



VOLTAS

A **TATA** Enterprise

Annual Report
2008-2009

Helping modernize the nation.

Voltas' role in bringing today's global standards to
infrastructure, industry and public spaces.



Airports



Power



Roads



Mining



Water



Healthcare



Hospitality



Information Technology



Manufacturing

Global standards.

Global standards.

National priority...Voltas speciality.

Key areas of infrastructure and industry as well as public spaces are today being aligned with international benchmarks, as India realizes its potential as a global superpower. In this endeavour, Voltas offers both value and versatility.

**Netaji Subhas Chandra Bose
International Airport, Kolkata**

Artist's impression



To be India's 3rd largest airport, being built to handle 20 million passengers annually.

World-class MEP solutions.

Built-in by Voltas.

For built environments, Voltas provides a slew of solutions in MEP (Mechanical, Electrical & Public Health) encompassing • Heating, Ventilation & Air Conditioning • Power Systems • Fire Detection and Protection • Process Refrigeration • Public Health Engineering • Indoor Air Quality • Integrated Building Management.

These are seen in landmark projects (as featured in these pages), in India and overseas, rapidly establishing Voltas in India as a 'preferred contractor' in EPC (Engineering, Procurement & Construction) for MEP works, true to its international standing.

Leela Hotel, Chennai

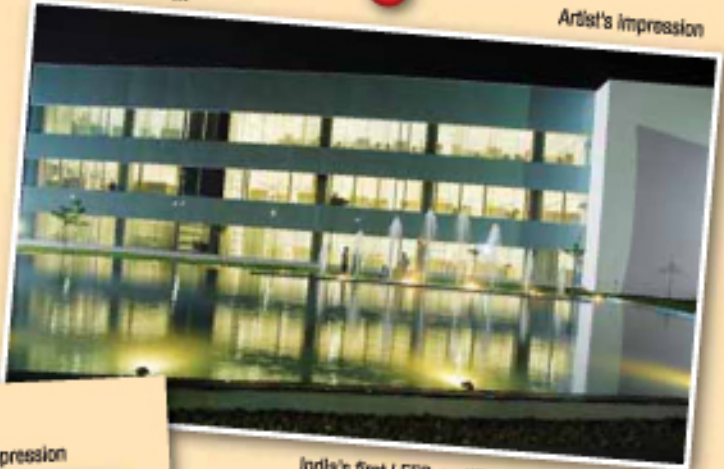
Artist's impression



Being built on the world's second-longest beach, to stimulate tourism with a blend of modern facilities and historic elegance.

TCS Kalinga Park,
Bhubaneswar

Artist's impression



India's first LEED-certified IT development centre.

Sidra Medical & Research
Centre, Doha, Qatar

Artist's impression



To be the first academic & research centre in Qatar, combining cutting-edge technology with incandescent design.

Barwa City, Doha, Qatar



A fully self-contained futuristic residential township coming up outside Doha.

Artist's Impression

Seven Hills Hospital, Mumbai

Artist's impression



An upcoming multi-specialty state-of-the-art hospital, Asia's largest in the private sector, offering over 50% capacity to middle- and lower-income groups.

Wave Rock, Hyderabad

Artist's impression



An upcoming commercial complex featuring stunning design and compliance with US Green Building standards.

Thyagaraj Stadium, New Delhi

Artist's impression



Being built as a standard-setting, eco-friendly & energy-conserving venue for the upcoming Commonwealth Games.



BOARD OF DIRECTORS

Chairman	Ishaat Hussain
Managing Director	A. Soni
Directors	Nasser Munjee
	N. J. Jhaveri
	S. D. Kulkarni
	Ravi Kant
	N. D. Khurody
	N. N. Tata
	J. S. Bilimoria
	S. N. Menon
General Manager - Taxation & Company Secretary	V. P. Malhotra

AUDIT COMMITTEE

Chairman	N. J. Jhaveri
	Nasser Munjee
	S. D. Kulkarni
	J. S. Bilimoria

REMUNERATION COMMITTEE

Chairman	S. D. Kulkarni
	Nasser Munjee
	N. J. Jhaveri

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

Chairman	N. N. Tata
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CORPORATE MANAGEMENT

Managing Director	A. Soni
President	Sanjay Johri
Executive Vice Presidents	M. M. Miyajiwala
	A. K. Joshi
Vice President	A. J. Gole

Solicitors

Messrs Mulla & Mulla and
Craigie, Blunt & Caroe

Auditors

Messrs Deloitte Haskins & Sells,
Chartered Accountants

Bankers

In India

State Bank of India
Bank of India
Punjab National Bank
Citibank N. A.
BNP Paribas
Export - Import Bank of India
ABN Amro Bank N. V.

Overseas

Emirates Bank International pjsc (UAE)
Union National Bank (UAE)
Abu Dhabi Commercial Bank (UAE)
HSBC Bank Middle East Limited (UAE, Qatar, Bahrain)
The Commercial Bank of Qatar (Qatar)
First Gulf Bank (UAE)
Doha Bank (Qatar)
ABN Amro Bank N. V. (Singapore)

Registered Office

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

Share Service Centre

T. B. Kadam Marg,
Mumbai 400 033
email: shareservices@voltas.com

Annual General Meeting :
Monday, 10th August, 2009 at 3.30 p.m.
at Birla Matushri Sabhagar,
19, Sir Vithaldas Thackersey Marg, Mumbai 400 020.

HIGHLIGHTS

		2008-09	2007-08	2006-07	2005-06	2004-05
1. SALES AND SERVICES	Rs.	407025	308617	245078	190418	144143
2. OTHER INCOME	Rs.	9241	4632	3071	2431	1953
3. COST OF SALES AND SERVICES (incl. Excise Duty)	Rs.	299802	227671	186100	145162	108570
4. OPERATING, ADMINISTRATION AND OTHER EXPENSES	Rs.	82931	57811	46537	35899	32264
5. Staff Expenses (included in 3 & 4)	Rs.	(42860)	(27685)	(24008)	(17623)	(14435)
Number of Employees (including Contract Staff)	Nos.	10657	7378	5848	5390	5747
6. OPERATING PROFIT	Rs.	33533	27767	15512	11788	5262
7. EXCEPTIONAL INCOME/(EXPENSES)	Rs.	3200	2987	6771	(2619)	504
8. PROFIT/(LOSS) BEFORE TAXATION	Rs.	36733	30754	22283	9169	5766
Percentage to Sales	%	9.0	10.0	9.1	4.8	4.0
Percentage to Total Assets	%	42.8	52.5	48.1	29.3	19.2
9. TAXATION	Rs.	11474	9917	3675	2120	725
10. PROFIT/(LOSS) AFTER TAXATION	Rs.	25259	20837	18608	7049	5041
Percentage to Sales	%	6.2	6.8	7.6	3.7	3.5
Percentage to Shareholders' Funds	%	34.6	38.7	48.9	29.2	26.1
11. RETAINED PROFIT	Rs.	19065	15610	14737	4785	3155
12. DIVIDEND ON EQUITY CAPITAL	Rs.	5294	4467	3309	1985	1654
Percentage	%	160	135	100	60	50
13. FIXED ASSETS (AT COST)	Rs.	30358	28178	24493	28074	24858
14. DEPERECIATION	Rs.	13053	12228	11506	14592	16615
15. INVESTMENTS	Rs.	23580	26793	13741	6103	4622
16. NET CURRENT ASSETS	Rs.	42700	13813	16594	9089	14974
17. DEFERRED TAX ASSET	Rs.	2158	2043	2967	2668	2153
18. DEFERRED REVENUE EXPENDITURE	Rs.	—	—	—	—	—
19. TOTAL ASSETS	Rs.	85743	58599	46289	31342	29992
20. SHARE CAPITAL	Rs.	3307	3307	3307	3306	3305
21. RESERVES AND SURPLUS	Rs.	69592	50525	34768	20835	16046
22. SHAREHOLDERS' FUNDS	Rs.	72899	53832	38075	24141	19351
Equity per Share	Rs.†	*22.03	*16.27	*11.50	72.96	58.48
Earnings per Share	Rs.†	*7.63	*6.30	*5.62	21.3	15.2
Number of Shareholders	Nos.	119549	81371	96312	52365	53674
Share Prices on Stock Exchange - High	Rs.†	*197	*267	*120	1088	248
- Low	Rs.†	*31	*79	*75	218	88
23. BORROWINGS	Rs.	12844	4767	8214	7201	10641
Debt/Equity Ratio (Percentage to Shareholders' Funds)	%	18	9	22	30	55

Note: All amounts are Rupees in lakhs except those marked †

* Face Value of Re. 1 each



										Rs. in Lakhs
2003-04	2002-03	2001-02	2000-01	1999-2000	1994-95	1984-85	1974-75	1964-65	1954-55	
132994	123041	94066	85372	78639	81089	26607	15934	4223	991	1
1688	1413	1243	1211	1653	759	150	40	5	2	2
100562	101926	74302	66223	60253	60368	21080	13856	3468	815	3
30422	20122	19190	18641	19349	19225	5556	1955	522	153	4
(12619)	(12573)	(10982)	(10030)	(10939)	(9997)	(3170)	(1031)	(363)	(109)	5
4484	5147	5096	5314	6701	10667	8147	7252	5082	2324	
3698	2406	1817	1719	690	2255	121	163	238	25	6
989	499	(146)	(1147)	(94)	(78)	—	—	—	—	7
4687	2905	1671	572	596	2177	121	163	238	25	8
3.5	2.4	1.8	0.7	0.8	2.7	0.5	1.0	5.9	2.5	
17.2	11.5	5.9	2.0	2.0	5.0	1.1	4.6	18.3	6.5	
784	347	(12)	14	46	5	Nil	83	141	11	9
3903	2558	1683	558	550	2172	121	80	97	14	10
2.9	2.1	1.8	0.6	0.7	2.7	0.5	0.5	2.3	1.4	
20.6	15.9	9.0	3.6	3.6	13.2	4.1	6.7	17.6	9.1	
2783	1624	1088	120	109	997	23	5	59	6	11
993	827	596	397	397	1158	98	75	38	8	12
30	25	18	12	12	35	10	12	15	5.5	
24751	23987	23140	26328	23852	30651	5014	1232	447	53	13
12491	11799	10500	12097	10870	10718	1580	642	82	3	14
4547	3626	3139	3127	4230	8245	512	132	67	—	15
9396	7107	6241	5962	8140	14230	6583	2859	867	336	16
1021	1375	1169	—	—	—	—	—	—	—	17
—	899	5317	5634	4222	720	—	—	—	—	18
27224	25195	28506	28954	29574	43128	10529	3581	1299	386	19
3305	3305	3305	3305	3305	3428	978	623	255	150	20
15595	12811	15496	12202	12082	13048	2002	570	295	4	21
18900	16116	18801	15507	15387	16476	2980	1193	550	154	22
57.12	48.7	56.8	46.9	46.5	49.5	305	191	216	1027	
11.8	7.7	5.1	1.7	1.7	6.8	12	13	38	93	
60622	72174	76512	83615	87192	84180	45237	14395	7356	150	
159	66	57	60	142	176	470	211	276		
50	42	31	26	33	92	356	125	183		
8324	9079	9705	13447	14187	26652	7549	2388	749	232	23
44	56	52	87	92	162	253	200	136	151	

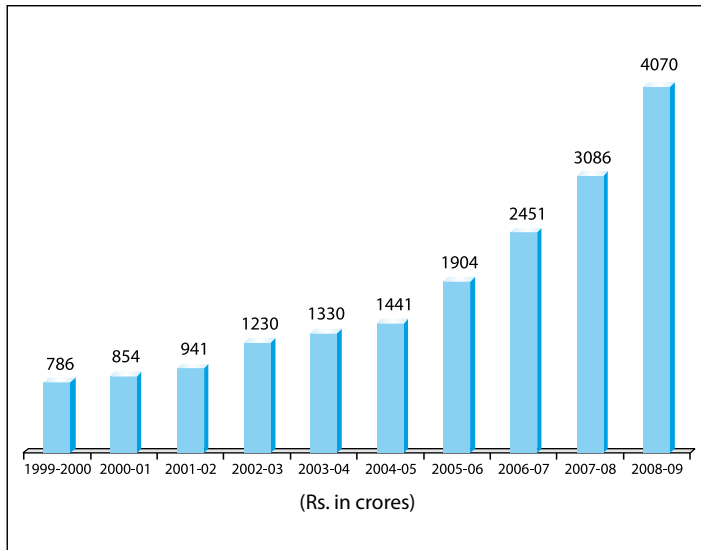
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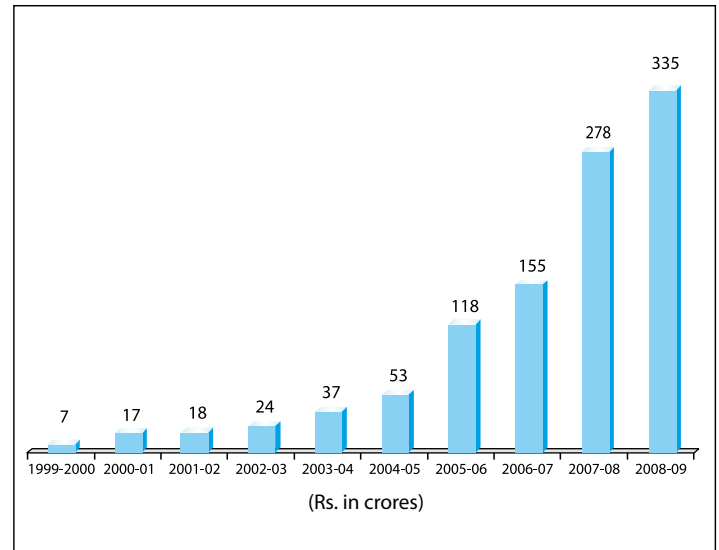


SIGNIFICANT TRENDS AT VOLTAS

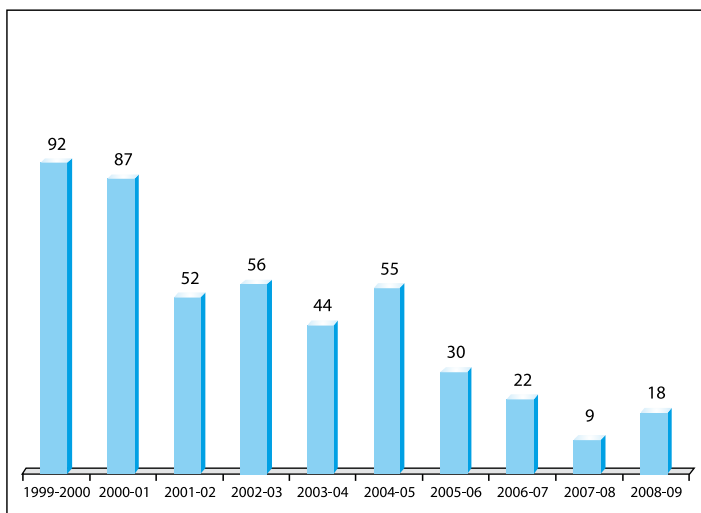
SALES AND SERVICES



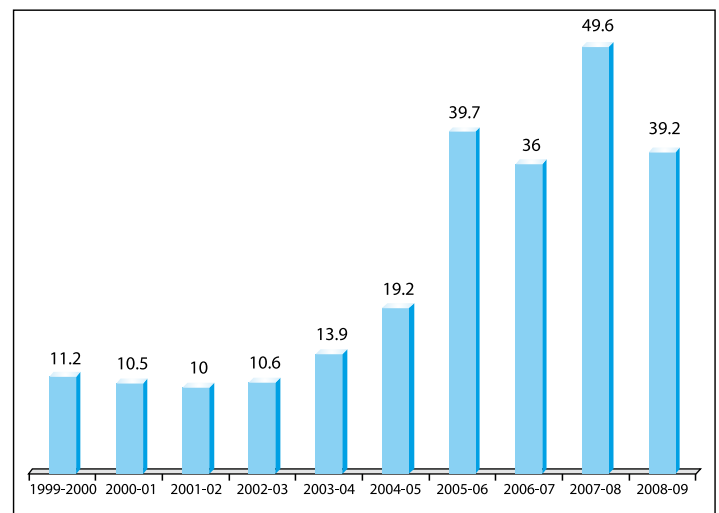
OPERATING PROFIT



DEBT/EQUITY RATIO - %

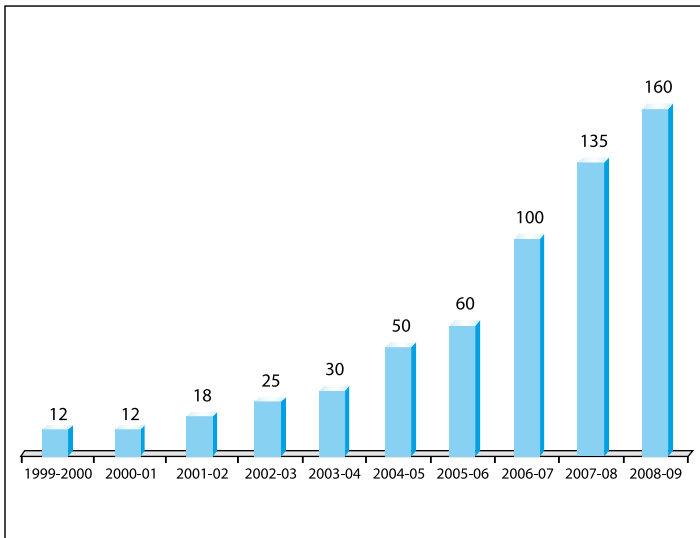


ROCE %

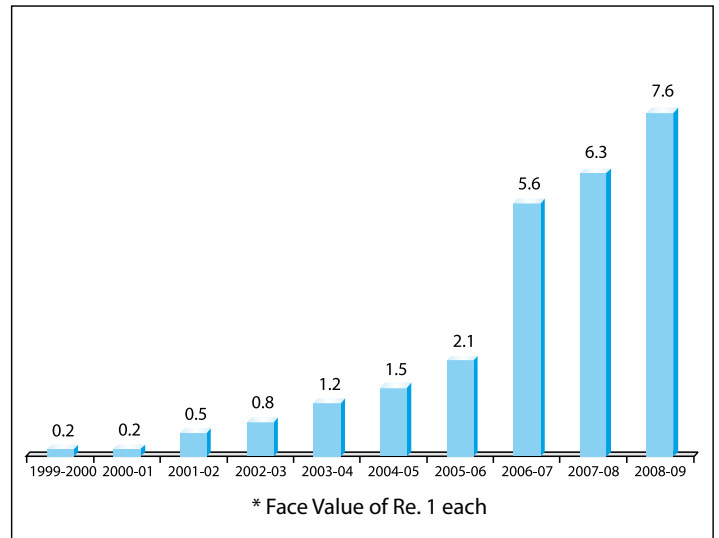


SIGNIFICANT TRENDS AT VOLTAS

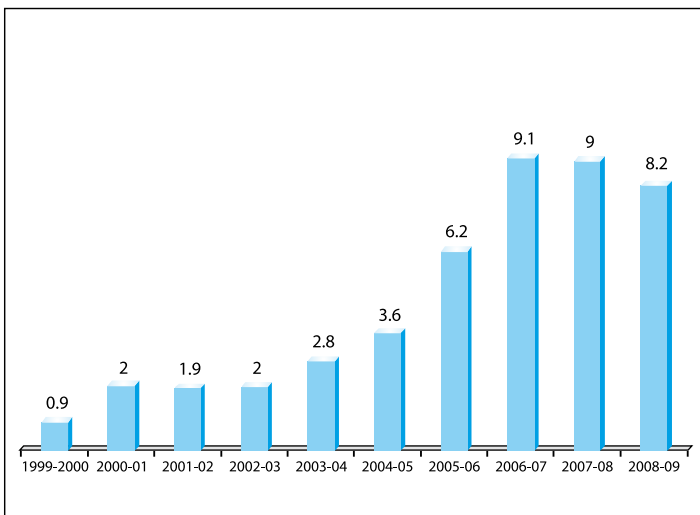
DIVIDEND % ON EQUITY CAPITAL



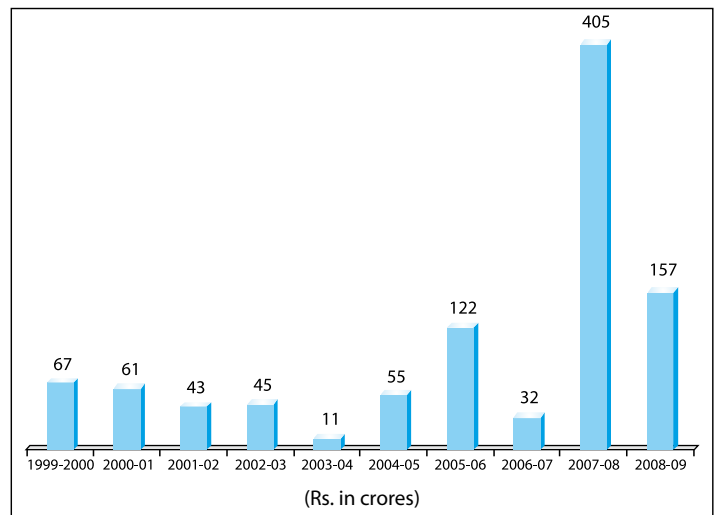
EARNINGS PER SHARE (RS.)*



PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS AS % TO TURNOVER



CASH GENERATED FROM OPERATIONS





REPORT OF THE BOARD OF DIRECTORS

To the Members

Your Directors have pleasure in presenting their Fifty-Fifth Annual Report and the Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

	2008-2009 Rs. in Lakhs	2007-2008 Rs. in Lakhs
2. The Profit for the year after meeting all expenses but before depreciation and exceptional items	35192	29123
Depreciation	1659	1357
Profit before exceptional items	33533	27766
Exceptional items	3200	2987
Profit before tax	36733	30753
Deducting provision for taxation including deferred tax	11474	9917
Profit after tax	25259	20836
Adding thereto:		
Balance brought forward from the previous year	5860	4000
Amount transferred from Foreign Projects Reserve	300	250
Profit available for appropriations	31419	25086
Appropriations:		
General Reserve	19000	14000
Proposed Dividend	5294	4467
Tax on Dividend	900	759
Leaving a balance to be carried forward	6225	5860

REPORT OF THE BOARD OF DIRECTORS, continued**DIVIDEND**

3. The Company's dividend policy is based on the need to balance the twin objectives of appropriately rewarding the shareholders with dividend and of conserving resources to meet the Company's future needs. The Directors recommend a dividend of Rs.1.60 per equity share of Re.1 each (160%) for the year 2008-09 (2007-08: 135%).

OPERATIONS

4. This was a challenging year with global recession casting its shadow on the Indian economy, resulting in sharp contraction of demand, pressures on liquidity and adverse consumer sentiments. Investment in capital goods saw a substantial decline and with early rains, the demand for airconditioners came under pressure during the peak season.

5. However, the Company's geographical diversification and a robust order book position helped the Company chart the troubled waters successfully. A strategic move to shift to different geographies, other than Dubai, a couple of years back, also supported the operations. The Company's gross turnover crossed Rs. 4000 crores mark and stood at Rs. 4070 crores. It was Rs. 4033 crores, net of excise. The turnover saw an increase of 32% over the previous year.

6. The Profit before exceptional items and tax was Rs. 335 crores, an increase of 21%. Other Income includes an exchange gain of Rs.18 crores, due to depreciation of Indian Rupee. The surplus cash resources have resulted in additional income of Rs. 16 crores. The Company continued the process of identifying underutilized assets and sweating the same and this resulted in an additional rental income of Rs. 5 crores and an exceptional income of Rs. 26 crores. The Chemicals Trading business, which did not fit into the overall Project Engineering profile of the Company, was sold to a company specialised in chemicals trading business and this resulted in a gain of Rs. 8 crores.

7. Earning per share of Rupee one face value, for the year was Rs. 7.63 as against Rs. 6.30, last year, an increase of 21%.

8. The Electro Mechanical segment saw a sharp rise in turnover (Revenue) from Rs. 1641 crores to Rs. 2546 crores, an increase of 55%. While the domestic turnover increased by 18%, the International turnover almost doubled due to strong order book. Profitability of the segment increased at a slightly higher pace compared to the increase in turnover. The Earnings before interest (Earnings) from this segment was Rs.193 crores, as compared to Rs. 122 crores in the previous year.

9. In view of the economic downturn, the Engineering Products and Services segment suffered a setback. While the turnover was marginally lower, the profit was lower by

45%. The turnover was supported by a change from pure commission business to stock and sale. It however, led to lower margins. This segment ended with a Revenue of Rs. 542 crores and Earnings of Rs. 63 crores.

10. Unitary Cooling Business continued to grow well, even in the face of a difficult environment and an early monsoon. Commercial Cooling products did well with improved quality and design of the products manufactured at the new plant in Pant Nagar. While the Segment Revenue grew by 11% and touched Rs. 914 crores, the Earnings increased by 26% to Rs. 68 crores.

FINANCE

11. The Company started the year with very comfortable cash surpluses of over Rs. 221 crores, other than the Cash and Bank Balances held overseas against advances from customers. During the year under review, the Company utilized Rs. 63 crores for acquiring a 51% shareholding in Rohini Industrial Electricals Private Limited.

12. The Company had to face the challenges in terms of increase in number of days' credit to trade in view of tight liquidity conditions and substantial increase in inventories in Unitary Cooling Products and Mining and Construction businesses, due to a sudden drop in sales. However, the financial policy adopted by the Company for conservation of resources and extremely low leverage, enabled the Company, finance its increased working capital needs without any significant impact on the interest cost. The Company was not affected by the sharp increase in interest rates or credit squeeze and in fact, benefited due to increase in returns on its investments.

13. In overseas market also, the banks froze new credit facilities and increased the interest rates. However, in view of the high credit rating and good past performance in its dealing with the banks, the Company was sanctioned additional credit facilities for the new projects, albeit, with higher costs.

14. Relatively higher bank borrowings at the year end and marginally higher debt:equity ratio of 0.17:1 have subsequently come down with inflow of funds against the billings on customers. The Company once again, has a comfortable leverage and liquidity and is cash positive.

15. The Company has followed policies that have resulted in no exposure to equity markets or derivative contracts.

TATA BUSINESS EXCELLENCE MODEL (TBEM)

16. The Company continued its business excellence journey by launching new initiatives such as Six-Sigma, Process management, Process improvement, Strategy deployment matrix and Total Productive Maintenance, apart from further



REPORT OF THE BOARD OF DIRECTORS, continued

strengthening the TQM initiatives taken last year. All these initiatives are showing satisfactory progress to provide the desired benefits. The Materials Handling business and Unitary Products business participated in the Tata Group Level External Assessment. Both these businesses moved to a higher scoring band signifying “Good Performance”, entitling them to an award at the Group Level. Some of the other businesses which participated in the Internal Assessments have also shown improvements. Based on the feedback from the assessments, action plans have been drawn up for further improvements. The Company has developed a pool of trained TBEM assessors and Six-Sigma ‘green belts’ to support these initiatives.

17. The Company has also decided to augment its focus on the area of ‘Safety’ in order to institutionalize a ‘Zero Tolerance’ Safety Culture. Comprehensive plans are being worked out to address this critical area with ‘Safety First’ as the motto so as to enable the Company attain the benchmark levels of Safety at all its locations and project sites.

IT INITIATIVES

18. Strategic outsourcing of IT function to Tata Consultancy Services continues to yield results in terms of better service delivery at optimal costs. Most of the IT projects, both ongoing and new, initiated during the year under review were completed and benefited the businesses in terms of better visibility and better management control and improved efficiency. The completed projects include Customer Relationship Management (CRM) system for the Unitary Products business; Balanced Scorecard (BSC) automation system for all the businesses; Human Capital Management (SAP-HCM) system for Indian employees, Projects system (SAP-PS) and Customer Service system (SAP-CS) for domestic Electro-Mechanical and Refrigeration business. The Data Centre commissioned last year has yielded results in terms of improved processing speed and un-interrupted server availability for the business users.

COMMUNITY DEVELOPMENT

19. The Company continues its efforts to improve the quality of life of the communities through its well-defined framework for implementing its Community Development Philosophy. The Company sees volunteering in community service as an important measure of its employees’ strengths and encourages employees to volunteer for projects. During the year, Volunteers were involved with the aged people at the Shepherd Widows Home, mentally and physically challenged children at ANZA Special School, Cheshire and School of Hope, mentoring at Akanksha, teaching orphans

at Our Lady’s Home and Ma Niketan. Volunteers participated in the dream run - Mumbai Marathon - to raise funds for the ‘Voltas Organization of Women’. The Company has also partnered with the Bethany Society at Panvel to assist SC/ST children in a mid-day meal programme and imparts specialized classes in English to enhance the prospects of the children for higher education and employability. An external survey conducted during the year indicates that there is a significant change in volunteering and evidence of new ideas and innovation.

20. In its Core Competency Projects, the Company continues to partner with Joseph Cardijn Technical School in Central Mumbai to impart vocational training to the underprivileged youth and make them employable. The Company has so far completed 13 batches of students who have successfully graduated. Couple of these batches included street children as well as the youth of Assam. With the visible success of this programme and to reach out to a wider section and geography, the project has been replicated at the Bosco Boys, an orphanage in the suburbs of Mumbai and also at the GMR Varalakshmi Foundation in Hyderabad.

21. As a concrete step towards implementing Affirmative Action, the Company has put in place a scheme for providing ‘Entrepreneurial Skills Development’ training to SC/ST candidates. Two batches have successfully undergone this programme. The 6 months programme involves training on the job and classroom sessions.

22. The Voltas Organisation of Women (VOW) is a registered Public Charitable Trust founded in 1965 and managed by lady employees and the wives of male employees. The Trust assists the needy in the fields of health and education. It also organises seminars on issues concerning women.

23. The Company also extended financial support in the form of donations and contributions to various institutions including Cancer Patients Aid Association, Bombay Environmental Action Group, Indian Cancer Society and Tata Relief Committee towards Bihar Relief Fund.

GLOBAL COMPACT

24. The Company is a signatory to the Global Compact and adheres to the ten key principles based on universally agreed and internationally applicable values and goals in the areas of Human Rights, Labour Standards and Environment.

CORPORATE SUSTAINABILITY REPORT

25. The Company has initiated the process to embed Sustainability further into its own operations, by making the strategic shift from Corporate Social Responsibility to Corporate Sustainability by aligning environment and

REPORT OF THE BOARD OF DIRECTORS, continued

social initiatives with business strategy and developing a sustainable business model to achieve the desired level of Triple Bottom Line.

STATEMENT OF EMPLOYEES' PARTICULARS

26. As required by Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, a statement of information relating to employees has been given by way of an Annexure to this Report.

APPOINTMENT OF COST AUDITOR

27. As per the directions given by the Central Government, the Company has, based on an application made, received the Government's approval for re-appointment of M/s. Sagar & Associates, a firm of Cost Accountants as the Cost Auditors of the Company for the year ending 31st March, 2010 in respect of refrigeration products manufactured by the Company.

SUBSIDIARIES AND JOINT VENTURES

28. Pursuant to the Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial information of its subsidiary companies, namely Metrovol FZE, VIL Overseas Enterprises B.V. (VOEBV), Voice Antilles N.V. (VANV), Weathermaker Limited (WML), Saudi Ensas Company for Engineering Services W.L.L. (Saudi Ensas), Simto Investment Company Limited (Simto), Auto Aircon (India) Limited, Universal Comfort Products Limited (UCPL) and Rohini Industrial Electricals Limited (RIEL). In terms of approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, a copy of the Balance Sheet, Profit and Loss Account, Directors' Report, Auditors' Report and other documents of the aforesaid subsidiary companies for the year ended 31st March, 2009 (31st December, 2008 in case of WML and Saudi Ensas), have not been attached to the Balance Sheet of the Company. A statement giving details of turnover/income, net profit, dividend, share capital, reserves and surplus, assets and liabilities, etc. of the aforesaid subsidiaries forms part of the Annual Report. At the same time, the Annual Accounts of these subsidiary companies are open for inspection by any member/investor and the Company will make available these documents/details upon request by any member of the Company or its subsidiaries interested in obtaining the same.

29. WML, Metrovol, VOEBV, VANV (foreign subsidiaries) have paid/declared dividends.

30. As reported last year, Fedders have, upon receipt of requisite approvals, transferred their 50% shareholding in Universal Comfort Products Private Limited (UCPL), a 50:50 joint venture company, to Voltas on 17th June, 2008. The authorised capital of UCPL is Rs.50 crores and paid-up capital is Rs.27.64 crores and the entire shareholding is held by Voltas. UCPL is engaged in the business of manufacturing air conditioners and had two plants at Uttarakhand (Excise free zone) and Dadra. However, due to losses suffered on account of higher input costs and several other factors, UCPL has closed the Dadra Plant in December 2008. UCPL recorded a turnover of Rs.153 crores and incurred a net loss of Rs.18 crores for the year ended 31st March, 2009. This loss also included exceptional items aggregating Rs.10 crores towards impairment of assets and workmen compensation due to closure of Dadra Plant.

31. Upon receipt of requisite approvals and completion of the legal process for transfer of 51% shareholding of the local partner in Saudi Ensas Company for Engineering Services W.L.L. (Saudi Ensas), a joint venture company incorporated in Jeddah, Kingdom of Saudi Arabia (KSA), Saudi Ensas became a wholly-owned subsidiary of Voltas effective 28th January, 2009. This company is engaged in the execution and operations/maintenance of electro-mechanical installations in KSA. Saudi Ensas had for the past few years, incurred losses and as part of its rehabilitation/financial restructuring, Voltas has provided financial assistance from time to time, aggregating SR 11.715 million (equivalent to Rs.13.48 crores). KSA has huge business potential and provides good opportunity to the Company's international electro-mechanical business and with full ownership of Saudi Ensas, the Company would leverage its market reputation to gain a reasonable share of these opportunities in the coming years.

32. During the year under review, the Company entered into a joint venture with Universal Group of Abu Dhabi and a new company, Universal Weathermaker Factory L.L.C. (UWF) was incorporated in Abu Dhabi on 26th April, 2008 with a paid-up capital of Dirhams 5.500 million. Universal Group holds 51% shares and the balance 49% is held by Voltas. UWF is engaged in the business of manufacturing air conditioning ducts and allied products.

33. The Company also made a strategic investment of 51% on 4th September, 2008 in Rohini Industrial Electricals Private Limited (Rohini), which is engaged in undertaking large turnkey electrical and instrumentation projects for industrial and commercial sectors. Accordingly, Rohini became a subsidiary of the Company effective that date.



REPORT OF THE BOARD OF DIRECTORS, continued

The Authorised Capital of Rohini is Rs.5 crores and paid-up capital is Rs.1.83 crores. It has recorded a turnover of Rs.191 crores and net profit of Rs.12.54 crores for the year ended 31st March, 2009.

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

34. Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to conservation of energy and technology absorption is given by way of an Annexure to this Report. As regards the information in respect of foreign exchange earnings and outgo, the same has been given in the notes forming part of the accounts for the year ended 31st March, 2009.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

CORPORATE GOVERNANCE

36. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a 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 forms part of the Annual Report.

DIRECTORATE

37. In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. N. J. Jhaveri, Mr. S. D. Kulkarni and Mr. Noel N. Tata retire by rotation and being eligible, offer themselves for re-election.

38. Mr. Jimmy S. Bilimoria and Mr. S. N. Menon were appointed Additional Directors by the Board at its Meeting held on 22nd September, 2008. In accordance with the provisions of the Companies Act, 1956, Mr. Jimmy S. Bilimoria and Mr. S. N. Menon hold office upto the date of the forthcoming Annual General Meeting and Notices under Section 257 of the Act have been received from a member proposing their appointment as a Director of the Company. Resolutions seeking approval of the members for their appointment as Directors of the Company have been incorporated in the Notice of the forthcoming Annual General Meeting and the Explanatory Statements thereto.

AUDITORS

39. At the Annual General Meeting, members will be required to appoint Auditors for the current year. Messrs. Deloitte Haskins & Sells, the present Auditors of the Company have pursuant to Section 224(1) of the Companies Act, 1956, furnished a certificate regarding their eligibility for re-appointment. The approval of the members is also sought for the appointment of Branch Auditors of the Company in consultation with the Company's Auditors. In this connection, the attention of the members is invited to Item No.10 of the Notice of the Annual General Meeting and the relevant Explanatory Statement.

SPECIAL BUSINESS

40. As regards the items of the Notice of the Annual General Meeting relating to the Special Business, the Resolutions incorporated in the Notice and the Explanatory Statements thereto fully indicate the reasons for seeking the approval of the members to those proposals. The members' attention is drawn to these.

GENERAL

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

On behalf of the Board of Directors

ISHAAT HUSSAIN
Chairman

Mumbai, 29th May, 2009

ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217 (2A) (b) (ii), READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009.

