	6.35
			498.93	**86.20**
(2)	Impairment Allowance			
	(i)	Unsecured, considered good	-	-
	(ii)	Credit impaired		
		- Recovery against bank guarantees encashment	135.83	-
		- Others	10.21	6.35
			146.04	**6.35**

21 OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

₹ in crores

		As at 31 March, 2023	As at 31 March, 2022
(a)	Balance with Government Authorities	168.92	133.21
(b)	Advance to suppliers	98.96	91.41
(c)	Gratuity fund (Refer Note 48)	8.13	-
(d)	Prepaid expense	30.03	34.94
(e)	Others		
	- Considered good	9.65	11.40
	- Credit impaired	0.92	0.73
	Less: Impairment Allowance	0.92	0.73
Total other current assets		**315.69**	**270.96**

22 SHARE CAPITAL

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Authorised:		
1,10,00,00,000 (31 March, 2022: 1,10,00,00,000) Equity Shares of ₹ 1/- each	110.00	110.00
40,00,000 (31 March, 2022: 40,00,000) Preference Shares of ₹ 100/- each	40.00	40.00
	150.00	**150.00**
Issued, Subscribed and Paid up:		
33,08,84,740 (31 March, 2022: 33,08,84,740) Equity Shares of ₹ 1/- each	33.09	33.09
Less :Calls-in-Arrears [1,19,850 shares (31 March, 2022: 1,22,500 shares) [Refer footnote 22 (d)]	0.01	0.01
Total share capital	**33.08**	**33.08**

Footnotes:

Terms / Rights attached to equity shares

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

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

	Equity Share Capital			
	As at 31 March, 2023		As at 31 March, 2022	
	Numbers	₹ in crores	Numbers	₹ in crores
Shares outstanding at the beginning of the year	33,08,84,740	33.08	33,08,84,740	33.08
Shares outstanding at the end of the year	33,08,84,740	33.08	33,08,84,740	33.08

(c) Details of equity shares held by shareholders holding more than 5% shares in the Company:

Name of Shareholder	Class of Shares	Equity Share Capital			
		As at 31 March, 2023		As at 31 March, 2022	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
Tata Sons Private Limited	Equity	8,81,31,780	26.64	8,81,31,780	26.64
Life Insurance Corporation of India	Equity	3,39,03,563	10.25	1,55,82,206	4.71

(d) As per the records of the Company, no calls remained unpaid by the Directors and Officers of the Company as on 31 March, 2023 (31 March, 2022 : Nil).

22 SHARE CAPITAL (Contd.)

(e) Details of shares held by promoter / promoter group*

Description	As at 31 March, 2023					
	Name of the promoter / promoter group*	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 1 each fully paid	Tata Sons Private Limited	8,81,31,780	-	8,81,31,780	26.64%	-
	Tata Investment Corporation Limited*	99,62,330	-	99,62,330	3.01%	-
	Ewart Investments Limited*	19,25,950	-	19,25,950	0.58%	-
	The Tata Power Company Limited*	2,33,420	-	2,33,420	0.07%	-
Total		**10,02,53,480**	**-**	**10,02,53,480**	**30.30%**	**-**

Description	As at 31 March, 2022					
	Name of the promoter / promoter group*	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 1 each fully paid	Tata Sons Private Limited	8,81,31,780	-	8,81,31,780	26.64%	-
	Tata Investment Corporation Limited*	99,62,330	-	99,62,330	3.01%	-
	Ewart Investments Limited*	19,25,950	-	19,25,950	0.58%	-
	The Tata Power Company Limited*	2,33,420	-	2,33,420	0.07%	-
Total		**10,02,53,480**	**-**	**10,02,53,480**	**30.30%**	**-**

23 OTHER EQUITY

₹ in crores

		As at 31 March, 2023	As at 31 March, 2022
(1)	Capital Reserve	13.72	13.72
(2)	Capital Redemption Reserve	1.26	1.26
(3)	Securities Premium	4.77	4.77
(4)	General Reserve	1,458.15	1,438.15
(5)	Staff Welfare Reserve	0.01	0.01
(6)	Exchange difference on translation of foreign operations through other comprehensive income	50.98	39.35
(7)	Legal Reserve	3.57	2.72
(8)	Equity instruments fair value through other comprehensive income	736.28	805.85
(9)	Retained Earnings	3,150.25	3,160.65
Total other equity		**5,418.99**	**5,466.48**

23 OTHER EQUITY (Contd.)

Movements in Other Equity

₹ in crores

		As at 31 March, 2023	As at 31 March, 2022
(1)	**Capital Reserve**		
	- As per last Balance Sheet	13.72	14.25
	- Less: Transferred to retained earnings on divestment of subsidiary	-	0.53
	- Closing Balance	**13.72**	**13.72**
(2)	**Capital Redemption Reserve**		
	- As per last Balance Sheet	**1.26**	**1.26**
(3)	**Securities Premium**		
	- As per last Balance Sheet	4.77	4.77
(4)	**General Reserve**		
	- As per last Balance Sheet	1,438.15	1,418.15
	- Transfer from retained earnings	20.00	20.00
	- Closing Balance	**1,458.15**	**1,438.15**
(5)	**Staff Welfare Reserve**		
	- As per last Balance Sheet	**0.01**	**0.01**
(6)	**Exchange difference on translation of foreign operations through other comprehensive income**		
	- As per last Balance Sheet	39.35	34.40
	- Add / (less) : Exchange gain / (loss) on translation of foreign operations	11.63	4.95
	- Closing Balance	**50.98**	**39.35**
(7)	**Legal Reserve**		
	- As per last Balance Sheet	2.72	2.68
	- Transfer from retained earnings	0.85	0.04
	- Closing Balance	**3.57**	**2.72**
(8)	**Equity instruments fair value through other comprehensive income**		
	- As per last Balance Sheet	805.85	626.85
	- Changes during the year	(69.57)	179.00
	- Closing Balance	**736.28**	**805.85**
(9)	**Retained earnings**		
	(a) As per last Balance Sheet	3,160.65	2,857.90
	(b) Additions :		
	- Net Profit for the year	135.01	504.09
	- Transferred from capital reserve on divestment of subsidiary	-	0.53
	- Transfer from other comprehensive income (net of tax)	16.32	-
	- Gain realised on sale of equity instrument classified as FVTOCI	37.96	-
	- Others	3.15	-
		192.44	**504.62**

23 OTHER EQUITY (Contd.)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
(c) Deductions :		
- Dividend	181.99	166.06
- Transfer to Legal Reserve	0.85	0.04
- Transfer from other comprehensive income (net of tax)	-	15.77
- Transfer to General Reserve	20.00	20.00
	202.84	**201.87**
Closing Balance	**3,150.25**	**3,160.65**
Total other equity	**5,418.99**	**5,466.48**

DISTRIBUTION MADE AND PROPOSED

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Cash Dividends on Equity Shares declared and paid:		
Dividend for the year ended 31 March, 2022: ₹ 5.50 per share	181.99	165.44
(31 March, 2021: ₹ 5.00 per share)		
	181.99	**165.44**
Proposed Dividend on Equity Shares:		
Dividend for the year ended 31 March, 2023: ₹ 4.25 per share	140.63	181.99
(31 March, 2022: ₹ 5.50 per share)		
	140.63	**181.99**

Footnotes : Nature and purpose of reserves

Capital Reserve :

Capital Reserve was created from capital surplus on sale of assets and on amalgamation of subsidiary.

Capital Redemption Reserve :

Capital Redemption Reserve is created out of profit available for distribution towards redemption of Preference shares. This reserve can be used for the purpose of issue of Bonus shares.

Securities Premium :

Securities Premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares. This reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital Reserve on Consolidation :

Capital Reserve on Consolidation represents the additional net assets received by the Parent Company on purchase of stake in Subsidiary. Pursuant to the Scheme of Merger, as approved by the National Company Law Tribunal, Mumbai, on 11 September, 2020, Universal Comfort Products Limited ('UCPL'), a wholly owned subsidiary company, has been merged with Voltas Limited, the Parent Company, effective the appointed date of 01 April, 2019. Accordingly, capital reserve on consolidation created on consolidation of UCPL in earlier period has been transferred to capital reserve.

23 OTHER EQUITY (Contd.)

General Reserve :

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.

Exchange difference on translation of foreign operations through other comprehensive income :

For the purpose of consolidation of subsidiaries with the financial statement of the holding company, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. Use of such different rates for translation gives rise to exchange differences which is accumulated in Foreign Currency Translation Reserve. The movement in this reserve is due to fluctuation in exchange rates of currencies during the financial year 2022-23. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the statement of profit and loss.

Legal Reserve :

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

Equity instruments fair value through other comprehensive income :

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Retained Earnings :

The balance in the Retained Earnings primarily represents the surplus after payment of dividend and transfer to reserves.

24 CONTRACT LIABILITIES (NON-CURRENT)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Unexpired service contracts	6.33	3.51
Total Contract liabilities (Non-Current)	**6.33**	**3.51**

25 BORROWINGS (AT AMORTISED COST) (NON-CURRENT)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Unsecured		
Term loans from Banks	21.15	-
Total borrowings	**21.15**	**-**

Footnotes :

(i) Term loans are repayable in monthly equal installments over the period of 12 months and one bullet payment on the maturity date of loan i.e. April 2024.

(ii) Term loans from banks carry an average interest rate of 7.00% (31 March, 2022 : Nil).

26 LEASE LIABILITIES (NON-CURRENT)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Unsecured		
Lease Liabilities (Refer Note 57)	25.39	12.68
Total lease liabilities	**25.39**	**12.68**

27 OTHER FINANCIAL LIABILITIES (NON-CURRENT)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Non-current		
Employee's payable - Voluntary Retirement Scheme	11.46	14.89
Total other non-current financial liabilities	**11.46**	**14.89**

28 PROVISIONS (NON-CURRENT)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Provision for employee benefits :		
(i) Provision for gratuity (Refer Note 48)	43.72	57.72
(ii) Pension obligations (Refer Note 48)	38.84	39.56
(iii) Provision for compensated absences	3.32	0.22
(iv) Post retirement medical benefits (Refer Note 48)	6.09	5.53
Total non-current provisions	**91.97**	**103.03**

29 OTHER NON-CURRENT LIABILITIES

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Deferred Government Grant	4.17	6.32
Total other non-current liabilities	**4.17**	**6.32**

Footnote :

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

30 CONTRACT LIABILITIES (CURRENT)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
(a) Advances received from customers	262.03	200.27
(b) Unexpired service contracts	13.34	9.19
(c) Billing in excess of contract revenue	244.73	144.73
Total Contract liabilities (Current)	**520.10**	**354.19**

Footnote :

Contract liabilities as at 31 March, 2023 are higher on account of advance received from customers for the recently awarded contracts and in few contracts, billing to the customer was as per contractual terms not linked with project progress.

31 BORROWINGS (AT AMORTISED COST) (CURRENT)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Unsecured		
(a) Term loans from banks	240.47	155.43
(b) Term loans from banks - Current maturities of long term debts	99.03	-
(c) Working Capital loans from banks	244.95	187.76
(d) Loan from corporates	10.37	-
Total borrowings	**594.82**	**343.19**

Footnotes :

(i) Term loans from banks are repayable within the period of 12 months and carry an interest rate of 7.25% to 7.50% (31 March, 2022 : 4.00% to 5.25%).

(ii) Term loans - Current maturities are repayable in monthly equal installments over the period of 12 months and one bullet payment on the maturity date of loan i.e. April 2024 and carry an interest rate of 7.00%.

(iii) Working capital loans from banks are repayable on demand and carry an average interest rate of 5.00% to 8.70% (31 March, 2022 : 1.35% to 5.75%).

(iv) Loan from corporates are repayable in June, 2023 and carry an interest rate of 6.00%.

32 LEASE LIABILITIES (CURRENT)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Unsecured		
Lease Liabilities (Refer Note 57)	9.22	4.96
Total lease liabilities	**9.22**	**4.96**

33 TRADE PAYABLES

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Trade payables :		
(a) Total outstanding dues of micro and small enterprises	248.33	144.19
(b) Total outstanding dues of creditors other than micro and small enterprises	2,764.30	2,797.86
Total trade payables	**3,012.63**	**2,942.05**

Footnotes :

(1) Trade payables are non interest bearing and are normally settled on 30 days to 365 days credit term.

33 TRADE PAYABLES (Contd.)

(2) Trade payables ageing :

As at 31 March, 2023

₹ in crores

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	90.47	139.45	11.16	3.14	4.11	248.33
(ii) Others	110.68	1,048.74	1,322.23	96.68	52.31	132.23	2,762.87
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	1.43	1.43
Total	**110.68**	**1,139.20**	**1,461.69**	**107.84**	**55.45**	**137.77**	**3,012.63**

As at 31 March, 2022

₹ in crores

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	69.47	69.21	2.37	1.45	1.69	144.19
(ii) Others	59.32	1,631.01	904.94	56.85	51.17	92.69	2,795.98
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	0.42	1.46	1.88
Total	**59.32**	**1,700.48**	**974.15**	**59.22**	**53.04**	**95.84**	**2,942.05**

34 OTHER FINANCIAL LIABILITIES (CURRENT) (AT AMORTISED COST)

₹ in crores

		As at 31 March, 2023	As at 31 March, 2022
(a)	Deposits received from customers / others	39.88	30.47
(b)	Interest accrued but not due on borrowings	2.10	0.39
(c)	Payable for capital goods	18.19	9.95
(d)	Unpaid dividends	7.55	7.79
(e)	Rebate to customers	17.65	48.02
(f)	Employee's payable - Voluntary Retirement Scheme	5.32	5.91
(g)	Other financial liabilities	8.44	1.01
Total other financial liabilities		**99.13**	**103.54**

35 PROVISIONS (CURRENT)

₹ in crores

		As at 31 March, 2023	As at 31 March, 2022
(a)	Provision for employee benefits		
	(i) Provision for gratuity (Refer Note 48)	5.14	9.47
	(ii) Pension obligations (Refer Note 48)	3.79	3.56
	(iii) Provision for compensated absences	27.89	37.20
	(iv) Post retirement medical benefits (Refer Note 48)	0.24	0.29
(b)	Provision for Trade Guarantees	87.31	63.76
(c)	Provision for Contingencies for tax matters	41.63	44.57
	Total provision (current)	**166.00**	**158.85**

Footnotes :

A.	**Provisions for trade guarantees**		
	Opening balance	63.76	46.98
	Addition	67.60	53.94
	Less : Utilisation	43.34	33.47
	Less : Reversal	0.71	3.69
	Closing balance	**87.31**	**63.76**

B.	**Provision for Contingencies for tax matters**		
	Opening balance	44.57	33.46
	Addition	2.74	11.38
	Less : Utilisation	1.44	0.27
	Less : Reversal	4.24	-
	Closing balance	**41.63**	**44.57**

36 OTHER CURRENT LIABILITIES

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
(a) Statutory obligations	168.85	87.72
(b) Others	1.14	1.12
Total other current liabilities	**169.99**	**88.84**

37 REVENUE FROM OPERATIONS

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue from contracts with customers :		
(a) Sale of products	6,057.24	4,581.41
(b) Construction contract revenue	2,290.02	2,395.87
(c) Sale of services	1,052.11	863.79
	9,399.37	**7,841.07**
Other operating income :		
(a) Unclaimed credit balances / provision written back	7.66	9.79
(b) Sale of scrap	16.61	16.15
(c) Government grant	0.69	10.86
(d) Business Support Services	74.35	56.49
(e) Others	0.09	0.09
	99.40	**93.38**
Total revenue from operations	**9,498.77**	**7,934.45**

38 OTHER INCOME

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
(a) Dividend Income		
- From equity investments measured at FVTOCI	6.91	5.02
(b) Interest Income		
- On sundry advances, deposits, customers' balances, etc.	0.03	28.68
- On Inter corporate deposits and deposits with banks	16.27	2.82
- On Income-tax refunds	2.48	1.17
- On financial instruments measured at amortised cost	25.81	26.51
(c) Gain on sale / fair valuation of financial assets measured at FVTPL	63.24	81.09
(d) Exchange differences (Net)	7.46	8.85
(e) Rental income	24.60	24.40
(f) Other non-operating income	21.65	10.65
Total other income	**168.45**	**189.19**

39 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
Inventories at the end of the year :		
- Finished Goods including stock-in-trade	811.60	1,086.29
- Work-in-progress	8.56	7.43
	820.16	**1,093.72**
Inventories at the beginning of the year :		
- Finished Goods including stock-in-trade	1,086.29	905.07
- Work-in-progress	7.43	10.40
	1,093.72	**915.47**
Net (increase) / decrease	**273.56**	**(178.25)**

40 EMPLOYEE BENEFITS EXPENSES

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
(a) Salaries, Wages and Bonus	610.99	568.22
(b) Contribution to Provident and other Funds	28.09	25.51
(c) Staff Welfare expenses	28.13	23.89
Total employee benefits expenses	**667.21**	**617.62**

41 FINANCE COSTS

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest expense		
(a) on borrowings from banks and others	26.06	22.67
(b) on delayed payment of income tax	-	1.52
(c) on lease liabilities	3.53	1.68
Total finance costs	**29.59**	**25.87**

42 DEPRECIATION AND AMORTISATION EXPENSES

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
(a) Depreciation on property, plant and equipment	27.06	25.63
(b) Amortisation on intangible assets	3.03	3.35
(c) Depreciation on investment property	1.06	1.09
(d) Depreciation on Right-of-use assets	8.47	7.19
Total Depreciation and amortisation expenses	**39.62**	**37.26**

43 OTHER EXPENSES

₹ in crores

		Year ended 31 March, 2023	Year ended 31 March, 2022
(a)	Consumption of Stores and Spares	7.01	4.27
(b)	Power and Fuel	15.16	11.95
(c)	Rent	26.63	27.00
(d)	Repairs to Buildings	2.86	1.50
(e)	Repairs to Plant and Machinery	13.90	11.95
(f)	Insurance charges	16.35	14.82
(g)	Rates and Taxes	4.14	6.59
(h)	Travelling and Conveyance	56.73	39.77
(i)	Payment to Auditors	4.68	4.47
(j)	Legal and Professional fees	38.41	25.07
(k)	Bad and Doubtful Debts / Advances [Refer footnote below]	116.22	93.49
(l)	Loss on sale of property, plant and equipment	1.90	1.14
(m)	Corporate Social Responsibility (CSR)	14.60	12.94
(n)	Outside service charges	143.52	115.97
(o)	Clearing charges	69.98	74.46
(p)	Freight and forwarding charges	128.23	121.65
(q)	Commission on sales	7.29	16.36
(r)	Advertising	62.16	33.05
(s)	Printing and stationery	12.35	11.63
(t)	Miscellaneous expenses	138.89	110.54
Total other expenses		**881.01**	**738.62**
Footnote :			
Bad and Doubtful Debts / Advances includes :-			
(a)	Expected credit loss for contract assets and trade receivables	114.04	93.49
(b)	Allowance for doubtful debts and advances	2.18	-
Total		**116.22**	**93.49**

44 EXCEPTIONAL ITEMS

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
Provision arising out of cancellation of contract and encashment of bank guarantees (Refer footnote)	(243.82)	-
Total exceptional Items	**(243.82)**	**-**

Footnote :

It denotes provision made in respect of receivables and bank guarantees issued under two overseas contracts, pursuant to the unilateral encashment of the bank guarantees/termination of the Contract by the Contractors. The Company has initiated legal proceedings against the main contractors for recovery of the proceeds of bank guarantees and due amounts from them.

45 INCOME TAX

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31 March, 2023 and 31 March, 2022

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
Profit before tax	307.14	697.30
Indian statutory income tax rate	25.17%	25.17%
Income-tax expense at India's statutory income tax rate	77.30	175.50
Effect of adjustments to reconcile the expected tax expense to reported income tax expense:		
Effect of exempt income	(2.91)	(2.85)
Effect of unused tax losses	83.44	27.41
Effect of non-deductible expenses	4.28	5.59
Effect of income which is taxed at special rates	(0.20)	(11.01)
Adjustment of tax relating to earlier periods	(0.95)	(1.41)
Effect of different tax rates in the components	8.93	0.17
Change in Tax rate	4.48	-
Others	(3.45)	(2.10)
	170.92	**191.30**

46 EARNINGS PER SHARE

		Year ended 31 March, 2023	Year ended 31 March, 2022
(a)	Profit attributable to Equity shareholders - (₹ in crores)	135.01	504.09
(b)	Weighted average number of Equity Shares Outstanding	33,08,84,740	33,08,84,740
(c)	Earnings Per Share (₹) - Basic and Diluted (Face value ₹ 1/- per share)	4.08	15.23

47 COMMITMENTS AND CONTINGENCIES

(A) Commitments :

₹ in crores

		As at 31 March, 2023	As at 31 March, 2022
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	126.91	101.13

(ii) As per the E-Waste (Management) Rules, 2016, as amended, the Group has an obligation to complete the Extended Producer Responsibility targets, only if it is a participant in the market during a financial year. The obligation for a financial year is measured based on sales made in the preceding 10th year and the Group has fulfilled its obligation for the current financial year. In accordance with Appendix B of Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', the Group will have an e-waste obligation for future years, only if it participates in the market in those years.

47 COMMITMENTS AND CONTINGENCIES (Contd.)

(B) Financial Guarantee :

The Group has issued financials guarantees to banks on behalf of and in respect of loan facility availed by its subsidiary and joint venture companies

₹ in crores

		As at 31 March, 2023	As at 31 March, 2022
(i)	Limits (Fund and Non Fund based)	2,740.80	2,316.79
(ii)	Against which outstanding balance	980.26	435.25

(C) Contingent liabilities:

₹ in crores

		As at 31 March, 2023	As at 31 March, 2022
Claims against the Group not acknowledged as debts			
(i)	Sales tax / VAT matters	112.75	136.66
(ii)	Service tax matters	18.38	18.38
(iii)	Excise matters	19.72	19.89
(iv)	Contractual matters in the course of business	112.74	67.55
(v)	Customs duty matters	1.14	1.14
(vi)	Guarantees for terminated contract	374.95	345.61
(vii)	Income tax matters	15.43	14.78
		655.11	**604.01**

48 EMPLOYEE BENEFITS

The Company has defined benefit Gratuity, Post retirement medical benefits, Pension plans and Trust managed Provident fund plan as given below:

(i) Gratuity

Every employee who has completed five years of services, is entitled to Gratuity benefits. The Gratuity plan for Indian employees is governed by the Payment of Gratuity Act, 1972. The Gratuity plan provides lumpsum payments to vested employees at retirement, death while in employment, or termination of employment being an amount equivalent to 15 days salary for each completed year of service. The Company also provides similar Gratuity benefits to overseas employee. The Gratuity plan for Indian employees is funded and for overseas employees is unfunded.

(ii) Post Retirement Medical Benefits (PRMB)

PRMB scheme is eligible for all those employees who are above management staff grade and have joined on or before 31 December, 2015. The scheme is non-funded.

(iii) Pension plans

Pension plan benefit are provided to past Executive Directors and their specified relatives after completion of the services with the Company or Tata Group. The scheme is non- funded.

(a) The following table summaries the components of net benefit expenses recognised in statement of profit or loss, other comprehensive income, the funded status and amount recognised in the balance sheet for the respective plans as on the reporting dates:

48 EMPLOYEE BENEFITS (Contd.)

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Current service cost	6.23	3.40	9.35	7.75	-	-	0.19	0.19
Net interest expense	1.10	(0.69)	2.06	1.57	3.16	2.88	0.43	0.42
Components of defined benefit costs recognised in profit or loss	**7.33**	**2.71**	**11.42**	**9.32**	**3.16**	**2.88**	**0.62**	**0.61**
Remeasurement on the defined benefit plans:								
Return on plan assets	(0.68)	(2.13)	-	-	-	-	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	(0.04)	0.10	-	-	2.96	-	0.50
Actuarial (gains) / losses arising from changes in financial assumptions	(4.63)	9.70	(14.04)	10.15	(0.60)	(1.28)	(0.11)	(0.18)
Actuarial (gains) / losses arising from experience adjustments	(1.45)	0.52	(1.19)	(1.19)	0.62	0.71	1.28	(0.13)
Components of defined benefit costs recognised in other comprehensive income	**(6.76)**	**8.05**	**(15.13)**	**8.96**	**0.02**	**2.39**	**1.18**	**0.19**
Change in benefit obligation								
Opening defined benefit obligation	51.43	40.20	62.35	51.95	43.12	41.37	5.82	6.06
Current service cost	6.23	3.40	9.35	7.75	-	-	0.19	0.19
Interest cost	4.51	2.79	2.06	1.57	3.16	2.88	0.43	0.42
Remeasurement (gains)/losses:								
Actuarial (gains) / losses arising from changes in demographic assumptions	-	(0.04)	0.10	-	-	2.96	-	0.50
Actuarial (gains)/losses arising from changes in financial assumptions	(4.63)	9.70	(14.04)	10.15	(0.60)	(1.28)	(0.11)	(0.18)
Actuarial (gains)/losses arising from experience adjustments	(1.45)	0.52	(1.19)	(1.19)	0.62	0.71	1.28	(0.13)
Transfer of obligation on account of transfer of employee from group companies	0.02	0.05	-	-	-	-	-	-
Exchange differences on foreign plans	-	-	3.28	2.19	-	-	-	-
Benefits paid	(4.51)	(5.19)	(13.06)	(10.07)	(3.68)	(3.52)	(1.28)	(1.04)
Closing defined benefit obligation	**51.60**	**51.43**	**48.86**	**62.35**	**42.63**	**43.12**	**6.33**	**5.82**

48 EMPLOYEE BENEFITS (Contd.)

Change in plan assets

₹ in crores

	2022-23	2021-22
Opening fair value of plan assets	46.59	50.14
Interest income	3.41	3.49
Remeasurement gain / (losses):		
Return on plan assets	0.68	2.13
Contributions from the employer	13.57	(3.98)
Benefits paid	(4.51)	(5.19)
Closing fair value of plan assets	**59.74**	**46.59**

The amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plans are as follows:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Present value of funded defined benefit obligation	(51.60)	(51.43)	(48.86)	(62.35)	(42.63)	(43.12)	(6.33)	(5.82)
Fair value of plan assets	59.74	46.59	-	-	-	-	-	-
Net (liability) / asset arising from defined benefit obligation	**8.13**	**(4.84)**	**(48.86)**	**(62.35)**	**(42.63)**	**(43.12)**	**(6.33)**	**(5.82)**

(b) The major categories of plan assets as a percentage of total plan:

Category of investments:

	Gratuity funded	
	As at 31 March, 2023	As at 31 March, 2022
Government of India securities	57%	56%
Corporate bonds	31%	33%
Mutual funds	8%	8%
Others (Interest accrued, Balances with banks)	4%	3%
	100%	**100%**

48 EMPLOYEE BENEFITS (Contd.)

(c) The principal assumptions used for the purposes of the actuarial valuations are as follows.

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	As at 31 March, 2023 %	As at 31 March, 2022 %	As at 31 March, 2023 %	As at 31 March, 2022 %	As at 31 March, 2023 %	As at 31 March, 2022 %	As at 31 March, 2023 %	As at 31 March, 2022 %
Discount rate	7.52% and 7.45%	6.85% and 7.33%	4.80%	3.00% to 3.20%	7.52%	7.33%	7.52%	7.33%
Attrition Rate	1.00% - 12.00%	1.00% - 12.00%	2% to 32%	2% to 28%	1.00%	1.00%	1.00%	1.00%
Mortality Rate	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality 2012-14 (Urban)**
Expected rate of salary Increase / pension escalation / medical cost inflation	7.00%	8.00%	2% & 4%	4.00%	6.00%	6.00%	5.00%	5.00%

(d) A quantitative sensitivity analysis for significant assumptions are as follow:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Projected benefit obligations on current assumptions	51.60	51.43	48.86	62.35	42.63	43.12	6.33	5.82
+1% increase in discount rate	(2.99)	(4.27)	(3.73)	(6.15)	(2.93)	(3.15)	(0.14)	(0.13)
-1% decrease in discount rate	3.39	4.97	4.34	7.33	3.36	3.63	0.18	0.17
+ 1% increase in salary/pension/medical cost inflation	3.24	4.79	4.42	7.19	3.38	3.64	0.15	0.13
-1% decrease in salary/pension/medical cost inflation	(1.35)	(1.75)	(3.86)	(6.16)	(3.00)	(3.21)	(0.15)	(0.13)
+1% increase in rate of employee turnover	0.11	(0.22)	1.03	(0.45)	NA	NA	(0.04)	(0.03)
-1% decrease in rate of employee turnover	(0.13)	0.25	(1.15)	0.51	NA	NA	0.03	0.03

48 EMPLOYEE BENEFITS (Contd.)

The above sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Further, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The expected maturity analysis of undiscounted defined benefit obligation (Funded and Unfunded) is as follows:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Within 1 year	7.04	3.80	4.94	4.51	3.79	3.56	0.27	0.29
Between 1 and 2 years	5.20	2.09	2.37	2.71	3.84	3.63	0.28	0.30
Between 2 and 3 years	5.03	4.68	3.61	3.74	3.87	3.68	0.29	0.32
Between 3 and 4 years	5.23	3.47	2.82	3.54	3.88	3.71	0.31	0.33
Between 4 and 5 years	4.25	3.90	3.86	2.64	3.87	3.73	0.33	0.35
Beyond 5 years	24.89	33.49	31.26	45.22	23.38	24.81	4.85	4.23

The contribution expected to be made by the Company during the financial year 2022-23 is ₹ 6.00 crores (31 March, 2022: ₹ 6.00 crores).

The average duration of the defined benefit plan obligation at the end of the reporting period is 12 years (31 March, 2022: 11 years).

(iv) Provident Fund

Contribution to Provident Fund is made to trusts administered by the Company. In terms of guidance note issued by the Institute of Actuaries of India, the Actuary has provided a valuation of Provident fund liability based on the assumptions listed and determined that there is no shortfall as at 31 March, 2023.

The details of the fund and plan assets position are as follows:

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Fair value of plan assets	239.74	323.55
Present value of defined obligation	231.93	316.17
Contribution during the year (Employee and Employer Contribution)	24.45	30.09

48 EMPLOYEE BENEFITS (Contd.)

The principal assumptions used for the purposes of the actuarial valuations are as follows:

	As at 31 March, 2023	As at 31 March, 2022
	%	%
Guaranteed Interest rate	8.15%	8.50%
Discount Rate for the remaining term to maturity of Interest portfolio	7.52%	7.33%

Risk Analysis

The Company is exposed to the following Risks in the defined benefits plans :

Investment Risk: The present value of the defined benefit obligation is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan assets is below this rate, it will create a plan deficit.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by increase in the return on the plan's debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary growth risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan's liability.

49. (A) SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has three reportable segments, as follows:

Segment - A (Unitary Cooling Products):

Engaged in manufacturing, selling and after sales services of cooling appliances and cold storage products.

Facilities Maintenance and Hard Services: Operations and Maintenance (O&M) contracts in various sectors, AMCs, Retrofits and Energy Management, etc.

Segment - B (Electro - Mechanical Projects and Services):

Electro-Mechanical Projects (MEP): Electricals, HVAC (Heating, Ventilation & Air Conditioning), Plumbing, Fire Fighting, Extra Low Voltage (ELV) and Specialised services.

Water Solutions: Comprises Water Treatment solutions for Industrial, Oil and Gas and Domestic Sewage Segments and last mile connectivity of water tab under various Government schemes.

Segment - C (Engineering Products and Services):

Textile Machinery : Sales and Service of capital machinery for Textile Industry and sale of spares and accessories for Textile equipment.

Mining and Construction Equipment: Engaged in selling of mining and construction equipment and providing operations and maintenance services for mining and construction industry.

1 SEGMENT REVENUE

₹ in crores

		2022-23	2021-22
(a)	Segment - A (Unitary Cooling Products)	6,474.50	4,881.92
(b)	Segment - B (Electro - Mechanical Projects and Services)	2,402.91	2,470.49
(c)	Segment - C (Engineering Products and Services)	521.96	488.66
	Segment Total	9,399.37	7,841.07
	Add : Other operating income	99.40	93.38
	Revenue from operations	**9,498.77**	**7,934.45**

Footnotes :

(i) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Group's total revenue.

(ii) The Group's reportable segments are organised based on the nature of products and services offered by these segments. Accordingly, additional disclosures for revenue information about products and services are not applicable.

49. (A) SEGMENT INFORMATION (Contd.)

2 SEGMENT RESULTS

₹ in crores

(a)	Segment Results before Exceptional Items	2022-23	2021-22
(a)	Segment - A (Unitary Cooling Products)	537.83	513.40
(b)	Segment - B (Electro - Mechanical Projects and Services)	(58.23)	125.77
(c)	Segment - C (Engineering Products and Services)	200.72	157.90
	Segment Total	**680.32**	**797.07**
	Less : (i) Finance costs	29.59	25.87
	(ii) Other unallocable expenditure net of unallocable income	99.77	73.90
	Profit before Exceptional items and Tax	**550.96**	**697.30**

(b)	Segment Results after Exceptional Items	2022-23	2021-22
(a)	Segment - A (Unitary Cooling Products)	537.83	513.40
(b)	Segment - B (Electro - Mechanical Projects and Services)	(302.05)	125.77
(c)	Segment - C (Engineering Products and Services)	200.72	157.90
	Segment Total	**436.50**	**797.07**
	Less : (i) Finance costs	29.59	25.87
	(ii) Other unallocable expenditure net of unallocable income	99.77	73.90
	Profit before Tax	**307.14**	**697.30**

3 SEGMENT ASSETS AND LIABILITIES

₹ In crores

		Segment Assets		Segment Liabilities	
		As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
(a)	Segment - A (Unitary Cooling Products)	2,902.21	2,723.07	1,961.52	2,149.77
(b)	Segment - B (Electro - Mechanical Projects and Services)	2,734.76	2,424.82	1,835.23	1,362.75
(c)	Segment - C (Engineering Products and Services)	191.42	142.24	110.92	87.81
	Segment Total	**5,828.39**	**5,290.13**	**3,907.67**	**3,600.33**
	Unallocated	4,450.62	4,456.20	877.62	608.36
		10,279.01	**9,746.33**	**4,785.29**	**4,208.69**

49. (A) SEGMENT INFORMATION (Contd.)

4 INVESTMENTS AND SHARE OF PROFIT / (LOSS) IN JOINT VENTURES AND ASSOCIATES

₹ In crores

Segment	Company	Investments		Share of Profit/(Loss)	
		As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
B	Universal Voltas L.L.C.	56.63	51.82	0.28	(2.64)
B	Olayan Voltas Contracting Company Limited.	-	-	-	(0.26)
B	Naba Diganta Water Management Limited.	9.38	9.38	1.93	1.50
Unallocated	Voltbek Home Appliances Private Limited.	204.51	204.87	(122.86)	(108.91)
Unallocated	Brihat Trading Private Limited.	*	*	-	-
		270.52	**266.07**	**(120.65)**	**(110.31)**

* value below ₹ 50,000/-

5 OTHER INFORMATION FOR SEGMENTS

₹ In crores

		Capital Expenditure		Depreciation and amortisation		Non-Cash Expenses Other than Depreciation and amortisation	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
(a)	Segment - A (Unitary Cooling Products)	195.96	83.66	15.14	15.32	13.55	10.57
(b)	Segment - B (Electro - Mechanical Projects and Services)	7.93	5.21	10.05	6.59	348.42	84.32
(c)	Segment - C (Engineering Products and Services)	0.01	0.25	0.47	0.54	0.12	0.34
	Segment Total	203.90	89.12	25.66	22.45	362.09	95.23
	Unallocated	7.39	16.82	13.96	14.81	0.14	0.21
		211.29	**105.94**	**39.62**	**37.26**	**362.23**	**95.44**

49. (B) INFORMATION OF GEOGRAPHICAL AREAS OF REPORTABLE BUSINESS SEGMENTS

₹ In crores

	2022-23	2021-22
Revenue by Geographical Market		
India	8,085.70	6,459.85
Middle East	1,171.30	1,255.79
Africa	112.74	86.54
Singapore	11.79	8.53
Others	17.84	30.36
	9,399.37	**7,841.07**
Non Current Assets		
India	692.59	530.65
Middle East	16.37	15.82
Singapore	0.04	0.05
	709.00	**546.52**

50 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013

		Name of the Entity	Country of Incorporation	Ownership in %	Net assets (total assets minus total liabilities)		Share of profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
					As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or loss	Amount ₹ in crores	As % of consolidated other comprehensive income	Amount ₹ in crores	As % of consolidated total comprehensive income	Amount ₹ in crores
					As at 31 March, 2023		Year ended 31 March, 2023		Year ended 31 March, 2023		Year ended 31 March, 2023	
I	**Voltas Limited (Parent Company)**				124.23	6,773.10	1,031.65	1,405.31	148.13	(56.88)	1,378.48	1,348.43
II	**Subsidiaries**											
	(a)	**Indian**										
	(1)	Universal MEP Projects & Engineering Services Limited	India	100.00	8.04	438.54	104.68	142.59	(4.93)	1.89	147.70	144.48
	(2)	Hi-Volt Enterprises Private Limited (w.e.f. 13 September, 2021)	India	100.00	*	0.01	*	*	-	-	*	*
	(b)	**Foreign**										
	(1)	Lalbuksh Voltas Engineering Services and Trading L.L.C.	Sultanate of Oman	60.00	1.86	101.37	2.22	3.02	(21.09)	8.10	11.37	11.12
	(2)	Saudi Ensas Company for Engineering Services W.L.L.	Saudi Arabia	100.00	0.03	1.84	2.35	3.20	0.40	(0.16)	3.11	3.04
	(3)	Voltas Netherlands B.V.	The Netherlands	100.00	1.47	80.40	2.06	2.81	(11.33)	4.35	7.32	7.16
	(4)	Voltas Oman SPC (subsidiary through Voltas Netherlands B.V. w.e.f. 25 November, 2021)	Sultanate of Oman	100.00	(0.80)	(43.44)	1.35	1.84	11.33	(4.35)	(2.56)	(2.51)
	(5)	Weathermaker FZE	Dubai, United Arab Emirates	100.00	0.55	30.05	(1.16)	(1.58)	(6.94)	2.67	1.11	1.09
	(6)	Voltas Qatar W.L.L.	Qatar	97.00	(0.56)	(30.66)	(152.78)	(208.12)	(18.56)	7.13	(205.47)	(200.99)
	(7)	Universal MEP Projects Pte Limited (w.e.f. 04 August, 2021)	Singapore	100.00	1.31	71.42	(0.21)	(0.28)	4.60	(1.77)	(2.10)	(2.05)
	(c)	Non-controlling interests in all subsidiaries			(0.76)	(41.65)	0.89	1.21	-	-	1.24	1.21

50 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013 (Contd.)

Name of the Entity			Country of Incorporation	Ownership in %	Net assets (total assets minus total liabilities)		Share of profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
					As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or loss	Amount ₹ in crores	As % of consolidated other comprehensive income	Amount ₹ in crores	As % of consolidated total comprehensive income	Amount ₹ in crores
					As at 31 March, 2023		Year ended 31 March, 2023		Year ended 31 March, 2023		Year ended 31 March, 2023	
III	**Joint Ventures**											
	(a)	**Indian**										
	(1)	Voltbek Home Appliances Private Limited	India	49.00	(7.73)	(421.22)	(90.19)	(122.86)	-	-	(125.60)	(122.86)
	(b)	**Foreign**										
	(1)	Olayan Voltas Contracting Company Limited	Saudi Arabia	50.00	(0.37)	(20.24)	-	-	-	-	-	-
	(2)	Universal Voltas L.L.C.	United Arab Emirates	49.00	0.96	52.22	0.21	0.28	(9.28)	3.56	3.94	3.85
IV	**Adjustments arising out of consolidation**				(28.31)	(1,544.26)	(802.49)	(1,093.13)	7.67	(2.94)	(1,120.51)	(1,096.08)
V	**Associates**											
	(a)	**Indian**										
	(1)	Naba Diganta Water Management Limited	India	26.00	0.08	4.59	1.42	1.93	-	-	1.97	1.93
	(2)	Brihat Trading Private Limited	India	33.23	-	-	-	-	-	-	-	-
					100.00	**5,452.07**	**100.00**	**136.22**	**100.00**	**(38.40)**	**100.00**	**97.82**

* Value below ₹ 50,000/-

50 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013 (Contd.)

		Name of the Entity	Country of Incorporation	Ownership in %	Net assets (total assets minus total liabilities)		Share of profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
					As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or loss	Amount ₹ in crores	As % of consolidated other comprehensive income	Amount ₹ in crores	As % of consolidated total comprehensive income	Amount ₹ in crores
					As at 31 March, 2022		Year ended 31 March, 2022		Year ended 31 March, 2022		Year ended 31 March, 2022	
I	**Voltas Limited (Parent Company)**				101.26	5,568.70	115.31	583.47	97.73	165.97	110.89	749.44
II	**Subsidiaries**											
	(a)	**Indian**										
	(1)	Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited)	India	100.00	2.78	153.10	1.52	7.70	0.08	0.13	1.16	7.83
	(2)	Hi-Volt Enterprises Private Limited (w.e.f. 13 September, 2021)	India	100.00	*	0.01	*	*	-	-	*	*
	(b)	**Foreign**										
	(1)	Lalbuksh Voltas Engineering Services and Trading L.L.C.	Sultanate of Oman	60.00	1.68	92.16	0.95	4.79	2.32	3.94	1.29	8.73
	(2)	Saudi Ensas Company for Engineering Services W.L.L.	Saudi Arabia	100.00	(0.02)	(1.32)	(0.15)	(0.76)	0.85	1.44	0.10	0.68
	(3)	Voltas Netherlands B.V.	The Netherlands	100.00	1.33	73.24	4.03	20.39	(0.66)	(1.12)	2.85	19.27
	(4)	Voltas Oman SPC (subsidiary through Voltas Netherlands B.V. w.e.f. 25 November, 2021) (formerly known as Voltas Oman L.L.C.)	Sultanate of Oman	100.00	(0.76)	(41.96)	0.63	3.17	(1.19)	(2.01)	0.17	1.16
	(5)	Weathermaker FZE (formerly known as Weathermaker Limited)	Dubai, United Arab Emirates (Re-domiciliation from earlier Isle of Man)	100.00	0.53	28.96	(1.06)	(5.37)	0.45	0.77	(0.68)	(4.60)
	(6)	Voltas Qatar W.L.L.	Qatar	97.00	3.09	170.19	5.75	29.11	(0.17)	(0.28)	4.27	28.83
	(7)	Universal MEP Projects Pte Limited (w.e.f. 04 August, 2021)	Singapore	100.00	*	(0.05)	(0.01)	(0.05)	*	*	(0.01)	(0.05)
	(c)	Non-controlling interests in all subsidiaries			(0.69)	(38.08)	0.38	1.91	0.97	1.64	0.53	3.55

50 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013 (Contd.)

		Name of the Entity	Country of Incorporation	Ownership in %	Net assets (total assets minus total liabilities)		Share of profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
					As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or loss	Amount ₹ in crores	As % of consolidated other comprehensive income	Amount ₹ in crores	As % of consolidated total comprehensive income	Amount ₹ in crores
					As at 31 March, 2022		Year ended 31 March, 2022		Year ended 31 March, 2022		Year ended 31 March, 2022	
III	**Joint Ventures**											
	(a)	**Indian**										
	(1)	Voltas Water Solutions Private Limited	India	50.00	-	-	-	-	-	-	-	-
	(2)	Voltbek Home Appliances Private. Limited	India	49.00	3.73	204.87	(21.52)	(108.91)	-	-	(16.12)	(108.91)
	(b)	**Foreign**										
	(1)	Olayan Voltas Contracting Company Limited	Saudi Arabia	50.00	-	-	(0.05)	(0.25)	-	-	-	-
	(2)	Universal Voltas L.L.C.	United Arab Emirates	49.00	0.94	51.82	(0.52)	(2.64)	-	-	(0.39)	(2.64)
IV	**Adjustments arising out of consolidation**				(14.03)	(771.47)	(5.54)	(28.05)	(0.38)	(0.65)	(4.29)	(28.97)
V	**Associates**											
	(a)	**Indian**										
	(1)	Naba Diganta Water Management Limited	India	26.00	0.17	9.38	0.30	1.50	-	-	0.22	1.50
	(2)	Brihat Trading Private Limited	India	33.23	-	-	-	-	-	-	-	-
					100.00	**5,499.56**	**100.00**	**506.00**	**100.00**	**169.82**	**100.00**	**675.82**

* Value below ₹ 50,000/-

51 RELATED PARTY DISCLOSURES

(a) List of Related Parties and Relationships

Party		Relation
Related Parties (Where transactions have taken place during the year and previous year / balance outstanding)		
1	Brihat Trading Private Limited	Associates
	Naba Diganta Water Management Limited	
	Terrot GmbH (upto 12 November, 2021)	
2	Universal Voltas L.L.C.	Joint Ventures
	Olayan Voltas Contracting Company Limited	
	Voltas Water Solutions Private Limited (name strike off on 26 July, 2022)	
	Voltbek Home Appliances Private Limited	
3	Mr. Pradeep Bakshi - Managing Director & CEO	Key Management Personnel
	Mr. Jitender P. Verma - Chief Financial Officer (w.e.f.19 July, 2021)	
	Mr. Anil George - Chief Financial Officer (upto 18 July, 2021)	
	Mr. V. P. Malhotra - Head - Taxation, Legal & Company Secretary	
4	Non-Executive Directors	Directors
	Mr. Noel Tata - Chairman	
	Mr. Vinayak Deshpande	
	Mr. Hemant Bhargava (upto 29 September, 2021)	
	Mr. Saurabh Agrawal	
	Independent Directors	
	Mr. Debendranath Sarangi	
	Mr. Bahram N. Vakil	
	Ms. Anjali Bansal	
	Mr. Arun Kumar Adhikari	
	Mr. Zubin Dubash	
5	Voltas Limited Provident Fund	Employee Benefit Funds
	Voltas Managerial Staff Provident Fund	
	Voltas Limited Employees' Gratuity Fund	
	Voltas Limited Managerial Staff Gratuity Fund	
	Voltas Limited Employees' Superannuation Scheme	
6	Tata Sons Private Limited	Promoter
7	Air India Limited (w.e.f. 27 January, 2022)	Subsidiaries and Joint Ventures of Promoter
	Air India SATS Airport Services Private Limited (w.e.f. 27 January, 2022)	
	Ardent Properties Private Limited (w.e.f. 17 June, 2022)	
	Automotive Stampings and Assemblies Limited	
	C-Edge Technologies Limited	
	Ewart Investments Limited	
	Gurgaon Realtech Limited (upto 19 May, 2022)	
	Infiniti Retail Limited	
	Innovative Retail Concepts Private Limited	
	MahaOnline Limited	
	Mikado Realtors Private Limited (Upto 4 January, 2023)	
	Savis Retail Private Limited	
	Supermarket Grocery Supplies Private Limited	
	Tata 1mg Healthcare Solutions Private Limited (w.e.f. 9 June, 2021)	

51 RELATED PARTY DISCLOSURES (Contd.)

Party		Relation
	Tata 1mg Technologies Private Limited (w.e.f. 9 June, 2021)	
	Tata Advanced Systems Limited (merged with TAL Manufacturing Solutions Limited)	
	Tata Africa Holdings (Kenya) Limited	
	Tata AIA Life Insurance Company Limited	
	Tata AIG General Insurance Company Limited	
	Tata Asset Management Private Limited (formerly known as Tata Asset Management Limited)	
	Tata Autocomp Hendrickson Suspensions Private Limited (formerly known as Taco Hendrickson Suspensions Private Limited)	
	Tata Autocomp Systems Limited	
	Tata Boeing Aerospace Limited (formerly known as Tata Aerospace Limited)	
	Tata Capital Financial Services Limited	
	Tata Capital Housing Finance Limited	
	Tata Capital Limited	
	Tata Communications Limited	
	Tata Communications Payment Solutions Limited	
	Tata Communications Transformation Services Limited	
	Tata Consultancy Services Limited	
	Tata Consulting Engineers Limited	
	Tata De Mocambique, Limitada	
	Tata Digital Private Limited (formerly known as Tata Digital Limited)	
	Tata Electronics Private Limited (formerly known as TRIL Bengaluru Real Estate Four Private Limited)	
	Tata Elxsi Limited	
	Tata Ficosa Automotive Systems Private Limited (formerly known as Tata Ficosa Automotive Systems Limited)	
	Tata Housing Development Company Limited	
	Tata Industries Limited	
	Tata International Limited	
	Tata International Metals (UK) Limited (formerly known as Tata Steel International (UK) Limited)	
	Tata International Vehicle Applications Private Limited (formerly known as Tata International DLT Private Limited)	
	Tata Investment Corporation Limited	
	Tata Lockheed Martin Aerostructures Limited	
	Tata Medical and Diagnostics Limited	
	Tata Play Limited (formerly known as Tata Sky Limited)	
	Tata Play Broadband Private Limited	
	Tata Realty and Infrastructure Limited	
	Tata Sikorsky Aerospace Limited (formerly known as Tara Aerospace Systems Limited)	
	Tata Teleservices (Maharashtra) Limited	
	Tata Teleservices Limited	
	Tata Toyo Radiator Limited	
	Tata Unistore Limited (w.e.f. 9 December, 2022)	
	TCS Foundation	
	TM Automotive Seating Systems Private Limited	
	TRIL Infopark Limited (upto 8 July, 2022)	
	TRIL IT4 Private Limited (formerly known as Albrecht Builder Private Limited)	
	TRIL Urban Transport Private Limited	

51 RELATED PARTY DISCLOSURES (Contd.)

(b) Related Party Transactions

₹ in crores

Sr. No.	Year	Transactions	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoter	Key Management Personnel	Directors	Employee Benefit Funds	Total
1	**2022-23**	**Purchases of stock-in-trade**	**-**	**11.68**	**-**	**-**	**-**	**-**	**-**	**11.68**
	2021-22		-	9.74	-	-	-	-	-	9.74
2	**2022-23**	**Sale of Products**	**0.01**	**0.69**	**-**	**114.85**	**-**	**-**	**-**	**115.55**
	2021-22		-	0.10	-	57.25	-	-	-	57.35
3	**2022-23**	**Service Income**	*****	**0.78**	**0.07**	**132.03**	**-**	**-**	**-**	**132.88**
	2021-22		1.66	1.05	0.04	120.06	-	-	-	122.81
4	**2022-23**	**Deputation Charges paid**	**-**	**3.38**	**-**	**-**	**-**	**-**	**-**	**3.38**
	2021-22		-	-	-	-	-	-	-	-
5	**2022-23**	**Construction contract revenue** (Includes billed and unbilled revenue)	**-**	**0.01**	**-**	**21.66**	**-**	**-**	**-**	**21.67**
	2021-22		-	-	-	6.37	-	-	-	6.37
6	**2022-23**	**Interest Income**	**-**	**-**	**-**	**3.91**	**-**	**-**	**-**	**3.91**
	2021-22		-	-	-	5.18	-	-	-	5.18
7	**2022-23**	**Rental Income**	**-**	**0.80**	**-**	**5.84**	**-**	**-**	**-**	**6.64**
	2021-22		-	0.75	-	5.82	-	-	-	6.57
8	**2022-23**	**Dividend Income**	**-**	**-**	**-**	**4.04**	**-**	**-**	**-**	**4.04**
	2021-22		-	-	-	3.85	-	-	-	3.85
9	**2022-23**	**Services received for execution of contracts**	**-**	**-**	**-**	**0.07**	**-**	**-**	**-**	**0.07**
	2021-22		-	-	-	0.11	-	-	-	0.11
10	**2022-23**	**Income from business support services**	**-**	**3.40**	**-**	**-**	**-**	**-**	**-**	**3.40**
	2021-22		-	5.16	-	-	-	-	-	5.16
11	**2022-23**	**Remuneration Paid / Payable** (including commission)	**-**	**-**	**-**	**-**	**12.06**	**2.70**	**-**	**14.76**
	2021-22		-	-	-	-	11.29	2.65	-	13.94
12	**2022-23**	**Sitting Fees**	**-**	**-**	**-**	**-**	**-**	**0.47**	**-**	**0.47**
	2021-22		-	-	-	-	-	0.62	-	0.62
13	**2022-23**	**Dividend Paid**	**-**	**-**	**48.47**	**6.54**	**-**	**-**	**-**	**55.01**
	2021-22		-	-	44.07	5.94	-	-	-	50.01

51 RELATED PARTY DISCLOSURES (Contd.)

(b) Related Party Transactions (Contd.)

₹ in crores

Sr. No.	Year	Transactions	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoter	Key Management Personnel	Directors	Employee Benefit Funds	Total
14	**2022-23**	**Consulting expenses**	**-**	**-**	**-**	**0.06**	**-**	**-**	**-**	**0.06**
	2021-22		-	-	-	1.97	-	-	-	1.97
15	**2022-23**	**Tata Brand Equity**	**-**	**-**	**13.65**	**-**	**-**	**-**	**-**	**13.65**
	2021-22		-	-	12.70	-	-	-	-	12.70
16	**2022-23**	**Purchase of goods / services for execution of contracts**	**-**	**6.85**	**-**	**0.03**	**-**	**-**	**-**	**6.88**
	2021-22		-	19.59	-	-	-	-	-	19.59
17	**2022-23**	**Impairment in value of Investment**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2021-22		-	0.25	-	-	-	-	-	0.25
18	**2022-23**	**Other Expenses- Recovery of expenses**	**-**	**39.44**	**-**	**0.28**	**-**	**-**	**-**	**39.72**
	2021-22		-	36.30	0.15	1.13	-	-	-	37.58
19	**2022-23**	**Other Expenses- Reimbursement of expenses**	**-**	**8.20**	**0.13**	**18.08**	**-**	**-**	**-**	**26.42**
	2021-22		-	0.20	-	14.82	-	-	-	15.02
20	**2022-23**	**Purchase of property, plant and equipment**	**-**	**0.01**	**-**	**0.05**	**-**	**-**	**-**	**0.06**
	2021-22		-	*	-	0.95	-	-	-	0.95
21	**2022-23**	**Redemption of Investments in Bonds / Debentures**	**-**	**-**	**-**	**50.00**	**-**	**-**	**-**	**50.00**
	2021-22		-	-	-	3.00	-	-	-	3.00
22	**2022-23**	**Investments in Equity shares**	**-**	**122.50**	**-**	**-**	**-**	**-**	**-**	**122.50**
	2021-22		-	93.10	-	-	-	-	-	93.10
23	**2022-23**	**Security deposit at the end of the year**	**-**	**-**	**-**	**3.03**	**-**	**-**	**-**	**3.03**
	2021-22		-	-	-	3.02	-	-	-	3.02
24	**2022-23**	**Security Deposit Refunded**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2021-22		-	-	-	4.48	-	-	-	4.48
25	**2022-23**	**Provision for Debts and Advances at year end**	**-**	*****	**-**	**0.66**	**-**	**-**	**-**	**0.66**
	2021-22		-	*	*	0.72	-	-	-	0.72

51 RELATED PARTY DISCLOSURES (Contd.)

(b) Related Party Transactions (Contd.)

₹ in crores

Sr. No.	Year	Transactions	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoter	Key Management Personnel	Directors	Employee Benefit Funds	Total
26	**2022-23**	**Advance Outstanding at year end**	**-**	**-**	**-**	**0.12**	**-**	**-**	**-**	**0.12**
	2021-22		-	-	0.04	0.12	-	-	-	0.16
27	**2022-23**	**Debit Balance Outstanding at year end**	**0.03**	**32.85**	**-**	**70.26**	**-**	**-**	**-**	**103.14**
	2021-22		0.51	33.44	-	71.51	-	-	-	105.46
28	**2022-23**	**Credit Balance Outstanding at year end**	**-**	*****	**9.87**	**1.99**	**4.00**	**2.70**	**-**	**18.56**
	2021-22		-	-	8.74	0.08	3.08	2.30	4.38	18.58
29	**2022-23**	**Guarantees Outstanding at year end**	**-**	**82.13**	**-**	**-**	**-**	**-**	**-**	**82.13**
	2021-22		-	75.75	-	-	-	-	-	75.75
30	**2022-23**	**Contract Revenue in excess of Billing**	**-**	**0.01**	**-**	**4.28**	**-**	**-**	**-**	**4.29**
	2021-22		-	*	-	2.88	-	-	-	2.88
31	**2022-23**	**Billing in excess of Contract Revenue**	**-**	**-**	**-**	**0.90**	**-**	**-**	**-**	**0.90**
	2021-22		-	0.04	-	1.60	-	-	-	1.64
32	**2022-23**	**Contribution to Employee benefit fund**	**-**	**-**	**-**	**-**	**-**	**-**	**13.21**	**13.21**
	2021-22		-	-	-	-	-	-	11.59	11.59

* Value below ₹ 50,000/-

52 RESEARCH AND DEVELOPMENT EXPENDITURE

₹ in crores

	2022-23	2021-22
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centers		
(1) Revenue expenditure	**2.01**	**2.58**
UPBG, Pantnagar	1.92	1.34
CAC-PS , Thane	0.09	1.24
(2) Capital expenditure	**1.04**	**0.97**
UPBG, Pantnagar	1.04	0.97
Expenditure at other R&D centers (UPBG at Faridabad, Waghodia and Pantnagar)		
(1) Revenue expenditure	12.76	10.19
(2) Capital expenditure	0.36	0.51
Total R&D expenditure	**16.17**	**14.25**
(1) Revenue expenditure	**14.77**	**12.77**
UPBG	9.54	11.53
CAC-PS	5.23	1.24
(2) Capital expenditure	**1.40**	**1.48**
UPBG	1.32	1.48
CAC-PS	0.08	-

Business Segments :

UPBG : Unitary Cooling Products

CAC-PS : Commercial AC - Product Sales

53 FINANCIAL INSTRUMENTS

A. Financial instruments by category:

The accounting classification of each category of financial instruments, their carrying value and fair value are as below:

₹ in crores

	As at 31 March, 2023					As at 31 March, 2022				
	FVTPL	FVTOCI	Amortised cost	Total Carrying value	Total Fair value	FVTPL	FVTOCI	Amortised cost	Total Carrying value	Total Fair value
Financial assets										
Investments (*)	1,699.80	890.49	247.83	2,838.12	2,838.12	2,041.51	983.43	324.38	3,349.32	3,349.32
Loans	-	-	0.57	0.57	0.57	-	-	3.19	3.19	3.19
Trade receivables	-	-	2,191.85	2,191.85	2,191.85	-	-	2,109.67	2,109.67	2,109.67
Other financial assets	-	-	624.75	624.75	624.75	-	-	163.24	163.24	163.24
Cash and cash equivalents	-	-	692.72	692.72	692.72	-	-	558.90	558.90	558.90
Other balances with banks	-	-	15.66	15.66	15.66	-	-	12.77	12.77	12.77
	1,699.80	**890.49**	**3,773.38**	**6,363.67**	**6,363.67**	2,041.51	**983.43**	**3,172.15**	**6,197.09**	**6,197.09**
Financial liabilities										
Borrowings	-	-	615.97	615.97	615.97	-	-	343.19	343.19	343.19
Lease Liabilities	-	-	34.61	34.61	34.61	-	-	17.64	17.64	17.64
Trade payables	-	-	3,012.63	3,012.63	3,012.63	-	-	2,942.05	2,942.05	2,942.05
Other financial liabilities	0.25	-	110.34	110.59	110.59	0.33	-	118.10	118.43	118.43
	0.25	**-**	**3,773.55**	**3,773.80**	**3,773.80**	0.33	**-**	**3,420.98**	**3,421.31**	**3,421.31**

* The above Investments does not include equity investments in associates and joint ventures which are accounted as per equity method and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures".