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Remuneration		Qualification	Date of Commencement of Employment	Experience (Years)	Last Employment held	Designation	Period for which Post held
				Gross (Rs.)	Net (Rs.)						
SECTION I - MANAGEMENT STAFF (
1	Acharya Girish*	49	Senior F&C Executive	671399	654492	B.Com.	26/03/1981	28	Grindwel Norton Ltd.	Steno Typist	5 Months
2	Agarwal Mahendra	51	General Manager - East Zone	2502227	1437484	B.E.,B.Tech.	02/06/1987	22	Hyundai Engg & Const Co.	Engineer	5 Years
3	Ahmed Shahid	37	Project Manager, United Arab Emirates	2592136	2592136	B.E.(Elec.), D.E.E.	23/08/2006	9	Sterling & Wilson Electricals	Project Manager	5 Years
4	Ahmed Zubair Syed	57	Project Director, United Arab Emirates	5236759	5236759	B.E.(Elec.)	04/03/2008	35	Murray & Roberts Construction Botswana Ltd.	Sr Manager Electrical	34 Years
5	Alde Ariel B.*	40	Project Manager, Qatar Branch	1919287	1919287	B.Sc.(Elec. Engg.)	11/07/2008	16	Al Fayhaa Est.	Project Engineer	5 Years
6	Aleem Mohammed	33	Senior Project Engineer, United Arab Emirates	2817219	2817219	B.E.(Mech.)	07/11/2005	8	A N Prakash Construction	Project Engineer	2 Years
7	Almeida Deepak	35	Project Manager (HVAC), Qatar Branch	3167162	3167162	B.E.(Mech.)	03/01/2008	13	Arabian Construction Company	Project Coordinator	1 Year
8	Alnawati Mohammed A.M.*	48	Sr. Construction Engineer, United Arab Emirates	2872735	2872735	B.Sc.(Mech. Engg.)	15/04/2008	18	Saudi Bin Ladin Group	Mechanical Engineer	17 Years
9	Amar Babu O.N.R.	51	General Manager-Operations	3126348	2050506	B.Tech., M.E.	01/08/1983	26	The Mafatlal Fine Spg. & Mfg.Co.Ltd.	Technical Trainer	1 Year
10	Amarnath R.	56	Senior General Manager-EM&RBG	3132574	1898352	B.E.	15/07/1981	32	Thermax Pvt. Ltd.	Erection & Service Engr.	5 Years
11	Angeles Danilo*	49	M & E Co-ordinator, Qatar Branch	2831833	2831833	B.Sc.(Elec. Engg.)	18/06/2008	18	Thermo LLC.	MEP Co-Ordinator	1 Year
12	Antony Motha	46	Financial Controller, Bahrain Branch	2801560	2801560	B.Com., Grad. CWA.	21/12/2007	21	Titan Industries Ltd.	Group Manager Finance	1 Year
13	Aras Sameer	34	Estimation Manager, United Arab Emirates	4355472	4355472	B.E.(Elec.)	31/07/2002	9	B.S.E.S. Ltd.	Senior Engineer	2 Years
14	Atluri Suresh Kumar*	40	QA/QC Manager, United Arab Emirates	504614	504614	B.Tech.	07/02/2009	14	HOW United Services WLL, Qatar	QA/QC Manager.	14 Years
15	Bahl Parmod*	59	Senior Commercial Engineer	1299813	1055543	B. A.	18/01/1972	37	Nil	Nil	Nil
16	Bakshi Pradeep	47	Vice President-Sales & Marketing	3668878	2500484	B.Sc., D.M.M.	23/11/2001	26	Electrolux Kelvinator Ltd.	Senior Manager	6 Years
17	Balasubramanium V.*	60	Project Director, Bahrain Branch	4248019	4248019	D.M.E.	15/04/2006	37	Turner International LLC, Dubai	MEP Manager.	1 Year
18	Bansal Vivek Kumar*	28	Assistant Manager-HR	796250	694396	B.C.A., M.B.A., M.B.M	16/05/2005	4	Nil	Nil	Nil
19	Barve Vivek*	52	Senior Marketing Manager	1755299	1477246	B.E.	18/06/1984	25	R.C.C. Plastics Pvt. Ltd.	CNC Engineer	1 Year
20	Behal Tarun	36	Project Director, Qatar Branch	5596923	5596923	B.E.(Mech.), M.B.A.	26/03/2002	14	International Electron Devices	Project Engineer.	1 Year
21	Berde Kishor S.*	35	Manager Finance and Commercial, United Arab Emirates	337297	337297	A.C.A.	19/02/2009	9	KEC International Ltd.	Senior Manager Commercial.	9 Years
22	Berganio Danilo M.	55	Senior Project Manager, Qatar Branch	4509489	4509489	B.Sc.,(Elec. Engg.)	04/02/2007	25	Saudi Archirodon Ltd.	Sr. Design Electrical Engineer.	3 Years
23	Bhagwat Ashish	38	Senior Project Manager Marketing, Qatar Branch	4396847	4362164	M.E.(Mech.)	01/03/2002	13	Snehal AC & R. Pvt. Ltd.	Project Engineer.	1 Year
24	Bhalerao Sudhir	52	General Works Manager	2775758	1827367	B.E.(Mech), M.M.S.	04/10/2007	14	Associated Capsules Pvt.Ltd.	General Manager	12 Years
25	Bhaskar Pendse*	51	Finance Executive, Qatar Branch	881753	881753	B.Com.	24/04/2005	29	Greaves Ltd.	Accountant	18 Years
26	Bhat Rakesh*	42	Senior Projects Manager	977624	833052	B.E., B.Tech.	17/04/2000	11	Carrier Aircon Ltd.	Manager	3 Years
27	Bhat Ravi*	36	Zonal Product Sales Head	1200461	1040461	B.E., B.Tech.	14/11/1996	13	Trac Airconditioners (P) Ltd.	Engineer Sales	1 Year
28	Bhattacharjee Sanjoy*	60	Sales Executive	640101	591270	B.Sc.	15/06/1981	27	Nil	Nil	Nil
29	Bhole Rahul	38	Project Manager, United Arab Emirates	5436633	5436633	B.E.(Mech.)	05/10/1998	17	Kirloskar Pneumatic Ltd.	Assistant Manager.	6 Years
30	Bilgi Satishchandra*	57	Vice President & CIO (IT)	2871741	1933514	B.Sc., Diploma In O&M, M.M.M.	02/07/2001	8	Hirandani Softwares & Systems	VP(IT)	10 Months



INFORMATION AS PER SECTION 217 (2A) (b) (ii), READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009.

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Remuneration		Qualification	Date of Commencement of Employment	Experience (Years)	Last Employment held	Designation	Period for which Post held
				Gross (Rs.)	Net (Rs.)						
SECTION I - MANAGEMENT STAFF (Contd.)											
31	Billimoria Minoo*	60	Assistant General Manager	2913077	2164078	B.E., B.Tech.	01/01/1976	33	Nil	Nil	Nil
32	Blancaflor Rafael G.	43	Senior Project Engineer, Qatar Branch	2661590	2661590	B.Sc.(Elec. Engg.)	13/06/2007	19	Almabani General Contractor	Electrical Engineer.	4 Years
33	Bonnie Stephen*	49	Contracts Manager, Qatar Branch	1963144	1963144	B.Sc., MRICS.	06/01/2009	23	EC Harris	Commercial Manager.	1 Year
34	Canales Dionesio C.	49	Project Manager, Qatar Branch	3374690	3374690	B.Sc.(Elec. Engg.)	01/03/2008	24	Saudi Oher Ltd.	Project Engineer.	7 Years
35	Carbungco Danilo G.*	54	Senior Design Manager, Qatar Branch	3191525	3191525	B.Sc.(Elec. Engg.)	24/04/2008	30	Al Sekka Cont. & Trading Est.	Project Manager.	2 Years
36	Chahakar Santosh J.*	37	Construction Manager, United Arab Emirates	1293763	1293763	B.E.(Elec.)	14/10/2008	15	Larsen and Toubro ECC Divn.	Construction Manager.	15 Years
37	Chakrapani Seetharaman*	31	Senior Project Engineer, Qatar Branch	140422	140422	B.E.(Mech.)	21/03/2009	12	Arenco Consultant	Sr. Mechanical Engineer.	1 Year
38	Chandran N.*	61	Officer-F&C	630085	585717	B.Com., L.L.B.	03/05/1971	38	State Bank of India	Clerk Cum Typist	1 Year
39	Chaube N.R.	51	CFO - EM&RBG	3300700	2079188	A.C.S., I.C.W.A.	02/11/1998	32	Merind Ltd.	General Manager - Operations	13 Years
40	Cheng Weng Ng*	39	Project Manager, Singapore Branch	3233315	2943589	Dip.(Mech. Engg.)	01/07/2008	17	Diadan Co Ltd.	Project Manager.	6 Years
41	Chitnis Milind*	46	Construction Manager, Qatar Branch	508283	508283	D.M.E.	10/02/2009	24	Target Engineering Construction Co.	MEP Co-ordinator.	1 Year
42	Christian Jeshurun*	41	Senior Project Engineer	549362	506876	D.M.E.	01/10/1993	17	Vishal Engg Co Ltd.	Engineer	2 Years
43	Corvera Alex	48	MEP Manager, United Arab Emirates	4594900	4594900	B.Sc.(Mech.)	17/02/2008	25	Pme Consulting Engg, Malaysia.	Associate Project Manager.	24 Years
44	Dalal Aban*	57	Executive Assistant	548480	386845	S.S.C., Secretarial Dip.	16/10/1998	35	Tata Oil Mills Co. Ltd.	Conf. Secretary	25 Years
45	Dandekar Satish	53	Project Director, United Arab Emirates	10339607	10339607	B.E.(Mech.)	05/06/1988	30	Blue Star Ltd.	Sr. Sales Engineer	1 Year
46	Dantwala Deepak	58	General Manager-R&D	2723729	1730777	B.E., B.Tech.	25/04/1988	35	Radiation Technologies	Manager	14 Years
47	Das Sujit Kumar*	61	Regional Manager	1592459	1396238	D.E.E.	04/12/1974	38	Perfect Electric Concern	Manager	4 Years
48	Dastur Rohinton	52	General Manager-Customer Care	2949226	1947404	B.E.(Mech.) PGDMS	07/01/1982	27	Nil	Nil	Nil
49	Dawson James D.*	57	Senior Commissioning Manager, United Arab Emirates	1032291	1032291	Commissioning Specialist	26/01/2009	34	Bovis Lend Lease	MEP Engineer	34 Years
50	Deshmukh Vinod	47	General Manager-Central Procurement, United Arab Emirates	7211762	7211762	B.E.(Mech.)	13/09/1985	26	Blue Star Ltd.	Technical & Admin Professional	2 Years
51	Deshpande J. L.*	55	Senior Project Manager, Mauritius Branch	2470306	2470306	D.M.E.	09/05/2008	31	ASA Enterprises	Project Manager	4 Years
52	Dey Subhashish	50	Project Director, Qatar Branch	6646571	6646571	D.M.E.	02/07/2002	29	Emirates Trading Agency, Dubai	Project Manager	6 Years
53	Dhawani Mukesh	53	Sr. Project Manager MEP, Qatar Branch	4272226	4272226	D.M.E.	12/05/2007	32	Hitachi Project Technologies	Project Manager	1 Year
54	Dhonde M.S.	49	Regional Financial Controller, Middle East Region	7005851	7005851	B.Com., A.C.A.	01/02/1988	26	Batliboi & Purohit Chartered Accountants	Senior Assistant	5 Years
55	Dhume P. N.*	61	Executive Vice President & COO (IOBG)	11318815	7682476	B.E.(Elec), DB.M., PG.D.I.M., M.F.M.	11/02/1975	35	Larsen & Toubro Ltd.	Junior Engineer	1 Year
56	Diwakar Kagne*	44	Project Manager	674315	637176	B.E.(Civil), ACDM	01/06/1992	21	Technogem Consultants	Clerk	4 Years
57	Doli Sriram*	42	Project Manager, United Arab Emirates	1691162	1691162	B.E.(Mech.)	17/08/2008	15	Al Magwa Engineering	Project Manager	15 Years
58	D'souza Ralph	43	General Manager-Business Development (Mena1), United Arab Emirates	7872292	7872292	B.E.(Elec.)	14/10/1991	20	General Electric Company.	Project Engineer	2 Years
59	Dua Shiv Kumar	54	Estimation Engineer, Qatar Branch	3181667	3181667	D.E.E.	20/05/2007	30	Al Otaiba & Garg Contracting Co.	Electrical Engineer	10 Years

INFORMATION AS PER SECTION 217 (2A) (b) (ii), READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009.

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Remuneration		Qualification	Date of Commencement of Employment	Experience (Years)	Last Employment held	Designation	Period for which Post held
				Gross (Rs.)	Net (Rs.)						
SECTION I - MANAGEMENT STAFF (Contd.)											
60	Dubey Manish	31	Project Engineer	3533556	2278679	B.E., B.Tech.	02/11/2000	8	Nil	Nil	Nil
61	Dutta Jayashree*	61	Assistant Officer-Support Service	652048	596009	M.A.	21/03/1972	36	Nil	Nil	Nil
62	Espirito Manuel*	48	Sr. QA/QC Manager, Qatar Branch	779247	779247	B.Sc.(Mech. Engg.)	03/01/2009	25	ETA Ascon	QA/QC Manager	2 Years
63	Faizaniqbal Mohd	41	Sr. Project Manager, United Arab Emirates	5994492	5994492	B.E.(Mech.)	17/05/1993	19	Usha Martin Industries Ltd,	Trainee Engineer	1 Year
64	Fox Colin*	55	Team Leader - Public Health & FF, Qatar Branch	2224134	2224134	City & Guilds, Autocadd	03/12/2008	33	ACDP (Integrated Building Services) Ltd.	Associate Ph Engineer & Head	3 Years
65	Ganesan V.	46	Finance Controller, Qatar Branch	4011925	4011925	F.C.A.	18/09/2007	24	Emam Distributors Co. Ltd.	Financial Advisor	6 Years
66	Ganguly Anindya	53	General Manager - Operations	2554791	1502259	B.Com., AICWA.	22/09/1997	31	Ispat Finance Ltd.	Assistant General Manager	2 1/2 Years
67	Garudachar B.N.	53	General Manager - CCD	2993551	1945296	B.Sc.	13/08/1990	19	Blow Plast Ltd.	Manager Advertising & Public Relations	5 Years
68	Gehani Sanjay	41	Sr. MEP Co-Ordinator, United Arab Emirates	6509591	6509591	B.E.(Elec.)	14/07/1992	19	Nil	Nil	Nil
69	Ghag S.*	61	Senior General Manager - EM&RBG	4874051	3452172	B.Sc.(Engg.)	01/02/1978	38	International Tractor Co. of India Ltd.	Junior Engineer	5 Years
70	Gillaspy John	62	Construction Manager, Bahrain Branch	5084940	5084940	D.E.E.	04/06/2006	41	Emirates Trading Agency, UAE.	Construction Manager	1 Year
71	Goh Beng Guan	54	Project Manager, Singapore Branch	3071590	2710864	Licenced Elect. Technician	01/03/2008	36	Transbright International Pte. Ltd.	Managing Director	6 Years
72	Gole Anil	49	Vice President (Human Resource)	5415986	3327875	B.Sc.,M.L.S.	01/06/2001	26	Otis India Ltd.	GM-HR	8 Months
73	Gonsalvaz Peter Godwin	52	Project Engineer, Qatar Branch	2440528	2440528	S.S.L.C.	06/10/2004	33	Blue Star Air Conditioning Co. Ltd.	Contractor	9 Years
74	Gopalakrishnan V.P.	54	Project Manager, Qatar Branch	2691875	2691875	B.E.(Mech.)	22/07/2007	22	Al Moayyed Air Conditioning LLC	Project Manager (MEP)	1 Year
75	Gopikrishna M.	50	Senior Vice President (Operations) - EM&RBG	4663187	2817382	B.E.,M.E.	19/06/1983	26	Nil	Nil	Nil
76	Gracias Xavier	47	Project Manager, United Arab Emirates	4131732	4131732	D.M.E.	01/06/2000	17	Techno Fire Control Ltd, Mumbai	Design Engineer	10 Years
77	Greensmith Desmond*	56	Design Team Leader, Qatar Branch	3127650	3127650	Dip.(Environ Engg.)	20/10/2008	39	Burgess Design Associates	Associate	10 Years
78	Guha Vivek*	51	Administration Manager, Qatar Branch	2160486	2160486	B.Com.	08/07/2008	28	Bestway Facility Services Pvt. Ltd.	Administration Head	13 Years
79	Gulrajani Naresh	38	Human Resource Executive, Singapore Branch	2834845	2834845	B.Com.	01/03/1993	16	Jewel of India	Office Assistant	2 Years
80	Gupta Pankaj*	47	Senior Planning Manager	921424	865560	P.G.D.B.M.	30/07/1986	22	Nil	Nil	Nil
81	Gupte Prakash*	60	Imports Executive	1168839	917723	S.S.C.	10/06/1975	34	Bayer India Ltd.	Stenographer	1 Year
82	Gurtata Gurcharan*	61	Manager-Employee Relation	1677304	1441571	B.A.,P.G.D.P.M.	16/05/1968	43	New Delhi Municipal Corpn.	Clerk	2 Years
83	Hande Tushar T.	31	Project Manager, Qatar Branch	3178966	3178966	B.E.(Elec.)	20/06/2000	8	Nil	Nil	Nil
84	Hibbitt Stanley	63	Project Director, United Arab Emirates	8990246	8990246	B.Sc.(Elec. Engg.)	05/04/2003	31	Birse Stadia, Hull, UK.	M & E Manager	1 Year
85	Hitesh Bhatia	38	Project Manager, Bahrain Branch	2527942	2527942	D.M.E.	16/11/2007	17	Bemco, Bahrain	Project Manager	1 Year
86	Hong Lim Thiam*	43	Sr. Engineer, Singapore Branch	2628031	2344731	Master Engg. Mgmt.	01/07/2008	9	Daidan Co. Ltd.	Project Manager	6 Years
87	Isip Ramos R.*	49	Manager Plumbing & Fire Fighting, Qatar Branch	2292523	2292523	B.Sc.(Mech. Engg.)	27/05/2008	28	Venco-Imtiaz Construction Co.	Senior Design Plumbing Engineer	1 Year
88	Jagirdar Rangnath*	57	Deputy Chief Manager	1070157	992738	B.E., B.Tech., M.E.	09/08/1977	34	Kirloskar Pneumatic Co. Ltd.	Sr. Engineer	2 Years



INFORMATION AS PER SECTION 217 (2A) (b) (ii), READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009.

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Remuneration		Qualification	Date of Commencement of Employment	Experience (Years)	Last Employment held	Designation	Period for which Post held
				Gross (Rs.)	Net (Rs.)						
SECTION I - MANAGEMENT STAFF (Contd.)											
89	Jajal Manharlal*	61	Assistant Manager-F&C	1315116	1133673	B.Com.	01/05/1975	37	Gujarat Agricultural University	Supervisor	3 Years
90	Jameel Nizam Parambil Abdul*	42	Quality and Business Excellence Executive, Qatar Branch	2463983	2463983	B.Tech.	01/06/2008	18	Gulf Oilfield Supplies & Services	QHSE Engineer	2 Years
91	Jaweesh Mohammed F.*	51	Manager-Construction, United Arab Emirates	2662346	2662346	B.E.(Mech.)	10/05/2008	33	Saad Trading and Contracting Co.	Sr. Mechanical Engineer	26 Years
92	Johnson M. T.	47	Planning Manager, United Arab Emirates	3211170	3211170	B.Tech.	10/03/2008	25	MFAR Constructions Pvt. Ltd.	Head Planning	25 Years
93	Johri Sanjay	56	President	8356775	4243763	B.A.(Hons), M.A.	06/09/2004	34	RDI Print & Publishing Ltd.	MD	25 Years
94	Joseph Moncy	54	Project Manager, United Arab Emirates	3608317	3608317	D.M.E.	01/09/1992	33	Nad Al Sheba Pvt. Ltd.	Sr. Maint Supervisor	16 Years
95	Jose Ravelo	43	Quantity Surveyor, Qatar Branch	4573331	4573331	B.Sc.(Civil Engg.)	14/06/2007	22	TYCO	Quantity Surveyor	2 Years
96	Joshi A.K.	56	Executive Vice President & COO, (EM&RBG)	6451613	3436703	B.E.(Mech.)	08/06/1979	30	Kirloskar Pneumatic Co. Ltd.	Project Engineer	4 Years
97	Joshi Mukul*	34	Assistant Manager-Product	670264	596439	H.S.C.	01/04/1999	10	P H Padhye & Associates	Assistant	1 Year
98	Joshi Sameer*	36	Assistant Manager-Service	957934	825662	B.E.,B.Tech..	24/06/1997	12	Bharti Shipyard	Trainee	2 Months
99	Juelar Ricardo L.	51	Project Manager, Qatar Branch	3565020	3565020	B.Sc.(Mech. Engg.)	29/11/2006	27	Al Futtaim Carrillion	QA/QC Engineer – Mechanical	1 Year
100	Kakade Avinash	46	Administration Manager, Qatar Branch	2468758	2468758	B.A.	13/12/2007	22	NCC GPHQ Darjleeing	Administration Manager.	2 Years
101	Kakkar Sumeet*	35	Assistant Manager-Service	363574	348590	M.B.A.	25/02/1996	12	Nil	Nil	Nil
102	Kannan C.P.	59	Logistics Incharge, United Arab Emirates	3847707	3847707	B.Com.	04/10/2004	39	Best & Crompton	Dy.General Manager	8 Years
103	Kapoor Ashok Kumar*	57	Engineering Manager, United Arab Emirates	517221	517221	B.Sc.(Mech. Engg.)	03/02/2009	32	Sterling India Consulting Engineers	Consultant HVAC Services	32 Years
104	Karanth P.N.S.	46	Deputy Project Director, Bahrain Branch	5425510	5425510	B.E.(Mech.)	01/10/2001	24	Emirates Voltas LLC, Dubai .U.A.E.	Project Manager	1 Year
105	Karkare Prashant	52	Vice President-Business Improvement	4045101	2340417	L.L.B.(Gen), F.C.S.,C.A.(Inter)	21/11/1996	39	Tata Services Ltd.	VP & Co.Secy.	10 Years
106	Karnatak Berendra*	47	Sr. Manager- Marketing	755159	655065	B.E.	31/12/1996	12	Jost's Engg. Co. Ltd.	Assistant Sales Manager	2 Years
107	Katoch Rakesh	58	Admin and Logistics Manager, Qatar Branch	3050577	3050577	B.Sc.	12/10/2005	31	Litek Electric Co.	Sr. Manager	2 Years
108	Kenneth Aldridge Gerald*	65	Design Manager, Qatar Branch	2697195	2697195	Dip.Envirn. Engg.	06/10/2008	48	Verizon Reading Berkshire - Communications	Group Engineering Manager	1 Year
109	Kent Geoffrey Andrew*	52	Design Engineer, Qatar Branch	1374960	1374960	B.E.(Civil)	06/01/2009	20	Hilson Moran Partnership	Principal Public Health Engineer	4 Years
110	Kewalramani Kishore	46	Construction Superintendent, United Arab Emirates	3653053	3653053	D.M.E.	01/03/2004	23	Kirloskar Pneumatic	Section Manager	1 Year
111	Khalatbari Ahmad*	57	Senior Public Health Engineer, Qatar Branch	293708	293708	ONC & HNC- Public Health Engg.	23/03/2009	30	Arup, London	Public Health Engineer	3 Years
112	Khalil Osama*	44	Manager Public Relations, United Arab Emirates	2521426	2521426	B.Com.	01/06/2008	24	Universal Voltas, Abu Dhabi	Manager Public Relations	23 Years
113	Khan Pronab Kumar*	61	Officer-Sales Tax	722055	641464	B.Com.	04/04/1988	36	Marnell & Berry Ltd.	Accounts Assistant	16 Years
114	Khan Waqar Ahmed*	35	Quantity Surveyor, Qatar Branch	605269	605269	B.E.(Elec.)	30/01/2009	14	Emirates Trading Agency	Sr. Quantity Surveyor	3 Years
115	Khode Ajay	38	Construction Manager, United Arab Emirates	3146033	3146033	B.E.(Mech.)	01/07/2006	10	Godrej & Boyce Manufacturing Ltd.	Senior Executive	10 Years
116	Khurana Surendra Kumar	52	Senior Project Manager, United Arab Emirates	3947147	3947147	B.Sc.Engg. (Elec.)	13/05/2007	28	Midmac Contracting, Qatar	Project Engineer	14 Years

INFORMATION AS PER SECTION 217 (2A) (b) (ii), READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009.

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Remuneration		Qualification	Date of Commencement of Employment	Experience (Years)	Last Employment held	Designation	Period for which Post held
				Gross (Rs.)	Net (Rs.)						
SECTION I - MANAGEMENT STAFF (Contd.)											
117	Khwaja Saeed	49	Project Manager, United Arab Emirates	4053423	4053423	B.Sc.,B.E. (Elec.)	21/09/2005	24	Chase Contracting, Dubai	Project Manager	2 Years
118	Kiely Patrick James*	49	Senior Quantity Surveyor, Qatar Branch	242403	242403	HNC - QS Practices	26/03/2009	32	Southern & Redfern Building Services Ltd.	Sr. Quantity Surveyor	1 Year
119	Krishnan P.K.	46	Manager Finance & Commercial, United Arab Emirates	4113957	4113957	B.Com	02/04/1993	26	Elgi Equipments Ltd. Coimbatore	Senior Assistant	10 Years
120	Kshirsagar M. Sunil	40	MEP Coordinator, United Arab Emirates	2781834	2781834	B.E.(Mech)	18/06/2007	15	Commodore Qatar Construction Co.	MEP Co-Ordinator	2 Years
121	Kulkarni Satish M.	52	Head - Design & Engineering, Qatar Branch	3044643	2905572	B.Tech.(Mech)	04/04/1996	27	Batliboi Ltd.	Sales Manager	1 Year
122	Kumar Amod	54	Chief Project Manager, Qatar Branch	6182728	6182728	B.E.(Elec.)	23/09/2002	29	Emirates Trading Agency, Dubai	Project Manager	6 Years
123	Kumar Dharmendra	36	Project Engineer, Qatar Branch	2826257	2826257	B.E.(Mech.)	25/09/2005	14	Satnam Contracting LLC	Project Manager	1 Year
124	Kumar Rakesh*	58	Senior GM-Manufacturing	3587644	2527533	B.E. B.Tech.	18/03/1999	36	Videocon International Ltd.	Assistant General Manager	2 Years
125	Kumar Ravi	47	Project Manager, United Arab Emirates	3491960	3491960	D.M.E.	16/09/2000	18	Universal Voltas, Abu Dhabi	Project Engineer	10 Years
126	Kumar Suraj	39	Assistant Construction Manager, Qatar Branch	2595226	2595226	D.E.E.	05/07/2007	14	Firepro Systems Pvt. Ltd.	Sr. Project Manager	1 Year
127	Kumar Udaya*	34	Manager Finance & Commercial, Qatar Branch	1198577	1198577	B.Com.,A.C.A	10/11/2008	7	Falcon Technologies Intl. LLC.	Manager Finance	2 Years
128	Kumar Rajendra C.P.	46	Senior Project Manager, United Arab Emirates	3301408	3301408	B.Tech.(Elec.) M.B.A.	20/02/2008	19	Al Mulla Brothers LLC, Kuwait	Senior Engineer Electrical	1 Year
129	Laconsay Adolfo*	45	Senior Project Manager, Qatar Branch	2670886	2670886	B.Sc.(Elec. Engg.)	01/06/2008	20	Conversion Electro Mechanical Company LLC.	Project Manager	3 Years
130	Lara Danilo W.D.J.*	43	Senior Electrical Engineer, Qatar Branch	2384585	2384585	B.Sc.(Elec. Engg.)	03/07/2008	17	Saudi Oger Ltd.	Project Engineer	10 Years
131	Lari Khalid	39	Procurement Manager, United Arab Emirates	5237381	5237381	B.Tech.(Elec.)	14/04/1998	19	Taylor Woodrow, Malaysia	Electrical Co-ordinator	8 Years
132	Limaye Suhas	43	Construction Manager, United Arab Emirates	3729746	3729746	D.E.E.	16/03/2005	24	Indian Hotels Co Ltd.	Manager-Regional Services	9 Years
133	Literato Emmanuel Henson	37	Project Manager, Qatar Branch	2442356	2442356	B.Sc.(Mech. Engg.)	08/01/2008	15	Tyco Fire & Security LLC.	Sr. Project Engineer	4 Years
134	Loomba Gopal	40	Project Manager, United Arab Emirates	3207189	3207189	B.E.(Civil)	21/03/2005	15	Davenport Ablaze, Baroda	Civil Engineer	1 Year
135	Maclean Colin*	53	Co-ordination Manager, Qatar Branch	1423046	1423046	Acibse-Mech. Engg.	12/01/2009	31	Structuretone	Senior Technical Services Manager	1 Year
136	Mahajan R.P.*	59	Vice President	5902246	4103627	B.Tech. (Agricultural Engg.)	24/12/1975	33	Nil	Nil	Nil
137	Mahamunkar Samir*	34	Engineer-Customer Care	542400	483639	D.E.E.	04/09/2000	8	Nil	Nil	Nil
138	Malhotra V.P.	45	General Manager-Taxation & Company Secretary	3376918	2137402	B.Com.,A.C.S., A.C.A.	18/07/1988	24	Dalal Desai & Kumana, Chartered Accountants	Executive	2 1/2 Years
139	Manay L.S.	45	Manager-Projects, Singapore Branch	6255786	5749212	B.E.	07/01/1986	27	Armatic Engg.	Erection Engineer	3 Years
140	Mandal Anup K.*	47	Manager -Projects, Singapore Branch	2755171	2535782	B.E.(Elec.)	01/11/1993	16	Tata Korf Engg Services Ltd.	Execution Engineer	1 Year
141	Manoharan Vinayak*	38	Construction Manager, United Arab Emirates	887642	887642	B.E.(Mech.)	07/01/2009	15	ETA- M&E Division, Abu Dhabi	Construction In Charge	15 Years
142	Margarito Pe*	47	Project Manager, Qatar Branch	898643	898643	B.Sc.(Mech. Engg.)	08/06/2008	19	Whitby & Bird Consulting	Mechanical Engineer	2 Years
143	Marks Paul*	44	Contracts Manager, United Arab Emirates	823115	823115	Dip.Building Surveying	24/02/2009	24	Thermo LLC	Commercial Manager	24 Years
144	Marudhachalam Perimbarajan	38	Project Manager, Qatar Branch	3609948	3609948	B.Tech.(Elect.)	19/06/2005	19	Al Moayyed A/C Contracting, Manama	Electrical Engineer	2 Years



INFORMATION AS PER SECTION 217 (2A) (b) (ii), READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009.

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Remuneration		Qualification	Date of Commencement of Employment	Experience (Years)	Last Employment held	Designation	Period for which Post held
				Gross (Rs.)	Net (Rs.)						
SECTION I - MANAGEMENT STAFF (Contd.)											
145	Mascarenhas Philip	54	General Manager - MTD	2780803	1816699	B.E.,B.Tech.	01/08/1980	31	Integrated Process Autom	Engineer	2 Years
146	Mathew Jacob E.	44	Manager Finance & Commercial, Qatar Branch	4179021	4179021	B.Com.	11/01/1989	23	Elde Electrical Agencies Pvt. Ltd.	Accounts Assistant	2 Years
147	Mathew Jaison	32	Quantity Surveyor, Qatar Branch	3430476	3430476	D.E.E.	26/01/2007	11	Davis Langdon & Seah Const.	Sr. Quantity Surveyor	1 Year
148	Mathur Sanjay*	42	Sales & Service Manager	443574	410628	B.E.B.Tech.,	18/02/1998	19	Escorts Ltd.	Engineer	8 Years
149	Mazumdar Randhir	46	Senior Manager Human Resources, Qatar Branch	3266256	3266256	M.Sc.	07/02/2008	23	Indian Armed Forces	Colonel	22 Years
150	Mehta Nikhil*	36	Manager-F&C	572588	485542	B.Com.,A.C.A.	06/06/2007	16	Kaluworks Ltd.	Accountant	14 Years
151	Menon Surendranath E.	56	Project Manager, United Arab Emirates	3735650	3735650	B.Sc.Engg.	10/03/2004	30	Sensaire Services, Dubai	Project Engineer	10 Years
152	Mir Shaukati Ali	51	Regional Director & Dy COO (Mena 1), Middle East Region	13667518	13667518	B.E.(Mech.)	13/05/1983	26	Nil	Nil	Nil
153	Miyajiwala M.M.	58	Executive Vice President (Finance)	5816375	3286051	B.A.,LL.B., A.C.A.	02/05/1980	38	Dara Sorabji.	Office Incharge	1 1/2 Years
154	Mohamed Bashir Raja	51	Construction In Charge, United Arab Emirates	2998848	2998848	B.Sc.,D.E.E.	17/09/2002	27	Aster Electro - Mechanical, Abu Dhabi	Senior Supervisor.	21 Years
155	Mohammad Shamim A.*	50	Coordination Manager, United Arab Emirates	495062	495062	B.E.(Elec.)	28/01/2009	23	ETA, Doha	Pre Fabrication Manager	23 Years
156	Mohammed Farooq	46	Project Manager, United Arab Emirates	3024219	3024219	D.C.E.	08/02/2007	25	ETA Star India Projects	Project Manager	2 Years
157	Mohammed Hadl H.*	48	Engineering Manager, United Arab Emirates	1054064	1054064	B.Sc. (Building Services)	01/02/2009	20	Foreman Roberts, London	Technical Director	20 Years
158	Mohd. Aslam Farooqui*	53	Senior Project Manager, Qatar Branch	4420269	4420269	B.E.(Mech.)	15/06/2008	29	Mercury Engineering	Sr. Construction Manager.	2 Years
159	Mohd. Rashid	38	Project Manager, Qatar Branch	2652305	2652305	B.E.(Mech.)	04/01/2008	10	Unitech Ltd.	Sr. Engineer - HVAC	1 Year
160	Muhammad Usman*	28	Manager-F&C, Qatar Branch	929544	929544	A.P.A.,A.C.C.A.	10/12/2008	6	Unilever FMCG.	Finance Manager	1 Year
161	Mullath Vijaykumar	57	General Manager-Corporate HR	3020538	1858004	B.Sc.,LL.B., MSWL	03/03/1980	34	Union Bank of India	Personnel Officer	3 Years
162	Murthy D.S.	44	Sr. Procurement Manager, United Arab Emirates	5662114	5662114	B.E.(Civil)	06/09/1989	23	B. E. Billimoria & Co.	Site Engineer	3 Years
163	Nachiappan Meyyappan*	37	Senior Project Engineer, Qatar Branch	904356	904356	P.D.R.A.C.	06/12/2008	13	Bhawan Engineering Company LLC.	Senior Project Engineer	5 Years
164	Naik Gurudas*	42	Officer Commercial	616856	558652	B.Com.	03/09/1990	18	Nil	Nil	Nil
165	Nair Vivek Kumar	56	Senior Project Manager, Qatar Branch	3223850	3223850	B.E.(Elec.)	22/03/2008	31	Lunar Electro	Sr. Electrical Engineer	4 Years
166	Nalawade Ravindra	40	Project Manager, Mauritius Branch	2857915	2857915	B.E.(Elec.)	21/01/2002	16	GFI-Becker India Pvt. Ltd.	Project Manager	2 Years
167	Nandi K.	30	Project Engineer, United Arab Emirates	2706011	2706011	B.E.(Mech.)	01/06/2004	5	Nil	Nil	Nil
168	Narayanan E.*	40	Project Manager EM&RBG	237379	232639	D.E.E.	15/10/2002	6	Nil	Nil	Nil
169	Nayak Aarti*	35	Senior Manager-F&C	1702339	1252790	B.Com., I.C.W.A.I.	26/08/1996	12	Hindustan Lever Ltd.	Clerk	1 Year
170	Ngern Yong Tik	54	Mechanical Manager, Singapore Branch	2847442	2507965	B.E.(Mech.)	10/03/2008	28	Great Resource M&E Contractor	Project Manager	3 Years
171	Noorani Naushad*	45	General Manager-Learning & Development	1803968	1426811	B.Com.,M.M.S.	03/09/2001	20	Sodexo Pass Services India Pvt. Ltd.	HR-Head	12 Years
172	Pahade Prasanna	35	General Manager-Corporate Planning	3203314	2096448	B.E.,P.G.D.M.	01/06/2004	11	Tata Strategic Management Group	Consultant	4 Years
173	Pai Sunil*	50	Project Manager, United Arab Emirates	525478	525478	B.E.(Mech.)	22/02/2009	27	Bukhamseen International Group, Kuwait	Senior Co-ordinator	27 Years
174	Palaniyandi Thiugnamam*	57	Construction Manager, United Arab Emirates	2384074	2384074	Dip.(Elec. & Electronic Engg.)	11/08/2008	31	Mitsubishi Corpn. Qatar	Project Engineer	27 Years
175	Palnitkar Dilip*	58	Regional Sales Manager	1002902	942789	D.E.E.	01/03/1974	36	Ruston & Hornsby India Ltd.	Apprentice	1 Year
176	Pant C.D.	54	Regional Director (Mena 2 Region), Qatar Branch	14287873	14287873	B.Tech.(Elec.)	01/04/2002	30	Turner Steiner International	Consulting Engineer	3 Years

INFORMATION AS PER SECTION 217 (2A) (b) (ii), READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009.