Management has assessed that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, Other financial assets, Trade payables, Borrowings, Lease liabilities and Other financial liabilities carried at amortised cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

Abbreviations :

FVTPL - Fair Value Through Profit or Loss. FVTOCI - Fair Value Through Other Comprehensive Income.

53 FINANCIAL INSTRUMENTS (Contd.)

B. Fair value hierarchy :

The fair value measurement hierarchy of the Group's assets and liabilities are as follows:

₹ in crores

	Level 1		Level 2		Level 3	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Financial assets						
At fair value through profit or loss						
- Investment	1,649.88	1,992.12	49.92	49.39	-	-
At fair value through Other Comprehensive Income						
- Investment	613.71	595.50	-	-	276.78	387.93
TOTAL	**2,263.59**	**2,587.62**	**49.92**	**49.39**	**276.78**	**387.93**

₹ in crores

	Level 1		Level 2		Level 3	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Financial liabilities						
At fair value through profit or loss						
- Derivative financial liabilities	-	-	0.25	0.33	-	-
TOTAL	**-**	**-**	**0.25**	**0.33**	**-**	**-**

The Group uses the following hierarchy for determining and/or disclosing the fair value of financial instrument by valuation techniques:

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

(ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

(iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- The fair value of quoted equity investment and mutual funds are based on price quotations at the reporting date.
- The fair value of unquoted equity investments are based on Market multiple approach. Market multiple of EV/EBITDA are considered after applying suitable discounts for size, liquidity and other company specific discounts.
- The Group enters into derivative financial instruments with various counterparties, principally with banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The model incorporates various inputs including the credit quality of counter parties, foreign exchange spot and forward rates.

There were no transfers between Level 1 and 2 during the period.

53 FINANCIAL INSTRUMENTS (Contd.)

C. Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets :

₹ in crores

As at 1 April, 2021	273.71
Add: Fair valuation gain recognised in OCI	34.23
Add / Less: Investment made during the year	79.99
Closing balance as at 31 March, 2022	387.93
Add: Fair valuation (loss) recognised in OCI	(73.19)
Add / Less: Investment (disposed off) during the year	(37.96)
Closing balance as at 31 March, 2023	**276.78**

54 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial liabilities include borrowings, lease liabilities, trade and other payables. The Group's financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances. The Group also holds FVTPL and FVTOCI investments.

The Group is exposed to market risk, credit risk and liquidity risk. The Board of Directors of the Group oversee the management of these financial risks through its Risk Management Committee as per Group's existing policy.

(i) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate change does not affect the short term borrowing significantly and the Company has very limited long term borrowings, therefore the Group's exposure to the risk of changes in market interest rates relates primarily to the investment in debt mutual funds.

Given the portfolio of investments in debt mutual funds. the Group has exposure to interest rate risk with respect to returns realised. It is estimated that an increase in 25 bps change in 10 year Government bond yield would result in a loss of approximately ₹ 4.12 crores (31 March, 2022: ₹ 4.98 crores) whereas a decrease in 25 bps change in 10 year Government bond yield would result in a profit of approximately ₹ 4.12 crores (31 March, 2022: ₹ 4.98 crores). This estimate is based on key assumption with respect to seamless transition of rates across debt instruments in the market and also basis the duration of debt instruments in turn held by mutual funds that the Group has invested in.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). Foreign currency risks are managed within the approved policy parameters utilising foreign exchange forward contracts.

54 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

As at the end of the reporting period, the carrying amounts of the material foreign currency denominated monetary assets and liabilities are as follows:

₹ in crores

Currency	Liabilities		Assets	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
United States Dollar (USD)	315.60	445.78	117.85	156.34
United Arab Emirates Dirham (AED)	745.00	400.01	753.66	572.35
Qatari Riyal (QAR)	518.02	355.93	344.15	458.32
Singapore Dollar (SGD)	8.17	54.20	3.84	5.17
Omani Rial (OMR)	102.81	94.64	83.34	97.31
Chinese Yuan (CNY)	87.07	-	-	-

Foreign currency sensitivity

The following tables demonstrate the sensitivity of outstanding foreign currency denominated monetary items to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of financial assets and liabilities:

₹ in crores

Particulars	Effect on Profit before tax		Effect on Equity	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
USD +5%	(7.52)	(11.62)	(5.62)	(8.69)
USD -5%	7.52	11.62	5.62	8.69
AED +5%	0.43	8.62	0.32	6.45
AED -5%	(0.43)	(8.62)	(0.32)	(6.45)
QAR +5%	(8.69)	5.12	(6.51)	3.83
QAR -5%	8.69	(5.12)	6.51	(3.83)
SGD +5%	(0.22)	(2.45)	(0.16)	(1.83)
SGD -5%	0.22	2.45	0.16	1.83
OMR +5%	(0.97)	0.13	(0.73)	0.10
OMR -5%	0.97	(0.13)	0.73	(0.10)
CNY +5%	(3.90)	-	(2.92)	-
CNY -5%	3.90	-	2.92	-

Details of notional value of derivative contracts entered by the Group and outstanding as at Balance Sheet date

₹ in crores

Particulars	As at 31 March, 2023	As at 31 March, 2022
Forward contracts - Buy (USD/₹)	47.41	57.14
Forward contracts - Buy (CNY/₹)	9.15	-

The fair value of the Group's derivatives position recorded under financial assets and financial liabilities are as follows:

₹ in crores

Particulars	Liabilities		Assets	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Forex Forward Cover	0.25	0.33	-	-

54 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

(c) Equity price risk

The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's Board of Directors reviews and approves all equity investment decisions.

The following table summarises the sensitivity to change in the price of equity securities held by the Group on the Group's Equity and OCI. These changes would not have an effect on profit or loss.

₹ in crores

	Impact on other components of equity (OCI)	
	As at 31 March, 2023	**As at 31 March, 2022**
NSE Nifty 50 : +5%	30.69	29.78
NSE Nifty 50 : -5%	(30.69)	(29.78)

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk for trade receivables, contract assets, cash and cash equivalents, investments, other bank balances, loans and other financial assets. The Group only deals with parties which have good credit rating/ worthiness given by external rating agencies or based on Group's internal assessment.

Credit risk on trade receivables and contract assets are managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with this assessment. Moreover, given the diverse nature of the Group's businesses, trade receivables and contract assets are spread over a number of customers with no significant concentration of credit risk. The Group has a total recoverable of ₹ 387.81 crores from Redco Construction-Almana (Qatar) as at 31 March, 2023 which is more than 10% of the total trade receivables and contract assets balances. The Group had a total recoverable of ₹ 471.77 crores from Redco Construction-Almana (Qatar) as at 31 March, 2022 which is more than 10% of the total trade receivables and contract assets balances.

For trade receivables and contract assets, as a practical expedient, the Group computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and contract assets and is adjusted for forward-looking estimates.

For Mutual Fund Investments, counterparty risk are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for Group's mutual fund investments.

Credit risk from cash and cash equivalents and balances with banks is managed by the Group's treasury department in accordance with the Group's treasury policy.

The Credit risk on mutual fund investments, cash and cash equivalents, and other bank balances are limited as the counterparties are banks and fund houses with high-credit ratings assigned by credit rating agencies.

The carrying value of the financial assets represents the maximum credit exposure. The Group's maximum exposure to Credit risk is disclosed in Note 53 Financial Instruments. The maximum credit exposure on financial guarantees given by the Group for various financial facilities is disclosed in Note 47 Commitments and Contingencies.

54 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

(iii) Liquidity risk management:

Liquidity risk refers to the risk that the Group cannot meets its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that the funds are available for use as per the requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall due.

Maturities of financial liabilities: The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

₹ in crores

Contractual maturities of financial liabilities (31 March, 2023)	Less than 1 year	More than 1 year	Total
Non-derivatives			
Borrowings (*)	615.67	21.75	637.42
Lease Liabilities	9.22	31.84	41.06
Trade payables	3,012.63	-	3,012.63
Other financial liabilities	98.88	15.69	114.57
Total Non-derivative liabilities	**3,736.40**	**69.28**	**3,805.68**
Derivatives (net settled)	**0.25**	**-**	**0.25**

Contractual maturities of financial liabilities (31 March, 2022)	Less than 1 year	More than 1 year	Total
Non-derivatives			
Borrowings (*)	349.88	-	349.88
Lease Liabilities	4.96	16.67	21.63
Trade payables	2,942.05	-	2,942.05
Other financial liabilities	103.21	20.59	123.80
Total Non-derivative liabilities	**3,400.10**	**37.26**	**3,437.36**
Derivatives (net settled)	**0.33**	**-**	**0.33**

The amount included in Note 47(B) for financial guarantee contracts are the maximum amounts that the Group may be liable to settle under the respective arrangements for the full guaranteed amount if that amount is claimed by the counterparty for the guarantee. Based on the expectations as at the end of reporting period, the Group considers that it is more likely than not that such amount shall not be payable under the respective arrangements. However, this estimate is subject to change depending upon the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

* Maturity amount of borrowings is including the interest that will be paid on these borrowings.

55 INTEREST IN OTHER ENTITIES

(a) Subsidiaries (Direct and Indirect) :

The details of Group's subsidiaries are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business (unless otherwise stated).

Name of entity	Place of business / country of incorporation	Beneficial Ownership interest held by the Group		Principal activities
		As at 31 March, 2023	As at 31 March, 2022	
Indian Subsidiaries :				
Universal MEP Projects & Engineering Services Limited	India	100%	100%	Turnkey electrical, Solar and instrumentation projects.
HI-Volt Enterprises Private Limited (w.e.f. 13 September, 2021)	India	100%	100%	To engage in business of sourcing, design, development, manufacturing, marketing, sale and service of Inverter Compressors, Motors and Controllers for the Room Air Conditioners, all their spare parts and any other components.
Agro Foods Punjab Limited. (under liquidation. Refer footnote)	India			
Westerwork Engineers Limited. (under liquidation)	India			
Foreign Subsidiaries :				
Voltas Netherlands B.V. (VNBV)	The Netherlands	100%	100%	Investment in overseas ventures undertaking turnkey projects and trading activities.
Weathermaker FZE	Dubai, United Arab Emirates	100%	100%	Manufacturing of ducts and duct accessories.
Saudi Ensas Company for Engineering Services W.L.L. (*Voltas Limited - 92% and VNBV - 8%)	Kingdom of Saudi Arabia	100%*	100%*	Undertake EPC (Engineering, Procurement and Construction) contracts of MEP (Mechanical, Electrical and Plumbing) projects.
Lalbuksh Voltas Engineering Services and Trading L.L.C. (*Voltas Limited - 20% and VNBV - 40%)	Sultanate of Oman	60%*	60%*	Drilling, irrigation and landscaping activities and construction of water treatment plants.
Voltas Oman SPC (100% through VNBV)	Sultanate of Oman	100%	100%	Undertake EPC (Engineering, Procurement and Construction) contracts of MEP (Mechanical, Electrical and Plumbing) projects.
Voltas Qatar W.L.L. (99% through VNBV)	State of Qatar	97%	97%	Undertake EPC (Engineering, Procurement and Construction) contracts of MEP (Mechanical, Electrical and Plumbing) projects.
Universal MEP Projects Pte Limited (w.e.f. 4 August, 2021) (100% through VNBV)	Singapore	100%	100%	Undertake Plumbing, Heating (Non-Electric) and Air-conditioning.

Footnote :

Under a loan agreement for ₹ 0.6 crore (fully drawn and outstanding) entered into between Agro Foods Punjab Limited. (AFPL) and the Punjab State Industrial Development Corporation Limited. (PSIDC), the Company has given an undertaking to PSIDC that it will not dispose off its shares in AFPL till the monies under the said loan agreement between PSIDC and AFPL remain due and payable by AFPL to PSIDC. During 1998-99, the Company had transferred its beneficial rights in the shares of AFPL.

55 INTEREST IN OTHER ENTITIES (Contd.)

(b) Material Non-controlling interests (NCI):

Financial information of subsidiaries that have material non-controlling interests are as below. The amounts disclosed below are before inter-company eliminations.

Name of Subsidiary : Lalbuksh Voltas Engineering Services & Trading L.L.C.

₹ in crores

Particulars	As at 31 March, 2023	As at 31 March, 2022
Summarised balance sheet		
Current assets	135.38	117.30
Current liabilities	38.43	28.43
Net current assets	**96.95**	**88.87**
Non-current assets	7.98	6.80
Non-current liabilities	3.57	3.51
Net non-current assets	**4.41**	**3.29**
Net assets	**101.36**	**92.16**
Accumulated NCI	**40.54**	**36.86**

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
Summarised statement of profit and loss		
Revenue	83.16	72.15
Profit for the year	3.02	4.79
Other comprehensive income	8.45	3.94
Total comprehensive income	**11.47**	**8.73**
Profit allocated to NCI	**1.21**	**1.92**
Dividend paid to NCI	**0.85**	**1.58**

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
Summarised cash flows		
Cash flow from operating activities	(3.37)	3.99
Cash flow from investing activities	(0.72)	0.32
Cash flow from financing activities	1.93	(3.94)
	(2.16)	**0.37**

55 INTEREST IN OTHER ENTITIES (Contd.)

(c) Interest in associates and joint ventures:

(i) Details of interests in associates and joint ventures of the Group are as below. The entities listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business and the proportion of ownership interest is the same as the proportion of voting rights held.

₹ in crores

Name of entity	Place of business	Principal activities	% of ownership interest	Relationship	Accounting method	Carrying amount	
						As at 31 March, 2023	As at 31 March, 2022
Universal Voltas L.L.C.	United Arab Emirates	Building maintenance, Onshore and off shore oil and gas fields and facilities services.	49%	Joint venture	Equity method	56.63	51.82
Olayan Voltas Contracting Company Limited	Kingdom of Saudi Arabia	Execution of maintenance and construction contracts, Water and sewage installation	50%	Joint venture	Equity method	-	-
Voltbek Home Appliances Private Limited	India	Engaged in the business of trading & manufacturing of Home Appliances	49%	Joint venture	Equity method	204.51	204.87
Immaterial joint ventures * (refer iv below)"				Joint venture	Equity method	-	-
Immaterial associates (refer iv below)"				Associates	Equity method	9.38	9.38
Total equity accounted investments						**270.52**	**266.07**

* Carrying value is Nil, since immaterial joint ventures are under liquidation.

55 INTEREST IN OTHER ENTITIES (Contd.)

(ii) Summarised financial information for material joint ventures :

The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and not the Voltas's share in those amounts.

₹ in crores

Summarised balance sheet	Universal Voltas L.L.C.		Olayan Voltas Contracting Company Limited		Voltbek Home Appliances Private Limited	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Current assets						
- Cash and cash equivalents	4.82	4.87	0.76	1.48	23.36	6.07
- Other assets	223.12	213.68	0.02	-	856.65	859.94
Current liabilities						
- Trade payables	126.56	125.11	2.01	2.34	319.19	361.84
- Other liabilities	(29.22)	(26.15)	0.31	0.28	480.93	528.45
Net current assets	**130.60**	**119.59**	**(1.54)**	**(1.14)**	**79.89**	**(24.28)**
Non-current assets	0.85	0.55	-	-	534.32	584.54
Non-current liabilities	15.88	14.07	-	-	196.84	142.20
Net non-current assets / liabilities	**(15.03)**	**(13.52)**	**-**	**-**	**337.48**	**442.34**
Net assets / liabilities	**115.57**	**106.07**	**(1.54)**	**(1.14)**	**417.37**	**418.06**

₹ in crores

Reconciliation to the carrying amounts:	Universal Voltas L.L.C.		Olayan Voltas Contracting Company Limited		Voltbek Home Appliances Private Limited	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Opening net assets	106.07	108.20	-	0.50	418.06	450.44
Profit / (Loss) for the year	0.57	(5.39)	(0.28)	(1.65)	(250.73)	(222.26)
Other comprehensive income	0.15	0.01	(2.17)	(0.72)	0.12	(0.12)
Consolidation adjustment - foreign currency translation adjustment	8.78	3.25	2.45	1.87	(0.08)	-
Issue of equity shares during the year	-	-	-	-	250.00	190.00
Dividend paid	-	-	-	-	-	-
Closing net assets	115.57	106.07	-	-	417.37	418.06
Group's share in %	49.00	49.00	50.00	50.00	49.00	49.00

55 INTEREST IN OTHER ENTITIES (Contd.)

₹ in crores

Reconciliation to the carrying amounts:	Universal Voltas L.L.C.		Olayan Voltas Contracting Company Limited		Voltbek Home Appliances Private Limited	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Group's share in closing net assets	56.63	51.82	-	-	204.51	204.87
Goodwill / (Capital Reserve)	-	-	-	-	-	-
Carrying amount	**56.63**	**51.82**	**-**	**-**	**204.51**	**204.87**

₹ in crores

Summarised statement of profit and loss:	Universal Voltas L.L.C.		Olayan Voltas Contracting Company Limited		Voltbek Home Appliances Private Limited	
	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue	301.81	281.20	-	-	1,101.78	944.49
Interest income	0.44	0.04	-	-	0.65	0.44
Depreciation and amortisation	0.31	0.37	-	-	50.90	46.44
Interest expense	-	-	-	-	42.89	22.59
Profit / (Loss) for the year	0.57	(5.39)	(0.28)	(1.65)	(250.73)	(222.26)
Other comprehensive income	0.15	0.01	(2.17)	(0.72)	0.12	(0.12)
Total comprehensive income	**0.72**	**(5.38)**	**(2.45)**	(2.37)	(250.61)	(222.38)

(iii) Commitments and Contingent liabilities in respect of associates and joint ventures:

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Group's share in Commitments	122.86	124.26
Group's share in Contingent liabilities	-	-

55 INTEREST IN OTHER ENTITIES (Contd.)

(iv) Individually immaterial associates and joint ventures:

In addition to the interests in joint ventures disclosed above, the Group also has interests in a number of individually immaterial joint ventures and associates that are accounted using the equity method.

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Aggregate carrying amount of individually immaterial associates (Net)	9.38	9.38
Aggregate amount of the group's share of:		
Profit / (loss) for the year	1.93	1.50
Other comprehensive income	-	-
Total comprehensive income	1.93	1.50
Aggregate carrying amount of individually immaterial joint ventures (Net) *	-	-
Share of profits from associates for the year	1.93	1.50
Share of profits from joint ventures for the year	(122.58)	(111.81)
Total share of profits from associates and joint ventures for the year	(120.65)	(110.31)

* Carrying value is Nil, since immaterial joint ventures are under liquidation.

* Value below ₹ 50,000/-

56 AGGREGATION OF EXPENSES DISCLOSED IN CONSUMPTION OF MATERIALS, COST OF JOBS AND SERVICES AND OTHER EXPENSES IN RESPECT OF SPECIFIC ITEMS ARE AS FOLLOWS (REFER NOTE 43)

₹ in crores

Nature of expenses		2022-23		
		Grouped under		
		Consumption of materials, cost of jobs and services	Other expenses	Total
(1)	Rent	1.88	26.63	28.51
(2)	Power and Fuel	4.54	15.16	19.70
(3)	Insurance charges	4.84	16.35	21.19
(4)	Travelling and Conveyance	2.00	56.73	58.73
(5)	Printing and Stationery	0.30	12.35	12.65
(6)	Legal and Professional charges	0.65	38.41	39.06
(7)	Clearing charges	0.96	69.98	70.94
(8)	Outside Service charges	60.44	143.52	203.96
(9)	Repairs to Plant and Machinery	0.34	13.90	14.24
(10)	Other miscellaneous expenses	18.92	138.89	157.81

56 AGGREGATION OF EXPENSES DISCLOSED IN CONSUMPTION OF MATERIALS, COST OF JOBS AND SERVICES AND OTHER EXPENSES IN RESPECT OF SPECIFIC ITEMS ARE AS FOLLOWS (REFER NOTE 43) (Contd.)

Nature of expenses		2021-22		
		Grouped under		
		Consumption of materials, cost of jobs and services	Other expenses	Total
(1)	Rent	2.03	27.00	29.03
(2)	Power and Fuel	0.81	11.95	12.76
(3)	Insurance charges	7.29	14.82	22.11
(4)	Travelling and Conveyance	2.27	39.77	42.04
(5)	Printing and Stationery	0.71	11.63	12.34
(6)	Legal and Professional charges	0.12	25.07	25.19
(7)	Clearing charges	1.50	74.46	75.96
(8)	Outside Service charges	52.63	115.97	168.60
(9)	Repairs to Plant and Machinery	0.39	11.95	12.34
(10)	Other miscellaneous expenses	30.10	110.54	140.64

57 LEASES

Group as a lessee

The Group has lease contracts for its office premises and storage locations with lease term between 1 year to 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of office premises and storage locations with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

(a) The movement in lease liabilities during the year ended 31 March, 2023 and 31 March, 2022 is as follows:

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Balance at the beginning	17.64	9.21
Additions	23.43	15.46
Accretion of interest	3.53	1.67
Payment of lease liabilities	(9.99)	(8.70)
Balance at the end	**34.61**	**17.64**
Non-current	25.39	12.68
Current	9.22	4.96

(b) The following are the amounts recognised in profit or loss:

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
Depreciation on right-of-use assets	8.47	7.19
Interest expense on lease liabilities	3.53	1.67
Expense relating to short-term leases (Refer footnote c)	96.61	101.46
Total amount recognised in statement of profit and loss	**108.61**	**110.32**

57 LEASES (Contd.)

(c) Details of carrying amount of right-of-use assets and movement during the period is disclosed under Note 6

Footnotes:

(a) The maturity analysis of lease liabilities are disclosed in Note 54 (iii) Liquidity Risk Management.

(b) The effective interest rate for lease liabilities is 9%, with maturity between 2023-2028.

(c) Expense relating to short-term leases are disclosed under the head rent and clearing charges in other expenses (Refer Note 43).

(d) The Group had total cash flows for leases of ₹ 9.99 crores on 31 March, 2023 (31 March, 2022 : ₹ 8.70 crores).

Group as a lessor

The Group has entered into operating leases on its investment property portfolio consisting of land and office premises. These leases have lease terms between 1 year to 5 years, The Company has the option under some of its leases to lease the assets for additional periods. An amount of ₹ 24.60 crores is recognised as lease income in the statement of profit and loss account for the year ended 31 March, 2023 (31 March, 2022 : ₹ 24.40 crores).

Minimum lease income for non-cancelable operating lease

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
(a) Not later than one year	6.30	2.77
(b) Later than one year but not later than five years	4.60	3.03
(c) Later than five years	-	-

58 REVENUE FROM CONTRACTS WITH CUSTOMERS

(A) Disaggregated revenue information

Disaggregation of the Company's revenue from contracts with customers are as follows:

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
Segment - A (Unitary Cooling Products)		
(a) Sale of products	5,687.20	4,215.12
(b) Sale of services	787.30	666.80
Sub-total :	**6,474.50**	**4,881.92**
Segment - B (Electro - Mechanical Projects and Services)		
(a) Sale of products	20.42	24.29
(b) Construction contract revenue	2,290.02	2,395.87
(c) Sale of services	92.47	50.33
Sub-total :	**2,402.91**	**2,470.49**
Segment - C (Engineering Products and Services)		
(a) Sale of products	349.62	341.99
(b) Sale of services	172.34	146.67
Sub-total :	**521.96**	**488.66**
Total revenue from contracts with customers	**9,399.37**	**7,841.07**

58 REVENUE FROM CONTRACTS WITH CUSTOMERS (Contd.)

(B) Set out below is the amount of revenue recognised from:

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
(a) Amounts included in contract liabilities at the beginning of the year	212.57	311.71
(b) Performance obligations satisfied in previous years	-	0.35

(C) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price.

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue as per contracted price	**8,596.09**	**7,234.24**
Adjustments		
Add: (a) Unbilled on account of work under certification	1,048.01	751.56
Less: (b) Billing in excess of contract revenue	(244.73)	(144.73)
Revenue from contract with customers	**9,399.37**	**7,841.07**

(D) Performance obligation

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March, 2023 is of ₹ 6,646.71 crores (31 March, 2022: ₹ 3,771.82 crores), out of which, majority is expected to be recognised as revenue within a period of one year.

59 CAPITAL MANAGEMENT :

The capital structure of the Group consists of net debt and total equity of the Group. The Group manages its capital to ensure that the Group will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Borrowings (Refer Note 25 and 31)	615.97	343.19
Less: Cash and cash equivalents (Refer Note 17)	(692.72)	(558.90)
Net Debt	**(76.75)**	**(215.71)**
Equity	5,452.07	5,499.56
Total Capital	5,452.07	5,499.56
Capital and Net Debt	**5,375.32**	**5,283.85**
Gearing Ratio	(1.43%)	(4.08%)

60 OTHER STATUTORY INFORMATION :

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with companies struck off.

(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Group has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(ix) The Group is maintaining its books of account in electronic mode and these books of account are accessible in India at all times and the back-up of books of account has been kept in servers physically located in India on a daily basis from the applicability date of the Companies (Accounts) Rules, 2014, i.e. 5 August, 2022 onwards.

61 The Board of Directors of Voltas Limited ('Holding Company') at its meeting held on 12 February, 2021, have approved the transfer of domestic B2B businesses of the Holding Company relating to Projects business comprising Mechanical Electrical and Plumbing (MEP)/ Heating, Ventilation and Air-Conditioning (HVAC) and Water projects, Mining and Construction Equipment (M&CE) business and Textile Machinery Division (TMD) business to its wholly owned subsidiary viz. Universal MEP Projects & Engineering Services Limited ('UMPESL') (formerly Rohini Industrial Electricals Limited) via slump sale through a Business Transfer Agreement ('BTA'). The BTA transaction has been consummated on 1 August, 2022, being the closing date for the transfer of business for a consideration of ₹ 1,190 crores.

62 RESTRUCTURING OF OVERSEAS BUSINESS OPERATIONS :

(i) The Board of Directors of the Voltas Limited at its Meeting held on 25 April, 2023, approved the proposal for transfer of overseas branch offices of the Company at Dubai, Abu Dhabi, Sharjah in the United Arab Emirates (UAE), Doha in Qatar, Bahrain and Singapore to Universal MEP Projects Pte Limited (UMPPL), Singapore, a wholly-owned subsidiary of Voltas Netherlands B.V., which is a direct 100% wholly-owned subsidiary of Voltas Limited. The transfer would be on slump sale basis through execution of Business Transfer Agreement (BTA) for each branch separately, subject to satisfactory completion of conditions precedent, including novation of existing contracts of Voltas in favour of UMPPL by the Main Contractors/Clients and such other compliances or procedures necessary or applicable in the respective local jurisdictions.

62 RESTRUCTURING OF OVERSEAS BUSINESS OPERATIONS (Contd.)

(ii) The Board of Directors have also approved transfer of Voltas direct investments in overseas subsidiary companies – Weathermaker FZE (100%), UAE, Saudi Ensas Company for Engineering Services W.L.L., Kingdom of Saudi Arabia (92%) and Lalbuksh Voltas Engineering Services & Trading L.L.C., Sultanate of Oman (20%) to UMPPL through Share Purchase Agreement (SPA) for each company respectively, subject to requisite approvals as may be required in that behalf.

(iii) Upon consummation of the aforesaid transactions, the international business operations would get housed in the Singapore entity – UMPPL.

63 EVENTS OCCURRING AFTER BALANCE SHEET :

(i) The Board of Directors of Parent Company have proposed dividend of ₹ 4.25 per share after the balance sheet date which is subject to approval by the shareholders at the annual general meeting.

(ii) The Board of Directors of Parent Company have approved an amount of ₹ 20.00 crores to be transferred to General Reserve from Retained Earnings after the balance sheet date.

64 RATIO ANALYSIS

Sr. No	Ratio	Numerator	Denominator	As at 31 March, 2023	As at 31 March, 2022	% change	Reason for variance
1	Current ratio	Current Assets	Current Liabilities	1.40	1.45	(3.73%)	-
2	Debt- Equity Ratio	Borrowings	Total equity	0.11	0.06	80.92%	Increase is on account of borrowings availed for International operation for working capital management of projects executed.
3	Debt Service Coverage ratio	Earnings for debt service = Net Profit before tax+ Non-cash operating expenses- depreciation and amortisation+ Finance Cost+ other adjustments like Loss on sale of property, plant and equipment	Debt service = Interest payable & Lease Payments + Principal Repayments of long term borrowings	7.72	22.03	(64.95%)	Decrease is on account of lower net profit earned during the year due to provisions created in overseas business towards customer dues, contract assets and encashment of bank guarantees.
4	Return on Equity ratio	Net Profit after taxes	Average total equity	0.02	0.10	(74.21%)	Decrease is on account of lower net profit earned during the year due to provisions created in overseas business towards customer dues, contract assets and encashment of bank guarantees.
5	Inventory Turnover ratio	Cost of goods sold excluding cost of jobs and services of Segment - B (Electro - Mechanical Projects and Services)	Average Inventory	3.38	2.77	22.23%	-
6	Trade Receivable Turnover Ratio	Revenue from Operations	Average Trade Receivable	3.12	2.74	13.80%	-

64 RATIO ANALYSIS (Contd.)

Sr. No	Ratio	Numerator	Denominator	As at 31 March, 2023	As at 31 March, 2022	% change	Reason for variance
7	Trade Payable Turnover Ratio	Cost of goods sold and other expenses	Average Trade Payables	2.73	2.41	13.05%	-
8	Net Capital Turnover Ratio	Revenue from Operations	Working capital = Current assets – Current liabilities	5.14	4.30	19.63%	-
9	Net Profit ratio	Net Profit	Revenue from operations	0.01	0.06	(77.51%)	Decrease is on account of provisions created in overseas business towards customer dues, contract assets and encashment of bank guarantees.
10	Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net worth + Total long term borrowings + Deferred Tax Liability	0.06	0.13	(53.19%)	Decrease is on account of lower net profit earned during the year due to provisions created in overseas business towards customer dues, contract assets and encashment of bank guarantees
11	Return on Investment						
(a)	Mutual Funds Investments	Gain on sale / fair valuation of Mutual Fund	Monthly average investment in Mutual Funds	0.04	0.05	(12.68%)	-
(b)	Fixed Income Investments	Interest Income	Monthly average investment in Fixed Income invetments	0.07	0.07	(6.37%)	-
(c)	Quoted Equity Instruments Investments	Fair valuation of quoted investment + Dividend Income	Quaterly average investment in Quoted Equity Instruments	0.03	0.36	(91.32%)	Decrease in return on investment from quoted equity instruments are on account of fluctuation in market prices.

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

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number : 38730
Place : Mumbai
Date : 26 April, 2023

For and on behalf of the Board

Noel Tata
Chairman
Place : Mumbai

Jitender P. Verma
Chief Financial Officer
Place : Mumbai

Pradeep Bakshi
Managing Director & CEO
Place : Mumbai

V. P. Malhotra
Head - Taxation, Legal & Company Secretary

Place : Mumbai
Date : 26 April, 2023

Inauguration of Voltas Experience Zone at Lajpat Nagar, New Delhi by Mr. Pradeep Bakshi, Managing Director & CEO, Voltas Limited

INDEPENDENT AUDITOR'S REPORT

To the Members of Voltas Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Voltas Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
(a) Revenue recognition for long term Mechanical, Electrical and Plumbing (MEP) contracts	
The Company's revenues include revenue from long-term Mechanical, Electrical and Plumbing (MEP) contracts amounting to INR 895.57 crores, disclosed under Note 36 'Revenue from contracts with customers' as construction contract revenue, which are recognized over a period of time in accordance with the requirements of Ind AS 115, 'Revenue from Contracts with Customers'. Due to the nature of the contracts, revenue is recognized based on percentage of completion method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs, which involves significant judgments including estimate of future costs, revision to original estimates based on new knowledge such as delay in timelines, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/ onerous obligations. Accuracy of revenues, onerous obligations and profits may deviate significantly on account of change in judgements and estimates. Considering the variability of assumptions involved in estimation of revenues, the same has been considered as a key audit matter.	Our audit procedures included the following: ▶ Read the Company's revenue recognition accounting policies and assessed compliance of the policies with Ind AS 115. ▶ We assessed the design and tested the operating effectiveness of controls over revenue recognition through inspection of evidence of performance of these controls with specific focus on determination of progress of completion, recording of costs incurred, estimation of costs to complete and the remaining contract obligations. ▶ We performed test of details, on a sample basis and evaluated management estimates and assumptions. ▶ We assessed management's estimates by comparing estimated cost with actual costs and discussion on the project specific considerations with the relevant project managers including on our project site visits. We assessed that, fluctuations in commodity and currency prices, delays, cost overruns related to the performance of work are appropriately taken into consideration while estimating costs to come and also assessed the accounting treatment of expected loss on projects including variable consideration which is recognized in accordance with the Company's accounting policy of revenue recognition. ▶ We tested contracts with low or negative margins, loss making contracts, contracts with significant changes in planned cost estimates and probable penalties due to delay in contract execution, on sample basis. ▶ We assessed that the disclosure of revenue in accordance with Ind AS 115 'Revenue from contracts with customers' are appropriately presented and disclosed in Note 54 to the standalone Ind AS financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Recoverability of and Impairment Allowance of receivables and contract assets of Electro-Mechanical projects and services segment</td></tr>
<tr><td>As at March 31, 2023, trade receivable and contract assets of Electro - mechanical projects and service segment amount to INR 943.76 crores.

Out of the total trade receivables and contract assets of Electro-mechanical projects and service segment, INR 707.34 crores represent trade receivable and contract assets of international business operation. Recoverability of certain receivables and contract assets are impacted due to several factors like the customer profile, delays in obtaining completion certification in certain projects due to long project tenure, project disputes resulting in future claims against the Company and financial ability of the customers etc.

The Company follows 'simplified approach' in accordance with Ind AS 109 - 'Financial Instruments', for recognition of impairment loss allowance on trade receivables and contract assets. In calculating the impairment loss allowance, the Company has considered its credit assessment for its customers. Owing to the long settlement period involved in a few of the projects owing to the nature of the projects and customers, management also considers the likely delays involved in the settlement process as part of the impairment allowance calculation.

The assessment of the impairment of such trade receivables and contract assets requires significant management judgment and hence same is considered as Key Audit Matter.</td><td>Our audit procedures included the following:

▶ We evaluated the Company's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers.

▶ We assessed the design and tested the operating effectiveness of relevant controls in relation to the process adopted by management for testing the impairment of these receivables and the contract assets.

▶ In respect of impairment allowance on receivable of this segment and recovery of certain trade receivable and contract assets of international business operation we tested the ageing of trade receivable and contract assets. We tested the management's assessment of the customer's financial circumstances, ability to repay the dues based on historical payment trends, assumption used for determining likely losses and delays in collection of trade receivables including any project disputes which may result in future claims against the Company.

▶ We evaluated the assumptions used by management in calculation of the expected credit loss impairment including the impact of the future uncertainties in the economic environment.

▶ We assessed the disclosures on the contract assets and trade receivables in Note 14 and Note 15 respectively and the related risks such as credit risk and liquidity risk in Note 52 of the standalone Ind AS financial statements.</td></tr>
</table>

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Impairment of Investments in Universal MEP Projects & Engineering Services Limited</td></tr>
<tr><td>The Company has an investment of INR 1487.93 crores in its wholly owned subsidiary Universal MEP Projects & Engineering Services Limited ('UMPESL') as of March 31, 2023. During the earlier years, the management had identified impairment indicators on the investment made in UMPESL and accordingly accounted an impairment provision of INR 32.57 crores. On an annual basis, the Company performs an annual impairment assessment by comparing the carrying value to their recoverable amounts in order to determine whether any additional impairment provision/ reversal is required.

For the purposes of above impairment assessment, the Company engages specialists to determine value in use by discounting forecasted cash flows and considering the inherent nature of these calculations being subject to sensitivity to the inputs used for forecasting the cash flows and judgements used by management in such forecasts, the assessment of impairment of investment in UMPESL was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</td><td>Our audit procedures included the following:
▶ We assessed the design and tested the operating effectiveness of relevant controls in relation to the process adopted by management for testing the impairment of Investment in UMPESL.
▶ We assessed the Company's valuation methodology applied in determining the recoverable amount. In making this assessment, we also evaluated the objectivity and independence of Company's specialists involved in the process.
▶ We assessed the assumptions around the key drivers of the cash flow forecasts including projected order value and margins, discount rates, expected growth rates and terminal growth rates used. Further, assessed the recoverable value headroom by performing sensitivity testing of key assumptions used.
▶ We discussed potential changes in key drivers as compared to previous year / actual performance with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable and same are approved by UMPESL Board of Directors.
▶ We tested the arithmetical accuracy of the models.
▶ We evaluated the accounting and disclosure of investments in the standalone Ind AS financial statements.</td></tr>
<tr><td colspan="2">Transfer of business to wholly owned subsidiary on a slump sale basis</td></tr>
<tr><td>The Board of Directors of the Company at its meeting held on February 12, 2021, have approved the transfer of domestic businesses of the Company relating to Projects business comprising Mechanical Electrical and Plumbing (MEP)/Heating, Ventilation and Air-Conditioning (HVAC) and Water projects, Mining and Construction Equipment (M&CE) and Textile Machinery Division (TMD) businesses to its wholly owned subsidiary viz. Universal MEP Projects & Engineering Services Limited ("UMPESL") via slump sale through a Business Transfer Agreement ("BTA"). The BTA transaction has been consummated on August 01, 2022, being the 'closing date' for transfer of business for a consideration of INR 1,190 crores.

As the business transfer is a significant event that has occurred during the current year, the same has been considered as a Key Audit Matter.</td><td>Our audit procedure included the following:
▶ We obtained and read the Business Transfer Agreement ('BTA') for transfer of business.
▶ We assessed the design and tested the operating effectiveness of relevant controls in relation to accounting for business transfer.
▶ We verified the consideration received for business transfer is as per Board approved consideration.
▶ We verified net assets transferred and resultant gain on transfer of business is in accordance with the terms of the business transfer agreement and examined management's assessment of the income tax implications of the business transfer on slump sale basis.
▶ We evaluated the accounting and disclosures of business transfer in the standalone Ind AS financial statements.</td></tr>
</table>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone Ind As financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 46 to the standalone Ind As financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 34 to the standalone Ind AS financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 56(v) to the standalone Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 56(vi) to the standalone Ind AS financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 59 to the standalone Ind AS financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
UDIN: 23038730BGYSNG9540
Place: Mumbai
Date: April 26, 2023

ANNEXURE '1' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Voltas Limited ("the Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in Note 4 and 6 to the financial statements are held in the name of the Company except for the following:

Description of Property	Gross Carrying value (in INR crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held (since)	Reason for not being held in name of company also indicate if in dispute and period for which it has been held
16 Flats in Tata Colony, Lallubhai Park, Andheri (W), Mumbai 400063	0.06	Tata Services Ltd	Group Company	Aug 1965	These flats are constructed on land owned by Tata Services Limited in line with arrangement amongst Tata Services Limited and Tata Group of companies (incl. Voltas Limited) Pending certain procedural aspects, title to the undivided share of land relating to the flats owned by Voltas Limited has not yet been transferred in the name of Voltas Limited.
Voltas House, 23 J N Heredia Marg, Ballard Estate, Mumbai 400001	0.23	Bombay Port Trust	Others	June 2017	The said building was taken on lease by the Company that expired in June'17. The Company has submitted an application for renewal (in accordance with contractual right) of lease on December 15, 2016.
Building & Leasehold land-Pantnagar	11.46	Universal Comfort Products Limited	Group company	September 2020	These properties were acquired pursuant to a scheme of amalgamation and continued to be registered in the name of amalgamating company. However, the deed of merger has been registered by the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2023 and discrepancies were not noticed in respect of such confirmations.

(b) As disclosed in Note 16 to the financial statements, the Company has been sanctioned working capital limits in excess of INR five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, or provided security to companies, firms, Limited Liability Partnerships or any other parties. Further, during the year the Company has stood guarantee to companies as follows:

Particulars	**Amount (INR Crores)**
Aggregate amount of guarantee provided during the year	
- Subsidiaries	782.85
- Joint Ventures	--
- Associates	--
- Others	--
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiaries	2,733.13
- Joint Ventures	82.13
- Associates	--
- Others	--

(b) During the year, the Company has not provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Further, during the year the investments made and guarantees provided to companies are not prejudicial to the Company's interest.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.

(iv) There are no loans and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable. Further, investments made and guarantees provided in respect of which provision of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of engineering machinery, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, custom duty, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Forum where case is pending	Period to which the Amount Relates	Amount (INR in Crores)
The Central Excise Act, 1944	Excise Duty	High Court	2011-12	0.67
		Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2002, 2009-10 to 2014-15	13.69
		Commissionerate	1981-82, 1983-84, 1985-86 to 1990-91, 1992-93 to 1993-94,1999-00 to 2000-01, 2004-05, 2011-12, 2012-13	4.48
Finance Act, 1994	Service Tax	Service Tax Appellate Tribunal (CESTAT)	1999-00 to 2002-03, 2004-05 to 2009-10, 2017-18	12.02
		Commissionerate	2003-04 to 2015-16	5.10
Custom Act, 1962	Custom duty	Commissionerate	2019-20	0.99
Sales Tax Act	(1) Value Added Tax (2) Central Sales Tax (3) Entry Tax (including penalty and interest)	Supreme Court	1993-94	0.40
		High Court	1987-88, 1988-89, 1989-90, 1990-91, 1996-97, 1997-98, 1998-99, 2003-04	7.26
		Appellate Tribunal	1986-87, 1999-00 to 2000-01, 2004-05 to 2006-07, 2008-09 to 2014-15, 2017-18	15.79
		Appellate Revisional Board	2007-08, 2014-15 to 2016-17	4.94
		Commissioner (Assessment)	1988-89, 1990-91 to 1991-92, 1996-97, 1998-99, 2000-01 to 2001-02, 2009-10 to 2017-18	9.33
		Commissioner of Appeals	1989-90 to 1990-91, 1994-95 to 2001-02, 2005-06 to 2017-18	24.13
Goods and Service Tax Act, 2017	Goods and Service Tax	High Court	2017-18, 2018-19	2.58
		Commissioner of Appeals	2018-19 to 2020-21	1.05

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a)(b)(c) of the Order are not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) According to the information and explanation given to us by the management, the Group has 5 CIC's which are registered with Reserve Bank of India and 1 CIC which is not required to be registered with Reserve Bank of India.

(xvii) The Company has not incurred cash losses in the current and immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in Note 60 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note 42(B) to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in Note 42(B) to the financial statements.

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
UDIN: 23038730BGYSNG9540
Place: Mumbai
Date: April 26, 2023

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF VOLTAS LIMTED

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

We have audited the internal financial controls with reference to standalone financial statements of Voltas Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone IND AS Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Standalone Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
UDIN: 23038730BGYSNG9540
Place: Mumbai
Date: April 26, 2023

STANDALONE BALANCE SHEET

AS AT 31 MARCH, 2023

₹ in crores

			Note No.	As at 31 March, 2023	As at 31 March, 2022
I	**ASSETS**				
	Non-current assets				
	(a)	Property, plant and equipment	4	350.72	225.89
	(b)	Capital work-in-progress	4	98.25	59.29
	(c)	Investment property	5	49.41	53.32
	(d)	Right-of-use assets	6	31.38	16.65
	(e)	Other intangible assets	7	5.59	7.01
	(f)	Financial assets			
		(i) Investments	8	4,655.23	3,690.53
		(ii) Loans	9	0.08	0.10
		(iii) Other financial assets	10	261.21	75.58
	(g)	Income tax assets (net)		10.14	9.19
	(h)	Other non-current assets	12	70.71	95.10
	Total non-current assets			**5,532.72**	**4,232.66**
	Current assets				
	(a)	Inventories	13	1,547.02	1,655.39
	(b)	Contract assets	14	373.47	576.43
	(c)	Financial assets			
		(i) Investments	8	307.16	434.27
		(ii) Trade receivables	15	1,289.15	1,520.23
		(iii) Cash and cash equivalents	16	373.82	451.12
		(iv) Other balances with banks	17	15.66	12.77
		(v) Loans	18	0.43	1.91
		(vi) Other financial assets	19	381.27	110.39
	(d)	Other current assets	20	221.56	221.55
	Total current assets			**4,509.54**	**4,984.06**
	TOTAL ASSETS			**10,042.26**	**9,216.72**
II	**EQUITY AND LIABILITIES**				
	Equity				
	(a)	Equity share capital	21	33.08	33.08
	(b)	Other equity	22	6,740.02	5,535.62
	Total Equity			**6,773.10**	**5,568.70**
	Liabilities				
	Non-current liabilities				
	(a)	Contract liabilities	23	6.33	3.51
	(b)	Financial liabilities			
		(i) Borrowings	24	21.15	-
		(ii) Lease liabilities	25	21.34	8.97
		(iii) Other financial liabilities	26	11.46	14.89
	(c)	Provisions	27	69.47	82.75
	(d)	Deferred tax liabilities (net)	11	5.28	12.35
	(e)	Other non-current liabilities	28	4.17	6.32
	Total non-current liabilities			**139.20**	**128.79**
	Current liabilities				
	(a)	Contract liabilities	29	206.75	325.43
	(b)	Financial liabilities			
		(i) Borrowings	30	264.13	126.04
		(ii) Lease liabilities	31	8.39	4.78
		(iii) Trade payables	32		
		- Total outstanding dues of micro and small enterprises		112.94	143.46
		- Total outstanding dues of creditors other than micro and small enterprises		2,096.85	2,538.56
		(iv) Other financial liabilities	33	117.77	103.23
	(c)	Provisions	34	142.62	148.33
	(d)	Income tax liabilities (net)		39.67	43.42
	(e)	Other current liabilities	35	140.84	85.98
	Total current liabilities			**3,129.96**	**3,519.23**
	Total Liabilities			**3,269.16**	**3,648.02**
	TOTAL EQUITY AND LIABILITIES			**10,042.26**	**9,216.72**
	Summary of significant accounting policies		2		

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

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number : 38730
Place : Mumbai
Date : 26 April, 2023

For and on behalf of the Board

Noel Tata
Chairman
Place : Mumbai

Pradeep Bakshi
Managing Director & CEO
Place : Mumbai

Jitender P. Verma
Chief Financial Officer
Place : Mumbai

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

Date : 26 April, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2023

₹ in crores

		Note No.	Year ended 31 March, 2023	Year ended 31 March, 2022
	Income			
I	Revenue from operations	36	7,674.92	7,098.60
II	Other income	37	175.20	167.89
III	**Total income (I + II)**		**7,850.12**	**7,266.49**
	Expenses			
	(a) Consumption of materials, cost of jobs and services		3,603.32	3,506.82
	(b) Purchases of stock-in-trade		2,200.70	2,042.75
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	38	308.31	(178.27)
	(d) Employee benefits expenses	39	436.68	488.54
	(e) Finance costs	40	12.46	14.55
	(f) Depreciation and amortisation expenses	41	36.33	33.13
	(g) Other expenses	42	699.33	595.81
IV	**Total expenses**		**7,297.13**	**6,503.33**
V	**Profit before exceptional items and tax (III - IV)**		**552.99**	**763.16**
VI	Exceptional Items	43	975.18	-
VII	**Profit before tax (V + VI)**		**1,528.17**	**763.16**
	Tax Expense			
	(a) Current tax		111.80	178.00
	(b) Adjustment of tax relating to earlier periods		(0.95)	(3.58)
	(c) Deferred tax charge	11	12.01	5.27
VIII	**Total tax expense**	44	**122.86**	**179.69**
IX	**Net Profit for the year (VII - VIII)**		**1,405.31**	**583.47**
	Other Comprehensive Income			
	Items that are not to be reclassified to profit or loss			
	(a) Changes in fair value of equity instruments through other comprehensive income		(92.92)	206.54
	(b) Income tax effect on (a) above	11	23.35	(27.54)
	(c) Remeasurement gain / (loss) on defined benefit plans		16.96	(17.41)
	(d) Income tax effect on (c) above	11	(4.27)	4.38
X	**Other Comprehensive Income [net of tax]**		**(56.88)**	**165.97**
XI	**Total Comprehensive Income [net of tax] (IX + X)**		**1,348.43**	**749.44**
XII	**Earnings per share:**			
	Basic and Diluted (₹) (Face value ₹ 1/- per share)	45	42.47	17.63

Summary of significant accounting policies 2

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

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number : 38730
Place : Mumbai
Date : 26 April, 2023

For and on behalf of the Board

Noel Tata
Chairman
Place : Mumbai

Pradeep Bakshi
Managing Director & CEO
Place : Mumbai

Jitender P. Verma
Chief Financial Officer
Place : Mumbai

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

Date : 26 April, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH, 2023

A. EQUITY SHARE CAPITAL

₹ in crores

Balance as at 01 April, 2021	33.08
Changes in equity share capital	-
Balance as at 31 March, 2022	33.08
Changes in equity share capital	*
Balance as at 31 March, 2023	**33.08**

*Value below Rs. 50,000/-

B. OTHER EQUITY

₹ in crores

	Reserves and Surplus (Refer Note 22)						Items of Other Comprehensive income (Refer Note 22)	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Staff Welfare Reserve	Retained earnings	Equity instruments fair value through Other Comprehensive income	
Balance as at 01 April, 2021	**12.25**	**1.26**	**6.28**	**1,406.83**	**0.01**	**2,898.14**	**626.85**	**4,951.62**
Net profit for the year	-	-	-	-	-	583.47	-	583.47
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(13.03)	179.00	165.97
Total comprehensive income for the year (net of tax)	**-**	**-**	**-**	**-**	**-**	**570.44**	**179.00**	**749.44**
Payment of dividends	-	-	-	-	-	(165.44)	-	(165.44)
Transfer to General Reserve	-	-	-	20.00	-	(20.00)	-	-

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)

₹ in crores

	Reserves and Surplus (Refer Note 22)						Items of Other Comprehensive income (Refer Note 22)	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Staff Welfare Reserve	Retained earnings	Equity instruments fair value through Other Comprehensive income	
Balance as at 31 March, 2022	**12.25**	**1.26**	**6.28**	**1,426.83**	**0.01**	**3,283.14**	**805.85**	**5,535.62**
Net profit for the year	-	-	-	-	-	1,405.31	-	1,405.31
Other comprehensive income for the year (net of tax)	-	-	-	-	-	12.69	(69.57)	(56.88)
Total comprehensive income for the year (net of tax)	**-**	**-**	**-**	**-**	**-**	**1,418.00**	**(69.57)**	**1,348.43**
Payment of dividends	-	-	-	-	-	(181.99)	-	(181.99)
Transfer to General Reserve	-	-	-	20.00	-	(20.00)	-	-
Gain realised on sale of equity instrument classified as FVTOCI	-	-	-	-	-	37.96	-	37.96
Balance as at 31 March, 2023	**12.25**	**1.26**	**6.28**	**1,446.83**	**0.01**	**4,537.11**	**736.28**	**6,740.02**

Summary of significant accounting policies Note 2

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

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number : 38730
Place : Mumbai
Date : 26 April, 2023

For and on behalf of the Board

Noel Tata
Chairman
Place : Mumbai

Jitender P. Verma
Chief Financial Officer
Place : Mumbai

Pradeep Bakshi
Managing Director & CEO
Place : Mumbai

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

Date : 26 April, 2023

STANDALONE CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2023

₹ in crores

		Year ended 31 March, 2023		Year ended 31 March, 2022	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before tax		1,528.17		763.16
	Adjustments for :				
	Depreciation and amortisation expenses	36.33		33.13	
	Allowance for doubtful debts and advances	150.03		32.02	
	Unrealised foreign exchange (gain) / loss (net)	(3.34)		3.88	
	Provision for diminution in value of investments (net)	(32.57)		0.25	
	Loss on disposal of property, plant and equipment	1.31		1.28	
	Finance costs	12.46		14.55	
	Interest income	(44.34)		(3.65)	
	Dividend income	(9.26)		(7.15)	
	Gain arising on financial assets measured at Fair Value through Profit or Loss (FVTPL) (net)	(63.24)		(81.09)	
	Financial guarantee contract income	(3.72)		(2.58)	
	Unclaimed credit balances written back	(7.57)		(9.70)	
	Gain on transfer of business (Refer Note 57)	(1,049.04)		-	
	Rental income	(29.27)		(24.70)	
			(1,042.22)		(43.76)
	Operating profit before working capital changes		**485.95**		**719.40**
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	65.64		(381.49)	
	Trade receivables	(161.63)		(83.67)	
	Contract assets	3.76		54.14	
	Other financial assets	(153.03)		(4.88)	
	Other non-financial assets	(47.57)		(58.35)	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	(114.28)		631.84	
	Contract liabilities	7.58		(63.47)	
	Other financial liabilities	2.90		7.66	
	Other non-financial liabilities	63.58		18.44	
	Provisions	(2.05)		31.08	
			(335.10)		151.30
	Cash generated from operations		150.85		870.70
	Income tax paid (net of refunds)		(115.56)		(202.20)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**35.29**		**668.50**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of property, plant and equipment and intangible assets (including capital advances and capital work-in-progress)	(175.77)		(47.32)	
	Proceeds from disposal of property, plant and equipment	3.08		1.31	
	Investment in fixed deposits	(186.06)		36.27	
	Purchase of investments	(1,697.84)		(1,103.85)	
	Investment in equity shares of subsidiary	(1,190.00)		-	
	Investment in inter corporate deposit	(185.00)		-	
	Proceeds from sale of investments	2,094.85		712.82	
	Proceeds from transfer of business	1,190.00		-	
	Interest received	35.63		8.84	

STANDALONE CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)

₹ in crores

	Year ended 31 March, 2023		Year ended 31 March, 2022	
Dividend received				
– Subsidiaries, associates and joint ventures	2.35		2.13	
– Others	6.91		5.02	
Rent received	30.00		25.72	
Rental Deposits (repaid) / received	0.21		(11.35)	
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)		**(71.64)**		**(370.41)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of borrowings	(40.72)		(11.00)	
Proceeds from borrowings	199.96		35.19	
Interest paid	(12.46)		(11.51)	
Payment of principal portion of lease liabilities	(6.73)		(6.16)	
Dividend paid	(181.99)		(165.39)	
NET CASH FLOW USED IN FINANCING ACTIVITIES (C)		**(41.94)**		**(158.87)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**(78.29)**		**139.22**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**452.75**		**313.53**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**374.46**		**452.75**
Non-Cash Investing and Financing transaction				
Net gain arising on financial assets measured at FVTPL	(63.24)		71.37	
Impairment / (reversal of impairment) of Investment (net)	(32.57)		0.25	
Addition to Right of use assets	22.82		11.77	
	(72.99)		**83.39**	
Cash and cash equivalents at the end of the year consist of:				
Cash and cash equivalents at the end of the year (Refer Note 16)		373.82		451.12
Effect of exchange difference on restatement of foreign currency cash and cash equivalents		0.64		1.63
		374.46		**452.75**
Refer Note16(b) for Change in liabilities arising from financing activities				

Summary of significant accounting policies Note 2

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

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number : 38730
Place : Mumbai
Date : 26 April, 2023

For and on behalf of the Board

Noel Tata
Chairman
Place : Mumbai

Jitender P. Verma
Chief Financial Officer
Place : Mumbai

Pradeep Bakshi
Managing Director & CEO
Place : Mumbai

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

Date : 26 April, 2023

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2023

1. CORPORATE INFORMATION

Voltas Limited (the "Company") is a public limited Company domiciled in India. The address of its registered office is Voltas House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai 400033.

The Company belongs to the Tata Group of companies and was established in the year 1954. The Company is engaged in the business of air conditioning, refrigeration, electro - mechanical projects as an EPC contractor both in domestic and international geographies (Middle East and Singapore) and engineering product services for mining, water management and treatment, construction equipments and textile industry.

The financial statements for the year ended 31 March, 2023 were approved by the Board of Directors and approved for issue on 26 April, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value as explained in accounting policy of fair value measurement (Note 2(E)) and financial instruments (Note 2 (O)) below.

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

The financial statements are presented in ₹ and all values are rounded to the nearest crores, except when otherwise indicated.

B. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in Note 3.

C. REVENUE

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for certain specific services mentioned below, as it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, which generally coincides with transfer of goods to the transporters. The normal credit term is 7 to 30 days.

The Company provides preventive maintenance services on its certain products at the time of sale. These maintenance services are sold together with the sale of product. Contracts for such sales of product and preventive maintenance services comprise two performance obligations because the promises to transfer the product and to provide the preventive maintenance services are capable of being distinct. Accordingly, a portion of the transaction price is allocated to the preventive maintenance services and recognised as a contract liability. Revenue is recognised over the period in which the preventive maintenance services are provided based on the time elapsed.

Warranty obligation

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section N Provisions and Contingencies.

Revenue from Services

Revenue from services are recognised at the point in time when the services are rendered. Revenue from maintenance contracts are recognised over the period of contract on time elapsed.

In case of mining equipment's long-term maintenance contracts, revenue is recognised over the period of time based on input method where the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of performance obligation.

Agency Commission

The Company procures textile machinery on behalf of its customers. Accordingly, in these arrangements the Company is acting as an agent and record the revenue on net basis.

Revenue from Construction contract

Performance obligation in case of long - term construction contracts is satisfied over a period of time, since the Company creates an asset that the customer controls as the asset is created and the Company has an enforceable right to payment for performance completed to date if it meets the agreed specifications. Revenue from long term construction contracts, where the outcome can be estimated reliably and 20% of the project cost is incurred, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity.

The stage of completion is measured by input method i.e. the proportion that costs incurred to date bear to the estimated total costs of a contract. The total costs of contracts are estimated based on technical and other estimates. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

Contract revenue earned in excess of billing is reflected under "contract asset" and billing in excess of contract revenue is reflected under "contract liabilities". Retention money receivable from project customers does not contain any significant financing element and are retained for satisfactory performance of contract.

In case of long - term construction contracts payment is generally due upon completion of milestone as per terms of contract. In certain contracts, short-term advances are received before the performance obligation is satisfied.

Dividend and Interest income

Dividend income is recognised when the right to receive payment is established. Interest income is recognised using the effective interest method.