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Remuneration		Qualification	Date of Commencement of Employment	Experience (Years)	Last Employment held	Designation	Period for which Post held
				Gross (Rs.)	Net (Rs.)						
SECTION I - MANAGEMENT STAFF (Contd.)											
177	Parikh Vijay*	37	Branch Service Manager	372451	328726	B.E.,B.Tech., M.B.A.	10/05/2002	13	ETA General	Engineer	6 Years
178	Patil S.N.	41	Deputy General Manager, Qatar Branch	6650193	6650193	B.E.(Mech.)	02/04/1990	18	Nil	Nil	Nil
179	Patil Sampat*	60	Chief Manager-WMBD	2377053	1775493	B.E.,B.Tech..	05/03/1993	32	Kirloskar Brothers Ltd.	General Manager	16 Years
180	Philomina M.*	52	Area Sales Manager	758419	711392	B.A.	20/08/1980	29	Nil	Nil	Nil
181	Pichumanai Ponnuswamy*	56	Construction Manager, United Arab Emirates	1866033	1866033	B.E.(Elec. & Electronic Engg.)	17/09/2008	32	Esepl, Bangalore	GM Project Marketing	32 Years
182	Pillai Ganesan M.	32	Procurement Engineer, Qatar Branch	2727757	2727757	B.E.(Mech.)	18/03/2008	9	Sayed Hamid Behbehani & Sons Co.	Senior Engineer	5 Years
183	Pillai Vasudevan R.*	42	Project Manager, United Arab Emirates	471408	471408	B.E.(Mech.)	27/01/2009	14	Sobha Developers Chennai	Sr Manager Design	14 Years
184	Pillai VGS.	48	Manager Human Resources, Qatar Branch	3336284	3336284	BA, PG Dip. in IR & PM	18/03/1985	26	Munak Chemicals Ltd.	Executive Assistant	2 Years
185	Pimple Rupesh*	33	Senior QC-Engineer	433574	409647	D.E.E.	16/10/1995	14	Anand International	Product Supervisor	1year
186	Prabhujgaonkar B.G.	51	CFO-IOBG	3533556	2278679	B.Com.,A.C.A.	01/02/1984	28	L. K. Manjrekar & Co.	Accounts Assistant	3 Years
187	Pradeep Hari*	53	Sales Manager	788162	641104	B.Com.,PGDIM	01/07/2004	29	Carrier Aircon Ltd.	Branch Manager Sales	25 Years
188	Pritmani S.	51	General Manager- Far East & South East Asia Region, Singapore	13950212	13311499	B.E.(Mech.)	09/02/1984	28	Batliboi Engineers Ltd.	Project Engineer	3 Years
189	Purshothaman P.*	42	Project Manager, United Arab Emirates	2402010	2402010	B.Tech.(Elec. Engg.)	24/04/2008	19	A. A. Al Gadaibi Cont.Est.Riyadh,	Project Manager	11 Years
190	Rahnvard Majid*	60	Design Manager, Qatar Branch	1806200	1806200	B.Sc.(Mech. Engg.)	12/01/2009	34	Buro Happold Consulting Engineers	Associated Designate	1 Year
191	Rajendran M.P.*	40	Safety Officer, Singapore Branch	2669642	2312320	Dip.(Civil Engg.)	15/04/2008	16	Can Group Ltd.	Safety Officer	2 Years
192	Ramakrishna M.V.S.	43	Electrical Manager (Design), Singapore Branch	2270062	2247177	B.E.(Elec.)	08/10/2007	19	Engineering Projects (I) Ltd.	Deputy General Manager	17 Years
193	Raman S.K.	35	Senior Design Engineer, United Arab Emirates	2827348	2827348	D.E.E.	06/07/2004	16	Suwaidi Engg Group, Abu Dhabi	Fire Protection Design Engineer	2 Years
194	Randillo Curioso G.*	44	Head of Engineering, United Arab Emirates	2681226	2681226	B.Sc.(Elec. Engg.)	27/05/2008	6	Leighton International & General Contracting.	Sr. Electrical Engineer	6 Years
195	Rao Prakash	50	Accountant, United Arab Emirates	2906134	2906134	B.Com.	01/05/2007	29	ING Vyasa Investment Mgt. Pvt. Ltd.	Manager Accounts	6 Years
196	Rao V.J. Pithani	44	Planning Engineer, United Arab Emirates	3037499	3037499	Dip.Civil Engg.	20/08/2007	26	HOW United Services WLL,Qatar	Sr. Planning Engineer	24 Years
197	Ravindranath B.	44	Head Project Directorate, Qatar Branch	3195913	2782375	B.E.(Mech.)	05/10/1990	21	Utility Engineers India Ltd.	Project Engineer	3 Years
198	Ravoori Vinod Kumari*	51	Project Manager, United Arab Emirates	1662678	1662678	B.E.(Elec. & Electronic Engg.)	09/09/2008	27	Emco WLL, Bahrain	Project Manager	23 Years
199	Roy Dipak	60	General Manager (Chemicals)	6903097	4674763	M.Sc.,PG.D.M.	24/06/1974	35	Nil	Nil	Nil
200	Sabawala Behram	48	CFO-UPBG & EPBG	2648382	1696167	B.Com.,A.C.A.	08/08/2005	23	Tata Intl. Ltd.	General Manager	19 Years
201	Sable Dagadu S.*	58	Deputy General Manager HR & Admin, Qatar Branch	1891541	1891541	MLW&R	01/09/2008	33	Awalgulf Mfg. Co.	Senior Manager HR	1 Year
202	Sabu Wilfy T.	37	Safety Officer, United Arab Emirates	2943424	2943424	B.Tech.(Mech.)	01/09/2002	12	Al Masood - KSB Fluid System, Abu Dhabi	Safety Engineer	6 Years
203	Sahane Milind	46	Vice President (M&CE & MHBD)	4516296	2882019	B.Tech.,M.S., PGDM.	09/04/2001	18	Telco Const. Equipment Co. Ltd.	Divisional Manager	10 Years
204	Salunke Jayram*	58	Assistant Officer-F & C	1021980	1006750	B.Com.	15/12/1977	32	Jupiter Engg Works	Accounts Clerk	1 Year



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Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Remuneration		Qualification	Date of Commencement of Employment	Experience (Years)	Last Employment held	Designation	Period for which Post held
				Gross (Rs.)	Net (Rs.)						
SECTION I - MANAGEMENT STAFF (Contd.)											
205	Samanta Koyeli*	37	Key Accounts Manager Metal & Power	601443	496371	B.E.,B.Tech.	19/07/2007	12	M. N. Dastur & Co. Pvt. Ltd.	Engineer	11 Years
206	Sampath D.	54	Director- Projects (Mena 1), United Arab Emirates	11648277	11648277	D.M.E.	24/05/2002	34	Bumi Jaya Corpn Sdn Bhd, Brunei	General Manager	11 Years
207	Sanyal Ashim*	50	Project Manager, Bahrain Branch	1218896	1218896	B.E.,(Mech.)	04/10/2006	26	Vanderweil Engineer Massachussets	Mechanical Engineer	1 Year
208	Sanyal Kanchan	53	Procurement Manager, United Arab Emirates	5376224	5376224	D.M.E.	06/04/1979	30	Bharat Aluminium Company	Trainee Engineer	1 Year
209	Sanyom Suraphol	49	Project Manager, Qatar Branch	2961843	2961843	D.E.E.	18/12/2006	23	Hyundai Engg. & Construction Co. Ltd.	Electrical Supervisor	1 Year
210	Sathyararayana Ch. K.V.V.*	54	Senior Project Manager, Qatar Branch	3801864	3801864	B.Tech. (Elec.), MBA	30/04/2008	29	Bader AL Mulla & Bros Co.	Project Manager	2 Years
211	Satyanarayana N.	39	Project Manager, United Arab Emirates	4814139	4814139	B.Tech.(Mech.)	27/06/2006	14	Batliboi Ltd	Senior Engineer Projects	2 Years
212	Saxena Rajiv	46	General Manager	2685773	1670050	Diploma- Mech.Engg.	08/07/1985	24	Nil	Nil	Nil
213	Sayeed A.S.A.*	60	DGM - Exports	2596094	1956473	D.E.E.	01/03/1973	36	Nil	Nil	Nil
214	Shah Rajesh*	32	Planning Manager	639535	574392	B.E., B.Tech.,	05/05/2003	5	Contec Airflow (I) Pvt. Ltd.	Engineer	4 Years
215	Shah Utsav	48	CFO-Central F&C Services	3146387	2006922	B.Com., A.C.A.	01/11/1996	23	Parul Chemicals Ltd.	Manager Accounts	4 Years
216	Shaju V.C.	40	DGM - Human Resources, United Arab Emirates	5454533	5454533	B.A., B.Phil., MSW	06/08/2006	17	B.Braun Medial (I) Pvt. Ltd.	Manager - HR	5 Years
217	Sharan Anupam*	32	Project Manager	532923	466790	B.E.,B.Tech.	07/12/2005	7	Jindal Stainless Ltd.	Assistant Manager	4 Years
218	Sharan S.K.	55	General Manager- Operations	2930629	1881819	B.E.,P.G.D.B.M.	15/07/1998	38	J.B.Advani & Company	General Manager-International Business	25 Years
219	Sharan Vikas Kumar*	35	Business Manager	897058	764337	B.A.,M.B.A.	06/12/2000	14	Tyche Peripherals Systems	Manager	6 Years
220	Sharma Achchhe Lal	48	Construction Manager, United Arab Emirates	3416013	3416013	BCS.	22/10/2003	26	Uitlity Engineers India Ltd.	Supervisor	4 Years
221	Sharma Gopal	48	Sr. Manager Business Excellence, United Arab Emirates	6690945	6690945	B.E.(Mech.)	01/08/2002	25	Shaikh Suroor office, Abu Dhabi	MEP Manager	3 Years
222	Sharma Harish	49	Project Director, Qatar Branch	6118738	6118738	B.E.(Mech.)	15/07/2002	26	Emirates Trading Agency, Dubai	Senior Engineer	4 Years
223	Sharma Subhash	41	Senior Project Engineer, United Arab Emirates	2632260	2632260	D.M.E.	10/08/2006	14	Grauer & Weil India Ltd.	Sr Engineer	2 Years
224	Sharma Sudhir	57	Vice President-Marketing	3603964	2177560	B.Tech.	07/06/1978	33	National Textile Corporation	Management Trainee	2 Years
225	Sherugar Keshav	39	Project Manager, United Arab Emirates	4084995	4084995	B.E.(Elec.)	10/03/2007	14	Tata Consulting Engineers	Sr. Engineer Electrical	10 Years
226	Shetty Mohan	51	Accounts Executive, Singapore Branch	3863961	3756920	B.Com.	08/01/1989	26	Hindustan Construction Ltd.	Commercial Assistant	5 Years
227	Siddiqui Iqtadar Nabeel*	60	Senior Project Manager, Qatar Branch	3038824	3038824	B.E.(Elec.)	06/07/2008	31	Al-Toukhi Group of Companies	Project Manager	6 Years
228	Sidhwani S.	54	Sr. Manager- Special Project, Singapore Branch	8166995	7605421	B.E.(Civil)	31/01/2003	29	Maunsell Consultants (Asia) Ltd. Hong Kong	Resident Engineer	1 Year
229	Silva Noel D.*	52	Design Engineer, Qatar Branch	1701461	1701461	HND(Mech.) Engg.	12/12/2008	23	Bancroft Design	Principal Mechanical Engineer	1 Year
230	Soni Ashok	64	Managing Director	15908441	8818617	B.Sc.,A.C.A.	01/04/1990	40	Inmark Pvt.Ltd.	Sr.Vice President	2 Years
231	Sorin Visteanu*	39	Quantity Surveyor, United Arab Emirates	500009	500009	B.Sc.(Mech. Engg.)	25/02/2009	12	Six Construction Ltd, Dubai	Sr. Quantity Surveyor	12 Years
232	Srinivasachary K.*	59	Assistant Manager-F&C	689387	611121	B.Com.,C.A. (Inter)	03/01/1986	27	Fabrocon Pvt. Ltd.	Accountant	4 Years
233	Subramanian Ramesh K.*	34	Construction Manager, United Arab Emirates	718334	718334	B.Tech(Mech.)	20/01/2009	12	Noor Group Consultants International	Senior Mechanical Engineer	12 Years

INFORMATION AS PER SECTION 217 (2A) (b) (ii), READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009.

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Remuneration		Qualification	Date of Commencement of Employment	Experience (Years)	Last Employment held	Designation	Period for which Post held
				Gross (Rs.)	Net (Rs.)						
SECTION I - MANAGEMENT STAFF (Contd.)											
234	Such Daniel*	32	Design Co-ordinator, Qatar Branch	107007	107007	Dip. in Bldg. Service	29/03/2009	8	S.C. Blizzard Design S.R.L.	Project Manager	1 Year
235	Sundar Karthik	28	Construction Manager, United Arab Emirates	2866358	2866358	B.E.(Mech.)	07/11/2004	8	Hilalco, Abu Dhabi	Site Engineer	1 Year
236	Suresh Kumar A.R.	43	Deputy Project Director, United Arab Emirates	5583245	5583245	B.Tech.(Mech.)	03/07/2007	20	Saudi Ensas Co. for Engineering Services WLL	Manager Operations	9 Years
237	Sureshkumar D.	41	Project Manager, Qatar Branch	3533706	3533706	B.E.(Mech.)	12/09/2004	16	Emirates Technical Associates	Plumbing Engineer	2 Years
238	Syed Haneef	49	Planning Manager, Qatar Branch	4349225	4349225	B.E.(Civil)	24/02/2007	13	Parsons Intl. Ltd.	Sr. Planning Engineer	2 Years
239	Talele Arun*	54	Area Sales Manager	1130502	836066	Indian Trade Cert.	01/09/1998	30	Bharat Earth Movers Ltd.	Sr. Manager Marketing	19 Years
240	Tambat Ravindra*	59	Area Service Manager	1234589	1087598	D.E.E.	01/10/1971	38	Nil	Nil	Nil
241	Tambe Kaustubh*	45	Project Manager, Singapore Branch	3753966	3691237	B.E.(Mech.)	24/04/2008	21	Invensys Process Management	Sales Manager	1 Year
242	Thanawala Darpan*	54	Senior Sales Manager	405312	389158	D.E.E.	25/03/1996	30	Perfect Machine Tools Co.	General Manager - Marketing	7 Years
243	Thiraviam A.A.*	35	Senior Engineer, Singapore Branch	1690702	1690702	B.E.(Mech.)	01/08/2008	12	Honeywell Automation India Ltd.	Sr. Engineer	4 Years
244	Thomas O.K.	49	Project Director, United Arab Emirates	7914274	7914274	B.E.(Elec.)	02/11/1992	28	Central Public Works Dept.	Junior Engineer	11 Year
245	Thomas Shibu*	38	Project Manager- Electrical, Qatar Branch	706272	706272	B.E.(Elec.)	03/01/2008	17	ETA-Ascon	MEP Manager	2 Years
246	Thorton Hall D.*	36	Construction Manager, United Arab Emirates	903524	903524	City & Guild Building Services	29/01/2009	19	Amec / Spie Mathew Hall	Mechanical Project Manager	19 Years
247	Tiwari Mayank	33	Manager Finance and Accounts, United Arab Emirates	3646713	3646713	A.C.A, L.L.B.	05/08/2006	7	Shailesh Vishesh & Co. Chartered Accountants	Manager Audit	4 Years
248	Tonk Anil	44	Project Manager, United Arab Emirates	4188910	4188910	D.E.E.	01/07/1983	26	Nil	Nil	Nil
249	Tuteja Sanjay*	41	Materials Manager	1356244	1157389	H.S.C.	02/05/1994	15	VH City Engineers (I) Ltd.	Assistant Manager	3 Years
250	Tyler Alan*	55	Project Director, Qatar Branch	1379496	1379496	C+C AB Electrical	13/01/2009	23	Balfour Kilpatrick	Project Manager	3 Years
251	Vadgama Rahul*	38	Project Manager- Electrical, Qatar Branch	3543361	3543361	D.E.E.	11/02/2005	17	Chase Contracting Co.	Project Engineer	1 Year
252	Varma N.R.	58	Project Director, United Arab Emirates	8606159	8606159	D.E.E.	01/09/1982	36	Maharashtra State Electricity Board	Maintenance Engineer	1 Year
253	Vellanikaran S.*	42	Regional Financial Controller, Singapore Branch	5118227	5118227	A.C.A.	16/06/2008	17	Adlabs Films Ltd.	Finance Controller	1 Year
254	Veneracion Wilfredo*	54	QA/QC Manager, United Arab Emirates	2400942	2400942	B.Sc.(Mech. Engg.)	29/04/2008	25	Juffali Airconditioning Mechanical & Electrical Co.	Site Engineer	11 Years
255	Venkatesha K. D.	37	Project Manager & MEP Co-Ordinator, Qatar Branch	3231662	3231662	D.M.E.	26/11/2006	13	ETA M & E Division	MEP Co-Ordinator	2 Years
256	Venkatraman S.*	61	Executive Vice President & COO (TMD & MTD)	7139022	4836190	B.Tech.(Textiles), PGD. in Engg.	20/01/1997	39	Kothari Industrial Corporation Ltd.	Group GM (Textile)	2 Years
257	Venkatramana V.L.	61	General Manager-EM & RBG	2634787	1806265	B.E.(Elec.)	03/10/2006	27	Bahwan Engg. Co. LLC	Sr. Manager	14 Years
258	Verma Shiv Raj*	39	Project Manager	763411	651567	A.M.I.E.	24/09/2004	21	ETA Engg Pvt Ltd.	Assitant Manager	16 Years
259	Vishwanath Shital P.*	33	Quantity Surveyor, Qatar Branch	1750381	1750381	B.E.(Civil)	27/09/2008	11	DSC Infrastructure	Sr. Quantity Surveyor	1 Year
260	Visweswaran K.	49	Project Director, United Arab Emirates	8486971	8486971	B. E.(Mech.)	24/06/2002	26	Gulf Engineering Kuwait	Project Manager	1 Year
261	Weeranrith Palitha	45	Quantity Surveyor, United Arab Emirates	2760537	2760537	B.E.(Civil)	14/07/2007	13	BK Gulf LLC., Srilanka	Quantity Surveyor	11 Years
262	Wong Chee Meng*	56	Electrical Manager, Singapore Branch	1010653	879182	B.E.(Elec.)	15/05/2008	12	Ngee Cheng Electric Co Pte. Ltd.	Project Manager	12 Years
263	Worsley William	65	Construction Superintendent, United Arab Emirates	7125498	7125498	M.I.E.T.	01/07/2002	43	Aster, Abu Dhabi	Construction Superintendent	3 Years
264	Yeo Whye Heng*	56	Sr. Manager Electrical, Singapore Branch	1348838	1253885	D.E.E.	22/10/2008	41	Powerlite Engg. Pte. Ltd.	Project Manager	2 Years



INFORMATION AS PER SECTION 217 (2A) (b) (ii), READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009.

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Remuneration		Qualification	Date of Commencement of Employment	Experience (Years)	Last Employment held	Designation	Period for which Post held
				Gross (Rs.)	Net (Rs.)						
:SECTION II - OTHER STAFF											
1	Adhikari Bhagyadhar*	61	Semi Clerk	596656	573208	S.S.C.	01/04/1971	38	Nil	Nil	Nil
2	Bahree Ashok Kumar*	61	Selection Grade Clerk	701240	648594	H.S.C.	22/12/1971	37	Nil	Nil	Nil
3	Bhandiwad Pradeep*	56	Selection Grade Draughtsman	408260	383783	S.S.C., I.T.I.	12/04/1993	32	NEI Ltd.	Draughtsman	16
4	Bolar Yashodhara*	52	B Grade Clerk	1271174	1244064	B.Com.	07/05/1979	29	Batliboi & Company	Stenographer	2 Months
5	Dhamdhare Vijaykumar*	61	B Grade Clerk	467454	462808	B.A.	18/11/1969	38	Nil	Nil	Nil
6	Fernandes Francis AI*	56	Skilled I Mechanic	1480836	1397118	S.S.C., I.T.I.	18/06/1980	29	B Forgings	Technician	3 Years
7	Gaikwad Chandrakant*	49	Skilled I Mechanic	1069207	1048965	S.S.C.	01/04/1987	22	Nil	Nil	Nil
8	Gangan Suresh*	61	C Grade Clerk	652350	623188	S.S.C.	14/11/1973	35	Nil	Nil	Nil
9	Kumtekar Prakash S*	60	Skilled III Mechanic	840612	754194	S.S.C., I.T.I.	15/11/1971	37	Nil	Nil	Nil
10	Madhavan A I*	61	Stenographer	343375	335496	S.S.C.	21/09/1987	21	Westerwork Engineers Ltd.	Clerk	14 Years
11	Mohammad Azaz*	61	Skilled I Mechanic	452003	444275	S.S.C.	01/06/1971	37	Nil	Nil	Nil
12	Pawar Babu Anna*	61	Watchman	336025	324322	S.S.C.	15/06/1988	20	Indian Army	Knight	16 Years
13	Raval Vasantray*	61	Erector-II	636611	612955	S.S.C., I.T.I. (Fitter)	01/12/1971	37	Blue Star	Asst.Erector	7 Months
14	Remedios Easdon Thomas*	61	Sectional Foreman	639808	608924	S.S.C., I.T.I. (Fitter)	17/01/1974	35	Nil	Nil	Nil
15	Salvi Prakash Shankar*	61	Senior Expeditior	728772	661035	S.S.C., N.C.T.V.T.	01/03/1974	35	Asha Brothers Pvt.Ltd.	Dye-Maker	1 Year
16	Shetty Vishwnath*	55	Watchman	1306479	1215804	S.S.C.	14/04/1980	29	Nil	Nil	Nil
17	Singh Naresh Kashi*	61	Compounder C Grade	387954	365317	B.A.	02/09/1994	14	Indian Navy	Attendant	26 Years
18	Vaze Ashok Madhav*	61	Mechanic	640943	617000	S.S.C.	28/11/1969	39	Nil	Nil	Nil
19	Venkatesh C. S.*	61	Selection Grade Computer Opererator	725815	675930	S.S.C., N.C.T.V.T.	01/09/1970	38	Nil	Nil	Nil

* EMPLOYED FOR PART OF THE YEAR

- NOTES: (1) The nature of employment in all cases is contractual. The other terms and conditions are as per the Company's Rules.
- (2) Remuneration includes salary, dearness allowance, bonus, other allowances, commision to Directors, Company's contribution to provident fund and superannuation fund, leave travel assistance, house rent allowance, compensation under VRS, etc. The value of perquisites has been calculated as per Income Tax Rules, 1962. In addition to the above remuneration, managerial staff are also entitled to gratuity and medical insurance benefits, while non-management staff are entitled to gratuity as well as certain medical assistance in accordance with the Company's Rules.
- (3) Net remuneration is shown after deduction of contribution to provident fund, Company's contribution to superannuation fund and income tax from the gross remuneration
- (4) None of the employees mentioned above is a relative of any Director of the Company.

Abbreviations used:

CCD	-	Corporate Communication Department	IT	-	Information Technology
CIO	-	Chief Information Officer	MEP	-	Mechanical Electrical and Public Health
COO	-	Chief Operating Officer	MHBD	-	Materials Handling Business Division
CFO	-	Chief Financial Officer	M&CE	-	Mining & Construction Equipment
DGM	-	Deputy General Manager	M&E	-	Mechanical and Electrical
EM&RBG	-	Electro Mechanical and Refrigeration Business Group	MENA	-	Middle East and North Africa
EPBG	-	Engineering Products Business Group	MTD	-	Machine Tools Division
F&C	-	Finance and Commercial	QA/QC	-	Quality Assurance/Quality Control
HR	-	Human Resources	R&D	-	Research and Development
HVAC	-	Heating Ventilation and Airconditioning	TMD	-	Textile Machinery Division
IOBG	-	International Operations Business Group	UPBG	-	Unitary Products Business Group

On behalf of the Board of Directors

ANNEXURE TO THE DIRECTORS' REPORT
FORM B
DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

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

- (i) Development of single effect Vapour Absorption Machine (VAM) for low temperature brine application.
- (ii) Energy efficient Chiller Packages conforming to Energy Conservation Building Code (ECBC).
- (iii) Development of higher storage capacity Visi Coolers with improved aesthetics and eco friendly refrigerant and foaming system.
- (iv) Development of Water cooler with bubble top.
- (v) Development of slant type glass top freezers.
- (vi) Development of automatic and manual gear boxes and transmission for forklifts.
- (vii) Development of jaw crusher technology and diesel hydraulic driven circuit for screening applications.

2. Product and processes developed through in-house technology

- (i) Vapour Absorption Machine for low temperature (minus 2 deg.C) for dairy application.
- (ii) Energy efficient Chiller Packages conforming to ECBC – 5 models in Air cooled and 2 models in Water cooled application.
- (iii) 425L Visi Cooler with improved aesthetics and eco friendly refrigerant and foaming system.
- (iv) 20/10 L Water cooler with bubble top.
- (v) 320L and 405L slant type glass top freezer.
- (vi) Chest Freezers of 155L, 265L and 386L for exports.
- (vii) Water coolers of 20/50L and 150/300L for exports.
- (viii) Electric forklifts upto 3.5 tons with AC drive technology.

- (ix) Warehousing equipment - stackers and pallet trucks.
- (x) Track mounted systems of capacity 20T to 40T.
- (xi) 2-stage and 3-stage 100 TPH and 200 TPH wheel mounted Crushing and Screening plants.

3. Imported Technology

No technology has been imported during the last five years.

4. Expenditure on R & D

The expenditure on R&D activities for the year 2008-09 was Rs.277.78 lakhs (including capital expenditure of Rs.26 lakhs). In relation to the turnover of own manufactured products, the R & D expenditure was 0.66% of the turnover.

5. Energy Conservation

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

- (i) Portable small compressors are being used in place of large central compressor in 2nd and 3rd shift, in line with production requirement to reduce power consumption
- (ii) Modification of boiler heat exchanger and burners to reduce diesel consumption and increase the efficiency by 25%.
- (iii) Modification of conventional motor control to variable frequency drive control to get better efficiency and low energy consumption in various area, resulting into 40KW load reduction.
- (iv) Use of CFL lighting in all offices and shop floor areas in place of fluorescent lamps.
- (v) Use of VRF (variable refrigerant flow) air conditioning system in offices.

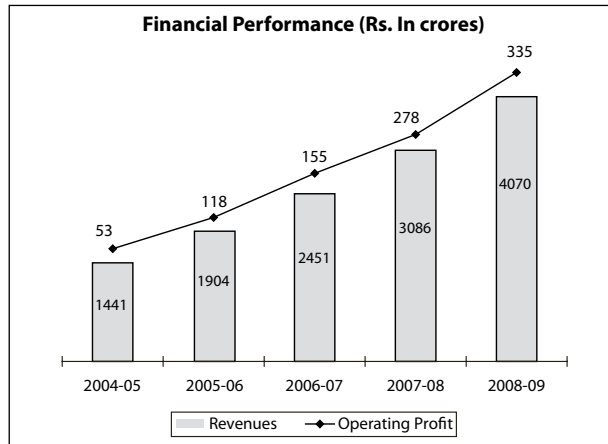


MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

1. The Company continued on its path of growth and took several measures to ensure sustainability for the future in the face of global economic slowdown.

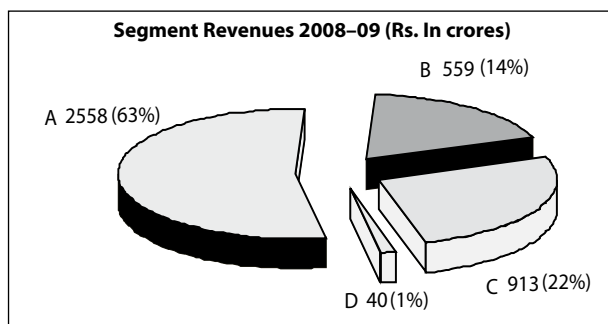
Voltas' operating profits have grown 532% over a period of last four years.



2. The Company continued its focus on tailoring its offerings of projects, services and products to the present market realities and dynamics. Significant steps in this direction have been a corporate acquisition, as well as additions to the roster of principals and the range of products offered. There have also been significant measures to rationalize costs in the interests of a short-term 'holding action', till such time, some clarity emerges with regard to future trends in global economy.

3. The business segments of the Company are :

- (A) Electro-mechanical Projects and Services
- (B) Engineering Products and Services
- (C) Unitary Cooling Products for Comfort and Commercial Use
- (D) Others



ELECTRO-MECHANICAL PROJECTS AND SERVICES

4. The domestic market for HVAC (Heating Ventilation & Air Conditioning) / MEP (Mechanical Electrical & Public Health) was marked by a climate of growth and buoyancy during the first half of 2008-09. It was adversely impacted in the second half of the year by the overall economic downturn, especially in the real-estate market. There has been an increasing trend towards use of integrated MEP services, driven by the prevailing cost- and value-conscious climate. Consequently, there is increased competition in this segment, with more players entering the arena.

5. The Company's decision to pursue MEP as a provider of integrated customized solutions was timely. MEP order bookings increased substantially over the previous year. The Company's domestic Electro-mechanical business ended the year with an all-time high order book. The orders secured include 65% of the stadium projects for the prestigious Commonwealth Games 2010, as well as the Godrej Properties – Waterside Tech Park, Kolkata. Also noteworthy has been the execution of the single largest Variable Refrigerant Flow (VRF) installation in India, with a capacity of 3000 tons of refrigeration (TR), for TCS' Kensington IT Park, at Powai.

6. To provide comprehensive solutions and business development for large projects in the power, steel and cement sectors, the Company has created a 'Special Projects Group'. The scope of electro-mechanical offering has consequently widened to include electrical and instrumentation contracts, in both high-tension and low-tension categories and for both, public and private sectors. Breakthrough orders have been booked, including the Extra High Voltage (EHV) substation project for Vijayanagar Sugar and Balance of Plant (BOP) Electrical and Low Pressure Piping for Plant Water Systems at the Maithon Power plant, at Jharkhand.

7. The Company's domestic Electro-mechanical business has established nationwide footprint of its energy-efficient and eco-friendly technologies and continues to promote widespread acceptance of 'Green' products and services. Its network of System Solution Providers has been drawn into this effort, which is consistent with the Company's dedication to the principles of sustainability in business and especially the 'Green' movement in India, spearheaded by the Indian Green Building Council, of which the Company is a founder member. The US Green Building Council recognized the Company's contributions in this area, with the award of the Silver LEED certification to Rajiv Gandhi International Airport at Hyderabad, one of the Company's recent electro-mechanical

accomplishments. Other 'Green' projects in progress are Lodha Excellus, Mumbai; Wave Rock-TSI Ventures, Hyderabad; RMZ Business Park, Chennai; and TCS, Bhubaneswar.

8. In preparation for an eventual economic upturn, the Company has rigorously pursued its quality drive and became the first India-based recipient of the ISO 9001:2000 certification from TUV NORD, encompassing design, marketing, installation, commissioning and servicing of electro-mechanical and refrigeration projects, inclusive of manufacture of air conditioning and refrigeration products. Additionally, the Company has intensified its focus on building its personnel capability in MEP, by training its HVAC technical staff.

9. The Company's Cold Chain and Food Processing business has made inroads in the Agri Sector with the commissioning of an advanced electronic line for sorting and grading kinnows for Haryana State Agri Marketing Board. The offering includes total Pack House solutions for fruits and vegetables. In addition, the Company has expanded its expertise to the Punjab, Rajasthan and Maharashtra Agri Marketing Boards and Government/Semi-Government bodies and was awarded a major share of business in Pack House solutions. The Company has also reinforced its position in the pharma, chemical and processed food industries through its new offering in Process Refrigeration to Cadbury, Dr Reddy's Lab, Matrix Lab and Lanxess, to name a few.

10. The Company sustained its thrust in international Electro-mechanical business leading to significant growth in revenues, generated by execution of large orders in hand. These include prestigious projects such as Sidra Medical and Research Centre and the Barwa City Project (Doha, Qatar); District Cooling Plant at the Dubai International Financial Centre and Burj Tower (Dubai, UAE); Formula 1 Racing Track, Ferrari Experience, Etihad Towers Complex (Abu Dhabi, UAE); Bahrain City Centre (Bahrain); and the Sentosa Bay District Cooling Plant (Singapore). As a result, the turnover of the international Electro-mechanical business from project execution doubled during 2008-09 and its contribution to the profit of the Company increased significantly.

11. The Company received formal professional recognition for its overseas Electro-mechanical business, at the prestigious MEP Middle East Awards 2008. Awards were won in the category of 'MEP Project Manager of the Year', acknowledging exceptional personal performance as seen in successful project outcomes; and in 'Health and Safety', recognizing special dedicated efforts to improve health and safety standards on Electro-mechanical projects.

12. The global economic crisis had an adverse impact on cross-border investments and new construction projects in certain geographies in which the Company is operating, such as Dubai and Singapore. This is a result of the intense churn in financial markets, a trend towards risk avoidance and credit squeeze among banks and financial institutions. This led to a crash in commodity prices, especially in the price of crude oil, which is a key source of income for the Middle East economies, the Company's primary markets for electro-mechanical services.

13. Nevertheless, in the face of economic adversity, the Company demonstrated its fundamental strength by securing new international orders of Rs.1,334 crores during the year under review, including a large retail development project in Abu Dhabi. At the end of the financial year, the Company's international electro-mechanical business had an order book position of Rs. 3,732 crores.

14. The Company's overall carry forward order book for the Electro-mechanical Project and Services segment was Rs 4,718 crores.

15. In order to accelerate the presence in the Industrial segment, the Company acquired a 51% stake in Rohini Industrial Electricals Private Limited in September 2008. The Company's scope of electro-mechanical offerings has consequently widened to include electrical and instrumentation contracts for projects in the domains of power, steel, cement, oil & gas, pharma, textile and other industries, catering to both domestic and overseas markets.

16. Additionally, the Company took over the 51% shareholding of the local partner of Saudi Ensas Company for Engineering Services W.L.L. (Saudi Ensas), which was hitherto a joint venture company in Jeddah (Kingdom of Saudi Arabia). Saudi Ensas, which is now a wholly-owned subsidiary of the Company, is engaged in the execution, operation and maintenance of electro-mechanical installations in Saudi Arabia and thereby gives an invaluable entry point to the Company for direct bidding in the considerable local opportunities.

ENGINEERING PRODUCTS AND SERVICES

17. The construction equipment industry witnessed a decline in business, particularly in the second half of the year under review, due to cutbacks in investments related to infrastructure projects like road construction, airports and irrigation. The iron ore-mining segment witnessed a reduction in demand leading to a lower sale of crushing and screening equipment. The Company was able to partially offset the reduction in construction equipment sales by



focusing on growth sectors like coal mining and power plant construction, which led to higher sales of mining equipment, parts and services. Many mining projects in areas of coal, zinc and limestone were initiated which led to sale of large mining excavators and other equipment.

18. The materials handling industry was impacted by the downturn in manufacturing and decline in investments in various sectors like automobiles and general engineering. The sale of forklifts showed a reduction of around 8% in volume over last year, but the Company was able to increase the sale of cranes and warehousing equipment.

19. The Company witnessed a decline in sales of spinning machinery. This was caused by the prolonged adverse climate in the export-driven textile industry, leading to reduction in investment for new and replacement machinery. Though the Company had a large pending order book, the actual billing for machinery was low as many customers deferred their investments. The Company has tied up with new partners for various product lines in Post-spinning, such as dyeing machinery and weaving looms and was able to grow its sales.

UNITARY COOLING PRODUCTS FOR COMFORT AND COMMERCIAL USE

20. The Indian room air conditioner industry, after a promising start, met with major set backs. The early rains, cut into the peak summer sales followed by the global economic downturn. The latter has resulted in greater risk-aversion among banks, a slowdown in credit disbursement to industry and trade and higher interest rates on borrowings. Consumers, affected by the crash in stock and property values, deferred purchases of high-ticket consumer durables. Consequently, the industry witnessed a slowdown in growth, from 28% in the previous year to 6% in the year under review, resulting in high inventory levels, with most companies during the year under review.

21. Sales of the Company's room air conditioners, though impacted, outperformed the industry growth and was 8%. The Company increased its reach in semi-urban and rural markets, by expanding its network of dealers, distributors and retailers. The Company also sustained its developmental thrust, by introducing new products, spanning the entire spectrum right up to the highest 5-Star rated Vertis Gold Split air conditioners, as also the innovative Corner air conditioners. The service infrastructure was strengthened by the addition of an all-India toll-free number, two dedicated Contact Centres and robust Customer Relationship Management software and systems.

22. These efforts resulted in the Company increasing its overall share in the room air conditioner market to 16.5%. Consumers displayed increasing sophistication, awareness of the benefits of energy-efficient air conditioners and a shift in preference from Window air conditioners (WACs) to Split air conditioners (SACs). In line with the industry trend, the Company's sales of SACs also grew faster, at 21%, while sales of WACs declined by 10%.

23. The Company's sales were also buoyant within the highly competitive multi-brand retail segment of the room air conditioner market, with a 24% growth rate in volume, well above the industry average of 7%. This is borne out by the audited retail sales figures for financial year 2008-09 compiled by ORG Gfk.

24. The Company restructured its Commercial Refrigeration operations into a separate vertical, which resulted in a higher sales growth of 34% in the Chest Cooler segment and 87% in the Visi Cooler segment. The launch of new product offerings – the Freezer-On-Wheels, Scooping Glass Chest Freezers and higher capacity Visi Coolers, helped to address the requirements of the frozen foods and beverages industries and has been well received by customers.

OTHER BUSINESSES

25. The Chemicals Trading business, which did not fit with the core activities of the Company, was sold in 2008-09 to DKSH India Private Limited, a wholly-owned subsidiary of DKSH Holding Limited, Zurich, as a going concern, on a slump sale basis. This would help the management to better focus on core areas of the Company.

OPPORTUNITIES AND OUTLOOK

ELECTRO-MECHANICAL PROJECTS AND SERVICES

26. The domestic market has sufficiently matured to appreciate the benefits of a single point solution for electrical and mechanical services. It is likely that in many future projects, entire MEP would be increasingly outsourced to a single agency. Government spending in infrastructure facilities is expected to increase and large investments are being made in the power sector as well as in modernization of existing airports. Two initial orders have been recently booked in the current year (2009-10) for execution of MEP projects for the Kolkata and Chennai airports.

27. Energy efficiency products are poised to be the order of the day. Compliance with legislation such as Energy Conservation Building Code/National Building Code will shortly become mandatory. The Company has proactively

invested in the development of energy efficient and environment friendly products such as screw chillers and co-gen vapour absorption machines, which will provide an opportunity for wider participation in the market. In addition, the Company's setting up of an in-house manufacturing facility of AHU's and Duct profiles will help in insulating the project costs from price fluctuations in these products, resulting in maintaining the projects' profitability.

28. Last year's boom in oil prices has been succeeded by a steep drop – from a high of USD 147 a barrel to the current price of around USD 65. Since most Governments in the Middle East rely heavily on oil revenues for infrastructure development, this sharp drop has strained the resources in the Middle East markets, resulting in some slowdown in new infrastructure projects. However, countries like Qatar, with large natural gas reserves, the Emirate of Abu Dhabi, with a larger share of oil reserves and Saudi Arabia, which has the largest economy amongst the Gulf States, are better placed to ride the global downturn and large-scale projects to develop their national economies continue to be undertaken. Most of the Company's ongoing international projects, in Abu Dhabi and Qatar, are expected to remain largely unaffected.

ENGINEERING PRODUCTS AND SERVICES

29. The Company's market in this segment has been by and large influenced by capital formation in the Indian economy, which is presently muted. The Company's response has been two-fold. First, to provide value-added services in all its markets and secondly, to maximize existing opportunities, while remaining prepared for the upturn.

30. For mining equipment, the Company is preparing for the expected implementation of committed projects in coal mining, driven by the growth in thermal power generation. Likewise, a new range of materials handling equipment is under development, including forklifts, warehousing equipment and cranes. For textile machinery, the focus is on post-spinning machinery and accessories.

UNITARY COOLING PRODUCTS FOR COMFORT AND COMMERCIAL USE

31. The Central Government has taken measures such as reduction in excise duty to revive the economic growth. This reduction in taxes and interest rates could provide further stimulus to air conditioners and refrigeration products.

32. Additionally, the Indian consumer is becoming increasingly conscious not just of product and price benefits, but also of the importance of preserving the

environment and contributing to society. The Company has made pioneering efforts in introducing energy-efficient products so as to provide these benefits. The Company is now contributing to the nationwide 'Lighting up a billion lives' campaign drive of The Energy and Resources Institute (TERI), which is aimed at sensitizing citizens to this important issue. Through a new advertising campaign – titled 'Jagmag Desh Mera' – the Company will sponsor the electrification of identified villages, simultaneously inviting customers to share a part of their savings (achieved through the use of an energy-efficient Voltas ACs) with TERI.

THREATS

ELECTRO-MECHANICAL PROJECTS AND SERVICES

33. The Company has increased its focus on industrial and infrastructure projects, which have much longer completion timeframes. Thus, risk identification and mitigation have become critical in the electro-mechanical business. The Company has formulated risk assessment process for its domestic and international electro-mechanical business. There is also considerable exchange of ideas in terms of knowledge sharing from projects completed in India and overseas. Based on this experience, the entire spectrum from pre-sale to project handover is critically evaluated for probable and potential risks.

34. The domestic market is dominated by the presence of key international players, many of whom are setting up manufacturing facilities for greater cost-effectiveness. These external factors have fuelled intense competition and pressure on margins. The Company has initiated cost-effective manufacturing operations, profit improvement plans, project management capabilities and migration to the allied segments of cold chain and food processing.

35. The Company has to deal with currency fluctuations, since it earns in the Middle East in currencies linked to USD, while some of material inputs are often sourced from Europe, Japan and China. The Company undertakes forward booking and hedging in respect of certain currencies, to mitigate the risk of exchange rate fluctuations.

36. Commodity prices in the recent past have been subject to wide price fluctuations, affecting metals such as steel, copper and aluminium, as well as PVC, which are the major raw materials/components of this segment. The challenge is therefore to protect the Company's margins from major swings in commodity prices during project execution, as most often, bids for new projects are on lump-sum fixed price, with no cost escalations.



ENGINEERING PRODUCTS AND SERVICES

37. This segment represents major manufacturers, both global and domestic, in the field of textile machinery, mining and construction equipment and materials handling in the Indian market. Under a continued slowdown, the Company faces the possibility of intensified competition which might impact the financials of the Principals. The Company is keeping a close watch and also assists its Principals in all possible ways.

38. In the case of the Company's own manufactured products, shrinking sales could put pressure on margins. The Company is responding by working on various value engineering projects to help expand and protect its margins.

UNITARY COOLING PRODUCTS FOR COMFORT AND COMMERCIAL USE

39. If the current global economic recovery falters, the impact will also be felt in the Indian room air conditioning industry. Additional industry-wide threats arise from its competitive nature, with new entrants from China joining in the fray of Korean, Japanese, American and Indian players. There is also intensifying competition in the commercial refrigeration market through the entry of multinational brands.

FINANCIAL PERFORMANCE

40. Financial performance as a measure of operational performance

(a) Sales and Services (Segment Revenues):

	Rs. in crores			
	2008-09	2007-08	Change	Change %
Segment-A (Electro-mechanical Projects and Services)	2546.43	1641.09	905.34	55%
Segment-B (Engineering Products and Services)	542.19	553.49	(-)11.30	(-) 2%
Segment-C (Unitary Cooling Products for Comfort and Commercial Use)	913.75	820.99	92.76	11%
Others	40.18	39.79	0.39	1%
Total	4042.55	3055.36	987.19	32%

Sales and Services, net of Excise duty, increased by 32% in 2008-09 to Rs.4042.55 crores from Rs.3055.36 crores in 2007-08. In Electro-mechanical Projects and Services segment, the increase in revenue was 55% from Rs.1641.09 crores in 2007-08 to Rs.2546.43 crores in 2008-09. Revenue of Engineering Products and Services segment was lower by 2% and

was Rs.542.19 crores in 2008-09 as compared to Rs.553.49 crores in 2007-08. The Company registered a growth of 11% in its Unitary Cooling Products for Comfort and Commercial Use segment and reported higher revenue of Rs.913.75 crores in 2008-09 as compared to Rs. 820.99 crores in 2007-08. Revenue from 'Others' was higher by 1% in 2008-09 at Rs.40.18 crores as compared to Rs.39.79 crores in 2007-08.

(b) Other Income:

	Rs. in crores			
	2008-09	2007-08	Change	Change %
Other Income	92.41	46.32	46.09	99%

Other Income comprises rental income, profit on redemption of mutual funds/sale of non-trade current investments, dividend income from investments, foreign exchange gain (net), interest income and miscellaneous income. Other Income increased by 99% in 2008-09 to Rs.92.41 crores from Rs.46.32 crores in 2007-08, primarily due to increase in rental income, dividend and interest income, profit on redemption of mutual funds and foreign exchange gain (net).

(c) Cost of Sales and Services:

	Rs. in crores			
	2008-09	2007-08	Change	Change %
Cost of Sales and Services	2961.06	2235.08	725.98	32%

Cost of Sales and Services increased by 32% in 2008-09 to Rs.2961.06 crores from Rs.2235.08 crores in 2007-08, in line with larger business volumes.

(d) Staff Expenses:

	Rs. in crores			
	2008-09	2007-08	Change	Change %
Staff Expenses	428.59	276.85	151.74	55%

Staff Expenses comprise salary, wages, bonus, Company's contribution to PF and other funds, retiring gratuity and welfare expenses. Staff expenses increased by 55% in 2008-09 to Rs.428.59 crores from Rs.276.85 crores in 2007-08, basically due to increase in manpower including contract employees for overseas projects. While Staff Expenses for domestic businesses increased by 17% in 2008-09 to Rs.185.86 crores from Rs.159.51 crores in 2007-08, the increase in international business was substantially higher by 107% at Rs.242.73 crores as compared to Rs.117.34 crores in 2007-08, primarily due to significant increase in manpower, for large overseas projects.

(e) Commission other than to Sole Selling Agents:

Rs. in crores

	2008-09	2007-08	Change	Change %
Commission other than to Sole Selling Agents	50.29	43.88	6.41	15%

Commission other than to Sole Selling Agents increased by 15% in 2008-09 to Rs.50.29 crores from Rs.43.88 crores in 2007-08 due to larger volume of Unitary Products business through sales dealers. Commission also includes Agency fees and Sponsorship fees on overseas projects. The increase was commensurate with higher order booking as well as increase in business volumes, during the year under review.

(f) Other Expenses:

Rs. in crores

	2008-09	2007-08	Change	Change %
Other Expenses	151.48	107.29	44.19	41%

Other Expenses includes service maintenance charges, selling expenses, outside service/contract labour charges, staff selection expenses, bank charges, C&F charges, moving and shifting expenses, cash discounts and royalty. Other Expenses increased by 41% in 2008-09 to Rs.151.48 crores as compared to Rs.107.29 crores in 2007-08. The increase was primarily for international business towards staff selection expenses, service maintenance charges and bank charges. In domestic business, it was on account of increase in C&F charges due to larger business volume.

(g) Interest:

Rs. in crores

	2008-09	2007-08	Change	Change %
Interest paid	4.86	5.96	(-) 1.10	(-) 18%

Interest paid is basically towards utilisation of bank credit facilities for international business. However, the overall interest paid decreased by 18% in 2008-09.

(h) Depreciation on Fixed Assets:

Rs. in crores

	2008-09	2007-08	Change	Change %
Depreciation on Fixed Assets	16.59	13.56	3.03	22%

Depreciation charge increased by 22% in 2008-09 to Rs.16.59 crores from Rs.13.56 crores in 2007-08. The increase was due to additions made in building premises, software and in plant and machinery.

(i) Exceptional Items:

Rs. in crores

	2008-09	2007-08	Change	Change %
Exceptional Income	34.59	28.29	6.30	22%
Less: Exceptional Expenses	2.59	(-) 1.58	4.17	264%
Exceptional items (Net)	32.00	29.87	2.13	7%

Exceptional income comprise profit on sale of Chemicals Trading business, profit on sale of property and assignment of balance lease-hold rights. Exceptional expenses comprise VRS cost, diminution in value of investments, impairment of fixed assets and provision for doubtful debts/advances(net).

(j) Profit Before Tax:

Rs. in crores

	2008-09	2007-08	Change	Change %
Profit Before Tax	367.33	307.54	59.79	19%

Profit Before Tax increased by 19% in 2008-09 to Rs.367.33 crores from Rs.307.54 crores in 2007-08.

(k) Provision for Taxation:

Rs. in crores

	2008-09	2007-08	Change	Change %
Provision for Taxation	114.74	99.17	15.57	16%

Provision for taxation comprises provision for income tax including foreign income tax, deferred tax, wealth tax and fringe benefit tax (FBT). Income tax (net) was higher at Rs.114.74 crores for the year 2008-09 as compared to Rs.99.17 crores for 2007-08. The Company has created Deferred Tax Asset of Rs.1.15 crores for the year 2008-09 as compared to Deferred Tax liability of Rs.8.50 crores in 2007-08. FBT is payable on the value of benefits provided and/or deemed to have been provided to the employees and was Rs.3.20 crores in 2008-09 as compared to Rs.3.25 crores in 2007-08. Provision for Wealth tax for 2008-09 was Rs.0.40 crore, as compared to Rs.0.32 crore in the previous year.

(l) Profit After Tax (Net Profit):

Rs. in crores

	2008-09	2007-08	Change	Change %
Profit After Tax (Net Profit)	252.59	208.36	44.23	21%

The Company's Net Profit for the year 2008-09 was higher by 21% at Rs.252.59 crores as compared to Rs.208.36 crores for the year 2007-08.



41. FINANCIAL POSITION

(i) Shareholders' Funds:

Rs. in crores

	2008-09	2007-08	Change	Change %
Share Capital	33.07	33.07	—	—
Reserves and Surplus	695.92	505.25	190.67	38%
Total	728.99	538.32	190.67	35%

The increase in Reserves and Surplus was basically in General Reserve on account of current profit transferred from Profit and Loss Account (Rs.190 crores).

(ii) Secured Loans:

Rs. in crores

	2008-09	2007-08	Change	Change %
Secured Loans	128.44	47.67	80.77	169%

Secured Loans increased in 2008-09 primarily due to utilization of larger credit facilities from banks (Rs.118.44 crores) for execution of various overseas projects as compared to Rs.27.67 crores in 2007-08. The domestic borrowings were lower at Rs.10 crores as on 31st March, 2009, due to part repayment of a term loan. The overall borrowings increased by 169% to Rs.128.44 crores as at 31st March, 2009 as compared to Rs.47.67 crores as on 31st March, 2008.

(iii) Fixed Assets:

Rs. in crores

	2008-09	2007-08	Change	Change %
Gross Block	293.92	263.02	30.90	12%
Less: Depreciation	130.53	122.28	8.25	7%
Net Block	163.39	140.74	22.65	16%
Capital Work in Progress	9.65	18.75	(-) 9.10	(-) 49%
Total	173.04	159.49	13.55	8%

The increase in fixed assets was due to capital expenditure incurred on buildings, plant and machinery and in software.

(iv) Investments:

Rs. in crores

	2008-09	2007-08	Change	Change %
• Long Term Investments:				
- Trade Investments	30.89	26.80	4.09	15%
- Investment in subsidiaries	95.07	28.61	66.46	232%
- Other Investments	0.01	1.65	(-) 1.64	(-) 99%
Total Long Term Investments	125.97	57.06	68.91	121%
• Current Investments:				
- Units of Mutual Funds	121.43	221.06	(-) 99.63	(-) 45%
- Government Securities	0.01	0.01	-	-
- Other Securities	0.04	0.04	-	-
Total Current Investments	121.48	221.11	(-) 99.63	(-) 45%
Total Investments	247.45	278.17	(-) 30.72	(-) 11%

During 2008-09, the Company made strategic long term investments in the equity capital of Rohini Industrial Electricals Private Limited and Universal Comfort Products Private Limited, which are now subsidiary companies. In addition, the Company also made investments in the share capital of Universal Weathermaker Factory L.L.C. and in Naba Diganta Water Management Limited, which are joint venture companies. Part of the surplus funds invested in Mutual Funds were utilized for the aforesaid investments. The Company had liquid investments in Mutual Funds of Rs.121.43 crores as on 31st March, 2009 as compared to Rs.221.06 crores as on 31st March, 2008. Other investments were basically in 6.75% tax free bonds of Unit Trust of India, which were redeemed on maturity during 2008-09.

(v) Inventories:

Rs. in crores

	2008-09	2007-08	Change	Change %
Raw materials, components and stores	78.82	85.20	(-) 6.38	(-) 7%
Work-in-progress (Net)	685.59	281.56	404.03	143%
Finished goods	287.02	242.82	44.20	18%
Total	1051.43	609.58	441.85	72%

Inventories comprising raw materials, components and stores, work-in-progress and finished goods increased by 72% as on 31st March, 2009. While increase in finished goods was primarily in the Mining and Construction business, increase in work-in-progress was in respect of contracts under execution in India and abroad.

(vi) Sundry Debtors:

Rs. in crores

	2008-09	2007-08	Change	Change %
Sundry Debtors (Gross)	850.63	566.66	283.97	50%
Less: Provision for Doubtful Debts	33.78	34.97	(-) 1.19	(-) 3%
Net Debtors	816.85	531.69	285.16	54%

The increase in Sundry Debtors was due to higher volume of business and slight increase in number of day's receivables due to liquidity conditions.

(vii) Loans and Advances:

Rs. in crores

	2008-09	2007-08	Change	Change %
Loans and Advances (Gross)	232.57	150.60	81.97	54%
Less: Provision for Doubtful Advances	7.64	7.40	0.24	3%
Net Loans and Advances	224.93	143.20	81.73	57%

Loans and Advances (Gross) as on 31st March, 2009 were higher at Rs.232.57 crores as compared to Rs.150.60 crores as on 31st March, 2008. The increase was in international business and on account of advances given to wholly-owned subsidiaries including advance share application money.

(viii) **Current Liabilities and Provisions:**

Rs. in crores

	2008-09	2007-08	Change	Change %
Current Liabilities	1821.69	1217.39	604.30	50%
Provisions	244.76	204.20	40.56	20%

Current Liabilities basically comprises Acceptances, Sundry Creditors and Advance payments/deposits received from customers. Due to increase in business volumes, Sundry Creditors were higher at Rs.1073.08 crores as on 31st March, 2009 as compared to Rs.614.10 crores as on 31st March, 2008. Advance payments/deposits received from customers were also higher at Rs.643.88 crores as on 31st March, 2009 as compared to Rs.485.73 crores as on 31st March, 2008. The overall provisions made by the Company towards taxation, proposed dividend/dividend tax, trade guarantees, employees benefits and contingencies were higher at Rs.244.76 crores as on 31st March, 2009 as compared to Rs.204.20 crores as on 31st March, 2008. The Board of Directors have recommended dividend of 160% for 2008-09 as compared to 135% in 2007-08. The total payout on account of dividend including tax on dividend for 2008-09 would be Rs.61.94 crores as compared to Rs.52.26 crores for 2007-08.

42. The Company was also placed in the top five in the listing of 'India's Most Investor-Friendly Companies', as ranked by 'Business Today', a business publication of high repute.

LIQUIDITY AND CAPITAL RESOURCES

43. The Company's Net Worth has grown to over Rs. 700 crores per 31st March, 2009. A large part of the Net Worth is represented by liquid resources in short term investments (Rs.121 crores) and Cash and Bank balances (Rs.400 crores). This helped the Company sail through the challenging conditions of 2008-09. The philosophy of the Company requires all its businesses to focus on businesses with high Return on Invested Capital.

44. The low leverage of the Balance Sheet and high liquidity provide a strong foundation for the future

growth of the Company and puts it in a uniquely competitive position.

RISK AND CONCERNS

45. The year 2008-09 was very volatile, with unprecedented economic conditions throwing up many challenges. At the same time, this period helped in reducing several large threats and uncertainties faced by the Company. Concerns on availability of trained and experienced manpower, in particular, were mitigated. The Company was able to recruit trained and experienced manpower, suitable to its requirements, for most positions. Similarly, the steeply increasing commodity prices, which was another major challenge for the organization also softened substantially and came down to manageable levels.

46. At the beginning of the year under review, there were concerns on budgeted profitability on very large projects being adversely affected by the likely sharp increases in manpower and commodity costs. As the year progressed, while these risks disappeared, there arose some other challenges in terms of the tightness of liquidity in the markets, large fluctuations in the currency markets, sharp increase in interest rates, dwindling demand for various products impacting inventory levels and higher credit risks. The Company has managed to address most of these issues well. However, some of these risks still persist and the Company would watch the developments carefully.

47. Presently, a major risk is the successful and timely execution of on-going large projects in the Middle East and realisation of variations and claims relating to the same. The slow down in the demand for many of the businesses in the domestic market is another major risk. There are however, signs of improvements and the Company believes that going forward, conditions will improve.

48. Under the current market conditions, there is likelihood of severe competition which may lead to emergence of new risks, e.g. data security risk. The Company is steadily building internal controls to mitigate this risk.

49. Risk management is becoming a part of strategic planning process of the Company and this leads to regular review of the risks and their elimination/mitigation plans. This will lead to sustainable growth for the Company.



INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

50. The Internal Auditors of the Company conducts audit of various departments based on an annual internal audit plan covering key areas of operations, including the overseas operations. The annual internal audit plan and the internal audit reports are also shared with the Statutory Auditors. The Department reviews and evaluates the adequacy and effectiveness of internal controls, ensuring adherence to operating guidelines and systems, recommending improvements for strengthening them, monitoring economy and efficiency of operations and ensuring reliability of financial and operational information. The Company has put in place a Risk Assessment and Mitigation process across all its business operations, which is periodically reviewed by the Management.

51. The Company's in-house Internal Audit Department comprises qualified CAs and CISA. The Company also utilises the services of M/s Mahajan & Aibara, a firm of Chartered Accountants who were earlier appointed as a co-partner for internal audit, to harness the skill sets in the areas of indirect taxation, supply chain management and manufacturing.

52. Significant audit findings and suggestions along with the 'Action Taken Reports' are reported to the Board Audit Committee, which consists of three Independent Directors. The Board Audit Committee monitors and reviews the significant internal audit observations, compliance with accounting standards, risk management and control systems, profitability and risk ratings of overseas contracts and the status of outstanding and inventory levels.

HUMAN RELATIONS

53. The Company successfully met the challenges of its business environment during the year under review, with the support of its dedicated, competent and committed employees. The Company appreciates the contribution made by all employees in ensuring good performance and achievements.

54. Human Resource capability remains a key source of the Company's competitive advantage. The Company continues to implement best practices and innovative initiatives to meet the challenges in acquiring and retaining talent against intense competitive pressures. As the Company takes on projects with higher complexities and expands its business, the need to reinforce the human resource capabilities becomes more critical. During the year, over 3000 personnel were deployed in international projects - recruited from

India, UK, Romania, Sri Lanka, Nepal, Bangladesh, Philippines and GCC countries. Technical Training Programs were conducted in India at ten ITIs and two Polytechnics, to provide project specific training to about 800 technicians, before deployment.

55. The Company's focus on improved Employee Engagement and ushering in a proactive work culture, through several enterprise level initiatives has been noteworthy. Employee Contact Programs have helped in obtaining valuable feedback and implement appropriate action plans.

56. The Company continues to place emphasis on enhancement of skills and capabilities of its people for meeting future challenges. The key areas of human resource development are training, competency development and skill enhancement. Career Development Plans have been evolved for high potential managers. In addition, the Company continued to impart training to its employees, with major focus on Leadership Development and Managerial Effectiveness. A number of Internal and External training workshops, courses and seminars were conducted and an elaborate induction-training programme for fresh graduate engineers, at the entry level is arranged. The feedback from the training programmes has been very encouraging.

57. The industrial relations continued to remain cordial. The All India Voltas Employees Federation celebrated its 50th Foundation Day on 19th October, 2008. As part of celebration, the Federation had organized a grand function on 20th October, 2008 and was attended by the Corporate Management members as well as Management staff.

58. The total staff strength as on 31st March, 2009 was 10657, including 6228 contract staff, primarily for overseas projects.

CAUTIONARY STATEMENT

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

Report on Corporate Governance

1. **Company's philosophy on code of governance**

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

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

2. **Board of Directors**

(a) **Composition**

The present Board comprises 10 members: 9 Non-Executive Directors (NEDs) and the Managing Director. Of the 9 NEDs, 5 are Independent Directors. All the Directors of the Company are liable to retire by rotation and there is no permanent director. The Company does not have any Nominee Director.

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

(b) **Non-Executive Directors' compensation and disclosures**

The Sitting fees paid to Non-Executive Directors, including Independent Directors for attending Board/Committee Meetings are within the limits prescribed under the Companies Act, 1956 (the Act). The shareholders have at the 50th Annual General Meeting held on 27th August, 2004 passed the Special Resolution approving payment of commission to Non-Executive Directors not exceeding 1% per annum

of the net profits of the Company, to be calculated in accordance with the provisions of the Act. The aforesaid Resolution passed was for a period of five financial years, commencing from 1st April, 2005.

(c) **Other provisions as to Board and Committees**

During the year 2008-09, nine Board Meetings were held on the following dates and the gap between two consecutive Board Meetings, did not exceed the statutory requirement of 4 months.

18th April, 2008, 15th May, 2008, 21st July, 2008, 12th August, 2008, 22nd September, 2008, 23rd October, 2008, 9th January, 2009, 22nd January, 2009 and 18th March, 2009.

The Annual Calendar of Board Meetings is agreed upon at the beginning of the year and the Notice for Board Meetings and detailed agenda papers are circulated to all the Directors well in advance to enable them to attend and take informed decisions at the Meetings. The information as required under Annexure - IA to Clause 49 of the Listing Agreement is made available to the Board. In addition, all proposals of investments, divestments and decisions in respect of properties of the Company, execution of overseas mega projects and credit facilities in respect thereof are placed before the Board for its consideration and appropriate decision in the matter. The annual budgets – Revenue, Capital as well as the Divisional Budgets/Strategic Business Plans are presented in detail to the Directors and their valuable inputs/suggestions are taken. Similarly, actions in respect of suggestions made/decisions taken at Board/Board Audit Committee Meetings are reviewed by the Directors, periodically. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings and their active participation is reflected by the number of meetings held during the year and attended by the Directors.

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

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



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

Name of Directors	Category	Board Meetings Attended	Attendance at the last AGM held on 28th July, 2008	Number of Directorships in other public limited companies (excluding directorship in associations, private/Section 25/foreign companies)	Number of Committee positions held in other public companies#	
					Chairman	Member
Mr. Ishaat Hussain (Chairman)	Not Independent Non-Executive	9	Yes	13	4	5
Mr. A. Soni (Managing Director)	Not Independent Executive	9	Yes	2	-	-
Mr. Nasser Munjee	Independent Non-Executive	6	Yes	13	5	4
Mr. N. J. Jhaveri	Independent Non-Executive	8	Yes	12	4	4
Mr. S. D. Kulkarni	Independent Non-Executive	7	Yes	3	2	2
Mr. Ravi Kant	Not Independent Non-Executive	5	Yes	8	-	1
Mr. N. D. Khurody	Not Independent Non-Executive	8	Yes	8	1	2
Mr. Noel N. Tata	Not Independent Non-Executive	7	Yes	7	-	-
Mr. Jimmy S. Bilimoria*	Independent Non-Executive	4	N. A.	7	2	3
Mr. S. N. Menon*	Independent Non-Executive	4	N. A.	6	-	2

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

* Appointed with effect from 22nd September, 2008.

(d) Code of Conduct

The Board has adopted the Code of Conduct for the Directors and senior management of the Company and the same has been posted on the website of the Company. All the Board members and senior management of the Company have affirmed compliance with their respective Code of Conduct as on 31st March, 2009. A declaration to this effect, signed by Managing Director of the Company is annexed hereto. Senior management comprises the Division/Department/Functional Heads and the CFOs of the respective business clusters.

3. Audit Committee

(a) Composition, name of Members and Chairman

The Company has a Board Audit Committee comprising Non-Executive Independent Directors

– Mr. N. J. Jhaveri, Mr. Nasser Munjee and Mr. S. D. Kulkarni (a Chartered Accountant by qualification). Mr. Jimmy S. Bilimoria has been appointed as a member of Board Audit Committee on 29th May, 2009. Mr. N. J. Jhaveri is the Chairman of the Board Audit Committee. All members of the Board Audit Committee are financially literate and have relevant finance and/or audit exposure. The Managing Director, the Executive Vice President (Finance), the Chief Internal Auditor and the Statutory Auditors attend the meetings as Invitees. The Business Heads and other operating people also attend the Meetings, when required. The Cost Auditor attends the meetings at which Cost Audit related matters are discussed. The Company Secretary acts as the Secretary of the Board Audit Committee. The Minutes of the Board Audit Committee Meetings are circulated and discussed at the Board Meetings.

(b) Meetings and attendance during the year

Seven Board Audit Committee Meetings were held during the financial year 2008-09 on the following dates:

14th May, 2008; 21st July, 2008; 12th August, 2008; 22nd September, 2008; 23rd October, 2008; 22nd January, 2009 and 2nd March, 2009.

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

Name of Members	No. of Meetings attended
Mr. N. J. Jhaveri	7
Mr. S. D. Kulkarni	7
Mr. Nasser Munjee	2

The quorum of Board Audit Committee Meetings is two members or one-third of the members, whichever is greater. The Chairman of the Board Audit Committee attended the last Annual General Meeting of the Company.

(c) Terms of reference and role of Audit Committee

The terms of reference, powers and role of Audit Committee are in accordance with Clause 49III(C), (D) and (E) of the Listing Agreement with the Stock Exchanges. The broad terms of reference includes the following:

- Oversight of Company’s financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - (i) Matters required to be included in the Directors’ Responsibility Statement to be included in the Board’s Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - (ii) Changes, if any, in accounting policies and practices and reasons for the same.
 - (iii) Major accounting entries involving estimates based on the exercise of judgement by management.

- (iv) Significant adjustments made in the financial statements arising out of audit findings.
- (v) Compliance with listing and other legal requirements relating to financial statements.
- (vi) Disclosure of any related party transactions.
- (vii) Qualifications in the draft Audit Report.

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on significant audit findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Board Audit Committee also reviews the following information:

- (i) Management Discussion and Analysis of financial condition and results of operations;



- (ii) Related party transactions submitted by management on quarterly basis;
- (iii) Management letters/letters of internal control weaknesses, if any, issued by the statutory auditors;
- (iv) Internal audit reports relating to internal control weaknesses including major audit observation; and
- (v) Appointment, removal and terms of remuneration of the Chief Internal Auditor.

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

4. **Subsidiary Companies**

The Company has nine unlisted subsidiary companies, of which four are Indian subsidiaries. As defined in Clause 49 III of the Listing Agreement, none of the Indian subsidiary falls under the category of 'material non-listed Indian subsidiary'. However, the financial statements of all subsidiary companies including investments made, if any, are periodically reviewed by Board Audit Committee. The financial performance, Minutes of Board Meetings of these subsidiary companies and all significant transactions or arrangements entered into by the subsidiary companies are reviewed by the Board. The business plans and annual targets of subsidiaries are also discussed at the Board Meetings of the Company.

5. **Managerial Remuneration**

(a) **Remuneration Committee**

The Remuneration Committee comprises 3 Non-Executive Independent Directors - Mr. S. D. Kulkarni, Mr. N. J. Jhaveri and Mr. Nasser Munjee. Mr. S. D. Kulkarni is the Chairman of the Remuneration Committee. During 2008-09, two meetings were held on 15th May, 2008 and 18th June, 2008. The Non-Executive Chairman of the Board attends the Meeting by invitation. The Minutes of the Remuneration Committee Meetings are circulated and discussed at the Board Meetings.

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

Name of Members	No. of Meetings attended
Mr. S. D. Kulkarni	2
Mr. N. J. Jhaveri	2
Mr. Nasser Munjee	2

The Chairman of the Remuneration Committee attended the last Annual General Meeting of the Company.

(b) **Remuneration Policy**

The remuneration of the Managing Director and Executive Director (if any) is reviewed by the Remuneration Committee based on criteria such as industry benchmarks, the Company's performance, the responsibilities shouldered, performance/goals and achievements of the concerned managerial person. The remuneration comprises salary, perquisites and allowances and incentive remuneration and/or commission. Annual salary increment, incentive remuneration or commission is decided by the Remuneration Committee within the overall ceilings prescribed under the Companies Act, 1956 and approved by the shareholders. The recommendation of the Remuneration Committee is placed before the Board for its approval. The Remuneration Committee also reviews and recommends to the Board, the revision in pension payable to the retired managerial personnel, under the Retirement Benefit Scheme adopted by the Company.

The remuneration of Non-Executive Directors, by way of commission is decided by the Board of Directors. The Members had, at the 50th Annual General Meeting held on 27th August, 2004, approved payment of commission to the Non-Executive Directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Act, for a period of five years commencing from 1st April, 2005. The commission for the financial year 2008-09 will be distributed amongst the Non-Executive Directors in accordance with the directives given by the Board. In addition to commission, the Non-Executive Directors of the Company are also paid sitting fees for attending Board/Committee Meetings, as under:

Board Meeting	- Rs. 20,000
Board Audit Committee Meeting	- Rs. 20,000
Remuneration Committee Meeting	- Rs. 10,000
Nomination Committee Meeting	- Rs. 10,000
Shareholders'/Investors' Grievance Committee Meeting	- Rs. 5,000

Remuneration to Directors

The Directors' remuneration paid/payable and sitting fees paid in 2008-09 and their shareholding in the Company as on date are given below:

● Non-Executive Directors

Name of Directors	Commission for 2008-09* Rs. in Lakhs	Sitting Fees paid in 2008-09 Rs. in Lakhs	No. of Shares held
Mr. Ishaat Hussain	16.00	1.90	–
Mr. Nasser Munjee	9.00	1.90	–
Mr. N. J. Jhaveri	14.00	3.20	–
Mr. S. D. Kulkarni	13.00	3.00	1990
Mr. Ravi Kant	4.00	1.00	–
Mr. N. D. Khurody	8.00	1.60	–
Mr. Noel N. Tata	9.00	1.60	–
Mr. Jimmy S. Bilimoria	3.50	0.80	–
Mr. S.N. Menon	3.50	0.80	–

* Payable in 2009-10.

The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during the year 2008-09 except as stated above.

● Remuneration of Managing Director

Name of Director	Salary	(Rs. in Lakhs)	
		Perquisites and allowances including contribution to PF and Superannuation Fund	Commission for 2008-09*
Mr. A. Soni	32.40	46.68	100.00

* Payable in 2009-10.

Notes:

- Mr. A. Soni was reappointed as the Managing Director of the Company for a period between 25th September, 2005 and 22nd April, 2010. Either party is entitled to terminate the agreement by giving not less than six months notice in writing to the other party. No severance fees is payable.
- The Company has not introduced any stock options to its Directors/employees.
- Mr. A. Soni does not hold any Equity Shares of the Company either singly or jointly.

6. Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee, apart from reviewing the operations of in-house Share Service Centre also looks into the redressal of shareholder and investor complaints, compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund pursuant to the provisions of Section 205C of the Companies Act, 1956. Mr. Noel N. Tata, Non-Executive Director is the Chairman of the Committee. The Shareholders/Investors Grievance Committee Meeting is attended by the Company Secretary and the Share Manager. During the financial year 2008-09, two Meetings were held on 18th April, 2008 and 22nd September, 2008. The Minutes of the Shareholders/Investors Grievance Committee Meetings are circulated and noted by the Directors at the Board Meetings.

The share registry work for physical as well as demat shares is carried out by the Company's in-house Share Service Centre. The Company has established direct connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) – the Depositories in respect of shares in demat form. The Share Service Centre is prompt in attending to requests received from shareholders/investors for transfer, split, consolidation as well as for issue of duplicate certificates and completes the process and despatches the certificates, well within the stipulated time. The demat requests are also processed well within the stipulated time and requests for transfer of shares are processed weekly. The number of complaints received from SEBI/Stock Exchanges were very few, 6 during the financial year 2008-09 and the same have been suitably dealt with and closed. The number of transfers pending as on 31st March, 2009 was 4.

Mr. V. P. Malhotra, General Manager – Taxation & Company Secretary and Mr. A. H. Khilnani, Senior Manager, Share Service Centre, 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.



7. **Other Committees**

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

- (a) The Board Committee comprising any two Directors is authorized to approve routine matters such as opening/closing and changes in the operation of bank accounts of the Company, to grant limited power of attorney to the officers of the Company and for authorizing executives for signing sales tax and excise forms, declarations, etc.
- (b) The Investment Committee comprising Mr. S. D. Kulkarni, Non-Executive Independent Director, Mr. A. Soni, Managing Director and Mr. M. M. Miyajiwala, Executive Vice President (Finance) and Chief Financial Officer of the Company considers and take decisions for investment/ deployment of surplus funds of the Company. During the year under review, one Meeting of Investment Committee was held on 14th July, 2008. Status of investments made in Mutual Funds and returns thereon are reported to the Investment Committee on a monthly basis and to the Board of Directors on a quarterly basis.
- (c) The Committee of Board comprising Mr. Ishaat Hussain, Mr. A. Soni, Mr. N. D. Khurody and Mr. Noel N. Tata was constituted to discuss and guide the Management on strategic issues. During the year under review, three Meetings were held.
- (d) The Nomination Committee comprising Mr. Nasser Munjee (as the Chairman), Mr. Ishaat Hussain and Mr. Noel N. Tata has been constituted with the objective of identifying independent directors to be inducted to the Board and take steps to refresh the constitution of the Board, from time to time. During the year under review, one Meeting of the Nomination Committee was held on 22nd September, 2008.
- (e) The Ethics and Compliance Committee comprising Mr. Nasser Munjee and Mr. N. D. Khurody has

been constituted to oversee the implementation of the Code of Conduct adopted by the Company for prevention of Insider Trading and Corporate Disclosure Practices formulated for Tata group companies in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992. The Board of Directors have nominated Mr. M. M. Miyajiwala as the Compliance Officer to ensure due compliance of the aforesaid Code. Mr. B. N. Garudachar, General Manager (Corporate Communications) has been nominated as the Public Spokesperson of the Company for Corporate Disclosures.

8. **General Body Meetings**

The last three Annual General Meetings (AGMs) were held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai – 400 020, as follows:

Date of AGM	Time	Special Resolutions passed	
		No.	Nature
52 nd AGM – 7 th August, 2006	3.30 p.m.	1	Alteration in the Articles of Association in view of sub-division of equity shares of the Company.
53 rd AGM – 6 th August, 2007	3.30 p.m.	–	None
54 th AGM – 28 th July, 2008	3.30 p.m.	–	None

Approval of Shareholders through Postal Ballot

No Special Resolution was passed through postal ballot during 2008-09. However, an Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956, for transfer of Chemical Trading business to DKSH India Private Limited was passed by the Shareholders vide postal ballot on 10th March, 2009. Notice along with Explanatory Statement dated 22nd January, 2009 and the postal ballot forms were sent to all the shareholders. Ms. Shirin Bharucha, Legal Advisor was appointed the Scrutiniser to conduct the postal ballot voting process in a fair and transparent manner. Based on the responses received through valid postal ballots, the Ordinary Resolution was approved by the requisite majority of the Shareholders and the following results were announced on 10th March, 2009.

Particulars	No. of Postal Ballot Forms	No. of Votes	%
Total Postal Ballots received	4840	153930296	
Less: Invalid Postal Ballot forms	322	174955	
Net Valid Postal Ballot forms	4518	153755341	
Postal Ballots – in favour of the Resolution	4326	153662534	99.94
Postal Ballots – against the Resolution	192	92807	0.06

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

No Extraordinary General Meeting was held during the financial year 2008-09.

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

As required under Clause 49 IV(G), particulars of Directors seeking appointment/reappointment are given in the Explanatory Statements annexed to the Notice of the Annual General Meeting to be held on 10th August, 2009.

10. **Disclosures**

- During the year under review, besides the transactions reported in Notes to Accounts (Refer Point No. 31), there were no other related party transactions with the promoters, directors, management and subsidiaries that had a potential conflict with the interest of the Company at large. The related parties do not vote on the related party transactions. The interest of Directors, if any, on transactions are disclosed at Board Meetings and the interested Director does not participate in the discussion or vote on such transactions. Details of transactions with related parties are placed before the Board Audit Committee on quarterly basis. All transactions with related parties were in the normal course of business.

- None of the Directors are related to each other.
- Mr. Jimmy S. Bilimoria and Mr. S. N. Menon, Independent Directors were appointed Additional Directors of the Company with effect from 22nd September, 2008 and notice of their appointment was given to the Stock Exchanges on 22nd September, 2008.
- During the last three years, there were no strictures or penalties imposed by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to capital markets.
- The Company has adopted a Whistle Blower Policy which enables the employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and provides a 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 would be 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 periodically reviewed by the Board Audit Committee.
- Senior management has made the disclosure to the Board and confirmed that they had no material financial and commercial transactions that could have a potential conflict with the interest of the Company at large.
- In the preparation of financial statements, the Company has followed the Accounting Standards as prescribed by the Central Government under the Companies (Accounting Standards) Rules, 2006.
- The Company has laid down procedures for the risk assessment and minimization procedures. This is reviewed by the Board to ensure that Executive Management controls risk through a properly defined framework.



- The Company did not raise funds through public/rights/preferential issues during the financial year 2008-09.

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

- The Managing Director and Executive Vice President (Finance) (CFO) have certified to the Board in accordance with Clause 49 V of the Listing Agreement pertaining to CEO/CFO certification for the financial year 2008-09.

- The Company has complied with the Mandatory requirements of Clause 49 of the Listing Agreement. As regards Non-mandatory requirements, the Company has constituted a Board Remuneration Committee, adopted a Whistle Blower Policy and has unqualified financial statements. The Non-Executive Directors freely interact with the Management on information that may be required by them. The Management also shares with the Board, changes in relevant laws and regulations and its implication on the Company. The performance of Non-Executive Directors is based on the contributions at Board/Committee Meetings as well as time spent on operational matters other than at the Meetings. The Company has not adopted the Non-mandatory requirements in regard to maintenance of Non-Executive Chairman's office and sending half – yearly financial results to the shareholders at their residence.

11. Means of Communication

- The quarterly and half-yearly results are published in widely circulated newspapers: The Economic Times and DNA in English; Maharashtra Times and Dainik Mumbai Lakshadweep in Marathi.

- As per the requirements of Clause 51 of the Listing Agreement, all the data related to quarterly

financial results, shareholding pattern, annual report, etc. are uploaded on the SEBI's EDIFAR website www.sebiedifar.nic.in within the timeframe prescribed in this regard.

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

12. General Shareholders Information

- AGM: Date, time and venue : Monday, 10th August, 2009 at 3.30 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai - 400 020.
- Financial Calendar : (a) 1st April to 31st March
(b) First Quarter Results - By end July 2009
(c) Second Quarter Results - By end October 2009
(d) Third Quarter Results - By end January 2010
(e) Results for the year ending 31st March, 2010 - Before end June 2010
- Date of Book closure : Tuesday, 14th July, 2009 to Monday, 10th August, 2009 (both days inclusive).
- Dividend Payment date : Dividend would be paid on or after 11th August, 2009.
- Listing on Stock Exchange : Bombay Stock Exchange Limited, National Stock Exchange of India Limited

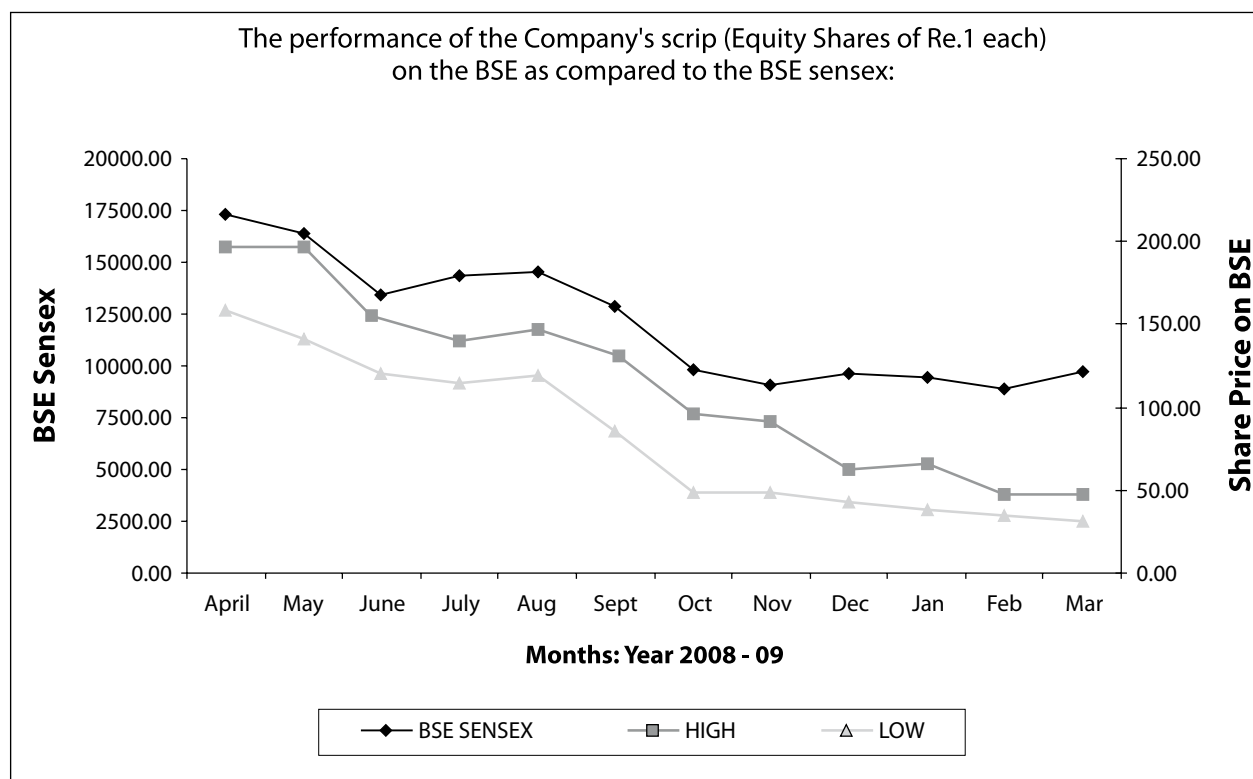
The Company has paid the listing fees to BSE and NSE for the year 2009-10.