D. CONTRACT BALANCES

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

The amount recognised as contract assets is reclassified to trade receivables once the amounts are billed to the customer as per the terms of the contract. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section P Impairment.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section O Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

E. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

F. EMPLOYEE BENEFITS

(a) Post-employment benefits costs and termination benefits

(i) Defined Contribution Plans

Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions. The Company operates following defined contribution plans:

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

(ii) Defined Benefit Plans

The Company's liabilities towards gratuity, pension and post-retirement medical benefit schemes are determined using the projected unit credit method, with actuarial valuation being carried out at the end of each annual reporting period.

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

Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item "Employee Benefits Expenses". Curtailment gains and losses are accounted for as past service costs.

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans.

(b) Short term and other long term employee benefits

Benefits accruing to employees in respect of wages, salaries and compensated absences and which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employee performs the service that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit expected to be paid in exchange of related service. Where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method at the present value of the estimated future cash flow expected to be made by the Company in respect of services provided by employees up to the reporting date. The Company presents the leave as a current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

G. PROPERTY, PLANT AND EQUIPMENT

Capital work in progress is stated at cost. Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable taxes and any directly attributable cost of bringing an asset to working condition and location for its intended use.

Projects under which the property, plant and equipment is not yet ready for their intended use are carried as capital work in progress at cost determined as aforesaid.

Depreciable amount for assets is the cost of an asset, less its estimated residual value. Depreciation is recognised so as to write off the depreciable amount of assets (other than freehold land and assets under construction) over the useful lives using the straight-line method. The estimated useful lives are as follows:

Assets	Useful life
Factory Building	30 years
Residential Building	60 years
Plant and Equipment	8-15 years
Office Equipment	3-15 years
Furniture and fixtures	10 years
Vehicles	8 years

The useful life as estimated above is aligned to the prescribed useful life specified under Schedule II of the Companies Act, 2013.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

H. INVESTMENT PROPERTY

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The estimated useful lives are as follows:

Assets	Useful life
Residential Building	60 years

The useful life as estimated above is aligned to the prescribed useful life specified under Schedule II of the Companies Act, 2013.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in the period in which the property is derecognised.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

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

I. INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss, if any.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated useful life of intangible assets are as follows:

- Manufacturing Rights and Technical Know-how : 6 years
- Software : 5 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

J. FOREIGN CURRENCY

The Company's financial statements are presented in ₹, which is also the Company's functional currency.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

Non-monetary items denominated in a foreign currency are measured at historical cost and translated at exchange rate prevalent at the date of transaction.

K. LEASES

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	99 years
Leasehold building	1-6 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section P Impairment of non-financial assets.

(b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in Interest-bearing borrowings.

(c) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office premises and storage locations (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income arising is accounted on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

L. INVENTORIES

Inventories including Work-in-Progress are valued at cost or net realisable value, whichever is lower, cost being determined on weighted average basis. Cost includes all charges for bringing the goods to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

M. TAXES ON INCOME

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income Tax Act, 1961.

The tax rates and tax laws used to compute the tax are those that are enacted at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax

Deferred Tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

N. PROVISIONS AND CONTINGENCIES

Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of past event, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranties (Trade Guarantees)

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

Contingencies

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Environment Liabilities

E-Waste (Management) Rules 2016, as amended, requires the Company to complete the Extended Producer Responsibility targets measured based on sales made in the preceding 10th year, if it is a participant in the market during a financial year. Accordingly, the obligation event for e-Waste obligation arises only if Company participate in the markets in those years.

O. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

- **Initial recognition and measurement**

  All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- **Subsequent measurement**

  All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

- **Financial assets at amortised cost**

  Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, loans and other financial assets.

- **Financial assets at fair value through other comprehensive income (FVTOCI)**

  Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the asset's contractual cash flow represents SPPI.

  Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, dividend income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

- **Financial assets at fair value through profit or loss (FVTPL)**

  FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- **Equity Instruments**

  All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, other than investment in Subsidiary, Associates and Joint Ventures, the Company makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

  If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

  Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- **Investments in subsidiaries, joint ventures and associates**

  Investment in subsidiaries, joint ventures and associates are carried at cost in the financial statements.

- **Derecognition**

  The Company derecognises a financial asset when the rights to receive cash flows from the asset have expired or it transfers the right to receive the contractual cash flow on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

Financial liabilities

- **Initial recognition and measurement**

  Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

  All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- **Subsequent measurement**

  The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

- **Financial liabilities at amortised cost**

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- **Financial guarantee contracts**

  Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amount of income recognised in accordance with the principles of Ind AS 115.

- **Derecognition**

  A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

- **Offsetting of financial instruments**

  Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

P. IMPAIRMENT

(a) Financial assets

The Company assessed the expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on the Company's past history of recovery, credit worthiness of the counter party and existing and future market conditions.

For all financial assets other than trade receivables, expected credit losses are measured at an amount equal to the 12-month expected credit loss (ECL) unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. For trade receivables, the Company has applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109 which requires the expected lifetime losses from initial recognition of the receivables.

(b) Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses including impairment on inventories are recognised in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

For contract assets, the Company has applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109 which requires the expected lifetime losses from initial recognition of the contract assets.

Q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

R. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

S. SEGMENT REPORTING

Segments are identified based on the manner in which the chief operating decision-maker (CODM) decides about the resource allocation and reviews performance.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/ liabilities".

Segment information has been presented in the Consolidated Financial Statements as permitted by Ind AS 108 on Operating Segments, specified under Section 133 of the Companies Act, 2013.

T. CASH DIVIDEND

The Company recognises a liability to pay dividend to equity shareholders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

U. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

V. GOVERNMENT GRANTS

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

W. OPERATING CYCLE

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. A portion of the Company`s activities (primarily long-term project activities) have an operating cycle that exceeds one year. Accordingly, assets and liabilities related to these long-term contracts, which will not be realised/paid within one year, have been classified as current. For all other activities, the operating cycle is twelve months.

X. CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2A. RECENT ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Group's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The amendments are not expected to have a material impact on the Group's financial statements

3. SIGNIFICANT ACCOUNTING, JUDGEMENTS ESTIMATES AND ASSUMPTIONS

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

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

Key sources of estimation uncertainty

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

Cost to complete

Management estimates the costs to complete for each project for the purpose of revenue recognition and recognition of anticipated losses on projects, if any. In the process of calculating the cost to complete, Management conducts regular and systematic reviews of actual results and future projections with comparison against budget. This process requires monitoring controls including financial and operational controls and identifying major risks facing the Company and developing and implementing initiatives to manage those risks. The Company's Management is confident that the costs to complete the project are fairly estimated.

Percentage of completion

Management's estimate of the percentage of completion on each project for the purpose of revenue recognition is through conducting some weight analysis to assess the actual quantity of the work for each activity performed during the reporting period and estimate any future costs for comparison against the initial project budget. This process requires monitoring of financial and operational controls. Management is of the opinion that the percentage of completion of the projects is fairly estimated.

As required by Ind AS 115, in applying the percentage of completion on its long-term projects, the Company is required to recognise any anticipated losses on it contracts.

Impairment of financial assets and contract assets

The Company's Management reviews periodically items classified as receivables and contract assets to assess whether a provision for impairment should be recorded in the statement of profit and loss. Management estimates the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgement and uncertainty. Details of impairment provision on contract assets and trade receivable are given in Note 14 and Note 15.

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

Fair value measurement of financial instruments

Some of the Company's assets are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about valuation techniques and inputs used in determining the fair value of various assets is disclosed in Note 50.

Litigations

From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made, and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each Balance Sheet date and revisions made for the changes in facts and circumstances. Provision for litigations and contingent liabilities are disclosed in Note 46 (c).

Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. All assumptions are reviewed at each Balance Sheet date and disclosed in Note 47.

Useful lives of property, plant and equipment and intangible assets

The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

Warranty provisions (Trade Guarantees)

The Company gives warranties for its products, undertaking to repair or replace the product that fail to perform satisfactory during the warranty period. Provision made at the year-end represents the amount of expected cost of meeting such obligations of rectification / replacement which is based on the historical warranty claim information as well as recent trends that might suggest that past cost information may differ from future claims. Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives. Provision towards warranty is disclosed in Note 34.

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

₹ in crores

	Freehold Land	Buildings	Plant and Equipment	Office Equipment	Furniture and fixtures	Vehicles	Transferred to / from Investment property	Total Property, Plant And Equipment
Gross carrying amount								
As at 1 April, 2021	29.51	198.75	173.35	76.69	31.06	2.20	(70.78)	440.78
Additions	-	5.44	4.95	6.15	0.71	1.12	-	18.37
Disposals	-	0.79	17.61	2.96	0.55	0.40	(2.03)	20.28
Transfers in / (out)	-	-	-	-	-	-	(0.95)	(0.95)
As at 31 March, 2022	**29.51**	**203.40**	**160.69**	**79.88**	**31.22**	**2.92**	**(69.70)**	**437.92**
Accumulated depreciation								
As at 1 April, 2021	-	51.61	101.24	49.18	20.49	1.70	(15.23)	208.99
Charge for the year	-	4.40	9.58	8.06	1.78	0.08	(1.09)	22.81
Disposals	-	0.15	16.31	2.56	0.53	0.16	(0.34)	19.37
Transfers in / (out)	-	-	-	-	-	-	(0.40)	(0.40)
As at 31 March, 2022	**-**	**55.86**	**94.51**	**54.68**	**21.74**	**1.62**	**(16.38)**	**212.03**
Net carrying amount as at 31 March, 2022	**29.51**	**147.54**	**66.18**	**25.20**	**9.48**	**1.30**	**(53.32)**	**225.89**
Gross carrying amount								
As at 1 April, 2022	29.51	203.40	160.69	79.88	31.22	2.92	(69.70)	437.92
Additions	46.80	40.18	61.78	5.50	0.81	-	-	155.07
Disposals	-	3.25	7.30	3.01	0.61	0.42	(2.99)	11.60
Movement on account of business transfer (Refer Note 57)	-	(2.29)	(6.61)	(8.02)	(2.55)	(0.27)	-	(19.74)
As at 31 March, 2023	**76.31**	**238.04**	**208.56**	**74.35**	**28.87**	**2.23**	**(66.71)**	**561.65**
Accumulated depreciation								
As at 1 April, 2022	-	55.86	94.51	54.68	21.74	1.62	(16.38)	212.03
Charge for the year	-	4.42	12.14	7.05	1.63	0.16	(1.06)	24.34
Disposals	-	0.36	6.26	2.72	0.47	0.40	(0.14)	10.07
Movement on account of business transfer (Refer Note 57)	-	(1.09)	(5.60)	(6.41)	(2.02)	(0.25)	-	(15.37)
As at 31 March, 2023	**-**	**58.83**	**94.79**	**52.60**	**20.88**	**1.13**	**(17.30)**	**210.93**
Net carrying amount as at 31 March, 2023	**76.31**	**179.21**	**113.77**	**21.75**	**7.99**	**1.10**	**(49.41)**	**350.72**

Footnotes :

(a) Buildings includes ₹ 0.0016 crore (31 March, 2022: ₹ 0.0016 crore) being cost of shares and bonds in Co-operative Housing Societies.

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

(b) Title deeds of Immovable Property not held in the name of the Company

₹ in crores

Relevant line item in Balance sheet	Description of item of property	Gross carrying value As at 31 March, 2023	Gross carrying value As at 31 March, 2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
PPE	**Building** 16 Flats in Tata Colony, Lallubhai Park, Andheri (W) Mumbai-400063	0.06	0.06	Tata Services Limited	Group Company	31 August, 1965	These flats are constructed on land owned by Tata Services Limited in line with arrangement amongst Tata Services Limited and Tata Group of companies (incl. Voltas Limited) Pending certain procedural aspects, title to the undivided share of land relating to the flats owned by Voltas Limited has not yet been transferred in the name of Voltas Limited.
	Building Plot No. 1, Sector 10, SIDCUL Rudrapur, IIE Pantnagar, Udham Singh Nagar, Uttarakhand-263153	8.90	8.90	Universal Comfort Products Limited	Group Company	11 September, 2020	This buiding was acquired pursuant to a scheme of amalgamation and continued to be registered in the name of amalgamating Company. However, the deed of merger has been registered by the Company.
Right of use assets	**Building** Voltas House, 23 J N Heredia Marg, Ballard Estate, Mumbai-400001	0.23	0.23	Bombay Port Trust	Others	15 June, 2017	The said building was taken on lease by Company from Bombay Port Trust. The Lease has expired on 14 June, 2017. The Company has submitted an application for renewal (in accordance with contractual right) of lease on 15 December, 2016.
	Leasehold land Plot No. 1, Sector 10, SIDCUL Rudrapur, IIE Pantnagar, Udham Singh Nagar, Uttarakhand-263153	2.56	2.56	Universal Comfort Products Limited	Group Company	11 September, 2020	This land was acquired pursuant to a scheme of amalgamation and continued to be registered in the name of amalgamating Company. However, the deed of merger has been registered by the Company.

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

(c) On transition to Ind AS (i.e. 1 April, 2015), the Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

(d) (i) Capital Work In Progress (CWIP) Ageing Schedule

As at 31 March, 2023

₹ in crores

Particulars	<1 year	1-2 years	2-3 years	> 3 years	Total
(a) Projects in progress	46.08	51.86	-	0.31	98.25
(b) Projects temporarily suspended	-	-	-	-	-
	46.08	**51.86**	**-**	**0.31**	**98.25**

As at 31 March, 2022

₹ in crores

Particulars	<1 year	1-2 years	2-3 years	> 3 years	Total
(a) Projects in progress	57.27	1.45	0.45	0.12	59.29
(b) Projects temporarily suspended	-	-	-	-	-
	57.27	**1.45**	**0.45**	**0.12**	**59.29**

5 INVESTMENT PROPERTY

₹ in crores

	Freehold Land	Buildings	Total
Gross carrying amount			
As at 1 April, 2021	0.14	70.64	70.78
Additions	-	-	-
Disposals	-	2.03	2.03
Transfers in / (out)	-	0.95	0.95
As at 31 March, 2022	**0.14**	**69.56**	**69.70**
Accumulated depreciation			
As at 1 April, 2021	-	15.23	15.23
Charge for the year	-	1.09	1.09
Disposals	-	0.34	0.34
Transfers in / (out)	-	0.40	0.40
As at 31 March, 2022	**-**	**16.38**	**16.38**
Net carrying amount as at 31 March, 2022	**0.14**	**53.18**	**53.32**
Gross carrying amount			
As at 1 April, 2022	0.14	69.56	69.70
Additions	-	-	-
Disposals	-	2.99	2.99
As at 31 March, 2023	**0.14**	**66.57**	**66.71**
Accumulated depreciation			
As at 1 April, 2022	-	16.38	16.38
Charge for the year	-	1.06	1.06
Disposals	-	0.14	0.14
As at 31 March, 2023	**-**	**17.30**	**17.30**
Net carrying amount as at 31 March, 2023	**0.14**	**49.27**	**49.41**

Footnotes :

(1) The amount included in transfers in / (out) represents the assets transferred from Property, Plant and Equipment (PPE) to Investment Property when it is held for the purpose of earning rental income / capital appreciation.

5 INVESTMENT PROPERTY (Contd.)

(2) Amount recognised in statement of profit and loss in relation to investment properties are as follows:

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
Rental income	29.27	24.70
Direct operating expenses (including repairs and maintenance) generating rental income (net of recoveries)	1.71	1.44
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income	5.32	4.87
Profit from investment properties before depreciation and indirect expenses	**22.24**	**18.39**
Less : Depreciation	1.06	1.09
Profit arising from investment properties before indirect expenses	**21.18**	**17.30**

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

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Land	126.58	117.66
Building	901.73	696.05
	1,028.31	**813.71**

The fair value of the investment properties have been derived using the market comparable approach (market value method / sale comparison technique) based on recent market prices without any significant adjustments being made to the market observable data. The valuation was carried out by an independent registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. Accordingly, fair value estimates for investment properties are classified as level 3.

The Company has no restriction on the realisability of its Investment properties and no contractual obligation to construct and develop investment properties.

6 RIGHT-OF-USE ASSETS

₹ in crores

	Leasehold Land	Leasehold Buildings	Total
Gross carrying amount			
As at 1 April, 2021	5.69	14.32	20.01
Additions	-	11.77	11.77
As at 31 March, 2022	**5.69**	**26.09**	**31.78**
Accumulated depreciation			
As at 1 April, 2021	0.89	8.28	9.17
Charge for the year	0.06	5.90	5.96
As at 31 March, 2022	**0.95**	**14.18**	**15.13**
Net carrying amount as at 31 March, 2022	**4.74**	**11.91**	**16.65**
Gross carrying amount			
As at 1 April, 2022	5.69	26.09	31.78
Additions	-	22.82	22.82
Movement on account of business transfer (Refer Note 57)	-	(0.38)	(0.38)
As at 31 March, 2023	**5.69**	**48.53**	**54.22**

6 RIGHT-OF-USE ASSETS (Contd.)

₹ in crores

	Leasehold Land	Leasehold Buildings	Total
Accumulated depreciation			
As at 1 April, 2022	0.95	14.18	15.13
Charge for the year	0.06	7.94	8.00
Movement on account of business transfer (Refer note 57)	-	(0.29)	(0.29)
As at 31 March, 2023	**1.01**	**21.83**	**22.84**
Net carrying amount as at 31 March, 2023	**4.68**	**26.70**	**31.38**

7 INTANGIBLE ASSETS

₹ in crores

	Manufacturing Rights & Technical Know- how	Software	Total
Gross carrying amount			
As at 1 April, 2021	10.04	56.05	66.09
Additions	-	2.05	2.05
Disposals	1.16	0.16	1.32
As at 31 March, 2022	**8.88**	**57.94**	**66.82**
Amortisation			
As at 1 April, 2021	10.04	47.82	57.86
Charge for the year	-	3.27	3.27
Disposals	1.16	0.16	1.32
As at 31 March, 2022	**8.88**	**50.93**	**59.81**
Net carrying amount as at 31 March, 2022	**-**	**7.01**	**7.01**
Gross carrying amount			
As at 1 April, 2022	8.88	57.94	66.82
Additions	-	1.51	1.51
Disposals	-	4.27	4.27
As at 31 March, 2023	**8.88**	**55.18**	**64.06**
Amortisation			
As at 1 April, 2022	8.88	50.93	59.81
Charge for the year	-	2.93	2.93
Disposals	-	4.27	4.27
As at 31 March, 2023	**8.88**	**49.59**	**58.47**
Net carrying amount as at 31 March, 2023	**-**	**5.59**	**5.59**

8. INVESTMENTS

	Currency	Face Value	As at 31 March, 2023 No.	As at 31 March, 2023 ₹ in crores	As at 31 March, 2022 No.	As at 31 March, 2022 ₹ in crores
8 (i) Non- current Investments						
A Investments in Subsidiaries, Joint Ventures & Associates						
(Fully paid Unquoted Equity Instruments)						
1 Investments in Subsidiary Companies						
(at cost less impairment unless otherwise stated):						
Weathermaker FZE, UAE	AED	15,00,000	1	3.07	1	3.07
Voltas Netherlands B.V.	EURO	45	13,635	2.65	13,635	2.65
Lalbuksh Voltas Engineering Services and Trading L.L.C, Muscat, Sultanate of Oman	RO	1	50,000	0.08	50,000	0.08
Agro Foods Punjab Limited (Refer footnote 8 (a)) (Beneficial rights transferred pending transfer of shares)	₹	100	2,80,000	-	2,80,000	-
Westerwork Engineers Limited (Under Liquidation)	₹	100	9,600	1.09	9,600	1.09
Universal MEP Projects & Engineering Services Limited (Refer footnote 8 (e))	₹	10	1,34,18,25,782	1,487.93	15,18,25,782	294.20
Hi-Volt Enterprises Private Limited	₹	10	10,000	0.01	10,000	0.01
Saudi Ensas Company for Engineering Services W.L.L., Saudi Arabia	SR	100	2,41,360	27.62	2,41,360	27.62
Gross Investments in Subsidiary Companies				1,522.45		328.72
Less : Impairment in value of Investments (#)				28.71		61.28
				1,493.74		**267.44**
(#) Impairment in value of Investments pertains to :						
Westerwork Engineers Limited (Under Liquidation)				1.09		1.09
Universal MEP Projects & Engineering Services Limited (Refer footnote 8 (e))				-		32.57
Saudi Ensas Company for Engineering Services W.L.L., Saudi Arabia				27.62		27.62
				28.71		**61.28**
2 Investments in Joint Ventures:						
(at cost less impairment unless otherwise stated):						
Voltas Water Solutions Private Limited (Refer footnote 8 (g)) (#)	₹	10	-	-	28,41,500	2.85
Olayan Voltas Contracting Company Limited, Saudi Arabia	SR	100	50,000	7.11	50,000	7.11
Share Application Money - Olayan Voltas	-	-	-	13.13	-	13.13
Voltbek Home Appliances Private Limited	₹	10	62,57,34,900	625.73	50,32,34,900	503.23
Gross Investments in Joint Ventures				645.97		526.32
Less : Impairment in value of Investments (#)				20.24		23.08
				625.73		**503.24**

8. INVESTMENTS (Contd.)

	Currency	Face Value	As at 31 March, 2023 No.	As at 31 March, 2023 ₹ in crores	As at 31 March, 2022 No.	As at 31 March, 2022 ₹ in crores
(#) Impairment in value of Investments pertains to :						
Voltas Water Solutions Private Limited				-		2.85
Olayan Voltas Contracting Company Limited, Saudi Arabia				20.24		20.23
				20.24		**23.08**
3 Investments in Associate Companies:						
(at cost less impairment unless otherwise stated):						
Brihat Trading Private Limited	₹	10	3,352	*	3,352	*
Naba Diganta Water Management Limited	₹	10	47,97,000	4.80	47,97,000	4.80
				4.80		**4.80**
B Investments in Other Companies (Investments at Fair Value through Other Comprehensive Income) (Refer footnote 8 (d))						
1 Fully Paid Unquoted Equity Instruments:						
Lakshmi Ring Travellers (Coimbatore) Limited (Refer footnote 8 (h))	₹	10	-	-	1,20,000	34.55
Agrotech Industries Limited	USD	1	3,67,500	-	3,67,500	-
Tata International Limited (Refer footnote 8 (i))	₹	1,000	15,000	74.42	15,000	33.90
Tata Services Limited (Refer footnote 8 (b))	₹	1,000	448	0.04	448	0.04
Tata Industries Limited (Refer footnote 8 (b))	₹	100	13,05,720	20.72	13,05,720	20.72
Tata Projects Limited (Refer footnote 8 (j))	₹	5	1,10,62,170	181.60	1,10,62,170	298.72
Premium Granites Limited	₹	10	4,91,220	-	4,91,220	-
OMC Computers Limited	₹	10	4,04,337	-	4,04,337	-
Avco Marine S.a.S, France	EURO	10	1,910	-	1,910	-
Voltas Employees Consumers Co-operative Society Limited	₹	10	750	*	750	*
Saraswat Co-operative Bank Limited	₹	10	10	*	10	*
Super Bazar Co-operative Stores Limited	₹	10	500	*	500	*
				276.78		**387.93**
2 Fully Paid Quoted Equity Instruments :						
Lakshmi Automatic Loom Works Limited (Refer footnote 8 (f))	₹	100	61,520	-	61,520	-
Tata Chemicals Limited	₹	10	2,00,440	19.49	2,00,440	19.54
Tata Consumer Products Limited	₹	1	2,28,501	16.22	2,28,501	17.76
Lakshmi Machine Works Limited	₹	10	5,79,672	578.00	5,79,672	558.20
Reliance Industries Limited (Refer footnote 8 (c))	₹	10	2,640	-	2,640	-
				613.71		**595.50**

8. INVESTMENTS (Contd.)

		Currency	Face Value	As at 31 March, 2023		As at 31 March, 2022	
				No.	₹ in crores	No.	₹ in crores
C	**Investment in Preference Shares (at amortised cost)**						
	Fully Paid Unquoted Preference Shares :						
	Tata Capital Limited						
	7.50% Cumulative Redeemable Preference Shares	₹	1,000	2,50,000	25.00	2,50,000	25.00
	7.10% Cumulative Redeemable Preference Shares	₹	1,000	2,00,000	20.00	2,00,000	20.00
	7.33% Cumulative Redeemable Preference Shares	₹	1,000	50,000	5.00	50,000	5.00
					50.00		**50.00**
D	**Investment in Unquoted Mutual funds (at fair value through profit or loss)**				**1,448.09**		**1,700.94**
E	**(i) Investment in Debenture/Bonds (at amortised cost)**						
	Fully Paid Quoted Debenture/Bonds:						
	Rural Electrification Corporation Limited :						
	8.01% Tax Free Bonds	₹	1,000	-	-	50,000	5.26
	7.17% Tax Free Bonds	₹	10,00,000	70	7.31	70	7.37
	5.75% Tax Free Bonds	₹	10,000	-	-	500	0.53
	8.18% Tax Free Bonds	₹	10,00,000	-	-	50	5.31
	National Housing Bank						
	8.26% Tax Free Non Convertible Debentures	₹	5,000	-	-	18,049	9.49
	Housing and Urban Development Corporation Limited						
	8.51% Tax Free Bonds	₹	1,000	-	-	1,50,000	15.84
	7.07% Tax Free Non Convertible Debentures	₹	10,00,000	50	5.27	50	5.30
	Indian Railway Finance Corporation Limited						
	8.35% Tax Free Bonds	₹	10,00,000	-	-	250	27.69
	Tata Motors Finance Limited						
	11.50% Non Convertible Debentures	₹	10,00,000	500	54.50	500	54.50
	UP Power Corporation Limited						
	9.70% Non Convertible Debentures	₹	10,00,000	250	25.38	-	-
					92.46		**131.29**
	(ii) Investment in Debenture/Bonds (at fair value through profit or loss)						
	Fully Paid Quoted Debenture/Bonds:						
	TMF Holdings Limited						
	7.2962% Perpetual Non Convertible Debentures	₹	10,00,000	500	49.92	500	49.39
					49.92		**49.39**

8. INVESTMENTS (Contd.)

		Currency	Face Value	As at 31 March, 2023		As at 31 March, 2022	
				No.	₹ in crores	No.	₹ in crores
F	**Investment in Others :**						
	Government Securities	₹			*		*
					*		*
	Total : Non-current Investments - Net				**4,655.23**		**3,690.53**
Footnotes:							
(i)	Aggregate value of Quoted Investments and market value thereof				756.09		776.18
(ii)	Aggregate value of Unquoted Investments				3,948.09		2,998.71
(iii)	Aggregate value of impairment in value of investments				48.95		84.36

Abbreviations for Currencies :

₹ : Indian Rupees | SR : Saudi Riyal | AED : United Arab Emirates Dirhams

RO : Omani Rial | USD : United States Dollar | EURO : European Union Currency

* value below ₹ 50,000/-

Footnotes:

8 (a) Under a loan agreement for ₹ 0.60 crore (fully drawn and outstanding) entered into between Agro Foods Punjab Limited (AFPL) and the Punjab State Industrial Development (PSIDC), the Company has given an undertaking to PSIDC that it will not dispose off its shares in AFPL till the monies under the said loan agreement between PSIDC and AFPL remain due and payable by AFPL to PSIDC. During 1998-99, the Company had transferred its beneficial rights in the shares of AFPL.

8 (b) For these unquoted investments categorised under Level 3, their respective cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

8 (c) In respect of the Company's investment in 2,640 equity shares of Reliance Industries Limited., there is an Injunction Order passed by the Honourable High Court of Kanpur restraining the transfer of these shares. The share certificates are, however, in the possession of the Company. Pending disposal of the case, dividend and fair value of these shares have not been recognised.

8 (d) Investments at Fair Value Through Other Comprehensive Income (FVTOCI) reflect investment in quoted and unquoted equity shares. These equity shares are designated as FVTOCI as they are not held for trading purpose and are not in similar line of business as the Company, thus disclosing their fair value change in profit and loss will not reflect the purpose of holding.

8 (e) The Company has conducted its annual impairment assessment of the investment in wholly owned subsidiary Universal MEP Projects & Engineering Services Limited and obtained a valuation report from an independent registered valuer. The fair value amount has been determined using the value in use method and calculated based on future cashflows for next five years after considering the order book position, current and anticipated economic conditions and trends, estimated future operating results and growth rates. The cash flows beyond five years are extrapolated using a steady growth rate of 5% per annum. Key assumptions for the value in use calculations includes discount rate of 11.74% per annum (PY : 12.49% per annum) applied to arrive at present value of the cash flows. The discount rate represents the weighted average cost of capital adjusted for the risk specific to the Investment and appropriate industrial beta has been applied (based on the comparative companies data) to arrive at the discount rate. Based on the assessment, the investment impairment of ₹ 32.57 crores has been reversed during the current year.

8 (f) During the previous year, Lakshmi Automatic Loom Works Limited had consolidated the face value of equity shares from ₹ 10/- each to face value of ₹ 100/- each.

8. INVESTMENTS (Contd.)

8 (g) During the current year, Voltas Water Solutions Private Limited, a dormant joint venture of the Company, had been struck off from Registrar of Companies records w.e.f. 26 July, 2022 and accordingly investment had been written off by utilising impairment allowance.

8 (h) During the current year, shares of Lakshmi Ring Travellers (Coimbatore) Limited were tendered pursuant to the Buy Back offer received by the Company.

8 (i) Fair value has been determined basis offer of issuance of equity shares on preferential basis.

8 (j) Fair value has been determined basis right issue offer announced.

		Currency	Face Value	As at 31 March, 2023		As at 31 March, 2022	
				No.	₹ In crores	No.	₹ In crores
8 (ii) Current Investments							
A	**Investment in Debenture/Bonds (at amortised cost)**						
	Fully Paid Quoted:						
	The Tata Power Company Limited						
	10.75% Non Convertible Debentures	₹	10,00,000	-	-	500	52.52
	Tata International Limited						
	9.85% Non Convertible Debentures	₹	10,00,000	-	-	500	50.57
	Rural Electrification Corporation Limited :						
	8.01% Tax Free Bonds	₹	1,000	50,000	5.18	-	-
	5.75% Tax Free Bonds	₹	10,000	500	0.53	-	-
	8.18% Tax Free Bonds	₹	10,00,000	50	5.23	-	-
	National Housing Bank						
	8.26% Tax Free Non Convertible Debentures	₹	5,000	18,049	9.33	-	-
	Housing and Urban Development Corporation Limited						
	8.51% Tax Free Bonds	₹	1,000	1,50,000	15.54	-	-
	Indian Railway Finance Corporation Limited						
	8.35% Tax Free Bonds	₹	10,00,000	250	27.29	-	-
	Bajaj Finance Limited						
	5.50% Non Convertible Debentures	₹	10,00,000	100	10.40	-	-
	Housing Development Finance Limited						
	6.95% Non Convertible Debentures	₹	10,00,000	200	21.28	-	-
	7.20% Non Convertible Debentures	₹	10,00,000	100	10.59	-	-
					105.37		**103.09**
B	**Investment in Unquoted Mutual funds (at fair value through profit or loss)**				**201.79**		**291.18**
C	**Investment in Inter Corporate Deposits (at amortised cost) :**				**-**		**40.00**
	Total : Current Investments				**307.16**		**434.27**
	Footnotes:						
	(i) Aggregate value of Quoted investments and market value thereof				105.37		103.09
	(ii) Aggregate value of Unquoted investments				201.79		331.18
	(iii) Aggregate value of impairment in value of investments				-		-

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

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Loans to Employees (Unsecured, considered good)	0.08	0.10
Total non-current loans	**0.08**	**0.10**

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

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
(a) Security deposits	5.06	6.36
(b) Deposits with customers / others	8.63	4.67
(c) Fixed deposits with remaining maturity of more than 12 months	247.52	64.55
(d) Others	15.41	15.41
Less: Impairment Allowance	15.41	15.41
Total other financial assets (Non-current)	**261.21**	**75.58**
Footnotes :		
(1) Break up of security details of other financial assets (non-current)		
(i) Unsecured, considered good	261.21	75.58
(ii) Credit impaired	15.41	15.41
	276.62	**90.99**
(2) Impairment Allowance		
(i) Unsecured, considered good	-	-
(ii) Credit impaired	15.41	15.41
	15.41	**15.41**

11. DEFERRED TAX

(a) The following is the analysis of deferred tax assets / (liabilities) presented in the Balance Sheet :

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Deferred tax assets	128.13	141.81
Deferred tax liabilities	(133.41)	(154.16)
Deferred tax liabilities (net)	**(5.28)**	**(12.35)**
Reconciliation of deferred tax liabilities (net):		
Opening balance	(12.35)	16.08
Tax income/(expense) during the period recognised in profit or loss	(12.01)	(5.27)
Tax income/(expense) during the period recognised in OCI	19.08	(23.16)
Closing balance	**(5.28)**	**(12.35)**

11. DEFERRED TAX (Contd.)

(b) The balance comprise temporary differences attributable to:

₹ in crores

	As at 31 March, 2022	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	As at 31 March, 2023
Provision for employee benefits (including Voluntary Retirement Scheme)	38.37	(3.47)	(4.27)	30.63
Allowance for receivables, loans and advances	77.12	(2.47)	-	74.65
Provision for contingencies and claims	10.84	(1.77)	-	9.07
Unpaid statutory liabilities	3.77	0.46	-	4.23
Government Grants	1.83	(0.17)	-	1.66
Estimated loss on projects	0.78	(0.55)	-	0.23
Free Maintenance services	5.73	0.33	-	6.06
Others	3.37	(1.77)	-	1.60
Deferred Tax Assets	**141.81**	**(9.41)**	**(4.27)**	**128.13**
Property, plant and equipment and intangible assets	(31.80)	(0.38)	-	(32.18)
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(88.01)	-	23.35	(64.66)
Unrealised gains on fair valuation of Mutual funds	(34.35)	(2.22)	-	(36.57)
Deferred Tax Liabilities	**(154.16)**	**(2.60)**	**23.35**	**(133.41)**
Deferred Tax Assets / (Liabilities) (net)	**(12.35)**	**(12.01)**	**19.08**	**(5.28)**

₹ in crores

	As at 31 March, 2021	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	As at 31 March, 2022
Provision for employee benefits (including Voluntary Retirement Scheme)	35.85	(1.86)	4.38	38.37
Allowance for receivables, loans and advances	77.92	(0.80)	-	77.12
Provision for contingencies and claims	8.04	2.80	-	10.84
Unpaid statutory liabilities	3.31	0.46	-	3.77
Government Grants	1.70	0.13	-	1.83
Estimated loss on projects	0.98	(0.20)	-	0.78
Free Maintenance services	6.06	(0.33)	-	5.73
Others	0.86	2.51	-	3.37
Deferred Tax Assets	**134.72**	**2.71**	**4.38**	**141.81**
Property, plant and equipment and intangible assets	(30.78)	(1.02)	-	(31.80)
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(60.47)	-	(27.54)	(88.01)
Unrealised gains on fair valuation of Mutual funds	(27.39)	(6.96)	-	(34.35)
Deferred Tax Liabilities	**(118.64)**	**(7.98)**	**(27.54)**	**(154.16)**
Deferred Tax Assets / (Liabilities) (net)	**16.08**	**(5.27)**	**(23.16)**	**(12.35)**

12 OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
(a) Balance with Government Authorities	57.80	70.00
(b) Capital advances	11.57	23.09
(c) Advance to suppliers	0.49	1.07
(d) Others	2.91	5.82
Less: Impairment Allowance	2.06	4.88
Total other non-current assets	**70.71**	**95.10**
Footnote :		
Impairment Allowance pertains to :		
(a) Balance with Government Authorities	1.20	3.89
(b) Advance to suppliers	0.86	0.99
Total	**2.06**	**4.88**

13 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
(a) Raw materials and Components	761.83	561.89
(b) Work-in-progress	8.56	7.43
(c) Finished goods	490.53	597.41
(d) Stock-in-trade	286.10	488.66
Total Inventories	**1,547.02**	**1,655.39**
Inventories includes goods-in-transit:		
(a) Raw materials and Components	115.06	161.94
(b) Stock-in-trade	19.66	31.83
Total goods-in-transit	**134.72**	**193.77**
Footnote :		
Provision / (reversal) for write-down on value of inventory recognised in statement of profit and loss	**(0.97)**	**(10.83)**

14 CONTRACT ASSETS (CURRENT) (UNSECURED)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Amount due from customers under construction contracts	444.42	658.19
Less: Impairment Allowance	70.95	81.76
Contract assets (Current) (net)	**373.47**	**576.43**
Footnotes :		
(1) Break up of security details		
(i) Unsecured, considered good	415.65	639.23
(ii) Contract assets - credit impaired	28.77	18.96
	444.42	**658.19**
Less: Impairment Allowance	70.95	81.76
	373.47	**576.43**

(2) Contract assets are initially recognised for revenue earned from electro mechanical projects contracts as receipt of consideration that is conditional on successful completion of project milestone. Upon completion of milestone and acceptance/certification by the customer, the amounts recognised as contract assets are billed to customers and reclassified to trade receivables. Contract assets balances have decreased mainly on account of transfer of Domestic Project Business (DPG), Mining and Construction Equipment (M&CE) business and Textile Machinery Division (TMD) business to Universal MEP Projects & Engineering Services Limited (UMPESL) (Refer Note 57).

15 TRADE RECEIVABLES (CURRENT) (AT AMORTISED COST) (UNSECURED)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Trade receivables	1,491.23	1,720.22
Less: Impairment Allowance	202.08	199.99
Trade receivables (net)	**1,289.15**	**1,520.23**
Footnotes :		
(1) Break up of security details		
(i) Unsecured, considered good	1,342.07	1,601.21
(ii) Trade Receivables - credit impaired	149.16	119.01
	1,491.23	**1,720.22**
Less: Impairment Allowance	202.08	199.99
	1,289.15	**1,520.23**

(2) Trade receivables has decreased mainly on account of transfer of Domestic Project Business (DPG), Mining and Construction Equipment (M&CE) business and Textile Machinery Division (TMD) business to Universal MEP Projects & Engineering Services Limited (UMPESL) (Refer Note 57).

(3) Trade receivables are non interest bearing and are generally on terms of 7 to 30 days in case of sale of products and in case of long term construction contracts, payment is generally due upon completion of milestone as per terms of contract. In certain contracts, short term advances are received before the performance obligation is satisfied.

(4) The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables and contract assets. The Company follows the simplified approach for recognition of impairment allowance on trade receivables and contract assets. The application of the simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment allowance based on lifetime ECLs at each reporting date. ECL impairment loss allowance (or reversal) recognised during the period is recognised in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

(5) **Movement in impairment allowance on trade receivables and contract assets.**

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Balance at the beginning of the year	281.75	284.74
Transferred to UMPESL under BTA (Refer Note 57)	(42.50)	-
Allowances / (write back) during the year	75.19	32.02
Written off against provision	(41.41)	(35.01)
Balance at the end of the year	**273.03**	**281.75**

15 TRADE RECEIVABLES (CURRENT) (AT AMORTISED COST) (UNSECURED) (Contd.)

(6) **Trade receivables (current) ageing :**

As at 31 March, 2023

₹ in crores

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade Receivables - Considered Good	692.42	332.97	97.31	73.51	38.55	20.66	1,255.42
(ii) Undisputed Trade Receivables - Considered Doubtful	-	-	-	29.65	41.41	43.79	114.85
(iii) Disputed Trade Receivables - Considered Good	-	-	-	71.94	0.05	14.66	86.65
(iv) Disputed Trade Receivables - Considered Doubtful	-	-	-	0.71	0.02	33.58	34.31
Total : Trade receivables (Current)	**692.42**	**332.97**	**97.31**	**175.81**	**80.03**	**112.69**	**1,491.23**

As at 31 March, 2022

₹ in crores

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade Receivables - Considered Good	805.35	488.35	148.33	52.77	53.62	19.83	1,568.26
(ii) Undisputed Trade Receivables - Considered Doubtful	-	-	-	0.12	3.14	87.64	90.90
(iii) Disputed Trade Receivables - Considered Good	-	-	-	10.31	7.64	15.01	32.96
(iv) Disputed Trade Receivables - Considered Doubtful	-	-	-	-	0.14	27.96	28.10
Total : Trade receivables (Current)	**805.35**	**488.35**	**148.33**	**63.20**	**64.54**	**150.44**	**1,720.22**

16 CASH AND CASH EQUIVALENTS

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Cash on hand	0.02	0.03
Cheques on hand	9.10	14.77
Remittance in-transit	0.02	-
Balances with banks		
- On current accounts	364.68	436.32
Total Cash and cash equivalents	**373.82**	**451.12**

Footnotes :

(a) At 31 March, 2023, the Company had available ₹ 419.29 crores (31 March, 2022: ₹ 499.76 crores) of undrawn committed borrowing facilities. Sanction limits of domestic operations are secured against inventories, receivables and other current assets.

(b) Changes in liabilities arising from financing activities :

₹ in crores

Particulars	**As at 31 March, 2023**	
	Borrowings	**Lease liabilities**
Opening balance	126.04	13.75
Cash flows	159.24	(9.51)
New leases	-	22.82
Transfer on sale of business	-	(0.11)
Accretion of interest	-	2.78
Closing balance	**285.28**	**29.73**

₹ in crores

Particulars	**As at 31 March, 2022**	
	Borrowings	**Lease liabilities**
Opening balance	101.84	6.62
Cash flows	24.19	(6.16)
New leases	-	11.77
Foreign exchange management	0.01	-
Accretion of interest	-	1.52
Closing balance	**126.04**	**13.75**

(c) The quarterly returns or statements of current assets filed by the Company against sanctioned working capital limits with banks are in agreement with the books of accounts .

17 OTHER BALANCES WITH BANKS

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Earmarked balances - unpaid dividend Accounts	7.55	7.79
Margin money	8.11	4.98
Total Other Bank balances	**15.66**	**12.77**

Footnote :

Margin money deposit is placed as guarantee to project customers and Government authorities.

18 LOANS (CURRENT) (AT AMORTISED COST)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Loans to employees (Unsecured, considered good)	0.43	1.91
Total loans (Current)	**0.43**	**1.91**

19 OTHER FINANCIAL ASSETS (CURRENT) (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED) (AT AMORTISED COST)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
(a) Security deposits	12.93	17.92
(b) Inter-corporate deposits	185.00	-
(c) Due from related parties	71.93	29.42
(d) Interest accrued	13.58	4.87
(e) Recovery against bank guarantee encashment	73.10	-
(f) Others	103.37	62.14
	459.91	**114.35**
Less: Impairment Allowance	78.64	4.00
Total other financial assets (Current)	**381.27**	**110.39**

Footnotes :

(1) Break up of security details of other financial assets (current)		
(i) Unsecured, considered good	381.27	110.35
(ii) Credit impaired	78.64	4.00
	459.91	**114.35**
(2) Impairment Allowance		
(i) Unsecured, considered good	-	-
(ii) Credit impaired		
- Recovery against bank guarantees encashment	73.10	-
- Others	5.54	4.00
	78.64	**4.00**

20 OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
(a) Balance with Government Authorities	128.11	83.08
(b) Advance to suppliers	55.74	97.29
(c) Gratuity fund (Refer Note 47)	7.33	-
(d) Prepaid expense	23.24	29.99
(e) Others		
- Considered good	7.14	11.19
-Credit impaired	0.65	0.46
Less: Impairment Allowance	0.65	0.46
Total other current assets	**221.56**	**221.55**

21 SHARE CAPITAL

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Authorised:		
1,10,00,00,000 (31 March, 2022: 1,10,00,00,000) Equity Shares of ₹ 1/- each	110.00	110.00
40,00,000 (31 March, 2022: 40,00,000) Preference Shares of ₹ 100/- each	40.00	40.00
	150.00	**150.00**
Issued, Subscribed and Paid up:		
33,08,84,740 (31 March, 2022: 33,08,84,740) Equity Shares of ₹ 1/- each	33.09	33.09
Less : Calls-in-Arrears [1,19,850 shares (31 March, 2022: 1,22,500 shares) [Refer footnote 21 (d)]	0.01	0.01
Total share capital	**33.08**	**33.08**

Footnotes:

Terms / Rights attached to equity shares

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

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

	Equity Share Capital			
	As at 31 March, 2023		As at 31 March, 2022	
	Numbers	₹ in crores	Numbers	₹ in crores
Shares outstanding at the beginning of the year	33,08,84,740	33.08	33,08,84,740	33.08
Shares outstanding at the end of the year	33,08,84,740	33.08	33,08,84,740	33.08

(c) Details of equity shares held by shareholders holding more than 5% shares in the Company:

Name of Shareholder	Class of Shares	Equity Share Capital			
		As at 31 March, 2023		As at 31 March, 2022	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
Tata Sons Private Limited	Equity	8,81,31,780	26.64	8,81,31,780	26.64
Life Insurance Corporation of India	Equity	3,39,03,563	10.25	1,55,82,206	4.71

(d) As per the records of the Company, no calls remained unpaid by the Directors and Officers of the Company as on 31 March, 2023 (31 March, 2022 : Nil).

(e) Details of shares held by promoter / promoter group*

Description	As at 31 March, 2023					
	Name of the promoter / promoter group*	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 1 each fully paid	Tata Sons Private Limited	8,81,31,780	-	8,81,31,780	26.64%	-
	Tata Investment Corporation Limited*	99,62,330	-	99,62,330	3.01%	-
	Ewart Investments Limited*	19,25,950	-	19,25,950	0.58%	-
	The Tata Power Company Limited*	2,33,420	-	2,33,420	0.07%	-
Total		**10,02,53,480**	**-**	**10,02,53,480**	**30.30%**	**-**

21 SHARE CAPITAL (Contd.)

Description	As at 31 March, 2022					
	Name of the promoter / promoter group*	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 1 each fully paid	Tata Sons Private Limited	8,81,31,780	-	8,81,31,780	26.64%	-
	Tata Investment Corporation Limited*	99,62,330	-	99,62,330	3.01%	-
	Ewart Investments Limited*	19,25,950	-	19,25,950	0.58%	-
	The Tata Power Company Limited*	2,33,420	-	2,33,420	0.07%	-
Total		**10,02,53,480**	**-**	**10,02,53,480**	**30.30%**	**-**

22 OTHER EQUITY

₹ in crores

		As at 31 March, 2023	As at 31 March, 2022
(1)	Capital Reserve	12.25	12.25
(2)	Capital Redemption Reserve	1.26	1.26
(3)	Securities Premium	6.28	6.28
(4)	General Reserve	1,446.83	1,426.83
(5)	Staff Welfare Reserve	0.01	0.01
(6)	Equity instruments fair value through other comprehensive income	736.28	805.85
(7)	Retained Earnings	4,537.11	3,283.14
Total other equity		**6,740.02**	**5,535.62**

MOVEMENTS IN OTHER EQUITY

₹ in crores

		As at 31 March, 2023	As at 31 March, 2022
(1)	**Capital Reserve**		
	- As per last Balance Sheet	**12.25**	**12.25**
(2)	**Capital Redemption Reserve**		
	- As per last Balance Sheet	**1.26**	**1.26**
(3)	**Securities Premium**		
	- As per last Balance Sheet	6.28	6.28
(4)	**General Reserve**		
	- As per last Balance Sheet	1,426.83	1,406.83
	- Transfer from retained earnings	20.00	20.00
	- Closing Balance	**1,446.83**	**1,426.83**
(5)	**Staff Welfare Reserve**		
	- As per last Balance Sheet	**0.01**	**0.01**
(6)	**Equity instruments fair value through other comprehensive income**		
	- As per last Balance Sheet	805.85	626.85
	- Changes during the year	(69.57)	179.00
	- Closing Balance	**736.28**	**805.85**

22 OTHER EQUITY (Contd.)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
(7) Retained Earnings		
(a) As per last Balance Sheet	3,283.14	2,898.14
(b) Additions :		
- Net Profit for the year	1,405.31	583.47
- Gain realised on sale of equity instrument classified as FVTOCI	37.96	-
- Transfer from other comprehensive income (net of tax)	12.69	-
	1,455.96	**583.47**
(c) Deductions :		
- Dividend	181.99	165.44
- Transfer from other comprehensive income (net of tax)	-	13.03
- Transfer to General Reserve	20.00	20.00
	201.99	**198.47**
Closing Balance	**4,537.11**	**3,283.14**
Total other equity	**6,740.02**	**5,535.62**

DISTRIBUTION MADE AND PROPOSED

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Cash Dividends on Equity Shares declared and paid:		
Dividend for the year ended 31 March, 2022: ₹ 5.50 per share	181.99	165.44
(31 March, 2021: ₹ 5.00 per share)		
	181.99	**165.44**
Proposed Dividend on Equity Shares:		
Dividend for the year ended 31 March, 2023: ₹ 4.25 per share	140.63	181.99
(31 March, 2022: ₹ 5.50 per share)		
	140.63	**181.99**

Footnotes : Nature and purpose of reserves

Capital Reserve :

Capital Reserve was created from capital surplus on sale of assets and on amalgamation of subsidiary.

Capital Redemption Reserve :

Capital Redemption Reserve is created out of profit available for distribution towards redemption of Preference shares. This reserve can be used for the purpose of issue of Bonus shares.

Securities Premium :

Securities Premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares. This reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General Reserve :

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.

22 OTHER EQUITY (Contd.)

Equity instruments fair value through other comprehensive income :

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Retained Earnings :

The balance in the Retained Earnings primarily represents the surplus after payment of dividend and transfer to reserves.

23 CONTRACT LIABILITIES (NON-CURRENT)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Unexpired service contracts	6.33	3.51
Total Contract liabilities (Non-Current)	**6.33**	**3.51**

24 BORROWINGS (AT AMORTISED COST) (NON-CURRENT)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Unsecured		
Term Loans from Banks	21.15	-
Total borrowings	**21.15**	**-**

Footnotes :

(i) Term loans are repayable in monthly equal installments over the period of 12 months and one bullet payment on the maturity date of loan i.e. April 2024.

(ii) Term loans from banks carry an average interest rate of 7.00% (31 March, 2022 : Nil)

25 LEASE LIABILITIES (NON-CURRENT)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Unsecured		
Lease Liabilities (Refer Note 53)	21.34	8.97
Total lease liabilities	**21.34**	**8.97**

26 OTHER FINANCIAL LIABILITIES (NON-CURRENT)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Employee's payable - Voluntary Retirement Scheme	11.46	14.89
Total other non-current financial liabilities	**11.46**	**14.89**

27 PROVISIONS (NON-CURRENT)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Provision for employee benefits :		
(i) Provision for gratuity (Refer Note 47)	24.89	37.66
(ii) Pension obligations (Refer Note 47)	38.84	39.56
(iii) Post retirement medical benefits (Refer Note 47)	5.74	5.53
Total provisions (Non-Current)	**69.47**	**82.75**

28 OTHER NON-CURRENT LIABILITIES

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Deferred Government Grant	4.17	6.32
Total other non-current liabilities	**4.17**	**6.32**

Footnote :

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

29 CONTRACT LIABILITIES (CURRENT)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
(a) Advances received from customers	160.04	197.87
(b) Unexpired service contracts	10.97	9.21
(c) Billing in excess of contract revenue	35.74	118.35
Total Contract liabilities (Current) :	**206.75**	**325.43**

Footnote :

Contract liabilities balances have decreased mainly on account of transfer of Domestic Project Business (DPG), Mining and Construction Equipment (M&CE) business and Textile Machinery Division (TMD) business to Universal MEP Projects & Engineering Services Limited (UMPESL) (Refer Note 57).

30 BORROWINGS (AT AMORTISED COST) (CURRENT)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Unsecured		
(a) Term loans from banks - Current maturities of long term debts	99.03	-
(b) Working capital loans from banks	165.10	126.04
Total borrowings	**264.13**	**126.04**

Footnotes :

(i) Term loans are repayable in monthly equal installments over the period of 12 months and one bullet payment on the maturity date of loan i.e. April 2024.

(ii) Term loans from banks carry an average interest rate of 7% (31 March, 2022 : Nil)

(iii) Working capital loans from banks are repayable on demand.

(iv) Working capital loans from banks carry an average interest rate of 5.24% to 8.70% (31 March, 2022 : 1.35% to 5.75%).

31 LEASE LIABILITIES (CURRENT)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Unsecured		
Lease Liabilities (Refer Note 53)	8.39	4.78
Total lease liabilities	**8.39**	**4.78**

32 TRADE PAYABLES

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Trade payables :		
(i) Total outstanding dues of micro and small enterprises	112.94	143.46
(ii) Total outstanding dues of creditors other than micro and small enterprises	2,096.85	2,538.56
Total trade payables	**2,209.79**	**2,682.02**

Footnotes :

(i) Trade payables are non interest bearing and are normally settled on 30 days to 365 days credit term.

(ii) Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (as amended) :

(i) (a) Principal amount remaining unpaid to any supplier	112.94	142.57
(b) Interest on (i)(a) above	-	-
(ii) The amount of interest paid along with the principal payment made to the supplier	-	-
(iii) Amount of interest due and payable on delayed payments	-	-
(iv) Amount of further interest remaining due and payable for the earlier years	-	1.02
(v) Total outstanding dues of Micro and Small Enterprises		
- Principal	112.94	142.44
- Interest	-	1.02

32 TRADE PAYABLES (Contd.)

(iii) Trade payables ageing :

As at 31 March, 2023

₹ in crores

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	59.05	45.20	3.28	2.13	3.28	112.94
(ii) Others	83.55	898.03	965.84	41.24	32.45	74.31	2,095.43
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	1.43	1.43
Total	**83.55**	**957.08**	**1,011.04**	**44.52**	**34.58**	**79.02**	**2,209.79**

As at 31 March, 2022

₹ in crores

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	69.47	68.83	2.30	1.28	1.58	143.46
(ii) Others	136.68	1,528.97	732.74	45.69	28.64	63.96	2,536.68
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	0.42	1.46	1.88
Total	**136.68**	**1,598.44**	**801.57**	**47.99**	**30.34**	**67.00**	**2,682.02**

33 OTHER FINANCIAL LIABILITIES (CURRENT) (AT AMORTISED COST)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
(a) Deposits received from customers / others	39.84	30.60
(b) Payable for capital goods	18.19	9.95
(c) Unpaid dividends	7.55	7.79
(e) Rebate to customers	17.65	48.02
(f) Employee's payable - Voluntary Retirement Scheme	5.32	5.91
(g) Other financial liabilities	29.22	0.96
Total other financial liabilities	**117.77**	**103.23**

34 PROVISIONS (CURRENT)

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
(a) Provision for Employee Benefits		
(i) Provision for gratuity (Refer Note 47)	2.49	7.18
(ii) Pension obligations (Refer Note 47)	3.79	3.56
(iii) Provision for compensated absences	19.58	30.52
(iv) Post retirement medical benefits (Refer Note 47)	0.24	0.29
(b) Provision for Trade Guarantees	80.47	63.70
(c) Provision for Contingencies for tax matters	36.05	43.08
Total provision (current)	**142.62**	**148.33**
Footnotes :		
A. Provisions for Trade Guarantees :		
Opening balance	63.70	46.44
Additional provisions recognised	60.44	53.88
Less : Utilisation	39.90	32.93
Less : Reversal	-	3.69
Less: Transferred to UMPESL under BTA (Refer Note 57)	3.77	-
Closing balance	**80.47**	**63.70**
B. Provision for Contingencies for tax matters		
Opening balance	43.08	31.97
Additional provisions recognised	2.74	11.38
Less : Utilisation	1.44	0.27
Less : Reversal	3.67	-
Less : Transferred to UMPESL under BTA (Refer Note 57)	4.66	-
Closing balance	**36.05**	**43.08**

35 OTHER CURRENT LIABILITIES

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
(a) Statutory obligations	139.78	84.87
(b) Others	1.06	1.11
Total other current liabilities	**140.84**	**85.98**

36 REVENUE FROM OPERATIONS

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue from contracts with customers :		
(a) Sale of products	5,814.83	4,563.97
(b) Construction contract revenue	895.57	1,591.51
(c) Sale of services	859.91	834.35
	7,570.31	**6,989.83**
Other operating income :		
(a) Unclaimed credit balances written back	7.57	9.70
(b) Sale of scrap	8.39	10.59
(c) Government Grant	0.69	10.86
(d) Business Support Services	87.64	77.45
(e) Others	0.32	0.17
	104.61	**108.77**
Total revenue from operations	**7,674.92**	**7,098.60**

37 OTHER INCOME

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
(a) Dividend Income :		
From investment in subsidiaries, associates and joint ventures	2.35	2.13
From equity investments measured at FVTOCI	6.91	5.02
(b) Interest Income :		
On sundry advances, deposits, customers' balances etc.	0.02	0.02
On Inter corporate deposits and deposits with banks	16.03	2.46
On Income-tax refunds	2.48	1.17
On financial instruments measured at amortised cost	25.81	26.51
(c) Gain on sale / fair valuation of financial assets measured at FVTPL	63.24	81.09
(d) Exchange differences (Net)	7.06	9.00
(e) Rental income	29.27	24.70
(f) Other non-operating income	22.03	15.79
Total other income	**175.20**	**167.89**

38 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
Inventories at the end of the year :		
- Finished Goods including stock-in-trade	776.63	1,086.07
- Work-in-progress	8.56	7.43
	785.19	**1,093.50**
Inventories at the beginning of the year :		
- Finished Goods including stock-in-trade	1,086.07	904.83
- Work-in-progress	7.43	10.40
	1,093.50	**915.23**
Net (increase) / decrease	**308.31**	**(178.27)**

39 EMPLOYEE BENEFITS EXPENSES

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
(a) Salaries, Wages and Bonus	397.15	449.95
(b) Contribution to Provident and other funds	22.50	23.49
(c) Staff Welfare expenses	17.03	15.10
Total employee benefits expenses	**436.68**	**488.54**

40 FINANCE COSTS

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest expense :		
(a) on borrowings from banks and others	9.68	11.51
(b) on delayed payment of income tax	-	1.52
(c) on lease liabilities	2.78	1.52
Total finance costs	**12.46**	**14.55**

VOLTAS
A TATA Enterprise

41 DEPRECIATION AND AMORTISATION EXPENSES

₹ in crores

		Year ended 31 March, 2023	Year ended 31 March, 2022
(a)	Depreciation on property, plant and equipment	24.34	22.81
(b)	Amortisation on intangible assets	2.93	3.27
(c)	Depreciation on investment property	1.06	1.09
(d)	Depreciation on Right-of-use assets	8.00	5.96
Total depreciation and amortisation expenses		**36.33**	**33.13**