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

● **Market Information**

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

Month	BSE Sensex	Bombay Stock Exchange Ltd. (BSE)				National Stock Exchange of India Ltd.(NSE)			
		High Rs.	Low Rs.	No. of Shares Traded	Turnover Rs. in Lakhs	High Rs.	Low Rs.	No. of Shares Traded	Turnover Rs. In Lakhs
2008	17287	196.50	158.00	6848912	12105.58	196.60	158.10	21989690	39131.36
April									
May	16416	197.05	141.10	13983516	22832.66	197.00	140.70	34791201	56479.22
June	13462	151.40	120.60	7941817	10981.47	151.50	120.00	28884909	39592.45
July	14356	140.40	114.50	11062380	13930.09	141.85	114.60	29964299	37865.39
August	14565	146.90	119.00	8030367	10820.03	149.90	119.05	24178313	32560.73
September	12860	136.80	85.20	10166800	11525.78	137.00	86.00	22763651	26285.55
October	9788	96.40	49.00	7186499	5133.53	96.30	49.15	18708701	13785.33
November	9093	90.90	48.70	7325057	4959.82	90.90	49.45	18031648	12293.57
December	9647	62.50	43.30	14853851	8089.69	62.40	43.10	29692424	15982.96
2009									
January	9424	65.50	37.80	9439740	4895.38	65.50	37.80	30537338	15479.18
February	8892	47.25	35.10	7043783	2915.41	47.30	35.05	23215936	9445.46
March	9708	48.00	31.10	14315602	5692.42	48.00	31.10	38822728	15237.34





● **Distribution of shareholding as on 31st March, 2009**

No. of equity shares held	No. of shareholders	No. of Shares held	% of Issued Share Capital
Upto 5000	117146	47306517	14.30
5001 to 10000	1263	9040564	2.73
10001 to 20000	552	8016672	2.42
20001 to 30000	166	4152562	1.25
30001 to 40000	86	3016536	0.91
40001 to 50000	63	2917168	0.89
50001 to 100000	98	7136215	2.16
100001 and above	175	249298506	75.34
Total	119549	330884740	100.00
Physical Mode	20189	16402516	4.96
Electronic Mode	99360	314482224	95.04

● **Shareholding Pattern as on 31st March, 2009**

Category	No. of Shares held	% of Issued Share Capital
Tata Group of Companies	91748655	27.73
FIs	37411643	11.31
Financial Institutions	53001323	16.02
Mutual Funds and UTI	36497660	11.03
Bodies Corporate	28319977	8.56
NRIs	4450724	1.34
Nationalised Banks	398550	0.12
Foreign Companies	89850	0.03
Foreign National	6000	0.00
Directors	1990	0.00
Public	78958368	23.86
Total	330884740	100.00

● **Shareholders holding more than 1% Equity shares of the Company as on 31st March, 2009**

Name of Shareholder	No. of Shares held	% of Issued Share Capital
Tata Sons Ltd.	78731780	23.79
Life Insurance Corporation of India	25608246	7.74
Tata Investment Corporation Ltd.	9552330	2.89
Birla Sun Life Insurance Co. Ltd.	7578390	2.29
General Insurance Corporation of India	5024580	1.52
LIC of India - Market Plus I	4674011	1.41
PCA India Infrastructure Equity Open Ltd.	4613679	1.39
The New India Assurance Company Ltd.	4463080	1.35
Merrill Lynch India Equities Fund (Mauritius) Ltd.	4267029	1.29
The Royal Bank of Scotland PLC As a Depository of First State Asia Pacific Fund a Sub Fund of First State Investment ICVC	3763641	1.14
The Oriental Insurance Company Ltd.	3420470	1.03

- Registrar & Transfer Agent: : In-house
Voltas Limited
Share Service Centre
T. B. Kadam Marg
Mumbai - 400 033
Tel : 66656511
Fax : 66656311
e-mail : shareservices@voltas.com
- Share Transfer System : The transfers are processed and approved by the Share Transfer Committee on a weekly basis.
- Dematerialisation of shares and liquidity. : 95.04 % of the share capital has been dematerialized as on 31st March, 2009.
- Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity : The Company has not issued GDRs / ADRs / Warrants or any Convertible instruments.
- Plant locations : The Company's Plants are located at:
 - (i) 2nd Pokhran Road, Thane 400 601
 - (ii) Shreenath Industrial Estate, C Building, Survey No.197, Near Dadra Check Post, Dadra 396 230.
 - (iii) Plot Nos.1-5, Sector 8, I.I.E. Pantnagar Industrial Area, Dist. Udham Singh Nagar, Rudrapur, Uttarakhand 263 145.
- Addresses for correspondence : Shareholders' correspondence should be addressed to the Company's Share Service Centre at the address mentioned aforesaid
Shareholders holding shares in electronic mode should address all their correspondence to the respective Depository Participants.

● **Unclaimed Dividends**

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

Date of declaration/ payment of dividend	Dividend for the year	Due for transfer to the IEPF
12 th August, 2002	2001-2002	17 th September, 2009
18 th August, 2003	2002-2003	23 rd September, 2010
27 th August, 2004	2003-2004	1 st October, 2011
29 th August, 2005	2004-2005	3 rd October, 2012
7 th August, 2006	2005-2006	7 th September, 2013
6 th August, 2007	2006-2007	10 th September, 2014
28 th July, 2008	2007-2008	28 th August, 2015

● **Remittance of Dividend through ECS**

Members holding shares in physical form, desirous of receiving dividend by direct electronic deposit through Electronic Clearing Service (ECS) Scheme of Reserve Bank of India to their bank accounts may authorize the Company with their ECS mandate. For details, kindly write to the Company's Share Service Centre.

● **Bank details for Electronic Shareholding**

While opening Accounts with Depository Participants (DPs), you may have given your Bank Account details, which will be used by the Company for printing on dividend warrants for remittance of dividend. However, members who wish to receive dividend in a bank account, other than the one specified while opening the Depository Account, may notify their DPs about any change in bank account details. Members are requested to furnish complete details of their bank accounts including MICR codes of their Banks to their DPs.

● **Bank details for Physical Shareholding**

In order to provide protection against fraudulent encashment of dividend warrants, the members are requested to provide, if not provided earlier, their bank Account numbers, names and addresses of the Bank, quoting Folio numbers to the Company's Share Service Centre to incorporate the same on the dividend warrants.

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

I hereby declare that all the Directors and Senior Management personnel have as on 31st March, 2009 affirmed compliance of their respective Codes of Conduct adopted by the Company and confirmation to that effect has been given by each of them.

Mumbai,
29th May, 2009

A. Soni
Managing Director

AUDITORS' CERTIFICATE

To the Members of VOLTAS LIMITED

We have examined the compliance of conditions of Corporate Governance by VOLTAS LIMITED ("the Company") for the year ended on 31st March, 2009 as stipulated in Clause 49 of the Listing Agreements of the Company with the Stock Exchanges.

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

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

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

For **Deloitte Haskins & Sells**
Chartered Accountants

Mumbai,
29th May, 2009

Nalin M. Shah
Partner
Membership No. 15860



AUDITORS' REPORT

To the Members of Voltas Limited

1. We have audited the attached Balance Sheet of **VOLTAS LIMITED**, as at 31st March, 2009, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto, in which are incorporated the Returns from the Qatar, Bahrain and UAE Branches audited by other auditors. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Qatar, Bahrain and UAE Branches audited by other auditors;
 - (iii) the reports on the accounts of the Qatar, Bahrain and UAE Branches audited by other auditors have been forwarded to us and have been dealt with by us in preparing this report;
 - (iv) the Balance Sheet, the Profit and Loss Account and the Cash flow Statement dealt with by this report are in agreement with the books of account and the audited Branch Returns;
 - (v) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - (b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2009, taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants

Nalin M. Shah
Partner

Mumbai,
29th May, 2009

Membership No. 15860

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) The nature of the Company's business/activities during the year is such that, clauses (x), (xii), (xiii), (xiv), (xviii), (xix), (xx) of CARO are not applicable.
- (ii) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
- (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotation is not available and in respect of which we are unable to comment.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956.
- (viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (ix) 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 209(1)(d) of the Companies Act, 1956 in respect of air conditioning system and refrigerators and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.
- (x) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) There were no undisputed amounts payable in respect of income-tax, wealth tax, customs duty, excise duty, cess and other material statutory dues in arrears as at 31st March, 2009 for a period of more than six months from the date they became payable.
- (c) Details of dues of income-tax, sales tax, service tax and excise duty which have not been deposited as on



31st March, 2009 on account of disputes are given below:-

Particulars	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakhs)
1. Income Tax	High Court	1973-75, 1990-91	1.84
2. Excise Duty	Supreme Court	1993-96	45.74
	High Court	1986-87	7.95
	Customs, Excise And Service Tax Appellate Tribunal (CESTAT)	2001-02	5.52
	Commissioner of Central Excise (Appeals)	1983-86	20.21
	Commissioners/Adjudicating Authority	1975, 1982, 1984, 1985-91, 1992-95, 1997-2008	2018.14
3. Service Tax	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	1998 to 2003	16.00
	Commissioner of Central Excise	2001-08	59.70
	Commissioners/Adjudicating Authority	1998-2008	2043.90
4. Sales Tax	Supreme Court	1993-94, 1996-2001	543.71
	High Courts	1988-91, 1992-94, 1995-96, 1997-2000, 2002-05, 2007-09	2342.30
	Appellate Tribunals	1986-88, 1989-90, 1991-93, 1994-98, 1999-2005	724.23
	Commissioner Appeals	1989-2008	751.74
	Deputy Commissioner Appeals	1989-92, 2004-07	212.61
	Assessing Authority	1985-89, 1990-2007	1668.32

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.

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

(xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(xiv) In our opinion and according to the information and explanations given to us and on an overall examination

of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.

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

For **Deloitte Haskins & Sells**
Chartered Accountants

Mumbai,
29th May, 2009

Nalin M. Shah
Partner
Membership No. 15860

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	Rupees in Lakhs	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
SOURCES OF FUNDS				
SHAREHOLDERS FUNDS				
1. SHARE CAPITAL	A		3307.34	3306.95
2. RESERVES AND SURPLUS	B		69592.05	50525.07
3. TOTAL			72899.39	53832.02
LOAN FUNDS				
4. SECURED LOANS	C		12844.26	4766.60
	TOTAL		85743.65	58598.62
APPLICATION OF FUNDS				
5. FIXED ASSETS				
GROSS BLOCK	D	29392.58		26302.39
LESS : DEPRECIATION		13053.12		12227.74
NET BLOCK		16339.46		14074.65
CAPITAL WORK-IN-PROGRESS		965.14		1875.21
			17304.60	15949.86
6. INVESTMENTS	E		23580.03	26792.63
7. DEFERRED TAX ASSET (NET) (See Note 10, Schedule 'P')			2158.58	2043.12
8. CURRENT ASSETS, LOANS AND ADVANCES				
1. Inventories	F	105143.05		60958.57
2. Sundry Debtors	G	81684.47		53169.16
3. Cash and Bank Balances	H	40024.44		27520.78
4. Interest accrued on Investments		Nil		3.70
5. Loans and Advances	I	22493.34		14319.99
		249345.30		155972.20
9. LESS : CURRENT LIABILITIES AND PROVISIONS				
(A) Current Liabilities	J	182169.06		121739.31
(B) Provisions	J	24475.80		20419.88
		206644.86		142159.19
10. NET CURRENT ASSETS			42700.44	13813.01
	TOTAL		85743.65	58598.62

(For notes forming part of the Accounts see Schedule 'P'.
The Schedules referred to above form an integral part of the Accounts)

For and on behalf of the Board

Chairman
Managing Director
Directors

Ishaat Hussain
A. Soni
N. J. Jhaveri
S. D. Kulkarni
N. D. Khurody
J. S. Bilimoria
S. N. Menon

In terms of our report of even date attached.

For **Deloitte Haskins & Sells**
Chartered Accountants

Executive Vice President (Finance)

M. M. Miyajiwala

Nalin M. Shah
Partner

General Manager - Taxation
& Company Secretary

V. P. Malhotra

Mumbai, 29th May, 2009

Mumbai, 29th May, 2009



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Rupees in Lakhs	Rupees in Lakhs	Year ended 31st March, 2008 Rupees in Lakhs
1. SALES AND SERVICES (See Note 11 and 28, Schedule 'P')		407024.50		308617.33
Less : EXCISE DUTY		3695.81		4163.67
NET SALES AND SERVICES			403328.69	304453.66
2. OTHER INCOME	K		9240.65	4631.94
3. COST OF SALES, SERVICES AND EXPENSES	L		376891.20	279366.71
4. PROFIT BEFORE INTEREST, DEPRECIATION AND EXCEPTIONAL ITEMS			35678.14	29718.89
5. INTEREST	M		485.69	595.94
6. DEPRECIATION / AMORTISATION ON FIXED ASSETS			1659.48	1356.49
7. PROFIT BEFORE EXCEPTIONAL ITEMS			33532.97	27766.46
8. EXCEPTIONAL ITEMS	N		3199.94	2987.49
9. PROFIT BEFORE TAXATION			36732.91	30753.95
10. PROVISION FOR TAXATION				
– Provision for Current Tax [(Including Foreign Income Tax Rs. 707.28 Lakhs (2007-08: Rs. 340.20 Lakhs)]		11363.92		8710.45
– Provision for Taxation of Earlier Years Written Back		(134.45)		Nil
– Provision for Deferred Tax		(115.46)		850.00
– Provision for Wealth Tax		40.00		32.00
– Provision for Fringe Benefit Tax		320.00		325.00
			11474.01	9917.45
11. PROFIT AFTER TAXATION			25258.90	20836.50
12. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR			5860.40	4000.00
13. AMOUNT TRANSFERRED FROM FOREIGN PROJECTS RESERVE			300.00	250.00
14. PROFIT AVAILABLE FOR APPROPRIATIONS			31419.30	25086.50
15. APPROPRIATIONS :				
(a) GENERAL RESERVE		19000.00		14000.00
(b) PROPOSED DIVIDEND		5294.16		4466.94
(c) TAX ON DIVIDEND		899.74		759.16
			25193.90	19226.10
16. BALANCE CARRIED FORWARD			6225.40	5860.40
Basic and diluted earnings per share of Re. 1 each (including Exceptional items) (in Rs.) (See Note 13, Schedule 'P')			7.63	6.30

(For notes forming part of the Accounts see Schedule 'P'.
The Schedules referred to above form an integral part of the Accounts)

For and on behalf of the Board

Chairman
Managing Director
Directors

Ishaat Hussain
A. Soni
N. J. Jhaveri
S. D. Kulkarni
N. D. Khurody
J. S. Bilimoria
S. N. Menon

In terms of our report of even date attached.

For **Deloitte Haskins & Sells**
Chartered Accountants

Executive Vice President (Finance)

M. M. Miyajiwala

Nalin M. Shah
Partner
Mumbai, 29th May, 2009

General Manager - Taxation
& Company Secretary
Mumbai, 29th May, 2009

V. P. Malhotra

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

A. CASH FLOW FROM OPERATING ACTIVITIES	Rupees in Lakhs	Rupees in Lakhs	2007-08 Rupees in Lakhs
Net Profit before Taxation		36732.91	30753.95
Add - Adjustments for :			
Depreciation/Amortisation	1659.48		1356.49
Provision for Contingencies	232.94		(100.00)
Provision for Diminution in value of Investments	140.43		4.55
Profit on Sale/Retirement of Fixed Assets (Net)	(2456.85)		(2752.17)
Profit on Redemption of Mutual Funds/Sale of Non Trade Current Investments (Net)	(700.52)		(47.99)
Interest Paid	485.69		595.94
Interest Received	(1272.41)		(330.45)
Income from Investments	(1582.54)		(1134.49)
Impairment of Fixed Assets	70.06		Nil
Provision for Employee Benefits	738.91		360.43
Profit on Sale of Chemicals Trading Business	(873.22)		Nil
Provision for Trade Guarantees	662.22		1409.80
		(2895.81)	(637.89)
Operating Profit before Working Capital changes		33837.10	30116.06
Less - Adjustments for:			
(Increase)/Decrease in Inventories	(44184.48)		(12707.77)
(Increase)/Decrease in Trade and Other Receivables	(28515.31)		(9791.14)
(Increase)/Decrease in Loans and Advances	(5842.20)		445.54
(Decrease)/Increase in Advances from Customers	15815.06		21491.60
(Decrease)/Increase in Trade Payables	44588.69		10933.09
		(18138.24)	10371.32
Cash generated from operations		15698.86	40487.38
Less:			
Taxes paid		9991.31	5904.81
NET CASH FROM OPERATING ACTIVITIES		5707.55	34582.57
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(3370.42)		(4468.64)
Sale of Fixed Assets	700.74		1930.95
Proceeds from Assignment of Balance Leasehold Rights / Surrender of Tenancy Rights	2042.25		970.78
Purchase of Investments	(91046.47)		(114962.76)
Increase in Share Application Money	(783.14)		(298.10)
Refund of Share Application Money	432.50		7.16
Investment in Subsidiaries	(6645.73)		(0.10)
Sale of Investments	101464.91		101954.73
Interest Received	1276.11		373.82
Income from Investments	1582.54		1312.24
Advances to Subsidiary Companies	(1251.42)		0.31
NET CASH FROM / (USED IN) INVESTING ACTIVITIES		4401.87	(13179.61)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Share Capital (Calls in Arrears)	0.39		0.12
Securities Premium (Calls in Arrears)	1.98		0.57
Increase/(Decrease) in other Borrowings	9077.66		(2447.59)
Repayment of Long Term Borrowings	(1000.00)		(1000.00)
Interest Paid	(488.88)		(605.71)
Decrease in unpaid Deposits	(2.11)		(8.14)
Dividend paid including dividend tax	(5194.80)		(3846.44)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES		2394.24	(7907.19)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		12503.66	13495.77
CASH AND CASH EQUIVALENTS AS AT 1-4-2008 (See Schedule H)		27520.78	14025.01
CASH AND CASH EQUIVALENTS AS AT 31-3-2009 (See Schedule H)		40024.44	27520.78

For and on behalf of the Board

Chairman
Managing Director
Directors

Ishaat Hussain
A. Soni
N. J. Jhaveri
S. D. Kulkarni
N. D. Khurody
J. S. Bilimoria
S. N. Menon

In terms of our report of even date attached.

For **Deloitte Haskins & Sells**
Chartered Accountants

Executive Vice President (Finance)

M. M. Miyajiwala

Nalin M. Shah
Partner

General Manager - Taxation
& Company Secretary

V. P. Malhotra

Mumbai, 29th May, 2009

Mumbai, 29th May, 2009



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

SCHEDULE 'A' : SHARE CAPITAL

	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
1. AUTHORISED		
60,00,00,000 Equity Shares of Re. 1 each	6000.00	6000.00
40,00,00,000 Redeemable Preference Shares of Rs.100 each	4000.00	4000.00
TOTAL	<u>10000.00</u>	<u>10000.00</u>
2. ISSUED, SUBSCRIBED AND CALLED-UP (See Note 2, Schedule 'P')		
33,08,84,740 Equity Shares of Re.1 each	3308.85	3308.85
Less: Calls in Arrears	1.51	1.90
TOTAL	<u>3307.34</u>	<u>3306.95</u>

SCHEDULE 'B' : RESERVES AND SURPLUS

	Rupees in Lakhs	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
1. SECURITIES PREMIUM			
As per last Balance Sheet	624.62		624.05
Add: Calls in Arrears received during the year	1.98		0.57
		626.60	<u>624.62</u>
2. CAPITAL RESERVE			
As per last Balance Sheet		155.52	155.52
3. CAPITAL REDEMPTION RESERVE			
As per last Balance Sheet		125.70	125.70
4. GENERAL RESERVE			
As per last Balance Sheet	43182.83		29037.21
Add : Transferred from Profit and Loss Account	19000.00		14000.00
Add : Provision for Compensated Absences adjusted [Net of Deferred Tax of Rs. Nil (31-3-2008 : Rs. 73.89 Lakhs)]	Nil		145.62
		62182.83	<u>43182.83</u>
5. STAFF WELFARE RESERVE			
As per last Balance Sheet		1.00	1.00
6. FOREIGN PROJECTS RESERVE			
As per last Balance Sheet	575.00		825.00
Less : Transferred to Profit and Loss Account	300.00		250.00
		275.00	<u>575.00</u>
7. PROFIT AND LOSS ACCOUNT			
TOTAL		<u>6225.40</u>	<u>5860.40</u>
		<u>69592.05</u>	<u>50525.07</u>

SCHEDULE 'C' : SECURED LOANS

	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
LOANS FROM BANKS (See Note 3, Schedule 'P')		
TOTAL	<u>12844.26</u>	<u>4766.60</u>
	<u>12844.26</u>	<u>4766.60</u>

SCHEDULE 'D' : FIXED ASSETS (At Cost or Book Value Less Depreciation)

Particulars	GROSS BLOCK AT COST OR BOOK VALUE				DEPRECIATION				NET BLOCK		
	As at 31 March 2008	Additions	Deductions	As at 31 March 2009	Up to 31 March 2008	For the Year	On Deductions	Impairment	Up to 31 March 2009	As at 31 March 2009	As at 31 March 2008
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(5+6-7+8) (9)	(4-9) (10)	(1-5) (11)
	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs
1. Freehold Land	644.55	Nil	5.32	639.23	Nil	Nil	Nil	Nil	Nil	639.23	644.55
2. Leasehold Land	312.73	Nil	Nil	312.73	5.47	3.42	Nil	Nil	8.89	303.84	307.26
3. Buildings * **	8278.28	680.85	173.20	8785.93	2070.95	254.17	87.03	24.81	2262.90	6523.03	6207.33
4. Plant & Machinery ***	12753.89	2404.22	790.67	14367.44	7086.39	860.11	661.22	45.25	7330.53	7036.91	5667.50
5. Furniture & Fittings	1644.53	404.44	110.40	1938.57	1159.22	175.50	95.33	Nil	1239.39	699.18	485.31
6. Vehicles	462.22	278.24	110.71	629.75	196.03	55.29	60.58	Nil	190.74	439.01	266.19
7. Intangible Assets : Manufacturing Rights & Technical Know-how	1004.32	Nil	Nil	1004.32	1003.93	0.39	Nil	Nil	1004.32	Nil	0.39
8. Software	1201.87	512.74	Nil	1714.61	705.75	310.60	Nil	Nil	1016.35	698.26	496.12
	26302.39	4280.49	1190.30	29392.58	12227.74	1659.48	904.16	70.06	13053.12	16339.46	14074.65
Previous Year	(23889.46)	(3196.92)	(783.99)	(26302.39)	(11505.68)	(1356.49)	(634.43)	(Nil)	(12227.74)	(14074.65)	
9. Capital Work-in-Progress [Including advances against Capital Expenditure Rs.706.25 Lakhs (31-3-2008: Rs 1742.71 Lakhs)]				965.14						965.14	1875.21
				30357.72						17304.60	15949.86

* Buildings include Gross Block Rs.662.79 Lakhs (31-3-2008: Rs.662.79 Lakhs) and Accumulated Depreciation / Impairment Rs. 280.73 Lakhs (31-3-2008: Rs.255.92 Lakhs) which has been held for sale and the estimated realisable value is higher than the net book value.

** Includes Rs.0.49 Lakh (31-3-2008: Rs.0.48 Lakh) being cost of shares and bonds in Co-operative Housing Societies.

***Plant and Machinery include Gross Block Rs. 148.89 Lakhs (31-3-2008: Rs. Nil) and Accumulated Depreciation / Impairment Rs.132.89 Lakhs (31-3-2008: Rs.Nil) which has been held for sale and the estimated realisable value is higher than the net book value.

SCHEDULE 'E' : INVESTMENTS (at Cost)

	No.	Currency / Face Value	Rupees in Lakhs	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
LONG TERM INVESTMENTS					
1. TRADE INVESTMENTS					
Fully paid Equity Shares of Subsidiary Companies :					
UNQUOTED:					
Auto Aircon (India) Ltd.	1,13,00,000	Rs.	10	565.00	565.00
Simto Investment Company Ltd.	14,61,087	Rs.	10	204.04	204.04
Agro Foods Punjab Ltd. (Beneficial rights transferred pending transfer of shares)	2,80,000	Rs.	100	Nil	Nil
Westerwork Engineers Ltd. (Under Liquidation)	9,600	Rs.	100	109.29	109.29
Metrovol FZE, Jebel Ali, UAE	1	AED	2000000	10.78	10.78
Weathermaker Ltd, UAE	4,08,441	US \$	1	307.20	307.20
VIL Overseas Enterprises B.V., The Netherlands	13,635	EURO	45.38	265.21	265.21
Universal Comfort Products Ltd. (w.e.f.17th June, 2008) (1,38,21,000 shares purchased during the year)	2,76,42,000	Rs.	10	1694.91	1382.10
Rohini Industrial Electricals Ltd. (8,55,367 shares purchased / 75,782 shares subscribed, during the year)	9,31,149	Rs.	10	6332.92	Nil
Saudi Ensas Company for Engineering Services W.L.L., Saudi Arabia (w.e f. 28th January, 2009) (13,165 shares purchased during the year)	15,860	SR	100	17.90	17.90
				9507.25	2861.52


SCHEDULE 'E' : INVESTMENTS (at Cost) (contd.)

	No.	Currency / Face Value	Rupees in Lakhs	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
Other fully paid Equity Shares					
QUOTED:					
Lakshmi Automatic Loom Works Ltd.	6,15,200	Rs. 10	110.03		110.03
Tata Chemicals Ltd.	2,00,440	Rs. 10	93.91		93.91
Lakshmi Machine Works Ltd.	6,00,000	Rs. 10	600.48		600.48
Reliance Industries Ltd. (See Note 4, Schedule 'P')	2,640	Rs. 10	4.55		4.55
UNQUOTED:					
Tata International Ltd.	5,000	Rs. 1000	65.00		65.00
Lakshmi Ring Travellers (Coimbatore) Ltd.	1,20,000	Rs. 10	3.00		3.00
Tata Services Ltd.	448	Rs. 1000	4.48		4.48
Industrial Estates Pvt. Ltd.	24	Rs. 1000	0.23		0.23
Tata Industries Ltd.	8,70,480	Rs. 100	874.59		874.59
Tata Projects Ltd.	1,35,000	Rs. 100	26.25		26.25
(1,12,500 bonus shares received during the year)					
Premium Granites Ltd.	4,91,220	Rs. 10	49.77		49.77
Agrotech Industries Ltd.	3,67,500	US \$ 1	115.42		115.42
OMC Computers Ltd.	4,04,337	Rs. 10	44.37		44.37
Terrot GmbH, Germany	1	EURO 240000	140.43		140.43
Rujuvalika Investments Ltd.	1,83,333	Rs. 10	30.00		30.00
Naba Diganta Water Management Ltd.	11,31,000	Rs. 10	113.10		1.30
(11,18,001 shares subscribed/purchased during the year)					
Lalbuksh Voltas Engineering Services and Trading, L.L.C, Muscat, Sultanate of Oman	30,000	RO 1	8.14		8.14
Universal Weathermaker Factory L.L.C., Abu Dhabi	2,695	AED 1000	298.09		Nil
(2,695 shares subscribed during the year)					
Avco Marine S.a.S, France	1,910	EURO 10	7.97		7.97
Other fully paid Preference Shares					
Rallis India Ltd.					
7.5% Cumulative Redeemable Preference Shares	50,00,000	Rs. 10	500.00		500.00
				3089.81	2679.92
2. OTHER INVESTMENTS					
Fully paid Equity Shares :					
UNQUOTED:					
Voltas Employees Consumers Co-operative Society Ltd.	750	Rs. 10	0.08		0.08
Saraswat Co-operative Bank Ltd.	10	Rs. 10	*		*
Brihat Trading Private Ltd.	2	Rs. 10	**		**
Super Bazar Co-operative Stores Ltd.	500	Rs. 10	0.05		0.05
QUOTED:					
Unit Trust of India - 6.75% Tax Free US64 Bonds		100	Nil		164.59
(1,64,585 units redeemed during the year)					
				0.13	164.72
TOTAL LONG TERM INVESTMENTS				12597.19	5706.16
CURRENT INVESTMENTS					
Units of Mutual Funds:					
UNQUOTED:					
LICMF Saving Plus Fund - Daily Dividend Plan	4,09,46,288	Rs. 10	4094.63		Nil
(4,09,46,288 units purchased during the year)					
LICMF Income Plus Fund - Daily Dividend Plan		Rs. 10	Nil		3051.53
(3,05,15,278 units sold during the year)					
LICMF - Fixed Maturity Plan series 32		Rs. 10	Nil		500.00
(50,00,000 units sold during the year)					
HDFC FMP - 90D March 2008 VII (2) IP		Rs. 10	Nil		2000.00
(2,00,00,000 units sold during the year)					

SCHEDULE 'E' : INVESTMENTS (at Cost) (contd.)

	No.	Currency / Face Value	Rupees in Lakhs	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
HDFC Floating Rate Income Fund - Short Term Plan -Wholesale Option Dividend Reinvestment (99,71,301 units purchased during the year)	99,71,301	Rs. 10	1005.20		Nil
Tata Fixed Horizon Fund Series 7 Plan B - IP (2,50,00,000 units sold during the year)		Rs. 10	Nil		2500.00
ICICI Prudential Interval Fund II Quarterly Interval Plan D (50,05,042 units sold during the year)		Rs. 10	Nil		500.50
DWS Fixed Term Fund Series 24 IP Growth (1,00,00,000 units sold during the year)		Rs. 10	Nil		1000.00
DWS Quarterly Interval Fund - Series I - Dividend Plan (1,50,00,000 units sold during the year)		Rs. 10	Nil		1500.00
UTI Fixed Maturity Plan (1,00,00,000 units sold during the year)		Rs. 10	Nil		1000.00
UTI Fixed Maturity Plan QFMP 0208 Institutional Dividend Plan Reinvestment (1,01,03,934 units sold during the year)		Rs. 10	Nil		1010.39
UTI Fixed Maturity Plan HFMP 0308 I Institutional Dividend Plan Reinvestment (50,00,000 units sold during the year)		Rs. 10	Nil		500.00
UTI Treasury Advantage Fund - Institutional Plan Daily Dividend Reinvestment (1,99,985 units purchased during the year)	1,99,985	Rs. 1000	2000.44		Nil
Reliance Fixed Horizon Fund III AP Series (1,00,00,000 units sold during the year)		Rs. 10	Nil		1000.00
Reliance Money Manager Fund Institutional Option Daily Dividend (2,01,607 units purchased during the year)	2,01,607	Rs. 1000	2018.36		Nil
Templeton Floating Rate Income Fund Long Term Plan Super Institutional Option IP Dividend (2,49,78,934 units sold during the year)		Rs. 10	Nil		2500.59
Templeton India Ultra Short Bond Fund Super Institutional Plan Daily Dividend Reinvestment (3,02,13,409 units purchased during the year)	3,02,13,409	Rs. 10	3024.85		Nil
JM Interval Fund Quarterly Plan 3 Institutional Dividend Plan (2,54,36,671 units sold during the year)		Rs. 10	Nil		2543.67
Kotak FMP 3M Series 28 - Dividend (2,50,00,000 units sold during the year)		Rs. 10	Nil		2500.00
Government Securities - UNQUOTED			0.55		0.55
Other Securities - QUOTED: Hindustan Unilever Ltd.	15,475	Rs. 1	3.77		3.77
TOTAL CURRENT INVESTMENTS				12147.80	22111.00
TOTAL INVESTMENTS				24744.99	27817.16
Less : PROVISION FOR DIMINUTION IN VALUE				1164.96	1024.53
TOTAL				23580.03	26792.63
Quoted : Cost				812.74	977.33
: Market Value				3347.43	10353.75
Unquoted : Cost				23932.25	26839.83

* Cost Rs. 100 (31-3-2008: Rs.100)

** Cost Rs. 20 (31-3-2008: Rs.20)

Abbreviations for Currencies :

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


SCHEDULE 'E' : INVESTMENTS (at Cost) (contd.)

Note: Investments purchased and sold during the year

Mutual Funds	Number of Units	
		2007-08
Birla Sun Life Floating Rate Fund STP IP Daily Dividend Reinvestment	1,00,66,841	—
Birla Cash Plus Institutional Premium Plan Daily Dividend	—	99,88,118
Birla Floating Rate Fund Long Term Weekly Dividend Reinvestment	—	50,07,682
Birla FMP Series 2 Quarterly Dividend Reinvestment	—	2,54,54,894
Birla Sun Life Cash Manager - IP Daily Dividend Reinvestment	—	2,00,96,599
Birla Sun Life Liquid Plus - Institutional Daily Dividend Reinvestment	—	50,74,554
DSP Black Rock Liquid Plus - Institutional Plan - Daily Dividend	1,50,168	—
DSP Black Rock Liquidity Fund - Institutional Plan - Daily Dividend	1,49,991	—
DWS Credit Opportunities Cash Fund Weekly Dividend Plan	1,14,78,850	1,52,22,980
DWS Insta Cash Plus Fund	—	1,49,75,519
Grindlays Floating Rate Fund LT Institutional Plan B Daily Dividend	—	1,54,07,323
HDFC Floating Rate Income Fund - Short Term Plan -Wholesale Option Dividend Reinvestment	99,27,794	—
HDFC FMP - June 2008 (VIII) (2)	2,00,00,000	—
HDFC Liquid Fund Premium Plan	1,63,16,341	1,22,42,331
HSBC Cash Fund Institutional Plus Daily Dividend	49,98,017	2,99,87,440
HSBC Liquid Plus Institutional Plus Daily Dividend	49,82,241	5,08,00,152
HSBC Fixed Term Series - 26	—	4,46,894
HSBC Interval Fund Plan - 1 Institutional Dividend	—	2,05,40,884
ICICI Prudential Flexible Income Plan Dividend Daily Reinvest Dividend	47,88,882	1,44,92,760
ICICI Prudential Floating Rate Plan Daily Dividend Reinvest Dividend	51,20,006	1,51,52,655
ICICI Prudential Institutional Liquid Plan - Super Institutional - Daily Dividend Reinvest Dividend	50,00,683	—
ICICI Prudential Interval Fund II Quarterly Interval Plan II	1,05,206	—
ICICI Prudential Interval Fund Quarterly Interval Plan -II Retail Dividend Reinvest Dividend	52,08,626	—
ING Liquid Plus Fund IP Daily Dividend	2,01,61,560	4,60,29,726
ING Liquid Fund Institutional Daily Dividend Option	—	5,50,04,455
ING Vysya Liquid Fund Institutional Daily Dividend Option	1,99,79,598	—
JM Fixed Maturity Fund - Series X	3,65,33,990	—
JM Interval Fund Quarterly Plan 3 Institutional Dividend Plan	2,44,081	—
JM Money Manager Fund Super Plus Plan Daily Dividend	2,58,49,036	2,51,89,466
JM High Liquidity Fund - Super Institutional Plan Daily Dividend	—	2,49,63,211
Kotak Floater Short Term Daily Dividend	2,50,66,367	—
Kotak Flexi Debt Scheme Daily Dividend	—	5,61,50,928
Kotak Liquid (Institutional Premium) Daily Dividend	—	2,45,37,244
Kotak Quarterly Interval Plan Series 3 Dividend	—	2,54,44,255
LICMF Floating Rate Fund -Dividend Plan	2,51,96,177	2,48,32,250
LICMF Liquid Fund -Dividend Plan	9,34,40,309	4,57,80,531
LICMF Income Plus Fund - Daily Dividend Plan	4,14,47,360	—
LICMF - Fixed Maturity Plan Series 30	—	1,02,21,201
LICMF - FMP Series 26 Dividend Plan	—	1,52,73,316
Prudential ICICI Liquid - Super IP - Daily Dividend	—	5,50,20,424
Reliance Liquid Plus Fund Institutional Option Daily Dividend	—	4,01,861
Reliance Liquidity Fund Daily Dividend Reinvestment Option	1,99,96,917	3,99,95,665
SBI Premier Liquid Fund Institutional Daily Dividend	1,99,39,279	—
SBI SHF - Liquid Plus - Institutional Plan Daily Dividend	2,02,59,385	—
Standard Chartered Liquidity Manager - Daily Dividend	—	1,49,994
TATA Floating Rate Short Term Institutional Plan Daily Dividend	1,00,13,032	—
Tata Liquid Super High Investment Fund Daily Dividend	2,69,286	—
Templeton Floating Rate Income Fund Long Term Plan Super Institutional Option IP Dividend	1,53,32,349	—
Templeton Floating Rate Income Fund Long Term Plan Super Institutional Option Daily Dividend	—	9,44,82,298
Templeton India Ultra Short Bond Fund Super Institutional Plan Daily Dividend Reinvestment	4,52,79,059	—
Templeton India Treasury Management Account	6,99,720	10,50,354
TFLD Tata Floater Fund Daily Dividend	5,84,39,324	—
UTI Fixed Maturity Plan HFMP 0308 I Institutional Dividend Plan Reinvestment	1,11,202	—
UTI Fixed Maturity Plan QFMP 0208 Institutional Dividend Plan Reinvestment	1,17,217	—
UTI Fixed Maturity Plan QFMP 07/08 - I Institutional Dividend Plan Reinvestment	1,15,53,663	—
UTI Liquid Cash Plan Institutional Daily Income	3,54,733	98,299
UTI Liquid Plus Fund Institutional Plan (Daily Dividend Option) Reinvestment	1,63,289	—

SCHEDULE 'F' : INVENTORIES

	Rupees in Lakhs	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
1. STORES		17.15	19.85
2. STOCK-IN-TRADE :			
(a) Raw Materials and Components	7864.26		8500.79
(b) Work-in-Progress, (See Note 5, Schedule 'P')	494291.76		275713.59
Less: Amounts Invoiced	425732.28		247558.01
	68559.48		28155.58
(c) Finished Goods	28702.16		24282.35
		105125.90	60938.72
TOTAL		105143.05	60958.57

SCHEDULE 'G' : SUNDRY DEBTORS

		Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
1. SALES ON DEFERRED TERMS OF PAYMENT			
(i) Over six months old	62.66		82.39
(ii) Others	Nil		Nil
		62.66	82.39
2. OTHER SALES			
(i) Over six months old	26708.71		17126.42
(ii) Others	58291.48		39457.11
		85000.19	56583.53
		85062.85*	56665.92*
3. Less: PROVISION FOR DOUBTFUL DEBTS		3378.38	3496.76
TOTAL		81684.47	53169.16
* Of the above debts			
(a) Fully secured, considered good		695.31	228.35
(b) Unsecured, considered good		80989.16	52940.81
(c) Considered doubtful		3378.38	3496.76
TOTAL		85062.85	56665.92



SCHEDULE 'H' : CASH AND BANK BALANCES

	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
1. CASH IN HAND	132.14	84.01
2. CHEQUES ON HAND	2398.32	2056.07
3. BANK BALANCES WITH SCHEDULED BANKS (See Note 6, Schedule 'P')	13462.71	6571.73
4. BANK BALANCES WITH NON-SCHEDULED BANKS (See Note 7, Schedule 'P')	24031.27	18808.97
TOTAL	<u>40024.44</u>	<u>27520.78</u>

SCHEDULE 'I' : LOANS AND ADVANCES

	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
1. ADVANCES TO SUBSIDIARY COMPANIES (See Note 8, Schedule 'P')	1328.61	77.19
2. ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED	17955.53	11395.38
3. ADVANCE PAYMENT OF TAXES (NET)	0.65	144.78
4. LOANS TO EMPLOYEES	178.58	201.88
5. ADVANCE SHARE APPLICATION MONEY [Including to subsidiary Rs. 1348.10 Lakhs (31-3-2008 : Rs. Nil)]	1348.10	997.46
6. DEPOSITS WITH CUSTOMERS / OTHERS	2172.66	1892.13
7. BALANCE WITH CUSTOMS, PORT TRUST, ETC.	273.17	351.60
	<u>23257.30*</u>	<u>15060.42*</u>
8. Less: PROVISION FOR DOUBTFUL ADVANCES	763.96	740.43
TOTAL	<u>22493.34</u>	<u>14319.99</u>

* Of the above advances

(a) Fully secured, considered good	93.33	91.78
(b) Unsecured, considered good	22400.01	14228.21
(c) Considered doubtful	763.96	740.43
TOTAL	<u>23257.30</u>	<u>15060.42</u>

1. Due by Officers	2.82	3.45
2. Maximum due by Officers at any time during the year	3.45	4.09
3. Due by firms or Private companies respectively in which any Director of this Company is a Partner, a Director or a Member.	Nil	Nil

SCHEDULE 'J' : CURRENT LIABILITIES AND PROVISIONS

	Rupees in Lakhs	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
(A) CURRENT LIABILITIES			
1. ACCEPTANCES		6079.85	7895.60
2. SUNDRY CREDITORS			
(a) Due to Micro and Small Enterprises (See Note 9, Schedule 'P')	301.43		216.12
(b) Others [including subsidiaries: Rs. 500.31 Lakhs (31-3-2008: Rs. 394.73 Lakhs)]	107006.32		61193.64
		107307.75	61409.76
3. ADVANCE PAYMENTS AND DEPOSITS RECEIVED			
(a) From Customers / Others	62691.62		47256.62
(b) Against Unexpired Service Contracts	1696.88		1316.82
		64388.50	48573.44
4. OTHER LIABILITIES		4240.32	3733.87
5. INTEREST ACCRUED BUT NOT DUE ON LOANS		1.96	3.92
6. INVESTOR EDUCATION AND PROTECTION FUND - AMOUNTS LIABLE TO BE CREDITED *			
(a) Unpaid Dividend		138.35	107.05
(b) Unpaid Matured Deposits		9.37	11.48
(c) Interest accrued and due on (b) above		2.96	4.19
TOTAL (A)		182169.06	121739.31
(B) PROVISIONS			
7. PROVISION FOR TAXATION (NET)		4960.04	3505.99
8. PROPOSED DIVIDEND		5294.16	4466.94
9. PROVISION FOR CORPORATE DIVIDEND TAX		899.74	759.16
10. PROVISION FOR TRADE GUARANTEES (See Note 9, Schedule 'P')		4545.64	3883.42
11. PROVISION FOR EMPLOYEE BENEFITS		6634.69	5895.78
12. PROVISION FOR CONTINGENCIES (See Note 9, Schedule 'P')		2141.53	1908.59
TOTAL (B)		24475.80	20419.88
TOTAL (A) + (B)		206644.86	142159.19

* These figures reflects the position as at 31st March. The actual amount to be the transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates.