42 OTHER EXPENSES

₹ in crores

		Year ended 31 March, 2023	Year ended 31 March, 2022
(a)	Consumption of Stores and Spares	6.42	2.90
(b)	Power and Fuel	13.69	10.26
(c)	Rent	13.81	16.85
(d)	Repairs to Buildings	2.82	1.50
(e)	Repairs to Plant and Machinery	13.33	10.87
(f)	Insurance charges	12.31	10.47
(g)	Rates and Taxes	3.81	5.98
(h)	Travelling and Conveyance	33.06	27.75
(i)	Payment to Auditors [Refer Note 42(A)]	2.98	3.00
(j)	Legal and Professional fees	31.03	21.57
(k)	Bad and Doubtful Debts / Advances [Refer footnote below]	43.60	32.02
(l)	Loss on sale of property, plant and equipment	1.31	1.28
(m)	Corporate Social Responsibility (CSR) [Refer Note 42(B)]	14.60	12.94
(n)	Outside service charges	123.26	99.45
(o)	Clearing charges	68.84	74.46
(p)	Freight and forwarding charges	127.33	120.66
(q)	Commission on sales	5.64	9.59
(r)	Advertising	62.09	33.04
(s)	Printing and stationery	8.25	8.05
(t)	Miscellaneous expenses	111.15	93.17
Total other expenses		**699.33**	**595.81**
Footnote :			
Bad and Doubtful Debts / Advances includes :-			
(a)	Expected credit loss for contract assets and trade receivables	40.62	32.02
(b)	Allowance for doubtful debts and advances	2.98	-
Total		**43.60**	**32.02**

42(A) AUDITOR'S REMUNERATION

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
(a) To Statutory Auditor for		
(1) Audit Fees	2.66	2.63
(2) Tax Audit Fees	0.06	0.06
(3) Other Services	0.10	0.14
(4) Reimbursement of Expenses	0.08	0.08
(b) To Secretarial Auditor for secretarial audit	0.02	0.02
(c) To Cost Auditor for cost audit	0.06	0.07
Total	**2.98**	**3.00**

42(B) CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENSES

₹ in crores

		Year ended 31 March, 2023	Year ended 31 March, 2022
(a) Gross amount required to be spent by the Company during the year			
Construction / acquisition of any asset		-	-
On purposes other than above		14.35	13.10
Total		**14.35**	**13.10**
(b) Amount approved by the Board to be spent during the year			
Construction / acquisition of any asset		-	-
On purposes other than above		14.55	13.14
Total		**14.55**	**13.14**
(c) Amount spent during the year			
Construction / acquisition of any asset		-	-
On purposes other than above		14.60	12.94
Total		**14.60**	**12.94**
(d) Details of ongoing project and other than ongoing project			
(d) (i) In case of S. 135(6) (Ongoing Project)			
Opening Balance	- With Company	-	-
	- In Separate CSR Unspent A/c	-	-
Amount required to be spent during the year		-	-
Amount spent during the year	- From Company's bank A/c'	-	-
	- From Separate CSR Unspent A/c	-	-
Closing Balance	- With Company	-	-
	- In Separate CSR Unspent A/c	-	-
(d) (ii) In case of S.135(5) (Other than ongoing project)			
Opening Balance		(0.05)	(0.21)
Amount deposited in Specified Fund of Sch. VII within 6 months		-	-
Amount required to be spent during the year		14.35	13.10
Amount spent during the year		14.60	12.94
Closing balance (Excess spent)		(0.30)	(0.05)
(e) Details related to spent / unspent obligations :			
i) Contribution to Public Trust		4.49	4.35
ii) Contribution to Charitable Trust		0.55	1.41
iii) Others (Contribution to Section 8 companies, non-profit organisation, proprietorship and private limited companies)		9.56	7.18
iv) Unspent amount in relation to:			
- Ongoing projects		-	-
- Other than ongoing projects		-	-
Total		**14.60**	**12.94**

43 EXCEPTIONAL ITEMS

₹ in crores

		Year ended 31 March, 2023	Year ended 31 March, 2022
(a)	Gain on transfer of business (Refer footnote (i))	1,049.04	-
(b)	Reversal of provision for diminution in value of investments (Refer Note 8(e))	32.57	-
(c)	Provision arising out of cancellation of contract and encashment of bank guarantee (Refer footnote (ii))	(106.43)	-
Total exceptional Items		**975.18**	**-**

Footnotes :

(i) The Board of Directors of Voltas Limited ('Holding Company') at its meeting held on 12 February, 2021, have approved the transfer of domestic B2B businesses relating to Projects business comprising Mechanical Electrical and Plumbing (MEP)/ Heating, Ventilation and Air-Conditioning (HVAC) and Water projects, Mining and Construction Equipment (M&CE) business and Textile Machinery Division (TMD) business to its wholly owned subsidiary viz. Universal MEP Projects & Engineering Services Limited ('UMPESL') via slump sale through a Business Transfer Agreement ('BTA'). The BTA transaction has been consummated on 1 August, 2022, being the closing date for the transfer of business for a consideration of ₹ 1,190 crores and resultant gain on said transaction of ₹ 1,049.04 crores has been disclosed as an Exceptional Item.

(ii) In respect of one of the overseas projects, the main contractor had unilaterally terminated the contract with Voltas and also encashed the underlying bank guarantee pursuant to the termination of the main contractor's contract by their customer. The Company had considered a provision towards outstanding dues and encashed performance guarantee on the said project. The Company has initiated legal proceedings against the main contractor for recovery of the proceeds of bank guarantee and due amounts from them.

44 INCOME TAX

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31 March, 2023 and 31 March, 2022

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
Profit before tax	1,528.17	763.16
Indian statutory income tax rate	25.17%	25.17%
Income-tax expense at India's statutory income tax rate	384.61	192.07
Effect of adjustments to reconcile the expected tax expense to reported income tax expense:		
Effect of exempt income	(3.51)	(3.38)
Effect of exempt income on account of business transfer under common control (Refer Note 57)	(264.02)	-
Effect of non-deductible expenses	4.28	5.59
Effect of income which is taxed at special rates	(0.20)	(11.01)
Adjustment of tax relating to earlier periods	(0.95)	(3.58)
Effect of impairment / (reversal) of impairment provision on investments	(8.20)	0.06
Effect of business transfer under common control	13.75	-
Others	(2.90)	(0.06)
	122.86	**179.69**

45 EARNINGS PER SHARE

		Year ended 31 March, 2023	Year ended 31 March, 2022
(a)	Profit attributable to Equity Shareholders - (₹ in crores)	1,405.31	583.47
(b)	Weighted average number of Equity Shares Outstanding	33,08,84,740	33,08,84,740
(c)	Earnings Per Share (₹) - Basic and Diluted (Face value ₹ 1/- per share)	**42.47**	**17.63**

46 COMMITMENTS AND CONTINGENCIES

A. Commitments :

₹ in crores

		As at 31 March, 2023	As at 31 March, 2022
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	126.91	101.13

(ii) As per the E-Waste (Management) Rules, 2016, as amended, the Company has an obligation to complete the Extended Producer Responsibility targets, only if it is a participant in the market during a financial year. The obligation for a financial year is measured based on sales made in the preceding 10th year and the Company has fulfilled its obligation for the current financial year. In accordance with Appendix B of Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', the Company will have an e-waste obligation for future years, only if it participates in the market in those years.

(B) Financial Guarantee :

The Company has issued financial guarantees to banks on behalf of and in respect of credit facilities availed by its subsidiary and joint venture companies.

₹ in crores

		As at 31 March, 2023	As at 31 March, 2022
(i)	Limits (Fund and Non Fund based)	2,815.26	2,191.34
(ii)	Against which outstanding balance	1,322.37	636.78

(C) Contingent liabilities:

₹ in crores

		As at 31 March, 2023	As at 31 March, 2022
Claims against the Company not acknowledged as debts			
(i)	Sales tax / VAT matters	74.72	125.64
(ii)	Service tax matters	18.38	18.38
(iii)	Excise matters	19.72	19.89
(iv)	Contractual matters in the course of business	64.44	65.43
(v)	Customs duty matters	1.14	1.14
(vi)	Guarantees for terminated contract	374.95	345.61
(vii)	Income tax matters	15.43	14.77
		568.78	**590.86**

47 EMPLOYEE BENEFITS

The Company has defined benefit Gratuity, Post retirement medical benefits, Pension plans and Trust managed Provident fund plan as given below:

(i) Gratuity

Every employee who has completed five years of services, is entitled to Gratuity benefits. The Gratuity plan for Indian employees is governed by the Payment of Gratuity Act, 1972. The Gratuity plan provides lumpsum payments to vested employees at retirement, death while in employment, or termination of employment being an amount equivalent to 15 days salary for each completed year of service. The Company also provides similar Gratuity benefits to overseas employee. The Gratuity plan for Indian employees is funded and for overseas employees is unfunded.

(ii) Post Retirement Medical Benefits (PRMB)

PRMB scheme is eligible for all those employees who are above management staff grade and have joined on or before 31 December, 2015.The scheme is non-funded.

(iii) Pension plans

Pension plan benefit are provided to past Executive Directors and their specified relatives after completion of the services with the Company or Tata Group. The scheme is non- funded.

(a) The following table summaries the components of net benefit expenses recognised in Statement of Profit or Loss, other comprehensive income, the funded status and amount recognised in the Balance Sheet for the respective plans as on the reporting dates:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Current service cost	4.95	3.27	5.86	4.55	-	-	0.19	0.19
Net interest expense	0.36	(0.69)	1.33	1.02	3.16	2.88	0.43	0.42
Components of defined benefit costs recognised in profit or loss	**5.32**	**2.58**	**7.19**	**5.57**	**3.16**	**2.88**	**0.62**	**0.61**
Remeasurement on the defined benefit plans:								
Return on plan assets	(0.23)	(2.12)	-	-	-	-	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(3.35)	9.64	(11.90)	7.45	(0.60)	(1.28)	(0.11)	(0.18)
Actuarial (gains) / losses arising from experience adjustments	(0.51)	0.80	(2.08)	(0.88)	0.62	0.71	1.20	(0.13)
Actuarial (gains) / losses arising from Demograhic Assumption	-	(0.04)	-	(0.02)	-	2.96	-	0.50
Components of defined benefit costs recognised in other comprehensive income	**(4.09)**	**8.28**	**(13.99)**	**6.55**	**0.02**	**2.39**	**1.09**	**0.19**

47 EMPLOYEE BENEFITS (Contd.)

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Change in benefit obligation								
Opening defined benefit obligation	51.04	39.73	39.89	32.53	43.12	41.37	5.82	6.06
Current service cost	4.95	3.27	5.86	4.55	-	-	0.19	0.19
Interest cost	3.74	2.76	1.33	1.02	3.16	2.88	0.43	0.42
Remeasurement (gains)/losses:								
Actuarial (gains)/losses arising from changes in financial assumptions	(3.35)	9.64	(11.90)	7.45	(0.60)	(1.28)	(0.11)	(0.18)
Actuarial (gains)/losses arising from experience adjustments	(0.51)	0.80	(2.08)	(0.88)	0.62	0.71	1.20	(0.13)
Actuarial (gains) / losses arising from Demograhic Assumption	-	(0.04)	-	(0.02)	-	2.96	-	0.50
Transfer of obligation on account of transfer of employee from group companies	0.02	0.05	-	-	-	-	-	-
Exchange differences on foreign plans	-	-	3.07	1.09	-	-	-	-
Transfer of obligation on transfer of Business (Refer Note 57)	(18.67)	-	-	-	-	-	(0.28)	-
Benefits paid	(3.80)	(5.17)	(8.79)	(5.85)	(3.68)	(3.52)	(1.27)	(1.04)
Closing defined benefit obligation	**33.43**	**51.04**	**27.38**	**39.89**	**42.63**	**43.12**	**5.98**	**5.82**

Change in plan assets

₹ in crores

	2022-23	2021-22
Opening fair value of plan assets	46.09	49.68
Interest income	3.38	3.46
Remeasurement gain / (losses):		
Return on plan assets	0.23	2.12
Contributions from the employer	13.53	(4.00)
Amount paid on transfer of Business (Refer Note 57)	(18.67)	-
Benefits paid	(3.80)	(5.17)
Closing fair value of plan assets	**40.76**	**46.09**

47 EMPLOYEE BENEFITS (Contd.)

The amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plans are as follows:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Present value of funded defined benefit obligation	(33.43)	(51.04)	(27.38)	(39.89)	(42.63)	(43.12)	(5.98)	(5.82)
Fair value of plan assets	40.76	46.09	-	-	-	-	-	-
Net (liability) / asset arising from defined benefit obligation	**7.33**	**(4.95)**	**(27.38)**	**(39.89)**	**(42.63)**	**(43.12)**	**(5.98)**	**(5.82)**

(b) The major categories of plan assets as a percentage of total plan:

Category of investments:

₹ in crores

	Gratuity funded	
	2022-23	2021-22
Government of India securities	57%	56%
Corporate bonds	31%	33%
Mutual funds	8%	8%
Others (Interest accrued, Balances with banks)	4%	3%
	100%	**100%**

(c) The principal assumptions used for the purposes of the actuarial valuations are as follows.

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Discount rate	7.52%	7.33%	4.80%	3.20%	7.52%	7.33%	7.52%	7.33%
Attrition Rate	1.00%	1.00%	2% & 2.33%	2% & 2.33%	1.00%	1.00%	1.00%	1.00%
Mortality Rate	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality 2012-14 (Urban)**
Expected rate of salary Increase / pension escalation / medical cost inflation	7.00%	8.00%	2.00%	4.00%	6.00%	6.00%	5.00%	5.00%

47 EMPLOYEE BENEFITS (Contd.)

(d) A quantitative sensitivity analysis for significant assumptions are as follow:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Projected benefit obligations on current assumptions	33.43	51.04	27.38	39.89	42.63	43.12	5.98	5.82
+1% increase in discount rate	(2.25)	(4.24)	(2.22)	(4.27)	(2.93)	(3.15)	(0.13)	(0.13)
-1% decrease in discount rate	2.58	4.94	2.59	5.10	3.36	3.63	0.17	0.17
+ 1% increase in salary/pension/medical cost inflation	2.48	4.76	2.64	5.00	3.38	3.64	0.14	0.13
-1% decrease in salary/pension/medical cost inflation	(1.02)	(1.73)	(2.30)	(4.27)	(3.00)	(3.21)	(0.14)	(0.13)
+1% increase in rate of employee turnover	0.10	(0.22)	0.63	(0.31)	NA	NA	(0.04)	(0.03)
-1% decrease in rate of employee turnover	(0.11)	0.25	(0.70)	0.35	NA	NA	0.03	0.03

The above sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Further, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The expected maturity analysis of undiscounted defined benefit obligation (Funded and Unfunded) is as follows:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Within 1 year	3.84	3.78	2.39	2.23	3.79	3.56	0.26	0.29
Between 1 and 2 years	2.75	2.05	0.88	1.25	3.84	3.63	0.28	0.30
Between 2 and 3 years	2.59	4.64	1.87	1.82	3.87	3.68	0.29	0.32
Between 3 and 4 years	3.05	3.43	1.34	1.91	3.88	3.71	0.30	0.33
Between 4 and 5 years	2.31	3.85	2.31	1.43	3.87	3.73	0.32	0.35
Beyond 5 years	18.89	33.28	18.59	31.25	23.38	24.81	4.54	4.23

The contribution expected to be made by the Company during the financial year 2022-23 is ₹ 6.00 crores (31 March, 2022 ₹ 6.00 crores).

The average duration of the defined benefit plan obligation at the end of the reporting period is 12 years (31 March, 2022: 11 years).

47 EMPLOYEE BENEFITS (Contd.)

(iv) Provident Fund

Contribution to Provident Fund is made to trusts administered by the Company. In terms of guidance note issued by the Institute of Actuaries of India, the Actuary has provided a valuation of Provident fund liability based on the assumptions listed and determined that there is no shortfall as at 31 March, 2023.

The details of the fund and plan assets position are as follows:

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Fair value of plan assets	239.74	323.55
Present value of defined obligation	231.93	316.17
Contribution during the year (Employee and Employer Contribution)	24.45	30.09

The principal assumptions used for the purposes of the actuarial valuations are as follows:

	As at 31 March, 2023	As at 31 March, 2022
	%	%
Guaranteed Interest rate	8.15%	8.50%
Discount Rate for the remaining term to maturity of Interest portfolio	7.52%	7.33%

Risk Analysis

The Company is exposed to the following Risks in the defined benefits plans :

Investment Risk: The present value of the defined benefit obligation is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan assets is below this rate, it will create a plan deficit.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by increase in the return on the plan's debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary growth risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan's liability.

48. RELATED PARTY DISCLOSURES

(a) List of Related Parties and Relationships

Party		Relation
A	**Related parties where control exists**	Subsidiaries
	Auto Aircon (India) Limited (name strike off w.e.f. 8 September, 2021)	
	Voltas Netherlands B.V.	
	Lalbuksh Voltas Engineering Services & Trading L.L.C. *	
	Weathermaker FZE	
	Saudi Ensas Company for Engineering Services W.L.L.	
	Universal MEP Projects & Engineering Services Limited	
	Voltas Qatar W.L.L. *	
	Voltas Oman SPC *	
	HI-Volt Enterprises Private Limited (w.e.f. 13 September, 2021)	
	Universal MEP Projects Pte Limited (w.e.f. 4 August, 2021) *	
	Agro Foods Punjab Limited (Under liquidation)	
	Westerwork Engineers Limited (Under liquidation)	
B	**Other Related Parties (Where transactions have taken place during the year and previous year / balance outstanding)**	
1	Brihat Trading Private Limited	Associates
	Naba Diganta Water Management Limited	
	Terrot GmbH (upto 12 November, 2021)	
2	Universal Voltas L.L.C. *	Joint Ventures
	Olayan Voltas Contracting Company Limited	
	Voltas Water Solutions Private Limited (name strike off on 26 July, 2022)	
	Voltbek Home Appliances Private Limited	
3	Mr. Pradeep Bakshi - Managing Director & CEO	Key Management Personnel
	Mr. Jitender P. Verma - Chief Financial Officer (w.e.f.19 July, 2021)	
	Mr. Anil George - Chief Financial Officer (upto 18 July, 2021)	
	Mr. V. P. Malhotra - Head - Taxation, Legal & Company Secretary	
4	Non-Executive Directors	Directors
	Mr. Noel Tata - Chairman	
	Mr. Vinayak Deshpande	
	Mr. Hemant Bhargava (upto 29 September, 2021)	
	Mr. Saurabh Agrawal	
	Independent Directors	
	Mr. Debendranath Sarangi	
	Mr. Bahram N. Vakil	
	Ms. Anjali Bansal	
	Mr. Arun Kumar Adhikari	
	Mr. Zubin Dubash	
5	Voltas Limited Provident Fund	Employee Benefit Funds
	Voltas Managerial Staff Provident Fund	
	Voltas Limited Employees' Gratuity Fund	
	Voltas Limited Managerial Staff Gratuity Fund	
	Voltas Limited Employees' Superannuation Scheme	
6	Tata Sons Private Limited	Promoter

48. RELATED PARTY DISCLOSURES (Contd.)

Party		Relation
7	Air India Limited (w.e.f. 27 January, 2022)	Subsidiaries and Joint Ventures of Promoter
	Air India SATS Airport Services Private Limited. (w.e.f. 27 January, 2022)	
	Ardent Properties Private Limited (w.e.f. 17 June, 2022)	
	Automotive Stampings and Assemblies Limited	
	C-Edge Technologies Limited	
	Ewart Investments Limited	
	Gurgaon Realtech Limited (upto 19 May, 2022)	
	Infiniti Retail Limited	
	Innovative Retail Concepts Private Limited	
	MahaOnline Limited	
	Mikado Realtors Private Limited (Upto 4 January, 2023)	
	Savis Retail Private Limited	
	Supermarket Grocery Supplies Private Limited	
	Sir Dorabji Tata Trust	
	Sir Ratan Tata Trust	
	Tata 1mg Healthcare Solutions Private Limited (w.e.f. 9 June, 2021)	
	Tata 1mg Technologies Private Limited (w.e.f. 9 June, 2021)	
	Tata Advanced Systems Limited (merged with TAL Manufacturing Solutions Limited)	
	Tata Africa Holdings (Kenya) Limited	
	Tata AIA Life Insurance Company Limited	
	Tata AIG General Insurance Company Limited	
	Tata Asset Management Private Limited(formerly known as Tata Asset Management Limited)	
	Tata Autocomp Hendrickson Suspensions Private Limited (formerly known as Taco Hendrickson Suspensions Private Limited)	
	Tata Autocomp Systems Limited	
	Tata Boeing Aerospace Limited (formerly known as Tata Aerospace Limited)	
	Tata Capital Financial Services Limited	
	Tata Capital Housing Finance Limited	
	Tata Capital Limited	
	Tata Communications Limited	
	Tata Communications Payment Solutions Limited	
	Tata Communications Transformation Services Limited	
	Tata Consultancy Services Limited	
	Tata Consulting Engineers Limited	
	Tata De Mocambique, Limitada	
	Tata Digital Private Limited(formerly known as Tata Digital Limited)	
	Tata Electronics Private Limited(formerly known as TRIL Bengaluru Real Estate Four Private Limited)	
	Tata Elxsi Limited	

48. RELATED PARTY DISCLOSURES (Contd.)

Party		Relation
	Tata Ficosa Automotive Systems Private Limited (formerly known as Tata Ficosa Automotive Systems Limited)	
	Tata Housing Development Company Limited	
	Tata Industries Limited	
	Tata International Limited	
	Tata International Metals (UK) Limited (formerly known as Tata Steel International (UK) Limited)	
	Tata International Vehicle Applications Private Limited (formerly known as Tata International DLT Private Limited)	
	Tata Investment Corporation Limited	
	Tata Lockheed Martin Aerostructures Limited	
	Tata Medical and Diagnostics Limited	
	Tata Play Limited (formerly known as Tata Sky Limited)	
	Tata Play Broadband Private Limited	
	Tata Realty and Infrastructure Limited	
	Tata Sikorsky Aerospace Limited (formerly known as Tara Aerospace Systems Limited)	
	Tata Teleservices (Maharashtra) Limited	
	Tata Teleservices Limited	
	Tata Toyo Radiator Limited	
	Tata Unistore Limited (w.e.f. 9 December, 2022)	
	TCS Foundation	
	TM Automotive Seating Systems Private Limited	
	TRIL Infopark Limited (upto 8 July, 2022)	
	TRIL IT4 Private Limited(formerly known as Albrecht Builder Private Limited)	
	TRIL Urban Transport Private Limited	

* Through subsidiary companies

48. RELATED PARTY DISCLOSURES (Contd.)

(b) Related Party Transactions

₹ in crores

Sr. No.	Year	Transactions	Subsidiaries	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoter	Key Management Personnel	Directors	Employee Benefit Funds	Total
1	**2022-23**	**Purchases of stock-in-trade**	**-**	**-**	**11.68**	**-**	**-**	**-**	**-**	**-**	**11.68**
	2021-22		-	-	9.74	-	-	-	-	-	9.74
2	**2022-23**	**Sale of Products**	**9.04**	**0.01**	**0.69**	**-**	**114.85**	**-**	**-**	**-**	**124.59**
	2021-22		0.13	-	0.10	-	57.25	-	-	-	57.48
3	**2022-23**	**Service Income**	**4.05**	**-**	**0.78**	**0.07**	**64.06**	**-**	**-**	**-**	**68.96**
	2021-22		4.93	1.66	1.05	0.04	120.06	-	-	-	127.74
4	**2022-23**	**Construction contract revenue** (Includes billed and unbilled revenue)	**0.22**	**-**	**0.01**	**-**	**8.63**	**-**	**-**	**-**	**8.86**
	2021-22		-	-	-	-	6.37	-	-	-	6.37
5	**2022-23**	**Interest Income**	**-**	**-**	**-**	**-**	**3.91**	**-**	**-**	**-**	**3.91**
	2021-22		-	-	-	-	5.18	-	-	-	5.18
6	**2022-23**	**Rental Income**	**4.67**	**-**	**0.80**	**-**	**5.84**	**-**	**-**	**-**	**11.31**
	2021-22		0.30	-	0.75	-	5.82	-	-	-	6.87
7	**2022-23**	**Dividend Income**	**0.42**	**1.93**	**-**	**-**	**4.04**	**-**	**-**	**-**	**6.39**
	2021-22		0.78	1.34	-	-	3.85	-	-	-	5.97
8	**2022-23**	**Income from business support services**	**16.71**	**-**	**3.40**	**-**	**-**	**-**	**-**	**-**	**20.11**
	2021-22		28.35	-	5.16	-	-	-	-	-	33.51
9	**2022-23**	**Sale of Business** (net consideration) - UMPESL	**1,190.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,190.00**
	2021-22		-	-	-	-	-	-	-	-	-
10	**2022-23**	**Remuneration Paid / Payable** (including commission)	**-**	**-**	**-**	**-**	**-**	**12.06**	**2.00**	**-**	**14.06**
	2021-22		-	-	-	-	-	11.29	2.30	-	13.59
11	**2022-23**	**Sitting Fees**	**-**	**-**	**-**	**-**	**-**	**-**	**0.37**	**-**	**0.37**
	2021-22		-	-	-	-	-	-	0.53	-	0.53
12	**2022-23**	**Dividend Paid**	**-**	**-**	**-**	**48.47**	**6.54**	**-**	**-**	**-**	**55.01**
	2021-22		-	-	-	44.07	5.94	-	-	-	50.01
13	**2022-23**	**Consulting expenses**	**-**	**-**	**-**	**-**	**0.06**	**-**	**-**	**-**	**0.06**
	2021-22		-	-	-	-	1.97	-	-	-	1.97

48. RELATED PARTY DISCLOSURES (Contd.)

₹ in crores

Sr. No.	Year	Transactions	Subsidiaries	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoter	Key Management Personnel	Directors	Employee Benefit Funds	Total
14	**2022-23**	**Tata Brand Equity**	**-**	**-**	**-**	**13.05**	**-**	**-**	**-**	**-**	**13.05**
	2021-22		-	-	-	12.70	-	-	-	-	12.70
15	**2022-23**	**Purchase of goods / services for execution of contracts**	**77.30**	**-**	**6.85**	**-**	**0.03**	**-**	**-**	**-**	**84.18**
	2021-22		113.32	-	19.59	-	-	-	-	-	132.91
16	**2022-23**	**Deputation Charges paid**	**4.07**	**-**	**3.38**	**-**	**-**	**-**	**-**	**-**	**7.45**
	2021-22		-	-	-	-	-	-	-	-	-
17	**2022-23**	**Impairment in value of investment**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2021-22		-	-	0.25	-	-	-	-	-	0.25
18	**2022-23**	**Security Deposit Refunded**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2021-22		-	-	-	-	4.48	-	-	-	4.48
19	**2022-23**	**Other Expenses- Recovery of expenses**	**21.39**	**-**	**39.44**	**-**	**0.28**	**-**	**-**	**-**	**61.11**
	2021-22		13.11	-	36.30	0.15	1.13	-	-	-	50.69
20	**2022-23**	**Other Expenses-Reimbursement of expenses**	**3.08**	**-**	**8.20**	**0.13**	**18.08**	**-**	**-**	**-**	**29.49**
	2021-22		1.84	-	0.20	-	14.82	-	-	-	16.86
21	**2022-23**	**Purchase of property, plant and equipment**	**-**	**-**	**0.01**	**-**	**0.05**	**-**	**-**	**-**	**0.06**
	2021-22		-	-	*	-	0.95	-	-	-	0.95
22	**2022-23**	**Investments in Equity shares**	**1,190.00**	**-**	**122.50**	**-**	**-**	**-**	**-**	**-**	**1,312.50**
		- UMPESL	1,190.00	-	-	-	-	-	-	-	1,190.00
		- Others	-	-	122.50						122.50
	2021-22	Others	-	-	93.10	-	-	-	-	-	93.10
23	**2022-23**	**Redemption of Investments in Preference shares/ Bonds / Debentures**	**-**	**-**	**-**	**-**	**50.00**	**-**	**-**	**-**	**50.00**
	2021-22		-	-	-	-	3.00	-	-	-	3.00
24	**2022-23**	**Security deposit at the end of the year**	**0.15**	**-**	**-**	**-**	**3.03**	**-**	**-**	**-**	**3.18**
	2021-22		0.15	-	-	-	3.02	-	-	-	3.17

48. RELATED PARTY DISCLOSURES (Contd.)

₹ in crores

Sr. No.	Year	Transactions	Subsidiaries	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoter	Key Management Personnel	Directors	Employee Benefit Funds	Total
25	**2022-23**	**Provision for Debts and Advances at year end**	**0.01**	**-**	**-**	**-**	**0.61**	**-**	**-**	**-**	**0.62**
	2021-22		*	-	*	*	0.72	-	-	-	0.72
26	**2022-23**	**Advance Outstanding at year end**	**-**	**-**	**-**	**-**	**0.12**	**-**	**-**	**-**	**0.12**
	2021-22		-	-	-	0.04	0.12	-	-	-	0.16
27	**2022-23**	**Outstanding Share Application Money at year end**	**-**	**-**	**13.13**	**-**	**-**	**-**	**-**	**-**	**13.13**
	2021-22		-	-	13.13	-	-	-	-	-	13.13
28	**2022-23**	**Debit Balance Outstanding at year end**	**34.71**	**0.03**	**32.85**	**-**	**38.23**	**-**	**-**	**-**	**105.82**
	2021-22		40.63	0.51	33.44	-	71.51	-	-	-	146.09
29	**2022-23**	**Credit Balance Outstanding at year end**	**22.66**	**-**	**-**	**9.87**	**1.99**	**4.00**	**2.00**	**-**	**40.52**
	2021-22		67.93	-	-	8.74	0.08	3.08	2.30	4.38	86.51
30	**2022-23**	**Guarantees Outstanding at year end**	**2,733.14**	**-**	**82.13**	**-**	**-**	**-**	**-**	**-**	**2,815.27**
		UMPESL	1,900.00	-	-	-		-	-	-	1,900.00
		Others	833.14	-	-	-	-	-	-	-	833.14
	2021-22		2,115.59	-	75.75	-	-	-	-	-	2,191.34
		UMPESL	1,350.00	-	-	-	-	-	-	-	1,350.00
		Others	765.59	-	75.75	-	-	-	-	-	841.34
31	**2022-23**	**Impairment in value of Investments at year end**	**28.71**	**-**	**20.24**	**-**	**-**	**-**	**-**	**-**	**48.95**
	2021-22		61.28	1.56	23.08	-	-	-	-	-	85.92
32	**2022-23**	**Contract Revenue in excess of Billing**	**0.05**	**-**	**0.01**	**-**	**1.09**	**-**	**-**	**-**	**1.15**
	2021-22		-	-	*	-	2.88	-	-	-	2.88
33	**2022-23**	**Billing in excess of Contract Revenue**	**-**	**-**	**-**	**-**	**0.20**	**-**	**-**	**-**	**0.20**
	2021-22		-	-	0.04	-	1.60	-	-	-	1.64
34	**2022-23**	**Contribution to Employee Benefit Funds**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**13.21**	**13.21**
	2021-22		-	-	-	-	-	-	-	11.59	11.59

* Value below ₹ 50,000/-

49 RESEARCH AND DEVELOPMENT EXPENDITURE

₹ in crores

	2022-23	2021-22
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centers		
(1) Revenue expenditure	**2.01**	**2.58**
UPBG, Pantnagar	1.92	1.34
CAC-PS , Thane	0.09	1.24
(2) Capital expenditure	**1.04**	**0.97**
UPBG, Pantnagar	1.04	0.97
Expenditure at other R&D centers (UPBG at Faridabad, Waghodia and Pantnagar)		
(1) Revenue expenditure	12.76	10.19
(2) Capital expenditure	0.36	0.51
Total R&D expenditure	**16.17**	**14.25**
(1) Revenue expenditure	**14.77**	**12.77**
UPBG	9.54	11.53
CAC-PS	5.23	1.24
(2) Capital expenditure	**1.40**	**1.48**
UPBG	1.32	1.48
CAC-PS	0.08	-

Business Segments :

UPBG : Unitary Cooling Products

CAC-PS : Commercial AC - Product Sales

50 FINANCIAL INSTRUMENTS

A. Financial instruments by category:

The accounting classification of each category of financial instruments, their carrying value and fair value are as below:

₹ in crores

	As at 31 March, 2023					As at 31 March, 2022				
	FVTPL	FVTOCI	Amortised cost	Total Carrying value	Total Fair value	FVTPL	FVTOCI	Amortised cost	Total Carrying value	Total Fair value
Financial assets										
Investments (*)	1,699.80	890.49	247.83	2,838.12	2,838.12	2,041.51	983.43	324.38	3,349.32	3,349.32
Loans	-	-	0.51	0.51	0.51	-	-	2.01	2.01	2.01
Trade receivables	-	-	1,289.15	1,289.15	1,289.15	-	-	1,520.23	1,520.23	1,520.23
Other financial assets	-	-	642.48	642.48	642.48	-	-	185.97	185.97	185.97
Cash and cash equivalents	-	-	373.82	373.82	373.82	-	-	451.12	451.12	451.12
Other balances with banks	-	-	15.66	15.66	15.66	-	-	12.77	12.77	12.77
	1,699.80	**890.49**	**2,569.45**	**5,159.74**	**5,159.74**	**2,041.51**	**983.43**	**2,496.48**	**5,521.42**	**5,521.42**
Financial liabilities										
Borrowings	-	-	285.28	285.28	285.28	-	-	126.04	126.04	126.04
Lease Liabilities	-	-	29.73	29.73	29.73	-	-	13.75	13.75	13.75
Trade payables	-	-	2,209.79	2,209.79	2,209.79	-	-	2,682.02	2,682.02	2,682.02
Other financial liabilities	0.25	-	128.98	129.23	129.23	0.33	-	117.79	118.12	118.12
	0.25	**-**	**2,653.78**	**2,654.03**	**2,654.03**	**0.33**	**-**	**2,939.60**	**2,939.93**	**2,939.93**

*The above Investments does not include equity investments in subsidiaries, associates and joint ventures which are carried at costs and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures".