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009
SCHEDULE 'K' : OTHER INCOME

	Rupees in Lakhs	Rupees in Lakhs	Year ended 31st March, 2008 Rupees in Lakhs
1. Income from Investments [Tax deducted at source Rs. Nil (2007-08: Rs. Nil)]			
(a) Dividend from Subsidiary companies	426.48		59.25
(b) Trade Investments (Long Term)	267.43		254.20
(c) Other Investments (Long Term)	1.85		11.19
(d) Other Investments (Current)	886.78		809.85
		1582.54	1134.49
2. Miscellaneous Income		1294.41	1127.05
3. Profit on Redemption of Mutual Funds / Sale of Non-Trade Current Investments (Net)		700.52	47.99
4. Rent Received [Tax deducted at source : Rs. 562.02 Lakhs (2007-08: Rs 459.40 Lakhs)]		2551.24	1991.96
5. Foreign Exchange Gain (Net)		1839.53	Nil
6. Interest Received			
(a) In respect of sales on deferred payment terms and other accounts-Gross [Tax deducted at source Rs. 44.34 Lakhs (2007-08: Rs. 3.12 Lakhs)]	209.67		32.36
(b) On fixed deposits with Banks	839.19		214.55
(c) On Income tax refunds	223.55		83.54
		1272.41	330.45
TOTAL		9240.65	4631.94


SCHEDULE 'L' : COST OF SALES, SERVICES AND EXPENSES

	Rupees in Lakhs	Rupees in Lakhs	Year ended 31st March, 2008 Rupees in Lakhs
1. Stock-in-Trade per 1-4-2008 (See Note 12, Schedule 'P')		39753.91	31749.88
2. Purchases and cost of jobs, manufacture and services		310831.32	231511.79
3. Stock-in-Trade per 31-3-2009 (See Note 12, Schedule 'P')		54479.45	39753.91
4. Cost of Sales and Services (1 + 2 - 3)		296105.78	223507.76
5. Staff Expenses			
(a) Salaries,Wages and Bonus	39098.79		24911.36
(b) Company's contribution to Provident Funds and other Funds	1831.37		1640.16
(c) Provision for Gratuity	739.69		320.30
(d) Welfare Expenses	1189.72		813.45
		42859.57	27685.27
6. Forwarding Charges (Net) (See Note 12, Schedule 'P')		2106.14	1696.72
7. Commission other than to Sole Selling Agents under Section 294 of the Companies Act, 1956		5028.93	4388.00
8. Advertising (Net)		934.25	1250.76
9. Rent paid	3155.76		1791.04
Less: Rent recovered	4.03		4.97
		3151.73	1786.07
10. Rates and Taxes		144.07	148.67
11. Insurance		830.55	521.96
12. Stores Consumed		472.29	501.04
13. Power		254.04	278.85
14. Repairs to Buildings		327.80	167.89
15. Repairs to Plant and Machinery		428.17	419.05
16. Travelling and Conveyance		5232.83	3868.76
17. Stationery, Postage, Telex and Telephone		1934.29	1432.79
18. Auditors' Remuneration (See Note 19, Schedule 'P')		118.54	104.43
19. Audit fees payable to Branch Auditors (See Note 19, Schedule 'P')		31.63	24.09
20. Audit fees payable to Cost Auditors		0.28	1.12
21. Legal and Professional charges		1012.20	800.39
22. Other expenses (See Note 12, Schedule 'P')		15148.29	10729.46
23. Bad and Doubtful Debts / Advances		600.90	(63.41)
24. Donations		39.55	40.31
25. Loss on Sale of Fixed Assets (Net) [Including Capital Surplus of Rs. 3.62 Lakhs (2007-08 : Rs. 1.08 Lakhs)]		129.37	76.73
TOTAL		376891.20	279366.71

SCHEDULE 'M' : INTEREST

	Rupees in Lakhs	Year ended 31st March, 2008 Rupees in Lakhs
Interest Paid		
(a) On fixed loans	106.82	175.87
(b) On other accounts	378.87	420.07
TOTAL	<u>485.69</u>	<u>595.94</u>

SCHEDULE 'N' : EXCEPTIONAL ITEMS

	Rupees in Lakhs	Year ended 31st March, 2008 Rupees in Lakhs
1. Profit on Sale of Property / Assignment of Balance Leasehold Rights / Transfer of Development Rights/ Surrender of Tenancy Rights (Net) [Including Capital Surplus Rs.2594.66 Lakhs (2007-08 : Rs. 2821.81 Lakhs)]	2586.22	2828.90
2. Profit on Sale of Chemicals Trading Business	873.22	Nil
	3459.44	2828.90
Less :		
3. Provision for diminution in value of Investments	140.43	4.55
4. Cost of Voluntary Retirement Scheme	48.51	45.73
5. Provision for Doubtful Debts / Advances (Net)	0.50	(108.87)
6. Provision for Contingencies (Net)	Nil	(100.00)
7. Impairment of Fixed Assets	70.06	Nil
	259.50	(158.59)
TOTAL	<u>3199.94</u>	<u>2987.49</u>



SCHEDULE 'O' : COMPUTATION OF NET PROFIT IN ACCORDANCE WITH SECTIONS 198 AND 309(5) OF THE COMPANIES ACT, 1956

	Rupees in Lakhs	Rupees in Lakhs	Year ended 31st March, 2008 Rupees in Lakhs
1. Profit before Taxation as per Profit and Loss Account		36732.91	30753.95
2. Add:			
(a) Managerial Remuneration, including benefits in cash or in kind (See Note below)	259.08		196.05
(b) Provision for Diminution in value of Investments	140.43		4.55
(c) Directors' Sitting fees	15.80		13.20
		415.31	213.80
		37148.22	30967.75
3. Less:			
(a) Capital Surplus on Sale / Retirement of Fixed Assets	3.62		1.08
(b) Profit on Redemption of Mutual Funds / Sale of Non-Trade Current Investments (Net)	700.52		47.99
(c) Wealth Tax	40.00		32.00
(d) Profit on Sale of Chemicals Trading Business / Profit on Sale of property /Assignment of Balance Leasehold Rights / Surrender of Tenancy Rights	3467.88		2828.90
		4212.02	2909.97
Net Profit for Directors' Commission referred to below:		32936.20	28057.78
Commission to Directors (other than Wholetime Director) at 1% of the Net Profit : Rs. 329.36 Lakhs, restricted to		80.00	55.00
Commission to Wholetime Director		100.00	80.00

Note : The above excludes retirement benefits relating to former Wholetime Directors.

SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

1. SIGNIFICANT ACCOUNTING POLICIES

- (i) The accounts are prepared on historical cost convention on accrual basis of accounting and comply with the Accounting Standards as notified under the Companies (Accounting Standards) Rules, 2006 of the Companies Act, 1956.

The preparation of the accounts requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including the contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the accounts are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(ii) SALES AND SERVICES

- (a) Sales exclude sales tax, value added tax and works contract tax but include excise duty. Consignment sales are excluded from sales and services, but commission earned on such sales is accounted for as part of sales and services.

- (b) Sales and services are accounted on accrual basis when the sale of goods or services is completed.

- (c) Revenue from long-term contracts, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. When the current estimate of total costs and revenue is a loss, provision is made for the entire loss on the contract irrespective of the amount of work done.

- (d) Long-Term Annual Maintenance Contracts :

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

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

(iii) JOINT VENTURES

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

(iv) DEPRECIATION / AMORTISATION

Depreciation on all fixed assets has been provided on the Straight Line Basis at the rates prescribed in Schedule XIV to the Companies Act, 1956, except Depreciation on furniture and fittings, which has been provided on the Written Down Value Basis at the rates prescribed in Schedule XIV to the Companies Act, 1956.

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

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

(v) PROVISION FOR TRADE GUARANTEES

Provision for estimated costs to be incurred in providing warranty services is made in the accounts in the year in which goods are sold or a long term contract is completed.

(vi) FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation / impairment.

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



SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

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

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

(vii) **INTANGIBLE ASSETS**

Intangible assets are stated at cost less accumulated amortisation.

(viii) **IMPAIRMENT OF ASSETS**

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

(ix) **PROVISIONS AND CONTINGENCIES**

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

(x) **INVESTMENTS**

Long term investments are carried at cost less provision for any diminution other than temporary, in the value of such investments.

Current investments are carried at the lower of cost and fair value.

(xi) **INVENTORIES**

Inventories including Work-in-Progress (other than Construction Contracts) are valued at cost or net realisable value, whichever is lower, cost being worked out on weighted average basis. Cost includes all charges for bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. With regard to Construction Contracts, Work-in-Progress includes profits / losses to the extent recognised.

(xii) **TAXES ON INCOME**

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

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

Deferred Tax Assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses. Other Deferred Tax Assets are recognised if there is reasonable certainty that there will be sufficient future taxable income to realise such assets.

(xiii) **FOREIGN EXCHANGE TRANSACTIONS / TRANSLATIONS**

(a) The foreign branches of the Company have been classified as "integral foreign operations". Revenue transactions (other than depreciation) of the foreign branches are incorporated in the Company's accounts at the average exchange rate during the year, fixed assets are incorporated at the average rate of the year of acquisition and current assets and liabilities are translated at the rates of exchange prevailing on the date of the Balance Sheet. Depreciation is translated at the average rate applicable to the fixed assets.

(b) Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the end of the year

SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

are translated at the year-end rate and the difference in translation and realised gains and losses on foreign exchange transactions are recognised in the Profit and Loss Account. In respect of transactions covered by foreign exchange contracts, the difference between the contract rate and the spot rate on the date of the transaction is charged to the Profit and Loss Account over the period of the contract.

(xiv) ACCOUNTING FOR VOLUNTARY RETIREMENT SCHEMES

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

(xv) OPERATING LEASE

Operating lease expenses / income are recognised in the Profit and Loss Account on Straight Line Basis, representative of the time pattern of the user's benefit.

(xvi) EMPLOYEE BENEFITS**(a) Defined Contribution Plan**

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

(b) Defined Benefit Plans

- (i) The Company's liabilities towards gratuity and post retirement medical benefit schemes are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gains and losses based on actuarial valuation done by the independent actuary carried out annually are recognised immediately in the Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.
- (ii) The Company's Contribution to recognised Provident Fund paid / payable during the year is recognised in the Profit and Loss Account. The shortfall, if any, between the return guaranteed by the statute and actual earnings of the Fund is provided for by the Company and contributed to the Fund.

(c) Other Benefits

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation carried out at the end of the year.

(xvii) SEGMENT REPORTING

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

2. SHARE CAPITAL

Equity Share Capital includes :

- (a) 9,76,61,300 shares of Re.1 each allotted as fully paid bonus shares by capitalising Rs.80.82 Lakhs out of the Securities Premium Account, Rs.100 Lakhs from Capital Reserve and Rs.795.79 Lakhs out of General Reserve.
- (b) 1,77,29,040 shares of Re.1 each allotted to the erstwhile shareholders of Tata-Merlin & Gerin Ltd. (TMG), The National Electrical Industries Ltd. (NEI), Volrho Ltd., Wandleside National Conductors Ltd. (WNC) and Hyderabad Allwyn Ltd. (HAL) consequent upon the amalgamation of these companies with the Company.



SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

- (c) 11,97,84,000 shares of Re.1 each allotted to the holders of Convertible Part 'A' of Rs.60 of the 14% Secured Redeemable Partly Convertible Debentures 1992-99 on compulsory conversion thereof into equity shares.

3. SECURED LOANS – FROM BANKS

Nature of Security	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
(a) Term Loan from Exim Bank (Deposit of title deeds of certain immovable properties of the Company)	1000.00	2000.00
(b) Cash Credit from Banks Secured against assignment of contract dues and lien on Term Deposits	11844.26	2766.60
	12844.26	4766.60

4. INVESTMENTS

- (a) Under a loan agreement for Rs.60 Lakhs (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.
- (b) In respect of the Company's investment in 2640 equity shares of Reliance Industries Limited, there is an Injunction Order passed by the Court in Kanpur restraining the transfer of these shares. The share certificates are, however, in the possession of the Company. Pending disposal of the case, dividend on these shares has not been recognised.

5. INVENTORIES – WORK-IN-PROGRESS

In respect of Construction Contracts which are in progress as at the year end:

	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
(a) Aggregate amount of costs incurred and net recognised profits (less recognised losses)	476378.73	268742.82
(b) Advances received for such contracts in progress	48417.68	26067.40
(c) The amount of retentions due for such contracts	16793.88	7428.74
(d) The gross amount due from customers for such contracts	53167.71	28850.11
(e) The gross amount due to customers for such contracts	8395.92	9617.19

6. CASH AND BANK BALANCES – BANK BALANCES WITH SCHEDULED BANKS

	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
(a) On Current Accounts	4440.98	5967.63
(b) On Fixed Deposit Accounts	9021.73	604.10
	13462.71	6571.73

SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

7. CASH AND BANK BALANCES – BANK BALANCES WITH NON-SCHEDULED BANKS

	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
(a) ON CURRENT ACCOUNTS		
(i) Union National Bank, Abu Dhabi, U.A.E. [Maximum balance during the year : Rs.2912.42 Lakhs (2007-2008 : Rs.1106.95 Lakhs)]	587.50	560.34
(ii) Emirates Bank International, Dubai, U.A.E. [Maximum balance during the year : Rs.1332.80 Lakhs (2007-2008 : Rs.3286.02 Lakhs)]	651.97	652.96
(iii) HSBC Bank Middle East, Abu Dhabi, U.A.E. [Maximum balance during the year : Rs.104.99 Lakhs (2007-2008 : Rs.265.61 Lakhs)]	9.59	32.58
(iv) HSBC Bank Middle East, Qatar [Maximum balance during the year : Rs.8296.11 Lakhs (2007-2008 : Rs.11865.05 Lakhs)]	102.65	218.44
(v) Commercial Bank of Qatar, Qatar [Maximum balance during the year : Rs.341.94 Lakhs (2007-2008 : Rs.607.41 Lakhs)]	239.15	39.23
(vi) Doha Bank, Qatar [Maximum balance during the year : Rs.10214.18 Lakhs (2007-2008 : Rs.4548.26 Lakhs)]	1073.65	543.50
(vii) HSBC Bank Middle East, Bahrain [Maximum balance during the year : Rs.3821.57 Lakhs (2007-2008 : Rs.3572.63 Lakhs)]	101.58	110.94
(viii) Abu Dhabi Commercial Bank, Abu Dhabi, U.A.E. [Maximum balance during the year : Rs.573.75 Lakhs (2007-2008 : Rs.243.53 Lakhs)]	268.38	138.30
(ix) First Gulf Bank, U.A.E. [Maximum balance during the year : Rs.1073.16 Lakhs (2007-2008 : Rs.3104.36 Lakhs)]	Nil	165.60
(x) Standard Chartered Bank, Singapore [Maximum balance during the year : Rs.213.87 Lakhs (2007-2008 : Rs.1080.76 Lakhs)]	26.88	1.94
(xi) ABN Amro Bank, Singapore [Maximum balance during the year : Rs.2292.96 Lakhs (2007-2008 : Rs.Nil)]	2026.86	Nil
	5088.21	2463.83



SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
7. (b) ON FIXED DEPOSIT ACCOUNTS		
(i) Abu Dhabi Commercial Bank, Abu Dhabi, U.A.E. [Maximum balance during the year : Rs.217.80 Lakhs (2007-2008 : Rs.61.62 Lakhs)]	72.23	56.42
(ii) Union National Bank, Abu Dhabi, U.A.E. [Maximum balance during the year : Rs.4668.97 Lakhs (2007-2008 : Rs.81.13 Lakhs)]	4668.97	66.46
(iii) Emirates Bank International, Dubai, U.A.E. [Maximum balance during the year : Rs.13.51 Lakhs (2007-2008 : Rs.1941.23 Lakhs)]	13.51	661.44
(iv) HSBC Bank Middle East, Qatar [Maximum balance during the year : Rs.10116.50 Lakhs (2007-2008 : Rs.11123.59 Lakhs)]	9822.36	10055.94
(v) Commercial Bank of Qatar, Qatar [Maximum balance during the year : Rs.110.14 Lakhs (2007-2008 : Rs.1625.08 Lakhs)]	Nil	Nil
(vi) Doha Bank, Qatar [Maximum balance during the year : Rs.17363.08 Lakhs (2007-2008 : Rs.4332.69 Lakhs)]	2514.07	1767.16
(vii) HSBC Bank Middle East, Bahrain [Maximum balance during the year : Rs.4122.20 Lakhs (2007-2008 : Rs.3195.23 Lakhs)]	1434.76	3195.22
(viii) First Gulf Bank, U.A.E. [Maximum balance during the year : Rs.542.50 Lakhs (2007-2008 : Rs.2169.00 Lakhs)]	Nil	542.50
(ix) HSBC Bank Middle East, Qatar [Maximum balance during the year : Rs.2750.68 Lakhs (2007-2008 : Rs.Nil)]	189.09	Nil
(x) Union National Bank, Abu Dhabi, U.A.E. [Maximum balance during the year : Rs.1937.56 Lakhs (2007-2008 : Rs.Nil)]	228.07	Nil
	18943.06	16345.14
TOTAL	24031.27	18808.97

8. LOANS AND ADVANCES

Loans and Advances in the nature of loans given to Subsidiaries and Associates, etc.

Name of the Company	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs	Maximum Balance during the year	
			Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
(a) Auto Aircon (India) Ltd.	77.60	77.10	77.60	77.10
(b) Metrovol FZE	Nil	Nil	Nil	0.40
(c) Weathermaker Ltd., U.A.E.	Nil	0.09	Nil	177.75
(d) Saudi Ensas Company for Engineering Services W.L.L. (w.e.f. 28-1-2009)	94.26	Nil	94.26	Nil
(e) Universal Comfort Products Ltd.	1156.75	Nil	1162.98	Nil

Note :

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

SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

9. CURRENT LIABILITIES AND PROVISIONS

- (a) According to information available with the Management, on the basis of intimation received from suppliers, regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the Company has the following amounts due to Micro and Small Enterprises under the said Act.

	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
(i) (a) Principal amount remaining unpaid to any supplier as on 31-3-2009	301.43	216.12
(b) Interest on (i)(a) above	10.19	0.99
(ii) The amount of interest paid along with the principal payment made to the supplier beyond the appointed date during 2008-09.	Nil	Nil
(iii) Amount of interest due and payable on delayed payments	71.12	7.82
(iv) Amount of further interest remaining due and payable even in succeeding years	9.33	0.52
(v) Total outstanding dues of Micro and Small Enterprises		
– Principal	301.43	216.12
– Interest	90.64	9.33

(b) Provisions

	Rupees in Lakhs				
	Opening Balance	Additions	Utilisation	Reversal	Closing Balance
Trade Guarantee	3883.42	5577.10	2439.68	2475.20	4545.64
	(2473.62)	(4267.83)	(2521.95)	(336.08)	(3883.42)
Contingency for tax matters	1125.00	232.94	Nil	Nil	1357.94
	(1225.00)	(Nil)	(Nil)	(100.00)	(1125.00)
Contingency for claims	783.59	Nil	Nil	Nil	783.59
	(783.59)	(Nil)	(Nil)	(Nil)	(783.59)

The provision for Trade Guarantee is expected to be utilised for warranty expenses / settlement of claims within a period of 1 to 5 years.

Note : Figures in brackets are of the previous year.



SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

10. DEFERRED TAX ASSET

Major components of deferred tax assets and liabilities arising are :

		As at 31st March, 2008			
		Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
		Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs
(i)	Depreciation	—	2697.00	—	2486.00
(ii)	Voluntary Retirement Scheme	328.00	—	617.00	—
(iii)	Unpaid Statutory Liabilities	495.58	—	494.00	—
(iv)	Provision for Doubtful Debts and Advances	1338.00	—	1370.12	—
(v)	Provision for Contingency	529.00	—	450.00	—
(vi)	Employee Benefits	2069.00	—	1486.00	—
(vii)	Others	96.00	—	112.00	—
	Total	4855.58	2697.00	4529.12	2486.00
	Net Timing Differences	2158.58	—	2043.12	—

11. SALES AND SERVICES

With regard to long term Construction Contracts undertaken, the amount of net revenue recognised is Rs.212332.80 Lakhs (2007-2008: Rs.126317.18 Lakhs).

12. COST OF SALES, SERVICES AND EXPENSES

- (i) Opening and Closing Stock - In - Trade excludes WIP for Long Term Contracts Rs.268742.82 Lakhs (1-4-2007 : Rs.178019.87 Lakhs) and Rs. 476378.73 Lakhs (31-3-2008 : Rs. 268742.82 Lakhs), respectively.
- (ii) (a) The Company makes contribution towards provident funds, a defined benefit retirement plan, and towards superannuation fund, a defined contribution retirement plan for qualifying employees. These funds are administered by the trustees appointed by the Company. Under the schemes, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit.
- (b) The Company makes annual contribution to Voltas Limited Employees' Gratuity Fund, which is a funded defined benefit plan for qualifying employees. The scheme provides for lumpsum payment to vested employees at retirement, death while in employment or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of 5 years of service.

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

The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out as at 31st March, 2009. The present value of the defined benefit obligation and the related current service cost and past service cost are measured using the Projected Unit Credit Method.

The following tables set out the funded status and amounts recognised in the Company's financial statements as at 31st March, 2009 for the Defined Benefit Plans other than Provident Fund. According to the Management, in consultation with the actuary, actuarial valuation cannot be applied to reliably measure provident fund liabilities in the absence of guidance from the Actuarial Society of India.

SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

Defined Benefit Plans - As per Actuarial Valuation on 31st March, 2009

	Gratuity Unfunded (Refer Note 'a' below)	Gratuity Funded	Post Employment Medical Benefits	Pension Plan
	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs
I. Expense recognised in the Profit and Loss Account for the year ended 31st March, 2009				
1. Current Service Cost	326.42	223.08	27.14	—
	—	168.55	24.95	—
2. Interest Cost	36.76	264.81	36.51	44.19
	—	219.45	40.65	50.15
3. Expected return on plan assets	—	(145.96)	—	—
	—	(95.48)	—	—
4. Actuarial (Gains) / Losses	376.40	452.94	84.02	75.72
	—	419.80	(21.06)	21.83
5. Total expense	739.58	794.87	147.67	119.91
	—	712.32	44.54	71.98
II. Net Asset / (Liability) recognised in the Balance Sheet as at 31st March, 2009				
1. Present value of Defined Benefit Obligation as at 31st March, 2009	(1877.63)	(3893.12)	(629.01)	(679.67)
	—	(3310.10)	(521.62)	(631.30)
2. Fair value of plan assets as at 31st March, 2009	—	3614.42	—	—
	—	1824.47	—	—
3. Funded status [Surplus / (Deficit)]	(1877.63)	(278.70)	(629.01)	(679.67)
	—	(1485.63)	(521.62)	(631.30)
4. Net asset/(liability) as at 31st March, 2009	(1877.63)	(278.70)	(629.01)	(679.67)
	—	(1485.63)	(521.62)	(631.30)



SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

	Gratuity Unfunded (Refer Note 'a' below)	Gratuity Funded	Post Employment Medical Benefits	Pension Plan
	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs
III. Change in Obligation during the Year ended 31st March, 2009				
1. Present value of Defined Benefit Obligation at the beginning of the year	(826.36)	(3310.10)	(521.62)	(631.30)
	—	(2831.55)	(508.09)	(626.92)
2. Current Service Cost	326.42	223.08	27.14	—
	—	168.55	24.95	—
3. Interest Cost	36.76	264.81	36.51	44.19
	—	219.45	40.65	50.15
4. Actuarial (Gains)/Losses	376.40	509.17	84.02	75.72
	—	434.79	(21.06)	21.83
5. Benefits Payments	—	(414.04)	(40.28)	(71.54)
	—	(344.24)	(31.01)	(67.60)
6. Difference in exchange	311.69	—	—	—
	—	—	—	—
7. Present value of Defined Benefit Obligation at the end of the year	(1877.63)	(3893.12)	(629.01)	(679.67)
	—	(3310.10)	(521.62)	(631.30)
IV. Change in Assets during the Year ended 31st March, 2009				
1. Plan assets at the beginning of the year	—	1824.47	—	—
	—	1232.06	—	—
2. Expected return on plan assets	—	145.96	—	—
	—	95.48	—	—
3. Contributions by employers	—	2001.80	40.28	71.54
	—	826.18	31.01	67.60
4. Actual benefits paid	—	(414.04)	(40.28)	(71.54)
	—	(344.24)	(31.01)	(67.60)
5. Actuarial Gains / (Losses)	—	56.23	—	—
	—	14.99	—	—
6. Plan assets at the end of the year	—	3614.42	—	—
	—	1824.47	—	—
7. Actual return on plan assets (2+5)	—	202.19	—	—
	—	110.47	—	—

SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

	Gratuity Unfunded (Refer Note 'a' below)	Gratuity Funded	Post Employment Medical Benefits	Pension Plan
	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs
V. Amount Recognised in the Balance Sheet				
1. Opening Liability	826.36	1485.63	521.62	631.30
	—	<i>1599.49</i>	<i>508.09</i>	<i>626.92</i>
2. Expenses as above (I)	739.58	794.87	147.67	119.91
	—	<i>712.32</i>	<i>44.54</i>	<i>71.98</i>
3. Employers Contribution	—	(2001.80)	(40.28)	(71.54)
	—	<i>826.18</i>	<i>31.01</i>	<i>67.60</i>
4. Difference in exchange	311.69	—	—	—
	—	—	—	—
5. Closing Net Liability	1877.63	278.70	629.01	679.67
	—	<i>1485.63</i>	<i>521.62</i>	<i>631.30</i>
VI. Actuarial Assumptions				
1. Mortality Table (LIC)	1994-96	1994-96 <i>Ultimate</i>	1994-96	1996-98
2. Discount Rate	4% - 5% <i>8%</i>	7% <i>8%</i>	7% <i>8%</i>	7% <i>8%</i>
3. Increase in Salary/Health Care Cost/Pension	5% <i>5% & 7%</i>	5% & 7% <i>5% & 7%</i>	5% <i>5%</i>	3.75% <i>3.75%</i>
4. Rate of Return on Plan Assets	4% - 5% <i>8%</i>	7% <i>8%</i>	7% <i>8%</i>	7% <i>8%</i>

Note : Figures in italics under I to VI are of the previous year.

	Gratuity		Gratuity	
	Rupees in Lakhs	%	31-3-2008 Rupees in Lakhs	31-3-2008 %
VII. Categories of plan assets as a percentage of the fair value of total plan assets				
1. Government of India Securities	781.32	22	366.37	20
2. Corporate Bonds	2459.50	68	1118.69	61
3. Special Deposit Scheme	215.79	6	319.67	18
4. Others	157.81	4	19.74	1
	<u>3614.42</u>	<u>100</u>	<u>1824.47</u>	<u>100</u>

	Rupees in Lakhs		2007-08 Rupees in Lakhs	
	One percentage point increase	One percentage point decrease	One percentage point increase	One percentage point decrease
VIII. Effect of Change in Assumed Health Care Cost Trend Rate				
1. Effect on the aggregate of the service cost and interest cost	64.74	62.57	66.59	64.60
2. Effect on defined benefit obligation	660.33	613.08	547.52	508.30



SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

- (a) The cost of retiral benefits in respect of employees abroad was accounted on accrual basis and in accordance with local laws of the respective countries in the previous year. Hence, the previous year's figures have not been disclosed.
- (b) The Actuarial calculations used to estimate defined benefit commitments and expenses are based on the above assumptions which if changed would affect the defined benefit commitment's size, the funding requirement and expenses.
- (c) The estimates of future salary increases, considered in the Actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (d) Experience Adjustment

Particulars	Rupees in Lakhs	2007-2008 Rupees in Lakhs	2006-2007 Rupees in Lakhs
On Plan Assets	48.93	14.99	6.56
On Plan Liabilities	955.53	434.79	113.17
	1004.46	449.78	119.73

- (e) The details of the Company's Defined benefit plans for its employees are given above which is certified by the actuary and relied upon by the auditors.
- (f) Expected contribution of Rs. 782 Lakhs to Defined Benefits (other than Provident Fund) for the next year.
- (g) The Company has recognised the following amounts in the Profit and Loss Account under the head Company's Contribution to Provident Funds and Other Funds :

Particulars	Rupees in Lakhs	2007-2008 Rupees in Lakhs
Provident Fund	797.38	699.71
Superannuation Fund	221.58	226.70
	1018.96	926.41

(iii) Forwarding charges are net of Freight Recovery of Rs.474.71 Lakhs (2007-2008 : Rs.407.23 Lakhs).

(iv) Other Expenses include :

	Rupees in Lakhs	2007-2008 Rupees in Lakhs
(a) Payment to Directors other than Wholetime Directors for Sitting Fees and Commission	95.80	68.20
(b) Lease rentals	1271.64	549.19
(c) Foreign Exchange Loss (Net)	Nil	562.16

13. Earnings per Share has been computed as under :

		2007-2008
Net profit (Rs.Lakhs)	25258.90	20836.50
Weighted average number of Equity Shares Outstanding	330884740	330884740
Earnings Per Share (Rs.) - Basic and Diluted (Face Value of Re.1 per share)	7.63	6.30

SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

14. Derivative Instruments :

The Company has entered into the following derivative instruments :

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

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

<u>Currency</u>	<u>Amt. in Lakhs</u>	<u>Sell / Buy</u>	<u>Cross Currency</u>
US Dollar	Nil (5.00)	— Sell	— Rupees
US Dollar	40.00 (5.31)	Buy Buy	Rupees Rupees
GB Pound	Nil (15.70)	— Buy	— US Dollar
Euro	24.37 (10.00)	Buy Buy	US Dollar US Dollar

The pro-rata difference between the forward contract rate and the exchange rate on the date of transaction to be charged / (credited) to Profit and Loss Account is Rs.(0.13) Lakh [(2007-2008 : Rs.(9.77) Lakhs)].

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

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

- Export of goods	Rs. 1039.06 Lakhs (Rs. 2300.75 Lakhs)	US\$ 20.36 Lakhs (US\$ 57.73 Lakhs)
- Overseas Operations	Rs. 136250.32 Lakhs (Rs. 59159.43 Lakhs)	US\$ 2669.48 Lakhs (US\$1484.37 Lakhs)

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

- Import of goods and services	Rs. 4763.91 Lakhs (Rs. 5707.80 Lakhs)	US\$ 93.34 Lakhs (US\$ 143.21 Lakhs)
- Overseas Operations	Rs. 105470.55 Lakhs (Rs. 43472.61 Lakhs)	US\$ 2066.43 Lakhs (US\$ 1090.77 Lakhs)

Note : Figures in brackets are of the previous year.

15. Estimated amount of contracts remaining to be executed on capital account and not provided for : Rs.1544.54 Lakhs (31-3-2008 : Rs.2550.25 Lakhs). Advance paid against such contracts : Rs.706.25 Lakhs (31-3-2008 : Rs.1742.71 Lakhs).

16. Contingent liabilities not provided for :

- (a) Guarantees on behalf of other companies :

Limits Rs.4692.93 Lakhs (31-3-2008 : Rs. 3104.75 Lakhs) against which amount outstanding was Rs. 2076.26 Lakhs (31-3-2008 : Rs. 1372.68 Lakhs) against which a provision has been made for contingencies Rs. 583.59 Lakhs (31-3-2008 : Rs.583.59 Lakhs).

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

In respect of various matters aggregating Rs.22615.80 Lakhs (31-3-2008 : Rs.20198.81 Lakhs), net of tax Rs.14928.69 Lakhs (31-3-2008 : Rs.13333.25 Lakhs) against which a provision has been made for contingencies Rs.1125 Lakhs (31-3-2008 : Rs.1125 Lakhs). In respect of a contingent liability of Rs.4502.84 Lakhs (31-3-2008 : Rs.4502.84 Lakhs), the Company has a right to recover the same from a third party.



SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

	Rupees in Lakhs	2007-2008 Rupees in Lakhs
Taxes, Cesses and Duties (other than income tax)	14612.75	12278.60
Contractual matters in the course of business	4187.08	4100.32
Real Estate Disputes and Demands	3519.76	3519.76
Ex-employees matters	248.63	248.63
Others	47.58	51.50
	<u>22615.80</u>	<u>20198.81</u>

(c) Income tax demands :

(i) In respect of matters decided in Company's favour by Appellate Authorities where the Department is in further appeal - Rs.350.06 Lakhs (31-3-2008 : Rs.225.32 Lakhs).

(ii) In respect of other matters - Rs.Nil (31-3-2008 : Rs.142.82 Lakhs).

(d) Staff demands under adjudication : Amount indeterminate.

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

17. In respect of guarantees aggregating Rs.88991.07 Lakhs (31-3-2008 : Rs.48292.49 Lakhs) issued by Banks at the request of the Company in favour of third parties, the Company has given security by way of hypothecation of a part of tangible movable assets, book debts and stocks.

18. Amounts paid by the Company to Directors as remuneration for services rendered in any capacity (See Schedule 'O' for Computation of Net Profit in accordance with Sections 198 and 309 of the Companies Act, 1956):

	Rupees in Lakhs	2007-2008 Rupees in Lakhs
Remuneration to the Managing Director (2007-2008 : Managing Director) inclusive of contribution to Provident Fund and other funds : Rs.8.75 Lakhs (2007-2008: Rs.7.29 Lakhs), estimated money value of benefits : Rs.19.80 Lakhs (2007-2008: Rs.14.44 Lakhs) and commission : Rs.100 Lakhs (2007-2008: Rs.80 Lakhs). It does not include provision for compensated absences and gratuity as separate actuarial valuation for the Managing Director is not available.	179.08	141.05

19. (a) Auditors' Remuneration:

	Rupees in Lakhs	2007-2008 Rupees in Lakhs
Audit Fees	45.00	45.00
Tax Audit Fees	13.50	13.50
Company Law Matters	0.60	0.30
Tax Matters	5.51	4.95
Other Services (Service Tax Rs.0.13 Lakh (2007-08): Rs.Nil)	52.68	39.00
Out of Pocket Expenses	1.25	1.68
	<u>118.54</u>	<u>104.43</u>

[The above excludes Service Tax availed Rs.12.94 Lakhs (2007-08 : Rs.11.53 Lakhs)]

SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

	Rupees in Lakhs	2007-2008 Rupees in Lakhs
(b) Remuneration to Branch Auditors:		
Audit Fees	18.24	14.28
Other Services	11.96	8.84
Out of Pocket Expenses	1.43	0.97
	<u>31.63</u>	<u>24.09</u>

20. Assets under operating Leases :

- (a) The Company has taken on operating lease certain assets. The total lease rent paid on the same is Rs.4423.37 Lakhs (2007-08 : Rs.2335.26 Lakhs).
- (b) The minimum future lease rentals payable in respect of non-cancellable lease are as under :

	Rupees in Lakhs	2007-2008 Rupees in Lakhs
Not later than one year	1701.64	713.71
Later than one year but not later than five years	3241.50	930.68
Later than five years	296.84	143.95

- (c) The Company has given on operating lease certain assets. The total lease rent received on the same amounting Rs.2551.24 Lakhs (2007-08 : Rs.1991.96 Lakhs) is included under Other Income.
- (d) The minimum future lease rentals receivable in respect of non-cancellable lease are as under :

	Rupees in Lakhs	2007-2008 Rupees in Lakhs
Not later than one year	2181.13	2145.28
Later than one year but not later than five years	3546.00	4518.46
Later than five years	581.59	508.76

- (e) The Original Cost, Depreciation for the year and Written Down Value are Rs.1474.54 Lakhs, Rs.30.91 Lakhs and Rs.962.35 Lakhs (Previous year : Rs.1432.07 Lakhs, Rs.34.41 Lakhs and Rs.967.94 Lakhs), respectively.

21. In respect of certain property transactions, conveyance deed are pending, as under:

- (a) In terms of agreement dated 30th September, 1998, Company's Refrigerators manufacturing facility at Nandalur was transferred on a running business / going concern basis to Electrolux Voltas Limited (EVL) on the close of the business hours on 31st March, 1999. In respect of land for the Nandalur Plant, Deed of Conveyance is pending completion.
- (b) The Company had accounted in 1999-2000, the profit on transfer of development rights of Rs.734.12 Lakhs in respect of property at Lalbaug, Mumbai for which agreement for assignment was executed and clearance from the Income Tax Department under Section 269 UC of the Income Tax Act, 1961 was received but for which conveyance formalities are pending completion.
- (c) The Company had accounted in 2003-2004, the profit on transfer of development rights of Rs.1735.95 Lakhs in respect of property at Thane and Rs.2145.53 Lakhs in respect of property at Pune for which agreements were executed and consideration received but for which conveyance formalities are pending completion.
- (d) The Company had accounted in 2004-2005, the profit on transfer of development rights of Rs.505.53 Lakhs in respect of property at Thane for which agreement was executed and consideration received but for which conveyance formalities are pending completion.
- (e) The Company had accounted in 2006-2007, the profit on transfer of development rights in respect of Upvan land and Henkel Switchgear Limited approach land at Thane for which agreements were executed and consideration received (Rs.2070 Lakhs and Rs.223.40 Lakhs, respectively) but for which conveyance formalities are pending completion.
- (f) The Company had accounted in 2007-2008, the profit on transfer of development rights in respect of land adjoining Simtools at Thane for which an Agreement was executed and consideration received (Rs.919.96 Lakhs) but for which conveyance formalities are pending completion.



SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

22. Remittance in foreign currencies for dividends :

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

		2007-2008
(i) Number of non-resident shareholders	1694	940
(ii) Number of Equity shares held by them	38,46,891	31,68,178
(iii) Gross amount of dividend (Rs.)	5193302.85	3168178
(iv) Year ended to which the dividend related	March-2008	March-2007

23. Earnings in foreign exchange received in India :

	Rupees in Lakhs	2007-2008 Rupees in Lakhs
(a) F.O.B. Value of exports (including amounts invoiced against work-in-progress)	2638.43	3819.31
(b) Service Commission (On Cash basis)	3252.45	3006.86
(c) Other Income	735.83	292.67
(d) Foreign Projects Profit	13323.01	7624.54
(e) Insurance Claim Received	Nil	318.46
(f) Warranty Recovery	89.03	142.63

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

	Rupees in Lakhs	2007-2008 Rupees in Lakhs
Royalty	30.23	53.55
Other matters	314.51	248.12

25. Value of Imports on C.I.F. basis :

	Rupees in Lakhs	2007-2008 Rupees in Lakhs
Raw Materials	2485.94	2188.85
Finished Goods	42535.86	40463.55
Components & Spares	6974.27	5927.49
Capital Goods	52.39	369.54

26. Information in regard to Raw Materials and Components consumed :

(a) Items	Unit of Measurement	Quantity	2007-2008 Quantity	Value Rupees in Lakhs	2007-2008 Value Rupees in Lakhs
Steel/Ferrous Metals	M.Tonnes	5977	5053	3057.99	2950.79
Non-Ferrous Metals	M.Tonnes	645	723	2373.48	2443.27
Compressors	Numbers	75430	85206	3789.87	4165.06
Others (Items individually not exceeding 10% of total)				21468.94	19050.00
				30690.28	28609.12

SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

(b)	% to total Consumption	Value Rupees in Lakhs	2007-2008 % to total Consumption	2007-2008 Value Rupees in Lakhs
Imported	19.30	5913.45	20.00	5719.97
Indigenous	80.70	24776.81	80.00	22889.15
	100.00	30690.26	100.00	28609.12

27. Quantitative information in regard to Licensed Capacity, Installed Capacity and Actual Production of the goods manufactured by the Company :

		Installed Capacity	Installed Capacity 2007-2008	Actual Production	Actual Production 2007-2008
Air Conditioners and Water Coolers:					
Airconditioners for Specialised Applications	(Numbers)	2000	2000	1622	100
Water Coolers	(Numbers)	45000	45000	19238	21428
White Goods:					
Commercial Refrigerators	(Numbers)	75000	75000	44628	47862
Open Type Compressors with Accessories	(Numbers)	1000	1000	410	420
Packaged Airconditioners	(Numbers)	18000	18050	10193	12681
Package Chillers	(Numbers)	980	1130	694	592
Semi Hermetic Compressors	(Numbers)	3600	3600	1003	1158
Vapour Absorption Machine	(Numbers)	135	135	36	40
Air Handling Unit	(Numbers)	2400	2400	909	1023
Materials Handling Equipment:					
Forklift Trucks	(Numbers)	2000	2000	1315	1429
Hydraulic Truck Cranes	(Numbers)	50	100	20	15
Warehouse Equipment	(Numbers)	150	150	39	15
Construction and Mining Equipment:					
Crushers	(Numbers)	10	10	16	13

Notes:

- As per the Industrial Policy declared in July 1991 and as amended in April 1993, no licenses are required for the products manufactured by the Company.
- Installed capacities are as certified by the Management and relied upon by the Auditors. These are alternative and not cumulative and as such production is not strictly comparable with the same.
- Production includes for captive consumption.

28. Information in regard to Purchases, Sales, Opening Stocks and Closing Stocks:

(A). Purchases (Other than Raw Materials and Components) and Sales :

Class of Goods	Unit of Measurement	Purchases				Sales			
		Quantity	Quantity	Rupees in Lakhs	Rupees	Quantity	Quantity	Rupees in Lakhs	Rupees
		2007-2008	2007-2008	2007-2008	2007-2008	2007-2008	2007-2008	2007-2008	2007-2008
Airconditioners and Water Coolers									
Room Airconditioners	Numbers	340834	390966	49436.95	54237.60	367644	338569	68247.56	59778.73
Airconditioners for Specialised Applications	Numbers	Nil	4	Nil	4.39	1657	82	1265.48	243.71
Water Coolers	Numbers	48559	41022	1678.73	1423.35	74076	72310	7391.07	7185.12
White Goods									
Refrigerators	Numbers	Nil	Nil	Nil	Nil	20	168	0.45	3.99



SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

28(A). Purchases (Other than Raw Materials and Components) and Sales (contd.):

Class of Goods	Unit of Measurement	Purchases				Sales			
		Quantity	Quantity	Rupees	Rupees	Quantity	Quantity	Rupees	Rupees
		2007-2008	2007-2008	in Lakhs	in Lakhs	2007-2008	2007-2008	in Lakhs	in Lakhs
Freezers and Bottle Coolers	Numbers	94	714	21.76	63.24	49976	48811	7402.83	6605.07
Airconditioning and Refrigeration									
Turnkey jobs	Number of jobs					1116	960	75777.92	56417.15
Packaged Airconditioners	Numbers					6863	8382	5077.02	5709.36
Package Chillers	Numbers					523	431	4951.41	4545.43
Vapour Absorption Machines	Numbers					32	41	1635.78	1833.53
Air Handling Units (A.H.U.)	Numbers					243	88	352.79	180.19
Sundry Equipment for Airconditioning and Refrigeration, Consumer Durables and Spare Parts				3452.72	4392.26			5437.04	5913.00
(Refer Note below)									
Materials Handling Equipment and Spares									
Forklift Trucks	Numbers	25	Nil	292.76	Nil	1321	1430	12730.17	13161.61
Warehousing Equipment	Numbers					40	14	198.05	70.24
Sundry Material Handling Eqpt., Spares for Forklift Trucks, etc. (Refer Note below)				1395.11	1194.78			2216.70	2684.87
Hydraulic Truck Cranes	Numbers					20	16	2087.61	1740.43
Machine Tools									
Machine Tools, Accessories and Sundry Equipment				8.02	15.58			17.62	20.27
Pollution Control Equipment and Systems									
Water Pollution Control Equipment and Systems				949.25	712.96			1309.17	1124.22
Construction and Mining Equipment									
Excavators	Numbers	23	81	3157.22	2868.84	35	74	3807.81	3146.43
Crushers	Numbers	61	50	10956.44	7334.32	55	56	8227.98	8287.01
Screening Equipment	Numbers	72	82	7174.64	6379.48	47	70	4726.66	6367.53
Dumper	Numbers	3	Nil	442.74	Nil	3	Nil	444.00	Nil
Accessories and Spares for Drilling and Mining				6094.88	4571.68			7357.53	6736.75
Textile Machinery and Equipment (Refer Note below)				2633.54	2622.64			3311.35	3188.21
Pesticides and Chemicals									
Chemicals and Minerals				3321.48	2846.49			3679.51	3516.36
Agro Industrial Products									
Hydraulic Pumps, Motors, and Other Agro Industrial Products				79.86	53.99			402.02	320.04
Others									
Other Engineering Products				Nil	25.84			Nil	36.64
Turnkey Contracts								153650.63	78196.43
Camera	Numbers	418	480	1.26	2.26	146	423	1.33	1.12
Room Heaters	Numbers					2	54	0.01	0.35
Services Rendered								25317.00	31603.54
				91097.36	88749.70			407024.50	308617.33

Note : Spare parts and sundry equipment purchased are either used for internal service / warranty or for sales. The purchases disclosed above are to the extent of sales made during the year.

SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

28(B). Opening and Closing Stocks :

Class of Goods	Unit of Measurement	Opening Stock				Closing Stock			
		Quantity	Quantity	Rupees in Lakhs	Rupees in Lakhs	Quantity	Quantity	Rupees in Lakhs	Rupees in Lakhs
		2007-2008	2007-2008	2007-2008	2007-2008	2007-2008	2007-2008	2007-2008	2007-2008
Airconditioners and Water Coolers									
Room Airconditioners	Numbers	110610	58321	13771.79	6412.63	83505	110610	10692.75	13771.79
Water Coolers	Numbers	12741	22898	945.10	1408.68	6396	12741	540.81	945.10
Airconditioners for Specialised Applications	Numbers	93	91	218.58	142.67	57	93	98.84	218.58
White Goods									
Refrigerators	Numbers	32	217	0.92	9.16	11	32	0.23	0.92
Freezers and Bottle Coolers	Numbers	9114	9656	1061.34	1142.93	3799	9114	365.43	1061.34
Packaged Airconditioners	Numbers	632	816	332.38	430.00	588	632	289.07	332.38
Package Chillers	Numbers	33	44	304.93	361.04	45	33	426.87	304.93
Vapour Absorption Machines	Numbers	1	2	20.64	94.21	3	1	148.85	20.64
Air Handling Units (A.H.U.)	Numbers	40	49	74.14	92.49	61	40	151.62	74.14
Sundry Equipment for Airconditioning and Refrigeration, Consumer Durables and Spare Parts				2327.61	1964.96			2023.81	2327.61
Materials Handling Equipment and Spares									
Forklift Trucks	Numbers	7	13	69.19	91.57	26	7	217.15	69.19
Warehousing Equipment	Numbers	2	1	6.69	2.88	1	2	3.18	6.69
Sundry Material Handling Eqpt., Spares for Forklift Trucks, etc.				51.46	125.03			94.80	51.46
Hydraulic Truck Cranes	Numbers	Nil	1	Nil	110.07	Nil	Nil	Nil	Nil
Machine Tools									
Machine Tools, Accessories and Sundry Equipment				0.45	0.06			1.95	0.45
Pollution Control Equipment and Systems									
Electrostatic Precipitators, Mechanical Dust Collectors, etc. - Components and Parts				24.90	1.04			135.58	24.90
Construction and Mining Equipment									
Excavators	Numbers	14	7	468.00	248.18	2	14	79.00	468.00
Crushers	Numbers	9	2	692.68	125.34	31	9	5558.00	692.68
Sundry Screening Equipments	Numbers	12	Nil	683.06	Nil	37	12	3505.00	683.06
Sundry Equipment, Accessories and Spares for Drilling and Mining				2578.27	1591.45			4002.33	2578.27
Textile Machinery and Equipment				370.52	244.94			361.63	370.52
Chemicals									
Chemicals and Minerals				274.51	281.18			Nil	274.51
Agro Industrial Products									
Hydraulic Pumps, Motors, etc.				Nil	0.01			Nil	Nil
Others									
Camera	Numbers	702	758	4.75	6.68	675	702	4.90	4.75
Room Heaters	Numbers	22	213	0.44	4.09	18	22	0.36	0.44
				<u>24282.35</u>	<u>14891.29</u>			<u>28702.16</u>	<u>24282.35</u>



SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

28(B). Quantities of finished goods capitalised/(decapitalised), scrapped, issued against schemes and / or transferred to jobs during the year.

	Unit of Measurement	Quantity	Quantity 2007-2008
Room Airconditioners	Numbers	295	108
Water Coolers	Numbers	66	297
Refrigerators	Numbers	1	17
Airconditioners for Specialised Applications	Numbers	1	20
Freezers and Bottle Coolers	Numbers	61	307
Camera	Numbers	299	113
Room Heaters	Numbers	2	137
Packaged Airconditioners	Numbers	3374	4483
Package Chillers	Numbers	159	175
Vapour Absorption Machines	Numbers	2	Nil
Air Handling Unit (A.H.U.)	Numbers	645	944

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

As at 31st March, 2009						Rupees in Lakhs Year ended 31st March, 2009	
Name of the Joint Venture / Operations	% Holding	Assets	Liabilities	Contingent Liabilities	Capital Commitment	Income	Expenses
Universal Comfort Products Private Limited (Note 1)	50	Nil (7117.95)	Nil (5002.05)	Nil (1609.95)	Nil (Nil)	4014.74 (10104.93)	4264.49 (10222.61)
Universal Weathermaker Factory L.L.C.	49	970.80 (Nil)	704.50 (Nil)	Nil (Nil)	Nil (Nil)	0.29 (Nil)	62.58 (Nil)
Lalbuksh Voltas Engineering Services & Trading L.L.C.	49	2898.26 (1610.06)	1359.22 (680.92)	275.06 (124.76)	Nil (Nil)	2894.30 (1818.98)	2476.58 (1509.95)
*Universal Voltas L.L.C.	49	5551.69 (3000.77)	4580.22 (2365.29)	3523.43 (1553.26)	Nil (Nil)	7855.64 (6650.88)	7173.43 (6100.34)
*Saudi Ensas Company for Engineering Services W.L.L. (Note 1)	49	Nil (675.77)	Nil (1352.35)	Nil (13.00)	Nil (Nil)	684.52 (660.84)	1382.49 (1341.05)
Naba Diganta Water Management Limited	26	337.84 (95.42)	229.54 (95.42)	Nil (Nil)	1108.02 (1136.25)	Nil (Nil)	3.67 (1.12)
ETA-Voltas - Hitachi Plant	37.50	11436.50 (10616.34)	7816.22 (7710.48)	5398.73 (4235.48)	Nil (Nil)	19737.68 (16910.78)	19826.94 (15191.48)
NDIA Package 19 Project	77.08	1663.37 (1278.81)	1422.93 (1142.51)	1017.00 (1604.00)	Nil (Nil)	786.66 (1277.73)	599.28 (1127.66)
Sidra Medical & Research Centre Project	51.08	11551.09 (Nil)	11436.50 (Nil)	21840.00 (Nil)	Nil (Nil)	3041.84 (Nil)	2738.12 (Nil)

* As the accounting year of these companies ends on 31st December, 2008, the figures are as of that date.

Notes: (i) Universal Comfort Products Private Ltd (UCPL) and Saudi Ensas Company for Engineering Services W.L.L. (SECL) ceased to be a joint venture company on acquisition of 50% shareholding in UCPL and 51% shareholding in SECL with effect from 17th June, 2008 and 28th January, 2009, respectively.

(ii) Figures in brackets are of the previous year.

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

SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

31. Related Party Disclosures :

(a) List of Related Parties and Relationships :

Party	Relation
A. Simto Investment Company Ltd. Auto Aircon (India) Ltd . Metrovol FZE VIL Overseas Enterprises B.V. Voice Antilles N.V. Weathermaker Ltd. Agro Foods Punjab Ltd. (Under liquidation) Westerwork Engineers Ltd. (Under liquidation) Saudi Ensas Company for Engineering Services W.L.L. (w.e.f. 28-1-2009) Rohini Industrial Electricals Ltd. (w.e.f. 4-9-2008) Universal Comfort Products Ltd. (w.e.f. 17-6-2008)	Subsidiary
B. Brihat Trading Private Ltd. Terrot GmbH (upto 20-3-2009)	Associate
C. Universal Voltas L.L.C. Lalbuksh Voltas Engineering Services & Trading L.L.C. Naba Diganta Water Management Ltd. AVCO Marine S.a.S. (Under liquidation) Agrotech Industries Ltd. (Under closure) Universal Weathermaker Factory L.L.C. (w.e.f. 26-4-2008) Universal Comfort Products Private Ltd. (upto 16-6-2008) Saudi Ensas Company for Engineering Services W.L.L. (upto 27-1-2009)	Joint Venture
D. Tata Sons Ltd.	Promoters holding together with its subsidiary is more than 20%
E. Mr. A. Soni - Managing Director	Key Management Personnel

31(b). Related Party Transactions :

Transactions	Rupees in Lakhs				
	Subsidiaries	Associates and Joint Ventures	Key Management Personnel	Promoter	Total
Purchase of Goods [Refer 31 (c) (1)]	3910.36 (124.58)	8366.26 (19184.73)	— (—)	— (—)	12276.62 (19309.31)
Sale of Goods [Refer 31 (c) (2)]	1514.54 (3.31)	229.45 (3.41)	— (2.25)	4.36 (5.60)	1748.35 (14.57)
Service Income [Refer 31 (c) (3)]	12.58 (—)	272.18 (200.91)	— (—)	5.22 (0.15)	289.98 (201.06)
Interest Income [Refer 31 (c) (4)]	4.00 (—)	— (—)	— (—)	— (—)	4.00 (—)
Rental Income [Refer 31 (c) (5)]	— (—)	— (—)	— (—)	1.45 (—)	1.45 (—)
Dividend Income [Refer 31 (c) (6)]	426.48 (59.25)	41.52 (33.88)	— (—)	— (—)	468.00 (93.13)
Freight Recovery [Refer 31 (c) (7)]	32.07 (—)	32.56 (108.95)	— (—)	— (—)	64.63 (108.95)
Advertising Recovery [Refer 31 (c) (8)]	124.39 (—)	134.50 (435.17)	— (—)	— (—)	258.89 (435.17)
Commision Received [Refer 31 (c) (9)]	152.32 (49.97)	214.77 (663.40)	— (—)	— (—)	367.09 (713.37)



SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

31(b). Related Party Transactions (contd.):

Transactions	Rupees in Lakhs				
	Subsidiaries	Associates and Joint Ventures	Key Management Personnel	Promoter	Total
Provision / Write off of Debts and Advances - Reversal [Refer 31 (c) (10)]	— (—)	— (710.99)	— (—)	— (—)	— (710.99)
Remuneration Paid / Payable [Refer 31 (c) (11)]	— (—)	— (—)	179.08 (141.05)	— (—)	179.08 (141.05)
Provision / Write off of Debts and Advances [Refer 31 (c) (12)]	0.50 (—)	— (—)	— (—)	— (—)	0.50 (—)
Tata Brand Equity [Refer 31 (c) (13)]	— (—)	— (—)	— (—)	610.19 (464.18)	610.19 (464.18)
Interest Expenses [Refer 31 (c) (14)]	— (—)	— (43.61)	— (—)	— (—)	— (43.61)
Other Operating and Administration Expenses- Received/Receivable [Refer 31 (c) (15)]	1.82 (0.09)	0.54 (37.89)	— (—)	— (0.08)	2.36 (38.06)
Other Operating and Administration Expenses- Paid/ Payable [Refer 31 (c) (16)]	53.08 (33.01)	— (—)	— (—)	70.84 (96.31)	123.92 (129.32)
Advance Share Application Money given [Refer 31 (c) (17)]	134.69 (—)	1006.94 (—)	— (—)	— (—)	1141.63 (—)
Investments [Refer 31 (c) (18)]	6645.73 (0.10)	409.89 (1.30)	— (—)	— (—)	7055.62 (1.40)
Advances given [Refer 31 (c) (19)]	1251.50 (—)	— (—)	— (—)	— (—)	1251.50 (—)
Refund of Share Application Money [Refer 31 (c) (20)]	— (—)	432.50 (—)	— (—)	— (—)	432.50 (—)
Warranty Recovery [Refer 31 (c) (21)]	16.82 (—)	17.05 (49.62)	— (—)	— (—)	33.87 (49.62)
Provision for Debts and Advances Due as on 31-3-2009 [Refer 31 (c) (22)]	374.34 (77.10)	— (296.74)	— (—)	— (—)	374.34 (373.84)
Advance Outstanding as on 31-3-2009 [Refer 31 (c) (23)]	1328.61 (77.10)	— (—)	— (—)	— (—)	1328.61 (77.10)
Advance Share Application Money as on 31-3-2009 [Refer 31 (c) (24)]	1348.10 (—)	— (638.97)	— (—)	— (—)	1348.10 (638.97)
Debit Balance Outstanding as on 31-3-2009 [Refer 31 (c) (25)]	485.32 (46.27)	41.01 (129.45)	— (—)	— (0.29)	526.33 (176.01)
Credit Balance Outstanding as on 31-3-2009 [Refer 31 (c) (26)]	500.31 (394.64)	350.63 (3649.85)	— (—)	591.91 (464.90)	1442.85 (4509.39)

Note : Figures in bracket are of previous year.

SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

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

		Rupees in Lakhs	
Name of Party	Transaction Value	Transaction Value 2007-2008	
1. Purchase of Goods			
Universal Comfort Products Ltd.	10742.80	18541.66	
2. Sale of Goods			
Naba Diganta Water Management Ltd.	226.55	—	
Universal Comfort Products Ltd.	1462.88	2.33	
Tata Sons Ltd.	—	5.60	
Weathermaker Ltd.	—	2.00	
Mr. A.Soni	—	2.25	
3. Service Income			
Universal Voltas L.L.C.	267.83	199.54	
4. Interest Income			
Saudi Ensas Company for Engineering Services W.L.L.	4.00	—	
5. Rental Income			
Tata Sons Ltd.	1.45	—	
6. Dividend Income			
Weathermaker Ltd.	264.30	—	
Metrovol FZE	58.30	59.25	
VIL Overseas Enterprises B.V.	103.88	—	
Lalbuksh Voltas Engineering Services & Trading L.L.C.	—	33.88	
7. Freight Recovery			
Universal Comfort Products Ltd.	64.63	108.95	
8. Advertising Recovery			
Universal Comfort Products Ltd.	258.89	435.17	
9. Commission Received			
Universal Comfort Products Ltd.	324.64	601.55	
Terrot GmbH	42.45	61.85	
Metrovol FZE	—	49.97	
10. Provision / Write off of Debts and Advances - Reversal			
AVCO Marine S.a.S.	—	710.99	
11. Remuneration Paid / Payable			
Mr. A.Soni - Managing Director	179.08	141.05	
12. Provision / Write off of Debts and Advances			
Auto Aircon (India) Ltd.	0.50	—	
13. Tata Brand Equity			
Tata Sons Ltd.	610.19	464.18	
14. Interest Expenses			
Universal Comfort Products Ltd.	—	43.61	
15. Other Operating and Administration Expenses -Received / Receivable			
Lalbuksh Voltas Engineering Services & Trading L.L.C.	0.49	—	
Weathermaker Ltd.	1.73	—	
Universal Voltas L.L.C.	—	24.19	
Universal Comfort Products Ltd.	—	13.50	



SCHEDULE 'P' : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

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

Name of Party	Transaction Value	Rupees in Lakhs
		Transaction Value 2007-2008
16. Other Operating and Administration Expenses -Paid / Payable		
Metrovol FZE	53.08	33.01
Tata Sons Ltd.	70.84	96.31
17. Advance Share Application Money given		
Saudi Ensas Company for Engineering Services W.L.L.	1141.62	—
18. Investments		
Rohini Industrial Electricals Ltd.	6332.92	—
Naba Diganta Water Management Ltd.	—	1.30
19. Advances given		
Universal Comfort Products Ltd.	1156.75	—
20. Refund of Share Application Money		
Universal Comfort Products Ltd.	432.50	—
21. Warranty Recovery		
Universal Comfort Products Ltd.	33.87	49.62
22. Provision for Debts and Advances Due as on 31-3-2009		
Saudi Ensas Company for Engineering Services W.L.L.	296.74	296.74
Auto Aircon (India) Ltd .	77.60	77.10
23. Advance Outstanding as on 31-3-2009		
Universal Comfort Products Ltd.	1156.74	—
Auto Aircon (India) Ltd.	77.60	77.10
Saudi Ensas Company for Engineering Services W.L.L.	94.27	—
24. Advance Share Application Money as on 31-3-2009		
Saudi Ensas Company for Engineering Services W.L.L.	1348.10	206.47
Universal Comfort Products Ltd.	—	432.50
25. Debit Balance Outstanding as on 31-3-2009		
Universal Comfort Products Ltd.	485.84	—
Saudi Ensas Company for Engineering Services W.L.L.	—	90.27
Metrovol FZE	—	46.27
Terrot GmbH	—	36.11
26. Credit Balance Outstanding as on 31-3-2009		
Tata Sons Ltd.	591.91	464.90
Weathermaker Ltd.	500.31	—
Universal Voltas L.L.C.	350.63	—
Universal Comfort Products Ltd.	—	3630.89

32. Figures for the previous year have been regrouped, wherever necessary.

For and on behalf of the Board

Chairman
Managing Director
Directors

Ishaat Hussain
A. Soni
N. J. Jhaveri
S. D. Kulkarni
N. D. Khurody
J. S. Bilimoria
S. N. Menon

Executive Vice President (Finance)

M. M. Miyajiwala

General Manager - Taxation
& Company Secretary
Mumbai, 29th May, 2009

V. P. Malhotra

Balance Sheet Abstract and Company's General Business Profile pursuant to Part IV of Schedule VI to the Companies Act, 1956.

I. Registration Details:

Registration No.

L	2	9	3	0	8	M	H	1	9	5	4	P	L	C	0	0	9	3	7	1
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 State Code

1	1
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Balance Sheet Date

3	1
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2	0	0	9
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Date Month Year

II. Capital Raised during the year (Amount in Thousands):

Public Issue																				Rights Issue				
		N	I	L													N	I	L					
Bonus Issue																				Private Placement				
		N	I	L													N	I	L					

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands):

Total Liabilities										Total Assets												
		8	5	7	4	3	6	5					8	5	7	4	3	6	5			

Sources of Funds

Paid-up Capital										Reserves & Surplus												
		3	3	0	7	3	4					6	9	5	9	2	0	5				
Secured Loans										Unsecured Loans												
		1	2	8	4	4	2	6				N	I	L								

Application of Funds

Net Fixed Assets										Investments												
		1	7	3	0	4	6	0				2	3	5	8	0	0	3				
Net Current Assets										Deferred Tax Asset												
		4	2	7	0	0	4	4				2	1	5	8	5	8					
Misc. Expenditure										Accumulated Losses												
		N	I	L								N	I	L								

IV. Performance of the Company (Amount in Rs. Thousands):

Turnover										Total Expenditure												
		4	0	7	0	2	4	5	0			3	7	0	2	9	1	5	9			
Profit Before Tax										Profit After Tax												
		3	6	7	3	2	9	1				2	5	2	5	8	9	0				
Earnings Per Share in Rs.										Dividend Rate %												
									8										1	6	0	

V. Generic Name of Three Principal Products / Services of the Company (as per Monetary Terms) :

Item Code No. (ITC Code)	<table border="1" style="display: inline-table; vertical-align: middle;"> <tr><td>8</td><td>4</td><td>1</td><td>5</td><td>1</td><td>0</td><td>9</td><td>0</td></tr> </table>	8	4	1	5	1	0	9	0									
8	4	1	5	1	0	9	0											
Product Description	A I R C O N D I T I O N I N G M A C H I N E S																	
Item Code No. (ITC Code)	<table border="1" style="display: inline-table; vertical-align: middle;"> <tr><td>8</td><td>4</td><td>1</td><td>8</td><td>6</td><td>9</td><td>9</td><td>0</td></tr> </table>	8	4	1	8	6	9	9	0									
8	4	1	8	6	9	9	0											
Product Description	R E F R I G E R A T I N G E Q U I P M E N T A B S O R P T I O N H E A T P U M P S & C H I L L E R P A C K A G E																	
Item Code No. (ITC Code)	<table border="1" style="display: inline-table; vertical-align: middle;"> <tr><td>8</td><td>4</td><td>2</td><td>7</td><td>2</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>/</td><td>8</td><td>4</td><td>2</td><td>7</td><td>1</td><td>0</td><td>0</td><td>0</td></tr> </table>	8	4	2	7	2	0	0	0	/	8	4	2	7	1	0	0	0
8	4	2	7	2	0	0	0											
/	8	4	2	7	1	0	0	0										
Product Description	F O R K L I F T T R U C K S D I E S E L / E L E C T R I C																	



AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of Voltas Limited

1. We have audited the attached Consolidated Balance Sheet of **VOLTAS LIMITED** ("the Company"), its subsidiaries and jointly controlled entities (the Company, its Subsidiaries and jointly controlled entities constitute "the Group") as at 31st March, 2009, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures). These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the Qatar, Bahrain and UAE Branches, certain subsidiaries and joint ventures, whose financial statements reflect total assets of Rs. 146667 lakhs, total revenues of Rs. 151181 lakhs and net cash inflows amounting to Rs. 13051 lakhs for the year ended on that date as considered in the Consolidated Financial Statements.

These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these branches, subsidiaries and joint ventures is based solely on the reports of the other auditors.

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports and the individual financial statements of the Company, its aforesaid branches, subsidiaries and joint ventures, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2009;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants

Mumbai,
29th May, 2009

Nalin M. Shah
Partner
Membership No. 15860

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	Rupees in Lakhs	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
SOURCES OF FUNDS				
SHAREHOLDERS FUNDS				
1. SHARE CAPITAL	A		3307.34	3306.95
2. RESERVES AND SURPLUS	B		75667.62	54415.37
3. TOTAL			78974.96	57722.32
4. MINORITY INTEREST			1590.44	54.80
LOAN FUNDS				
5. SECURED LOANS	C		16876.05	7374.10
6. UNSECURED LOANS	D		1267.79	Nil
7. DEFERRED TAX LIABILITY (Net) (See Note 8, Schedule 'M')			Nil	150.00
	TOTAL		98709.24	65301.22
APPLICATION OF FUNDS				
8. FIXED ASSETS				
GROSS BLOCK	E	39862.11		31632.90
LESS : DEPRECIATION		18385.29		14620.39
NET BLOCK		21476.82		17012.51
CAPITAL WORK-IN-PROGRESS		1323.87		1971.93
			22800.69	18984.44
9. GOODWILL ON CONSOLIDATION			6753.57	Nil
10. INVESTMENTS	F		15624.69	25852.76
11. DEFERRED TAX ASSET (Net) (See Note 8, Schedule 'M')			2239.88	2043.12
12. CURRENT ASSETS, LOANS AND ADVANCES	G			
1. Inventories		111938.78		63984.61
2. Sundry Debtors		95208.69		57025.01
3. Cash and Bank balances		45705.42		30018.09
4. Interest accrued on Investments		Nil		3.70
5. Loans and Advances		22033.72		15272.18
		274886.61		166303.59
13. LESS : CURRENT LIABILITIES AND PROVISIONS	H			
(A) Current Liabilities		197142.36		126197.01
(B) Provisions		26453.84		21685.68
		223596.20		147882.69
14. NET CURRENT ASSETS			51290.41	18420.90
	TOTAL		98709.24	65301.22

(For notes forming part of the Accounts see Schedule 'M'.
The Schedules referred to above form an integral part of the Accounts)

For and on behalf of the Board

Chairman
Managing Director
Directors

Ishaat Hussain
A. Soni
N. J. Jhaveri
S. D. Kulkarni
N. D. Khurody
J. S. Bilimoria
S. N. Menon

In terms of our report of even date attached.

For **Deloitte Haskins & Sells**
Chartered Accountants

Executive Vice President (Finance)

M. M. Miyajiwala

Nalin M. Shah
Partner

General Manager - Taxation
& Company Secretary

V. P. Malhotra

Mumbai, 29th May, 2009

Mumbai, 29th May, 2009



CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Rupees in Lakhs	Rupees in Lakhs	Year ended 31st March, 2008 Rupees in Lakhs
1. SALES AND SERVICES		437390.94		326438.78
Less : EXCISE DUTY		4801.16		6146.11
NET SALES AND SERVICES			432589.78	320292.67
2. OTHER INCOME	I		9445.29	4828.75
3. COST OF SALES, SERVICES AND EXPENSES	J		404280.24	294987.51
4. PROFIT BEFORE INTEREST, DEPRECIATION AND EXCEPTIONAL ITEMS			37754.83	30133.91
5. INTEREST	K		1099.35	897.50
6. DEPRECIATION / AMORTISATION ON FIXED ASSETS			2096.36	1669.26
7. PROFIT BEFORE EXCEPTIONAL ITEMS			34559.12	27567.15
8. EXCEPTIONAL ITEMS	L		2613.12	3158.86
9. PROFIT BEFORE TAXATION			37172.24	30726.01
10. PROVISION FOR TAXATION				
- Provision for Current Tax		11774.13		8784.19
- Provision for Taxation of Earlier Years Written back		(106.98)		0.05
- Provision for Deferred Tax		(319.07)		822.75
- Provision for Wealth Tax		40.60		32.10
- Provision for Fringe Benefit Tax		329.81		327.30
			11718.49	9966.39
11. PROFIT AFTER TAXATION			25453.75	20759.62
12. MINORITY INTEREST IN PROFIT			(288.95)	(11.74)
13. SHARE OF PROFIT / (LOSS) OF ASSOCIATE			(24.47)	20.15
14. PROFIT AFTER MINORITY INTEREST AND SHARE OF PROFIT OF ASSOCIATE			25140.33	20768.03
15. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR			7337.67	5967.22
16. FOREIGN EXCHANGE TRANSLATION DIFFERENCE ON ABOVE			300.43	(63.10)
17. AMOUNT TRANSFERRED FROM FOREIGN PROJECTS RESERVE			300.00	250.00
18. PROFIT AVAILABLE FOR APPROPRIATIONS			33078.43	26922.15
19. APPROPRIATIONS :				
(a) GENERAL RESERVE		19699.46		14306.07
(b) SPECIAL RESERVE		14.41		52.31
(c) PROPOSED DIVIDEND		5294.16		4466.94
(d) TAX ON DIVIDEND		899.74		759.16
			25907.77	19584.48
20. BALANCE CARRIED FORWARD			7170.66	7337.67
Basic and diluted earnings per share of Re. 1 each (including Exceptional items) (in Rs.) (See note 11, Schedule 'M')			7.60	6.27

(For notes forming part of the Accounts see Schedule 'M'.
The Schedules referred to above form an integral part of the Accounts)

For and on behalf of the Board

Chairman
Managing Director
Directors

Ishaat Hussain
A. Soni
N. J. Jhaveri
S. D. Kulkarni
N. D. Khurody
J. S. Bilimoria
S. N. Menon

In terms of our report of even date attached.

For **Deloitte Haskins & Sells**
Chartered Accountants

Executive Vice President (Finance)

M. M. Miyajiwala

Nalin M. Shah
Partner

General Manager - Taxation
& Company Secretary

V. P. Malhotra

Mumbai, 29th May, 2009

Mumbai, 29th May, 2009

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

A. CASH FLOW FROM OPERATING ACTIVITIES	Rupees in Lakhs	Rupees in Lakhs	2007-2008 Rupees in Lakhs
Net Profit before Taxation		37172.24	30726.01
Add - Adjustments for :			
Depreciation / Amortisation	2096.36		1669.26
Provision for Contingencies	232.94		(100.00)
Provision for Diminution in value of Investments	140.43		4.55
Profit on Sale/Retirement of Fixed Assets (Net)	(2446.92)		(2762.27)
Profit on Redemption of Mutual Funds/Sale of Non Trade Current Investments (Net)	(700.52)		(267.35)
Interest Paid	1099.35		897.50
Interest Received	(1343.28)		(398.65)
Income from Investments	(1188.62)		(1108.73)
Impairment of Fixed Assets	469.12		19.65
Provision for Employee Benefits	1145.03		342.82
Exchange Fluctuation on Consolidation	1226.35		(191.46)
Profit on Sale of Chemicals Trading Business	(873.22)		Nil
Provision for Trade Guarantees	770.52		1429.96
Share in Profit of Associate	Nil		20.15
		627.54	(444.57)
Operating Profit before Working Capital changes		37799.78	30281.44
Less - Adjustments for:			
(Increase)/Decrease in Inventories	(46182.33)		(12755.36)
(Increase)/Decrease in Trade and Other Receivables	(29944.28)		(8436.68)
(Increase)/Decrease in Loans and Advances	(5066.46)		199.11
(Decrease)/Increase in Advances from Customers	18134.47		21164.52
(Decrease)/Increase in Trade Payables	45460.86		11188.48
		(17597.74)	11360.07
Cash generated from operations		20202.04	41641.51
Less:			
Taxes paid		10475.31	5967.64
NET CASH FROM OPERATING ACTIVITIES		9726.73	35673.87
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(4390.25)		(4838.97)
Sale of Fixed Assets	724.24		1966.70
Proceeds from Assignment of Balance Leasehold Rights / Surrender of Tenancy Rights	2042.25		970.78
Purchase of Investments	(90823.84)		(115830.92)
Increase in Share Application Money	223.83		(248.13)
Refund of Share Application Money	Nil		7.16
Sale of Investments	101583.73		102720.39
Interest Received	1346.98		443.78
Income from Investments	1188.62		1108.73
Acquisition of Subsidiaries (net of cash acquired)	(5357.26)		Nil
Minority Interest	Nil		(0.67)
Advances to Subsidiary Companies	(48.08)		Nil
		6490.22	(13701.15)
NET CASH FROM / (USED IN) INVESTING ACTIVITIES			
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Share Capital (Calls in Arrears)	0.39		0.12
Securities Premium (Calls in Arrears)	1.98		0.57
Increase/(Decrease) in other Borrowings	7294.38		(1742.53)
Repayment of Long Term Borrowings	(1520.50)		(2041.50)
Interest Paid	(1108.56)		(901.25)
Increase/(Decrease) in unpaid Deposits	(2.11)		(8.14)
Dividend paid including dividend tax	(5195.20)		(3880.06)
		(529.62)	(8572.79)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES			
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		15687.33	13399.93
CASH AND CASH EQUIVALENTS AS AT 1-4-2008 (See Schedule G)		30018.09	16766.61
Adjustment of dividend received from a Joint Venture in previous year		Nil	(148.45)
CASH AND CASH EQUIVALENTS AS AT 31-3-2009 (See Schedule G)		45705.42	30018.09

For and on behalf of the Board

Chairman
Managing Director
Directors

Ishaat Hussain
A. Soni

N. J. Jhaveri
S. D. Kulkarni
N. D. Khurody
J. S. Bilimoria
S. N. Menon

In terms of our report of even date attached.

For **Deloitte Haskins & Sells**
Chartered Accountants

Executive Vice President (Finance)

M. M. Miyajiwala

Nalin M. Shah
Partner

General Manager - Taxation
& Company Secretary

V. P. Malhotra

Mumbai, 29th May, 2009

Mumbai, 29th May, 2009



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

SCHEDULE 'A': SHARE CAPITAL

		Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
1. AUTHORISED 60,00,00,000 Equity Shares of Re. 1 each 40,00,00,000 Redeemable Preference Shares of Rs.100 each		6000.00 4000.00	6000.00 4000.00
	TOTAL	10000.00	10000.00
2. ISSUED, SUBSCRIBED AND CALLED-UP 33,08,84,740 Equity Shares of Re.1 each Less: Calls in Arrears		3308.85 1.51	3308.85 1.90
	TOTAL	3307.34	3306.95

SCHEDULE 'B': RESERVES AND SURPLUS

	As at 31-3-2008 Opening Balance	Acquired during the year	Additions	Deductions	Rupees in lakhs As at 31-3-2009 Closing Balance
1. SECURITIES PREMIUM	624.62 (624.05)	— (—)	1.98 (0.57)	— (—)	626.60 (624.62)
2. CAPITAL RESERVE	155.52 (155.52)	— (—)	— (—)	— (—)	155.52 (155.52)
3. CAPITAL REDEMPTION RESERVE	125.70 (125.70)	— (—)	— (—)	— (—)	125.70 (125.70)
4. CAPITAL RESERVE ON CONSOLIDATION	872.47 (871.90)	970.82 (—)	— (0.57)	3.81 (—)	1839.48 (872.47)
5. GENERAL RESERVE *	44019.59 (29615.81)	— (—)	19882.13 (14403.78)	— (—)	63901.72 (44019.59)
6. STAFF WELFARE RESERVE	1.00 (1.00)	— (—)	— (—)	— (—)	1.00 (1.00)
7. FOREIGN PROJECTS RESERVE	575.00 (825.00)	— (—)	— (—)	300.00 (250.00)	275.00 (575.00)
8. FOREIGN EXCHANGE TRANSLATION RESERVE	193.66 (260.39)	— (—)	810.21 (—)	— (66.73)	1003.87 (193.66)
9. SPECIAL RESERVE	451.48 (399.17)	— (—)	14.41 (52.31)	— (—)	465.89 (451.48)
10. ADJUSTMENTS ON CONSOLIDATION	— (148.45)	— (—)	— (—)	— (148.45)	— (—)
11. LEGAL RESERVE (See Note 3, Schedule 'M')**	58.66 (72.95)	— (—)	43.52 (—)	— (14.29)	102.18 (58.66)
12. SURPLUS IN PROFIT AND LOSS ACCOUNT	7337.67 (5967.22)	— (—)	19546.86 (15728.83)	19713.87 (14358.38)	7170.66 (7337.67)
TOTAL	54415.37 (39067.16)	970.82 (—)	40299.11 (30186.06)	20017.68 (14837.85)	75667.62 (54415.37)

* Additions during the year includes Rs. 182.67 Lakhs (31-3-2008: Rs. 97.71 Lakhs) on revaluation of opening balance.