Management has assessed that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, Other financial assets, Borrowings, Lease liabilities, Trade payables and Other financial liabilities carried at amortised cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

Abbreviations :

FVTPL - Fair Value Through Profit or Loss. FVTOCI - Fair Value Through Other Comprehensive Income.

50 FINANCIAL INSTRUMENTS (Contd.)

B. Fair value hierarchy :

The fair value measurement hierarchy of the Company's assets and liabilities are as follows:

₹ in crores

	Level 1		Level 2		Level 3	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Financial assets						
At fair value through profit or loss						
- Investment	1,649.88	1,992.12	49.92	49.39	-	-
At fair value through Other Comprehensive Income						
- Investment	613.71	595.50	-	-	276.78	387.93
TOTAL	**2,263.59**	**2,587.62**	**49.92**	**49.39**	**276.78**	**387.93**

₹ in crores

	Level 1		Level 2		Level 3	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Financial liabilities						
At fair value through profit or loss						
- Derivative financial liabilities	-	-	0.25	0.33	-	-
TOTAL	**-**	**-**	**0.25**	**0.33**	**-**	**-**

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instrument by valuation techniques:

(i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

(ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

(iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

- The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties.

The following methods and assumptions were used to estimate the fair values:

- The fair value of quoted equity investment and mutual funds are based on price quotations at the reporting date.
- The fair value of unquoted equity investments are based on Market multiple approach. Market multiple of EV/EBITDA are considered after applying suitable discounts for size, liquidity and other company specific discounts.
- The Company enters into derivative financial instruments with various counterparties, principally with banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The model incorporates various inputs including the credit quality of counter parties, foreign exchange spot and forward rates.

There were no transfers between Level 1 and 2 during the period.

50 FINANCIAL INSTRUMENTS (Contd.)

C. Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets :

₹ in crores

As at 1 April, 2021	273.71
Add: Fair valuation gain/(loss) recognised in OCI	34.23
Add / Less: Investment made during the year	79.99
Closing balance as at 31 March, 2022	387.93
Add: Fair valuation gain/(loss) recognised in OCI	(73.19)
Add / Less: Investment made/ (disposed off) during the year	(37.96)
Closing balance as at 31 March, 2023	**276.78**

51 AGGREGATION OF EXPENSES DISCLOSED IN CONSUMPTION OF MATERIALS, COST OF JOBS AND SERVICES AND OTHER EXPENSES IN RESPECT OF SPECIFIC ITEMS ARE AS FOLLOWS (REFER NOTE 42):

₹ in crores

Nature of expenses		2022-23		
		Grouped under		
		Consumption of materials, cost of jobs and services	Other expenses	Total
(1)	Rent	0.03	13.81	13.84
(2)	Power and Fuel	*	13.69	13.69
(3)	Insurance charges	1.39	12.31	13.70
(4)	Travelling and Conveyance	0.19	33.06	33.25
(5)	Printing and Stationery	*	8.25	8.25
(6)	Legal and Professional charges	-	31.03	31.03
(7)	Clearing charges	-	68.84	68.84
(8)	Outside Service charges	24.67	123.26	147.93
(9)	Repairs to Plant and Machinery	-	13.33	13.33
(10)	Other miscellaneous expenses	3.51	111.15	114.66

Nature of expenses		2021-22		
		Grouped under		
		Consumption of materials, cost of jobs and services	Other expenses	Total
(1)	Rent	0.52	16.85	17.37
(2)	Power and Fuel	0.46	10.26	10.72
(3)	Insurance charges	7.21	10.47	17.68
(4)	Travelling and Conveyance	1.37	27.75	29.12
(5)	Printing and Stationery	0.32	8.05	8.37
(6)	Legal and Professional charges	0.06	21.57	21.63
(7)	Clearing charges	0.21	74.46	74.67
(8)	Outside Service charges	35.72	99.45	135.17
(9)	Repairs to Plant and Machinery	0.02	10.87	10.89
(10)	Other miscellaneous expenses	15.14	93.17	108.31

52 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial liabilities include borrowings, lease liabilities, trade and other payables. The Company's financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances. The Company also holds FVTPL and FVTOCI investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors of the Company oversee the management of these financial risks through its Risk Management Committee as per Company's existing policy.

(i) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include borrowings, lease liabilities, investments, trade payables and other payables, trade receivables and other receivables, loans and derivative financial instruments.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate change does not affect the short term borrowing significantly and the Company has very limited long term borrowings, therefore the Company's exposure to the risk of changes in market interest rates relates primarily to the investment in debt mutual funds.

Given the portfolio of investments in debt mutual funds, the Company has exposure to interest rate risk with respect to returns realised. It is estimated that an increase in 25 bps change in 10 year Government bond yield would result in a loss of approximately ₹ 4.12 crores (31 March, 2022: ₹ 4.98 crores) whereas a decrease in 25 bps change in 10 year Government bond yield would result in a profit of approximately ₹ 4.12 crores (31 March, 2022: ₹ 4.98 crores). This estimate is based on key assumption with respect to seamless transition of rates across debt instruments in the market and also basis the duration of debt instruments in turn held by mutual funds that the Company has invested in.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). Foreign currency risks are managed by utilising foreign exchange forward contracts within the approved policy parameters.

As at the end of the reporting period, the carrying amounts of the material foreign currency denominated monetary assets and liabilities are as follows:

₹ in crores

Currency	Liabilities		Assets	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
United States Dollar (USD)	304.30	445.78	85.98	156.34
United Arab Emirates Dirham (AED)	748.91	421.66	738.86	575.23
Qatari Riyal (QAR)	35.21	32.79	20.69	26.12
Chinese Yuan (CNY)	87.07	-	-	-
Singapore Dollar (SGD)	7.72	54.20	3.74	5.17

52 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Foreign currency sensitivity

The following tables demonstrate the sensitivity of outstanding foreign currency denominated monetary items to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of financial assets and liabilities:

₹ in crores

Particulars	Effect on Profit before tax		Effect on Equity	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
USD +5%	(8.55)	(11.62)	(6.39)	(8.69)
USD -5%	8.55	11.62	6.39	8.69
AED +5%	(0.50)	7.68	(0.38)	5.75
AED -5%	0.50	(7.68)	0.38	(5.75)
QAR +5%	(0.73)	(0.33)	(0.54)	(0.25)
QAR -5%	0.73	0.33	0.54	0.25
CNY +5%	(3.90)	-	(2.92)	-
CNY -5%	3.90	-	2.92	-
SGD +5%	(0.20)	(2.45)	(0.15)	(1.83)
SGD -5%	0.20	2.45	0.15	1.83

Details of notional value of derivative contracts entered by the Company and outstanding as at Balance Sheet date

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Forward contracts - Buy (USD/₹)	47.41	57.14
Forward contracts - Buy (CNY/₹)	9.15	-

The fair value of the Company's derivatives position recorded under financial assets and financial liabilities are as follows:

₹ in crores

Particulars	Liabilities		Assets	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Forex Forward Cover	0.25	0.33	-	-

(c) Equity price risk

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's Board of Directors reviews and approves all equity investment decisions.

The following table summarises the sensitivity to change in the NSE index on the Company's Equity and OCI. These changes would not have an effect on profit or loss.

₹ in crores

	Impact on other components of equity (OCI)	
	As at 31 March, 2023	As at 31 March, 2022
NSE Nifty 50 : +5%	30.69	29.78
NSE Nifty 50 : -5%	(30.69)	(29.78)

52 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk for trade receivables, contract asset, cash and cash equivalents, investments, other bank balances, loans and other financial assets. The Company only deals with parties which have good credit rating/ worthiness given by external rating agencies or based on Company's internal assessment.

Credit risk on trade receivables and contract assets are managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with this assessment. Moreover, given the diverse nature of the Company's businesses, trade receivables and contract assets are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10% or more of the trade receivables and contracted assets in any of the years presented.

For trade receivables and contract assets, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and contract assets and is adjusted for forward-looking estimates.

For Mutual Fund Investments, counterparty risk are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for Company's mutual fund investments.

Credit risk from cash and cash equivalents and balances with banks is managed by the Company's treasury department in accordance with the Company's treasury policy.

The Credit risk on mutual fund investments, cash and cash equivalents, and other bank balances are limited as the counterparties are banks and fund houses with high-credit ratings assigned by credit rating agencies.

The carrying value of the financial assets represents the maximum credit exposure. The Company's maximum exposure to Credit risk is disclosed in Note 50 Financial Instruments. The maximum credit exposure on financial guarantees given by the Company for various financial facilities is disclosed in Note 46 Commitments and Contingencies.

(iii) Liquidity risk management:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that the funds are available for use as per the requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall due.

Maturities of financial liabilities: The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

₹ in crores

Contractual maturities of financial liabilities (31 March, 2023)	Less than 1 year	More than 1 year	Total
Non-derivatives			
Borrowings (*)	273.51	21.27	294.78
Lease Liabilities	8.39	25.59	33.98
Trade payables	2,209.79	-	2,209.79
Other financial liabilities	117.52	15.69	133.21
Total Non-derivative liabilities	**2,609.21**	**62.55**	**2,671.76**
Derivatives (net settled)	**0.25**	**-**	**0.25**

52 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

₹ in crores

Contractual maturities of financial liabilities (31 March, 2022)	Less than 1 year	More than 1 year	Total
Non-derivatives			
Borrowings (*)	127.23	-	127.23
Lease Liabilities	4.78	10.66	15.44
Trade payables	2,682.02	-	2,682.02
Other financial liabilities	102.90	20.59	123.49
Total Non-derivative liabilities	**2,916.93**	**31.25**	**2,948.18**
Derivatives (net settled)	**0.33**	**-**	**0.33**

The amount included in Note 46(B) for financial guarantee contracts are the maximum amounts that the Company may be liable to settle under the respective arrangements for the full guaranteed amount if that amount is claimed by the counterparty for the guarantee. Based on the expectations as at the end of reporting period, the Company considers that it is more likely than not that such amount shall not be payable under the respective arrangements. However, this estimate is subject to change depending upon the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

* Maturity amount of borrowings is including the interest that will be paid on these borrowings.

53 LEASES

Company as a lessee

The Company has lease contracts for its office premises and storage locations with lease term between 1 year to 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company also has certain leases of office premises and storage locations with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

(a) The movement in lease liabilities during the year ended 31 March, 2023 and 31 March, 2022 is as follows:

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Balance at the beginning	13.75	6.62
Transfer on sale of business (Refer Note 57)	(0.11)	-
Additions	22.82	11.77
Accretion of interest	2.78	1.52
Payment of lease liabilities (principle plus interest)	(9.51)	(6.16)
Balance at the end	**29.73**	**13.75**
Non-current	21.34	8.97
Current	8.39	4.78

53 LEASES (Contd.)

(b) The following are the amounts recognised in profit or loss:

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
Depreciation on right-of-use assets	8.00	5.96
Interest expense on lease liabilities	2.78	1.52
Expense relating to short-term leases (Refer footnote c)	82.65	91.31
Total amount recognised in statement of profit and loss	**93.43**	**98.79**

(c) Details of carrying amount of right-of-use assets and movement during the period is disclosed under Note 6

Footnotes:

(a) The maturity analysis of lease liabilities are disclosed in Note 52 (iii) Liquidity Risk Management

(b) The effective interest rate for lease liabilities is 9%, with maturity between 2023-2028.

(c) Expense relating to short-term leases are disclosed under the head rent and clearing charges in other expenses (Refer Note 42).

(d) The Company had total cash flows for leases of ₹ 9.51 crores on 31 March, 2023 (31 March, 2022 : ₹ 6.16 crores).

Company as a lessor

The Company has entered into operating leases on its investment property portfolio consisting of land and office premises. These leases have lease terms between 1 year to 5 years, The Company has the option under some of its leases to lease the assets for additional periods. An amount of ₹ 29.27 crores is recognised as lease income in the statement of profit and loss account for the year ended 31 March, 2023 (31 March, 2022: ₹ 24.70 crores).

Minimum lease income for non-cancellable operating lease

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
(a) Not later than one year	6.30	2.77
(b) Later than one year but not later than five years	4.60	3.03
(c) Later than five years	-	-

54 REVENUE FROM CONTRACTS WITH CUSTOMERS

(A) Disaggregated revenue information

Disaggregation of the Company's revenue from contracts with customers are as follows:

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
Segment - A (Unitary Cooling Products)		
(a) Sale of products	5,687.20	4,215.12
(b) Sale of services	787.30	666.80
Sub-total :	**6,474.50**	**4,881.92**
Segment - B (Electro - Mechanical Projects and Services)		
(a) Sale of products	1.48	6.85
(b) Construction contract revenue	895.57	1,591.51
(c) Sale of services	17.24	20.89
Sub-total :	**914.29**	**1,619.25**
Segment - C (Engineering Products and Services)		
(a) Sale of products	126.15	341.99
(b) Sale of services	55.37	146.67
Sub-total :	**181.52**	**488.66**
Total revenue from contracts with customers	**7,570.31**	**6,989.83**

(B) Set out below is the amount of revenue recognised from:

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
(a) Amounts included in contract liabilities at the beginning of the year	197.38	284.57
(b) Performance obligations satisfied in previous years	-	0.32

(C) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price.

₹ in crores

	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue as per contracted price	**7,190.40**	**6,468.95**
Adjustments		
Add: (a) Unbilled on account of work under certification	415.65	639.23
Less: (b) Billing in excess of contract revenue	**(35.74)**	**(118.35)**
Revenue from contract with customers	**7,570.31**	**6,989.83**

(D) Performance obligation

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March, 2023 is of ₹ 701.18 crores (31 March, 2022: ₹ 2,988.14 crores), out of which, majority is expected to be recognised as revenue within a period of one year.

55 CAPITAL MANAGEMENT :

The capital structure of the Company consists of net debt and total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

₹ in crores

	As at 31 March, 2023	As at 31 March, 2022
Borrowings (Refer Note 24 and 30)	285.28	126.04
Less: Cash and cash equivalents (Refer Note 16)	(373.82)	(451.12)
Net Debt	**(88.54)**	**(325.08)**
Equity	6,773.10	5,568.70
Total Capital	6,773.10	5,568.70
Capital and Net Debt	**6,684.56**	**5,243.62**
Gearing Ratio	(1.32%)	(6.20%)

56 OTHER STATUTORY INFORMATION :

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(ix) The Company is maintaining its books of account in electronic mode and these books of account are accessible in India at all times and the back-up of books of account has been kept in servers physically located in India on a daily basis from the applicability date of the Companies (Accounts) Rules, 2014, i.e. 5 August, 2022 onwards.

57 The Board of Directors of Voltas Limited at its Meeting held on 12 February, 2021, have approved the transfer of domestic B2B businesses relating to Projects business comprising Mechanical Electrical and Plumbing (MEP)/ Heating, Ventilation and Air-Conditioning (HVAC) and Water projects, Mining and Construction Equipment (M&CE) business and Textile Machinery Division (TMD) business to its wholly owned subsidiary viz. Universal MEP Projects & Engineering Services Limited ('UMPESL') via slump sale through a Business Transfer Agreement ('BTA'). The BTA transaction has been consummated on 1 August, 2022, being the closing date for the transfer of business for a consideration of ₹ 1,190 crores and resultant gain on said transaction of ₹1,049.04 crores has been disclosed as an Exceptional Item.

58 RESTRUCTURING OF OVERSEAS BUSINESS OPERATIONS :

(i) The Board of Directors of the Company at its Meeting held on 26 April, 2023, approved the proposal for transfer of overseas branch offices of the Company at Dubai, Abu Dhabi, Sharjah in the United Arab Emirates (UAE), Doha in Qatar, Bahrain and Singapore to Universal MEP Projects Pte Limited (UMPPL), Singapore, a wholly-owned subsidiary of Voltas Netherlands B.V., which is a direct 100% wholly-owned subsidiary of Voltas Limited. The transfer would be on slump sale basis through execution of Business Transfer Agreement (BTA) for each branch separately, subject to satisfactory completion of conditions precedent, including novation of existing contracts of Voltas in favour of UMPPL by the Main Contractors/Clients and such other compliances or procedures necessary or applicable in the respective local jurisdictions.

(ii) The Board of Directors have also approved transfer of Voltas direct investments in overseas subsidiary companies – Weathermaker FZE (100%), UAE, Saudi Ensas Company for Engineering Services W.L.L., Kingdom of Saudi Arabia (92%) and Lalbuksh Voltas Engineering Services & Trading L.L.C., Sultanate of Oman (20%) to UMPPL through Share Purchase Agreement (SPA) for each Company respectively, subject to requisite approvals as may be required in that behalf.

(iii) Upon consummation of the aforesaid transactions, the international business operations would get housed in the Singapore entity – UMPPL.

59 EVENTS OCCURRING AFTER BALANCE SHEET :

(i) The Board of Directors have proposed dividend of ₹ 4.25 per share after the balance sheet date which is subject to approval by the shareholders at the annual general meeting.

(ii) The Board of Directors have approved an amount of ₹ 20.00 crores to be transferred to General Reserve from Retained Earnings after the balance sheet date.

60 RATIO ANALYSIS

₹ in crores

Sr. No	Ratio	Numerator	Denominator	As at 31 March, 2023	As at 31 March, 2022	% change	Reason for variance
1	Current ratio	Current Assets	Current Liabilities	1.44	1.42	1.73%	-
2	Debt- Equity Ratio	Borrowings	Total equity	0.04	0.02	86.09%	Increase is on account of borrowings availed for international operation for working capital management of projects executed.
3	Debt Service Coverage ratio	Earnings for debt service = Net Profit before tax+ Non-cash operating expenses- (depreciation and amortisation)+ Finance Cost+ other adjustments like Loss on sale of property, plant and equipment	Debt service = Interest payable & Lease Payments + Principal Repayments of long term borrowings	50.30	39.21	28.26%	Variance is on account of gain on transfer of business to UMPESL (Refer Note 57).
4	Return on Equity ratio	Net Profit after taxes	Average total equity	0.23	0.11	105.95%	Variance is on account of gain on transfer of business to UMPESL (Refer Note 57).
5	Inventory Turnover ratio	Cost of goods sold excluding cost of jobs and services of Segment - B (Electro - Mechanical Projects and Services)	Average Inventory	3.33	2.78	19.98%	-
6	Trade Receivable Turnover Ratio	Revenue from Operations	Average Trade Receivable	4.03	3.33	20.92%	-
7	Trade Payable Turnover Ratio	Cost of goods sold and other expenses	Average Trade Payables	2.76	2.50	10.50%	-
8	Net Capital Turnover Ratio	Revenue from Operations	Working capital = Current assets – Current liabilities	5.49	4.77	15.00%	-
9	Net Profit ratio	Net Profit	Revenue from operations	0.18	0.08	122.77%	Variance is on account of gain on transfer of business to UMPESL (Refer Note 57).

60 RATIO ANALYSIS (Contd.)

₹ in crores

Sr. No	Ratio	Numerator	Denominator	As at 31 March, 2023	As at 31 March, 2022	% change	Reason for variance
10	Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net worth + Total long term borrowings + Deferred Tax Liability	0.23	0.14	62.60%	Variance is on account of gain on transfer of business to UMPESL (Refer Note 57).
11	Return on Investment						-
(a)	Mutual Funds Investments	Gain on sale / fair valuation of Mutual Fund	Monthly average investment in Mutual Funds	0.04	0.05	(12.66%)	-
(b)	Fixed Income Investments	Interest Income	Monthly average investment in Fixed Income invetments	0.07	0.07	(6.37%)	-
(c)	Quoted Equity Instruments Investments	Fair valuation of quoted investment + Dividend Income	Quaterly average investment in Quoted Equity Instruments	0.03	0.36	(91.31%)	Decrease in return on investment from quoted equity instruments are on account of fluctuation in market prices.

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

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number : 38730
Place : Mumbai
Date : 26 April, 2023

For and on behalf of the Board

Noel Tata
Chairman
Place : Mumbai

Pradeep Bakshi
Managing Director & CEO
Place : Mumbai

Jitender P. Verma
Chief Financial Officer
Place : Mumbai

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

Date : 26 April, 2023

FORM No. AOC-1

Statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]

PART "A": SUBSIDIARIES

	Name of the company	HI-Volt Enterprises Private Limited	Universal MEP Projects Pte Limited (UMPPL)	Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited)	Weathermaker FZE (WMF)	Saudi Ensas Company for Engineering Services & Trading W.L.L. (Saudi Ensas)	Lalbuksh Voltas Engineering Services & Trading L.L.C. (LALVOL)	Voltas Oman SPC (VOLLC)	Voltas Qatar W.L.L. (VQWLL)	Voltas Netherlands B.V. (VNBV)
1	Date since when subsidiary was acquired	13 September, 2021	04 August, 2021	04 September, 2008	20 January, 2006	28 January, 2009	31 March, 2011	27 March, 2011	03 May, 2016	31 December, 1999
2	Reporting Period	31 March, 2023	31 March, 2023	31 March, 2023	31 March, 2023	31 March, 2023	31 March, 2023	31 March, 2023	31 March, 2023	31 March, 2023
3	(i) Reporting currency	₹	SGD	₹	AED	SR	RO	RO	QAR	EURO
	(ii) Exchange rate as on the last date of the relevant financial year	–	–	–	₹ 22.38	₹ 21.90	₹ 213.51	₹ 213.51	₹ 22.49	₹ 89.47
		₹ in crores	₹ in crores	₹ in crores	₹ in crores	₹ in crores	₹ in crores	₹ in crores	₹ in crores	₹ in crores
4	Capital	0.01	73.39	1,341.82	3.07	32.41	3.03	29.52	2.05	2.65
5	Reserves & Surplus (Other Equity)	#	(1.97)	(903.28)	26.98	(30.56)	98.33	(72.95)	(32.71)	77.75
6	Total Assets	0.01	71.87	1,409.89	44.24	49.99	143.36	48.27	497.52	81.03
7	Total Liabilities	#	0.45	971.35	14.19	48.15	42.00	91.71	528.18	0.63
8	Investments	-	71.77	-	-	-	-	-	-	74.30
9	Turnover (Revenue from Operations)	-	-	1,767.40	26.28	83.48	80.37	37.35	300.98	-
10	Profit / (loss) before Taxation	#	(0.28)	235.48	(1.58)	3.74	3.44	1.84	(208.66)	2.81
11	Provision for Taxation	-	-	59.04	-	0.54	0.42	-	(0.55)	-
12	Profit / (loss) after Taxation	#	(0.28)	176.44	(1.58)	3.20	3.02	1.84	(208.12)	2.81
13	(a) Interim Dividend	-	-	-	-	-	2.05	-	-	-
	(b) Proposed Dividend	-	-	-	-	-	-	-	-	-
	Total Dividend (a + b)	-	-	-	-	-	2.05	-	-	-
14	% of Shareholding	100%	100%*****	100%	100%	100%*	60%**	100%***	49%****	100%

* 8% shares held by UMPPL ** 40% shares held by UMPPL *** 100% shares held by UMPPL **** 49% shares held by VNBV ***** 100% shares held by VNBV

Notes :

1. Foreign currency figures of UMPPL, WMF, Saudi Ensas, LALVOL, VOLLC, VQWLL and VNBV have been converted into Indian Rupees on the basis of appropriate exchange rates as on reporting period.
2. Abbreviation for foreign currencies - SGD: Singapore Dollars, AED: United Arab Emirates Dirhams; SR: Saudi Riyal; RO: Omani Rial; QAR: Qatari Rial and Euro: European Union Currency.
3. As Voltas Limited controls the composition of the Board of Directors of VQWLL, it is a subsidiary of Voltas.
4. # value below ₹ 50,000/-

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Setion 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

₹ in crores

	Name of the company	Universal Voltas L.L.C.	Olayan Voltas Contracting Company Limited	Naba Diganta Water Management Limited	Voltbek Home Appliances Private Limited	Brihat Trading Private Limited
1	Date on which the Associate/Joint Venture was associated or acquired	26 August, 1981	08 February, 2012	17 March, 2008	18 August, 2017	21 August, 2012
2	Latest Audited Balance Sheet Date	31 March, 2023	31 March, 2023	31 March, 2023	31 March, 2023	31 March, 2023
3	Shares of Associate/Joint Ventures held by the Company on the year end					
	(i) Number	–	50,000	47,97,000	62,57,34,900	3,352
	(ii) Amount of Investment in Associates/ Joint Ventures (₹ in crores)	–	20.24#	4.80	625.73	**
	(iii) Extent of Holding %	49%*	50%	26%	49%	33.23%
4	Description of how there is significant influence	Equity Investment more than 20%				
5	Reason why the Associate/Joint Venture is not consolidated	Not applicable				Dormant Company
6	Networth attributable to Shareholding as per latest Audited Balance Sheet (₹ in crores)	56.63	–	9.38	204.51	Not Material
7	Profit / (loss) for the year					
	(i) Considered in Consolidation (₹ in crores)	0.28		1.93	(122.86)	Not Material
	(ii) Not considered in consolidation (₹ in crores)	–	–	–	–	Not Material

*Share Capital is held by Universal MEP Projects Pte Limited (UMPPL), a step-down subsidiary of Voltas Limited.

** Value below ₹ 50,000/-.

Includes ₹ 13.13 crores share application money.

For and on behalf of the Board

Noel Tata
Chairman
Place: Mumbai

Jitender P. Verma
Chief Financial Officer
Place: Mumbai

Pradeep Bakshi
Managing Director & CEO
Place: Mumbai

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

Date: 26 April, 2023

NOTES

NOTES

VOLTAS

A TATA Enterprise

REGISTERED OFFICE:

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