** Additions during the year are due to revaluation of opening balance.

Note : Figures in bracket are of previous year

SCHEDULE 'C': SECURED LOANS

		Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
LOANS FROM BANKS (See Note 4, Schedule 'M')		16876.05	7374.10
	TOTAL	16876.05	7374.10

SCHEDULE 'D': UNSECURED LOANS

1. SHORT TERM LOANS AND ADVANCES From Other than Banks		756.28	Nil
2. OTHER LOANS AND ADVANCES From Banks		511.51	Nil
	TOTAL	1267.79	Nil

SCHEDULE 'E' : FIXED ASSETS (At Cost or Book Value Less Depreciation)

Particulars	GROSS BLOCK AT COST OR BOOK VALUE					DEPRECIATION					NET BLOCK				
	As at March 31, 2008 (See Note 'a' below)	Adjust- ments (See Note 'a' below)	Additions (See Note 'a' below)	Deductions (See Note 'b' below)	Exchange Difference (See Note 'b' below)	As at March 31, 2009 (See Note 'a' below)	Up to March 31, 2008 (See Note 'a' below)	Adjust- ments (See Note 'a' below)	For the Year (See Note 'a' below)	On Deductions (See Note 'd' below)	Impair- ment (See Note 'd' below)	Exchange Difference (See Note 'b' below)	Up to March 31, 2009 (See Note 'a' below)	As at March 31, 2008 (See Note 'a' below)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
						(1+2+3-4+5)							(7+8+9-10+11+12)	(6-13)	(1-7)
1. Freehold Land	726.74	82.22	Nil	5.32	Nil	803.64	Nil	Nil	Nil	Nil	Nil	Nil	Nil	803.64	726.74
2. Leasehold Land	440.85	128.13	Nil	Nil	Nil	568.98	6.91	1.79	5.91	Nil	Nil	Nil	14.61	554.37	433.94
3. Buildings (See Notes c & d below)	9377.32	973.05	1056.21	173.20	33.79	11267.17	2330.77	152.26	313.14	87.03	24.81	31.23	2765.18	8501.99	7046.55
4. Plant & Machinery (See Note d below)	16126.35	2499.34	2649.22	896.45	311.47	20689.93	8710.92	1443.61	1113.28	738.44	435.40	223.47	11188.24	9501.69	7415.43
5. Furniture & Fittings	1770.44	81.76	472.97	118.26	26.81	2233.72	1245.73	56.42	208.48	102.06	8.91	21.73	1439.21	794.51	524.71
6. Vehicles	944.47	220.15	345.64	135.74	127.94	1502.46	593.42	149.31	132.74	81.87	Nil	113.08	906.68	595.78	351.05
Intangible Assets:															
7. Manufacturing Rights & Technical Know-how	1004.33	(0.01)	Nil	Nil	Nil	1004.32	1003.93	0.01	0.38	Nil	Nil	Nil	1004.32	Nil	0.40
8. Software	1242.40	29.52	516.89	Nil	3.08	1791.89	728.71	12.83	322.43	Nil	Nil	3.08	1067.05	724.84	513.69
Previous Year	31632.90	4014.16	5040.93	1328.97	503.09	39862.11	14620.39	1816.23	2096.36	1009.40	469.12	392.59	18385.29	21476.82	17012.51
Capital Work-in-Progress [Including advances against Capital Expenditure Rs. 706.25 Lakhs (31-3-2008: Rs 1742.71 Lakhs)]	(28512.26)	(Nil)	(4151.58)	(888.68)	(-142.26)	(31632.90)	(13787.21)	(Nil)	(1669.26)	(737.97)	(19.65)	(-117.76)	(14620.39)	(17012.51)	
						1323.87								1323.87	1971.93
						41185.98								22800.69	18984.44

Notes :

- (a) Current year's figures include assets and depreciation of Rohini Industrial Electrical Limited, Universal Comfort Products Limited and Saudi Ensas Company for Engineering Services W.L.L. which became subsidiaries during the current year.
- (b) Exchange Differences in columns (5) and (12) above relates to the opening balances.
- (c) Includes factory building of Rs. 125.16 Lakhs (31-3-2008 : Rs. 97.99 Lakhs) (original cost) and Rs.9.28 Lakhs. (31-3-2008 : Rs. 9.67 Lakhs) (net book value) of factory building constructed on leasehold land, the lease period being fifteen years with a renewal option.
- (d) Fixed Assets include Gross Block Rs. 2710.68 Lakhs (31-3-2008 : Rs.662.79 Lakhs) and Accumulated Depreciation/Impairment Rs. 2124.44 Lakhs (31-3-2008 : Rs.255.92 Lakhs) which has been held for sale and the estimated realisable value is higher than the net book value.
- (e) Capital WIP is net of Government Subsidy received.


SCHEDULE 'F' : INVESTMENTS (at Cost)

	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
LONG TERM INVESTMENTS		
1. TRADE INVESTMENTS (See Note 5, Schedule 'M')		
Subsidiary Companies (See Note 2(c), Schedule 'M')	119.63	119.63
Equity Shares (Quoted)	1519.28	1401.34
Equity Shares (Unquoted) (See Note 2 (d) and 5 (c), Schedule 'M')	1370.32	1398.61
Preference Shares (Unquoted)	500.00	500.00
2. OTHER INVESTMENTS		
Equity Shares (Quoted)	0.04	0.04
Equity Shares (Unquoted)	0.48	0.48
Units of Mutual Fund (Unquoted)	275.00	275.00
6.75% Tax Free US 64 Bonds	Nil	164.59
TOTAL LONG TERM INVESTMENTS	3784.75	3859.69
CURRENT INVESTMENTS		
Units of Mutual Fund (Unquoted)	12346.69	22369.79
Government Securities (Unquoted)	0.55	0.55
Equity Shares (Quoted)	93.89	83.49
TOTAL CURRENT INVESTMENTS	12441.13	22453.83
TOTAL INVESTMENTS	16225.88	26313.52
LESS: PROVISION FOR DIMINUTION IN VALUE	601.19	460.76
	15624.69	25852.76
	1613.21	1649.46
Quoted : Cost		
: Market Value	4408.66	12178.41
Unquoted : Cost	14612.67	24664.06

SCHEDULE 'G' : CURRENT ASSETS, LOANS & ADVANCES

	Rupees in Lakhs	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
1. INVENTORIES			
STORES		18.41	21.01
STOCK-IN-TRADE :			
(a) Raw Materials and Components	12233.44		10811.62
(b) Work-in-Progress	508006.50		277752.29
Less: Amounts Invoiced	437856.59		249235.62
	70149.91		28516.67
(c) Finished Goods	29537.02		24635.31
		111920.37	63963.60
		111938.78	63984.61
2. SUNDRY DEBTORS			
(a) Fully secured, considered good	837.16		228.35
(b) Unsecured, considered good	94371.53		56796.66
(c) Considered doubtful	5971.96		4851.97
	101180.65		61876.98
Less: Provision for doubtful debts	5971.96		4851.97
		95208.69	57025.01
3. CASH AND BANK BALANCES			
(a) Cash in hand and Cheques on Hand	2826.14		2146.28
(b) Bank balances in Current Accounts	11249.78		9128.68
(c) Bank balances in Fixed Deposit Accounts	31629.50		18743.13
		45705.42	30018.09
4. INTEREST ACCRUED ON INVESTMENTS		Nil	3.70
5. LOANS AND ADVANCES			
- Deposits with public bodies, others	2682.39		2298.40
- Other advances	20373.74		12967.41
- Advance payment of taxes (Net)	221.14		538.15
	23277.27		15803.96
Less: Provision for doubtful advances	1243.55		531.78
		22033.72	15272.18
		274886.61	166303.59
		274886.61	166303.59

SCHEDULE 'H' : CURRENT LIABILITIES AND PROVISIONS

	Rupees in Lakhs	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
(A) CURRENT LIABILITIES			
1. ACCEPTANCES		7452.64	9370.35
2. SUNDRY CREDITORS		117536.92	63972.47
3. ADVANCE PAYMENTS AND DEPOSITS RECEIVED :			
(a) From Customers / Others	65672.48		47569.40
(b) Against Unexpired Service Contracts	1696.88		1320.67
		67369.36	48890.07
4. OTHER LIABILITIES		4781.48	3954.18
5. INTEREST ACCRUED BUT NOT DUE ON LOANS		1.96	9.94
TOTAL (A)		197142.36	126197.01
(B) PROVISIONS			
6. PROVISION FOR TAXATION (NET)		5424.06	3959.04
7. PROPOSED DIVIDEND		5294.16	4466.94
8. PROVISION FOR CORPORATE DIVIDEND TAX		899.74	759.16
9. PROVISION FOR TRADE GUARANTEES (See Note 7, Schedule 'M')		4845.25	4074.73
10. PROVISION FOR EMPLOYEE BENEFITS		7849.10	6517.22
11. PROVISION FOR CONTINGENCIES (See Note 7, Schedule 'M')		2141.53	1908.59
TOTAL (B)		26453.84	21685.68
TOTAL (A) + (B)		223596.20	147882.69

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009
SCHEDULE 'I' : OTHER INCOME

	Rupees in Lakhs	Rupees in Lakhs	Year ended 31st March, 2008 Rupees in Lakhs
1. Income from Investments			
(a) Trade Investments (Long Term)	278.19		262.82
(b) Other Investments (Long Term)	23.65		36.06
(c) Other Investments (Current)	886.78		809.85
		1188.62	1108.73
2. Miscellaneous Income		1632.73	1214.66
3. Profit on Redemption of Mutual Funds / Sale of Non-Trade Current Investments (Net)		700.52	76.33
4. Rent Received		2553.29	1991.96
5. Foreign Exchange Gain (Net)		2026.85	38.42
6. Interest Received			
(a) In respect of sales on deferred payment terms and other accounts	257.63		98.50
(b) On fixed deposits with Banks	862.10		216.61
(c) On Income tax refunds	223.55		83.54
		1343.28	398.65
TOTAL		9445.29	4828.75


SCHEDULE 'J': COST OF SALES, SERVICES AND EXPENSES

	Rupees in Lakhs	Rupees in Lakhs	Year ended 31st March, 2008 Rupees in Lakhs
1. Stock-in-Trade per 1-4-2008 (See Note 9, Schedule 'M')		42430.77	34110.23
2. Stock-in-Trade taken over on acquisition of Subsidiaries		1748.22	Nil
3. Purchases and cost of jobs, manufacture and services		332425.68	242161.36
4. Stock-in-Trade per 31-3-2009 (See Note 9, Schedule 'M')		59751.63	42430.77
5. Cost of Sales and Services (1 + 2 + 3 - 4)		316853.04	233840.82
6. Staff Expenses			
(a) Salaries, Wages and Bonus	42363.84		26868.59
(b) Company's contribution to Provident Funds and other Funds	1874.41		1651.28
(c) Provision for Gratuity	934.98		448.22
(d) Welfare Expenses	1383.45		941.29
		46556.68	29909.38
7. Forwarding Charges (Net)		2196.90	1751.73
8. Commission other than to Sole Selling Agents under Section 294 of the Companies Act, 1956		4974.47	4343.46
9. Advertising (Net)		1136.11	1478.75
10. Rent paid	3533.73		2045.08
Less: Rent recovered	4.03		4.97
		3529.70	2040.11
11. Rates and Taxes		145.82	150.83
12. Insurance		895.12	561.74
13. Stores Consumed		546.89	539.32
14. Power		379.31	406.43
15. Repairs to Buildings		366.21	173.40
16. Repairs to Plant and Machinery		601.95	572.17
17. Travelling and Conveyance		5701.41	4189.22
18. Stationery, Postage, Telex and Telephone		2055.68	1513.39
19. Auditors' Remuneration (See Note 16, Schedule 'M')		176.98	130.03
20. Audit fees payable to Branch Auditors		31.63	24.09
21. Audit fees payable to Cost Auditors		1.05	1.60
22. Legal and Professional charges		1124.00	846.26
23. Other expenses (See Note 13, Schedule 'M')		16188.14	11304.36
24. Bad and Doubtful Debts / Advances		639.26	1102.67
25. Donations		40.59	41.12
26. Loss on Sale of Fixed Assets (Net)		139.30	66.63
	TOTAL	404280.24	294987.51

SCHEDULE 'K': INTEREST

	Rupees in Lakhs	Year ended 31st March, 2008 Rupees in Lakhs
Interest Paid		
(a) On fixed loans	177.41	247.01
(b) On other accounts	921.94	650.49
TOTAL	1099.35	897.50

SCHEDULE 'L': EXCEPTIONAL ITEMS

	Rupees in Lakhs	Year ended 31st March, 2008 Rupees in Lakhs
1. Profit on Sale of Property / Assignment of Balance Leasehold Rights/Transfer of Development Rights/ Surrender of Tenancy Rights (Net)	2586.22	2828.90
2. Profit on Sale of Chemicals Trading Business	873.22	Nil
3. Profit on Sale of Long Term Trade Investments (Net)	Nil	191.02
	3459.44	3019.92
Less :		
4. Provision for Diminution in value of Investments	140.43	4.55
5. Cost of Voluntary Retirement Scheme	48.51	45.73
6. Provision for Doubtful Debts / Advances (Net)	Nil	(108.87)
7. Provision for Contingencies (Net)	Nil	(100.00)
8. Impairment of Fixed Assets	469.12	19.65
9. Workmen Compensation Cost	188.26	Nil
	846.32	(138.94)
TOTAL	2613.12	3158.86



SCHEDULE 'M' : NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009

1. PRINCIPLES OF CONSOLIDATION :

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

- (i) The Financial Statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and unrealised profits or losses as per Accounting Standard 21 - Consolidated Financial Statements notified under the Companies (Accounting Standards) Rules, 2006.
 - (ii) Foreign subsidiaries and joint ventures of the Company have been classified as "Non Integral Foreign Operations". Revenue items of such entities are converted at the average rate prevailing during the year and Assets and Liabilities are converted at the rates prevailing at the end of the year. All resulting exchange differences have been accumulated in a Foreign Exchange Translation Reserve.
 - (iii) Investments in associate companies have been accounted under the equity method as per Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements notified under the Companies (Accounting Standards) Rules, 2006.
 - (iv) Interests in joint ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures notified under the Companies (Accounting Standards) Rules, 2006.
 - (v) The Financial Statements of the subsidiaries and joint ventures consolidated are drawn upto the same reporting date of the Company i.e. 31st March, 2009 except Saudi Ensas Company for Engineering Services W.L.L., Weathermaker Limited, Universal Voltas L.L.C. and Universal Weathermaker Factory L.L.C. where the accounts are drawn upto 31st December, 2008.
 - (vi) The excess of the Company's portion of equity of the subsidiaries and joint ventures as at the date of its investment over the cost of its investment is treated as Capital Reserve on Consolidation. The excess of cost to the Company of its investment in subsidiaries and joint ventures over the Company's portion of equity as at the date of investment is treated as Goodwill on Consolidation.
 - (vii) Minority interest in the net assets of consolidated subsidiaries consists of :
 - (a) The amount of equity attributable to the minorities at the date on which investment in a subsidiary is made; and
 - (b) The minorities' share of movements in equity since the date the parent-subsidiary relationship came into existence.
 - (viii) Minority interests share of net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.
2. The list of subsidiary companies, joint ventures and associates and the Company's holdings therein are as under :

Name of the Company	Country of Incorporation	Ownership in % either directly or through Subsidiaries	
		2008-2009	2007-2008
Indian Subsidiaries :			
- Simto Investment Company Ltd.		95.51	95.51
- Auto Aircon (India) Ltd.		100.00	100.00
- Agro Foods Punjab Ltd. (under liquidation)		100.00	100.00
- Westerwork Engineers Ltd. (under liquidation)		51.00	51.00
- Universal Comfort Products Ltd. (w. e. f. 17-6-2008)		100.00	Nil
- Rohini Industrial Electricals Ltd. (w. e. f. 4-9-2008)		51.00	Nil

SCHEDULE 'M' : NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

Name of the Company	Country of Incorporation	Ownership in % either directly or through Subsidiaries	
		2008-09	2007-08
Foreign Subsidiaries :			
- Metrovol FZE	United Arab Emirates	100.00	100.00
- VIL Overseas Enterprises B.V.	The Netherlands	100.00	100.00
- Voice Antilles N.V.	Netherlands Antilles	100.00	100.00
- Weathermaker Ltd.	Isle of Man	100.00	100.00
- Saudi Ensas Company for Engineering Services W.L.L. (w.e.f. 28-1-2009)	Saudi Arabia	100.00	Nil
Indian Joint Ventures :			
- Universal Comfort Products Private Ltd. (upto 16-6-2008)		50.00	50.00
- Naba Diganta Water Management Ltd.		26.00	26.00
Foreign Joint Ventures :			
- Lalbuksh Voltas Engineering Services & Trading L.L.C., Muscat	Sultanate of Oman	49.00	49.00
- Saudi Ensas Company for Engineering Services W.L.L. (upto 27-1-2009)	Saudi Arabia	49.00	49.00
- Agrotech Industries Ltd. (under closure)	Isle of Man	49.00	49.00
- AVCO Marine S.a.S. (under liquidation)	France	50.00	50.00
- Universal Voltas L.L.C.	United Arab Emirates	49.00	49.00
- ETA – Voltas – Hitachi Plant (Jointly Controlled Operations)	United Arab Emirates	37.50	37.50
- NDIA Package 19 Project (Jointly Controlled Operations)	Qatar	77.08	77.08
- Sidra Medical & Research Centre Project (Jointly Controlled Operations)	Qatar	51.08	Nil
- Universal Weathermaker Factory L.L.C. (w.e.f. 26-4-2008)	United Arab Emirates	49.00	Nil
Associates :			
- Terrot GmbH (upto 20-3-2009) [Refer Note (d) below]	Germany	18.50	24.00
- Brihat Trading Pvt. Ltd. [Refer Note (a) below]	India	33.33	33.33

Notes:

- (a) The accounts of Brihat Trading Private Limited, an associate company were not available for consolidation. The operations of this company have no significant impact on the revenue, expenses, assets and liabilities of the consolidated accounts.
- (b) The accounts of Agrotech Industries Limited and AVCO Marine S.a.S. have not been consolidated as they are under closure and liquidation, respectively and the investments in the books of Voltas Limited are fully provided.
- (c) The accounts of Agro Foods Punjab Limited and Westerwork Engineers Limited, the subsidiaries have not been consolidated as they are under liquidation and the investments in the books of Voltas Limited are fully provided.
- (d) Terrot GmbH ceased to be an Associate Company with effect from 20-3-2009 due to the Company's holding being less than 20% of voting power as of the year end and also the Company is not exercising significant influence during the year.



SCHEDULE 'M': NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

3. SIGNIFICANT ACCOUNTING POLICIES:

- (i) The accounts are prepared on historical cost convention on accrual basis of accounting and comply with the Accounting Standards as notified under the Companies (Accounting Standards) Rules, 2006 of the Companies Act, 1956.

The preparation of the accounts requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including the contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the accounts are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(ii) SALES & SERVICES

- (a) Sales exclude sales tax, value added tax and works contract tax but include excise duty. Consignment sales are excluded from sales and services, but commission earned on such sales is accounted for as part of sales and services.

- (b) Sales and services are accounted on accrual basis when the sale of goods or services is completed.

- (c) Revenue from long-term contracts, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Where the outcome of construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that probably will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When the current estimate of total contract costs and revenue is a loss, provision is made for the entire loss on the contract irrespective of the amount of work done.

Variation in contract work, claims and incentives payment are included in revenue to the extent that they have been agreed with the client and can be reliably measured.

- (d) Long-Term Annual Maintenance Contracts :

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

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

(iii) DEPRECIATION / AMORTISATION

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

- (i) Depreciation on furniture and fittings has been provided on the Written Down Value Basis at the rates prescribed in Schedule XIV to the Companies Act, 1956.

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

- (iii) Premium paid on Leasehold Land is amortised over the period of the lease.

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

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

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

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

SCHEDULE 'M' : NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

- (iv) **PROVISION FOR TRADE GUARANTEES**
Provision for estimated costs to be incurred in providing warranty services is made in the accounts in the year in which goods are sold or a long term contract is completed.
- (v) **LEGAL RESERVE**
In case of some foreign joint ventures, an amount equal to 10% of the annual net profit is transferred to Legal Reserve in compliance with requirements of local laws. This reserve is not available for distribution.
- (vi) **FIXED ASSETS**
Fixed assets are stated at cost less accumulated depreciation and impairment losses.
Own manufactured goods are capitalised at cost excluding interest but including excise duty net of CENVAT, octroi duty and receiving/installation charges.
Interest on borrowed money allocated to and utilised for fixed assets, pertaining to the period upto the date of capitalisation is added to the cost of the assets.
- (vii) **INTANGIBLE ASSETS**
Intangible assets are stated at cost less accumulated amortisation.
- (viii) **IMPAIRMENT OF ASSETS**
The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of such impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Profit and Loss Account.
- (ix) **PROVISIONS AND CONTINGENCIES**
A provision is recognised when the Group has a present legal or constructive obligation as result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present values and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in Notes to Accounts.
- (x) **FINANCE LEASE**
Fixed assets acquired under finance leases are recognised at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the leased term at a constant periodic rate of interest on the remaining balance of the liability.
Rents payable under operating leases are charged to income on the Straight Line Basis over the terms of the operating lease.
- (xi) **INVESTMENTS**
Long-term investments are carried at cost less provision for any diminution other than temporary, in the value of such investments.
Current investments are carried at the lower of cost and fair value.
- (xii) **INVENTORIES**
Inventories including Work-in-Progress are valued at cost or net realisable value whichever is lower, cost being worked out on weighted average basis (except in the case of a foreign subsidiary, where cost is determined on FIFO basis). Cost includes all charges incurred for bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. With regard to construction contracts, work-in-progress includes profits/losses to the extent recognised.



SCHEDULE 'M': NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

(xiii) TAXES ON INCOME

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

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

Deferred Tax Assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses. Other Deferred Tax Assets are recognised if there is reasonable certainty that there will be sufficient future taxable income to realise such assets.

(xiv) FOREIGN EXCHANGE TRANSACTIONS / TRANSLATIONS

(a) The foreign branches of the Group have been classified as "Integral Foreign Operations". Monetary items outstanding at the Balance Sheet date are translated at the exchange rate prevailing at the Balance Sheet date and the resultant difference is recognised as income or expense. Non-monetary items outstanding at the Balance Sheet date are reported using the exchange rate at the date of the transactions.

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

(xv) ACCOUNTING FOR VOLUNTARY RETIREMENT SCHEME

(a) The cost of Voluntary Retirement Schemes / Retrenchment Compensation including ex-gratia and additional gratuity liability arising therefrom is charged to the Profit and Loss Account in the month of separation of employees.

(b) The Present Value of future payments to employees opting for Early Separation Scheme (ESS) and the additional gratuity liability arising therefrom are charged to the Profit and Loss Account in the month of separation of employees.

(xvi) PRE-OPERATIVE EXPENSES OF NEW PROJECTS

Directly identifiable preoperative expenses of new projects of capital nature under implementation are carried forward under Capital Work-in- Progress, pending capitalisation.

(xvii) EMPLOYEE BENEFITS

(a) Defined Contribution Plan

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

(b) Defined Benefit Plans

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

SCHEDULE 'M' : NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

(ii) The Company's Contribution to recognised Provident Fund paid / payable during the year is recognised in the Profit and Loss Account. The shortfall, if any, between the return guaranteed by the statute and actual earnings of the Fund is provided for by the Company and contributed to the Fund.

(c) Other Benefits

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation carried out at the end of the year.

(xviii) SEGMENT REPORTING

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

4. SECURED LOANS

The nature of security provided for Secured Loans include assignment of Contract dues and lien on Term Deposits, certain immovable properties, first charged against Stocks, Book Debts and other movable assets and in one of the subsidiaries, subordination of unsecured loans of promoters amounting to Rs.500 Lakhs.

5. INVESTMENTS

- (a) The Company has pursuant to a loan agreement given an undertaking to Punjab State Industrial Development Corporation Ltd. that it will not dispose of its investments in one of the subsidiary company. The Company had in 1998-99 transferred its beneficial rights in the shares of that subsidiary.
- (b) As the title of ownership of shares costing Rs.4.55 Lakhs is under dispute, pursuant to an injunction order passed by the Court in Kanpur, the Company has not recognised dividend on this investment.
- (c) Movement in Associate Investment - (Terrot GmbH)

	Rupees in Lakhs	2007-2008 Rupees in Lakhs
Opening Balance in Investment	168.71	148.56
Add : Post-acquisition Profit for the year	Nil	20.15
Less : Reversal of pre and post acquisition of profit on cessation of Equity Method	28.28	Nil
Less : Provision for diminution in value of Investment	140.43	Nil
Closing Balance in Investment	Nil	168.71

6. INVENTORIES - WORK-IN-PROGRESS

In respect of Construction Contracts which are in progress as at the year end :

	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
(a) Aggregate amount of costs incurred and net recognised profits (less recognised losses)	490025.33	270768.45
(b) Advances received for such contracts in progress	49422.86	26190.84
(c) The amount of retentions due for such contracts	17608.71	7598.05
(d) The gross amount due from customers for such contracts	54689.98	29198.12
(e) The gross amount due to customers for such contracts	8823.21	9728.47



SCHEDULE 'M': NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

7. CURRENT LIABILITIES AND PROVISIONS

Provisions

	Opening Balance	Additions	Utilisation	Reversal	Rupees in Lakhs Closing Balance
Trade Guarantee	4074.73 (2644.77)	5716.15 (4373.73)	2470.43 (2607.69)	2475.20 (336.08)	4845.25 (4074.73)
Contingency for tax matters	1125.00 (1225.00)	232.94 (Nil)	Nil (Nil)	Nil (100.00)	1357.94 (1125.00)
Contingency for claim	783.59 (783.59)	Nil (Nil)	Nil (Nil)	Nil (Nil)	783.59 (783.59)

The provision for Trade Guarantee is expected to be utilised for warranty expenses / settlement of claims within a period of 1 to 5 years.
Note : Figures in brackets are for the previous year.

8. DEFERRED TAX ASSET / LIABILITY

(a) Major components of deferred tax assets (Net) :

	Deferred Tax Assets	Deferred Tax Liabilities	As at 31-3-2008	
	Rupees in Lakhs	Rupees in Lakhs	Deferred Tax Assets Rupees in Lakhs	Deferred Tax Liabilities Rupees in Lakhs
(i) Depreciation	11.13	2697.00	—	2486.00
(ii) Voluntary Retirement Scheme	328.00	—	617.00	—
(iii) Unpaid Statutory Liabilities	495.58	—	494.00	—
(iv) Provision for Doubtful Debts and Advances	1338.00	—	1370.12	—
(v) Provision for Contingencies	529.00	—	450.00	—
(vi) Employees Benefits	2139.17	—	1486.00	—
(vii) Others	96.00	—	112.00	—
Total	4936.88	2697.00	4529.12	2486.00
Net Timing Differences	2239.88	—	2043.12	—

[Net of Deferred Tax Rs. Nil (2007-2008 : Rs.(73.89) Lakhs) (credited) / adjusted to General Reserve].

(b) Major components of deferred tax liability (Net) :

	Deferred Tax Assets	Deferred Tax Liabilities	As at 31-3-2008	
	Rupees in Lakhs	Rupees in Lakhs	Deferred Tax Assets Rupees in Lakhs	Deferred Tax Liabilities Rupees in Lakhs
(i) Depreciation	—	354.00	—	295.78
(ii) Unabsorbed Depreciation	354.00	—	145.78	—
Total	354.00	354.00	145.78	295.78
Net Timing Differences	—	—	—	(150.00)

The deferred tax assets have been recognised on unabsorbed depreciation to the extent of virtual certainty on account of deferred tax liability on depreciation timing difference.

SCHEDULE 'M' : NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

9. COST OF SALES, SERVICES AND EXPENSES :

- (i) Opening and Closing Stock-In-Trade excludes WIP for Long Term Contracts - Rs. 270768.45 Lakhs (1-4-2007 : Rs.178636.82 Lakhs) and Rs. 490025.33 Lakhs (31-3-2008 : Rs. 270768.45 Lakhs), respectively.
- (ii) (a) The Company makes contribution towards provident funds, a defined benefit retirement plan, and towards superannuation fund, a defined contribution retirement plan for qualifying employees. These funds are administered by the trustees appointed by the Company. Under the schemes, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit.
- (b) The Company makes annual contribution to Voltas Limited Employees' Gratuity Fund, which is a funded defined benefit plan for qualifying employees. The scheme provides for lumpsum payment to vested employees at retirement, death while in employment or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of 5 years of service.

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

The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out as at 31st March, 2009. The present value of the defined benefit obligation and the related current service cost and past service cost, are measured using the Projected Unit Credit Method.

The following tables set out the funded status and amounts recognised in the Company's financial statements as at 31st March, 2009 for the Defined Benefit Plans other than Provident Fund. According to the Management, in consultation with the actuary, actuarial valuation cannot be applied to reliably measure provident fund liabilities in the absence of guidance from the Actuarial Society of India.

Defined Benefit Plans - As per Actuarial Valuation as on 31st March, 2009 :

	Gratuity Unfunded (Refer Note 'a' below)	Gratuity Funded	Post Employment Medical Benefits	Pension Plan
	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs
I. Expense recognised in the Profit and Loss Account for the year ended 31st March, 2009				
1. Current Service Cost	329.94	234.36	27.14	—
	1.63	168.55	24.95	—
2. Interest Cost	38.66	270.84	36.51	44.19
	1.30	219.45	40.65	50.15
3. Expected return on plan assets	—	(147.92)	—	—
	—	(95.48)	—	—
4. Actuarial (Gains) / Losses	384.45	514.11	84.02	75.72
	2.26	419.80	(21.06)	(21.83)
5. Total expense	753.05	871.39	147.67	119.91
	5.19	712.32	44.54	71.98



SCHEDULE 'M': NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

	Gratuity Unfunded (Refer Note 'a' below)	Gratuity Funded	Post Employment Medical Benefits	Pension Plan
	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs
II. Net Asset / (Liability) recognised in the Balance Sheet as at 31st March, 2009				
1. Present value of Defined Benefit Obligation as at 31st March, 2009	(1892.96) (19.29)	(4045.72) (3310.10)	(629.01) (521.62)	(679.67) (631.30)
2. Fair value of plan assets as at 31st March, 2009	— —	3645.93 1824.47	— —	— —
3. Funded status [Surplus / (Deficit)]	(1892.96) (19.29)	(399.79) (1485.63)	(629.01) (521.62)	(679.67) (631.30)
4. Net asset/(liability) as at 31st March, 2009	(1892.96) (19.29)	(399.79) (1485.63)	(629.01) (521.62)	(679.67) (631.30)
III. Change in Obligation during the Year ended 31st March, 2009				
1. Present value of Defined Benefit Obligation at the beginning of the year	(864.92) (14.99)	(3386.01) (2831.55)	(521.62) (508.09)	(631.30) (626.92)
2. Current Service Cost	329.94 1.63	234.36 168.55	27.14 24.95	— —
3. Interest Cost	38.66 1.30	270.84 219.45	36.51 40.65	44.19 50.15
4. Actuarial (Gains)/Losses	384.45 2.26	571.07 434.79	84.02 (21.06)	75.72 21.83
5. Benefits Payments	(36.70) (0.89)	(416.56) (344.24)	(40.28) (31.01)	(71.54) (67.60)
6. Difference in exchange	311.69 —	— —	— —	— —
7. Present value of Defined Benefit Obligation at the end of the year	(1892.96) (19.29)	(4045.72) (3310.10)	(629.01) (521.62)	(679.67) (631.30)

SCHEDULE 'M' : NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009(contd.)

	Gratuity Unfunded (Refer Note 'a' below)	Gratuity Funded	Post Employment Medical Benefits	Pension Plan
	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs
IV. Change in Assets during the Year ended 31st March, 2009				
1. Plan assets at the beginning of the year	—	1848.98	—	—
	<i>—</i>	<i>1232.06</i>	<i>—</i>	<i>—</i>
2. Expected return on plan assets	—	147.92	—	—
	<i>—</i>	<i>95.48</i>	<i>—</i>	<i>—</i>
3. Contributions by employers	36.70	2008.63	40.28	71.54
	<i>0.89</i>	<i>826.18</i>	<i>31.01</i>	<i>67.60</i>
4. Actual benefits paid	(36.70)	(416.56)	(40.28)	(71.54)
	<i>(0.89)</i>	<i>(344.24)</i>	<i>(31.01)</i>	<i>(67.60)</i>
5. Actuarial Gains / (Losses)	—	56.96	—	—
	<i>—</i>	<i>14.99</i>	<i>—</i>	<i>—</i>
6. Plan assets at the end of the year	—	3645.93	—	—
	<i>—</i>	<i>1824.47</i>	<i>—</i>	<i>—</i>
7. Actual return on plan assets (2+5)	—	204.88	—	—
	<i>—</i>	<i>110.47</i>	<i>—</i>	<i>—</i>
V. Amount Recognised in the Balance Sheet				
1. Opening Liability	864.92	1537.03	521.62	631.30
	<i>14.99</i>	<i>1599.49</i>	<i>508.09</i>	<i>626.92</i>
2. Expenses as above (I)	753.05	871.39	147.67	119.91
	<i>5.19</i>	<i>712.32</i>	<i>44.54</i>	<i>71.98</i>
3. Employers Contribution	(36.70)	(2008.63)	(40.28)	(71.54)
	<i>(0.89)</i>	<i>(826.18)</i>	<i>(31.01)</i>	<i>(67.60)</i>
4. Difference in exchange	311.69	—	—	—
	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>
5. Closing Net Liability	1892.96	399.79	629.01	679.67
	<i>19.29</i>	<i>(1485.63)</i>	<i>521.62</i>	<i>631.30</i>
VI. Actuarial Assumptions				
1. Mortality Table (LIC)	1994-96	1994-96 (Ultimate)	1994-96	1996-98
2. Discount Rate	6%	7%	7%	7%
	<i>8%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>
3. Increase in Salary/Health Care Cost/ Pension	5%	5% & 7%	5%	3.75%
	<i>5% & 7%</i>	<i>5% & 7%</i>	<i>5%</i>	<i>3.75%</i>
4. Rate of Return on Plan Assets	4% - 5%	7%	7%	7%
	<i>8%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>

Note : Figures in italics under I to VI are of the previous year.



SCHEDULE 'M': NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

VII. Categories of plan assets as a percentage of the fair value of total plan assets

	Gratuity		Gratuity	
	Rupees in Lakhs	%	31-3-2008 Rupees in Lakhs	31-3-2008 %
1. Government of India Securities	781.32	22	366.37	20
2. Corporate Bonds	2459.50	67	1118.69	62
3. Special Deposit Scheme	215.79	6	319.67	17
4. Insurer Managed Funds	31.51	1	—	—
5. Others	157.81	4	19.74	1
	3645.93	100	1824.47	100

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

	Rupees in lakhs		2007-2008 Rupees in lakhs	
	One percentage point increase	One percentage point decrease	One percentage point increase	One percentage point decrease
1. Effect on the aggregate of the service cost and interest cost	64.74	62.57	66.59	64.60
2. Effect on defined benefit obligation	660.33	613.08	547.52	508.30

- (a) The cost of retiral benefits in respect of employees abroad was accounted on accrual basis and in accordance with local laws of the respective countries in the previous year. Hence the previous year's figures have not been disclosed.
- (b) The Actuarial calculations used to estimate defined benefit commitments and expenses are based on the above assumptions which if changed would affect the defined benefit commitment's size, the funding requirement and expenses.
- (c) The estimates of future salary increases, considered in the Actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (d) Experience Adjustment

Particulars	Rupees in Lakhs	2007-2008 Rupees in Lakhs	2006-2007 Rupees in Lakhs
On Plan Assets	49.66	14.99	6.56
On Plan Liabilities	1020.18	437.05	113.17
	1069.84	452.04	119.73

- (e) The details of the Company's Defined Benefit plans for its employees are given above which are certified by the actuary and relied upon by the auditors.
- (f) Expected contribution of Rs.833 Lakhs to Defined Benefits (other than Provident Fund) for the next year.
- (g) The Company has recognised the following amounts in the Profit and Loss Account under the head Company's Contribution to Provident Fund and Other Funds :

Particulars	Rupees in Lakhs	2007-2008 Rupees in Lakhs
Provident Fund	833.91	706.71
Superannuation Fund	223.15	227.08
	1057.06	933.79

SCHEDULE 'M' : NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009(contd.)

- (h) The Company has not disclosed information related to defined benefits as required under AS-15 on Employee benefits notified under the Companies (Accounting Standards) Rules, 2006 for foreign subsidiaries and joint ventures. However, these companies are not material in relation to the Group.

10. SALES AND SERVICES

With regard to long term Construction Contracts undertaken, the amount of net revenue recognised is Rs.232149.96 Lakhs (2007-2008: Rs.133601.38 Lakhs).

11. EARNINGS PER EQUITY SHARE

		2007-2008
Net Profit after Minority Interest and Share of Profit of Associates (Rs.Lakhs)	25140.33	20768.03
Weighted average number of Equity Shares outstanding	330884740	330884740
Earning Per Share (Rs.) - Basic and Diluted (Face value of Re.1 per share)	7.60	6.27

12. Derivative Instruments :

The Company has entered into the following derivative instruments :

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

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

<u>Currency</u>	<u>Amt. in Lakhs</u>	<u>Sell / Buy</u>	<u>Cross Currency</u>
US Dollar	Nil	—	—
	(5.00)	Sell	Rupees
US Dollar	40.00	Buy	Rupees
	(5.31)	Buy	Rupees
GB Pound	Nil	—	—
	(15.70)	Buy	US Dollar
Euro	24.37	Buy	US Dollar
	(10.00)	Buy	US Dollar

The pro-rata difference between the forward contract rate and the exchange rate on the date of transaction to be charged/(credited) to Profit and Loss Account is Rs.(0.13) Lakh (2007-2008 : Rs.(9.77) Lakhs).

Note : Figures in brackets are of the previous year.

13. LEASES

- (a) Other expenses include lease rentals Rs.1271.64 Lakhs (2007-2008 : Rs.549.19 Lakhs)

- (b) Assets under operating leases :

- (i) The Group has taken on operating lease certain assets. The total lease rent paid on the same is Rs.4801.34 Lakhs (2007-2008 : Rs.2589.30 Lakhs)
- (ii) The minimum future lease rentals payable in respect of non-cancellable lease are as under :-

	2007-2008
	Rupees in Lakhs
Not later than one year	1709.30
Later than one year but not later than five years	3272.13
Later than five years	365.12

- (iii) The Company has given on operating lease certain assets. The total lease rent received on the same amounting Rs.2553.29 Lakhs (2007-08 : Rs.1991.96 Lakhs) is included under Other Income.



SCHEDULE 'M': NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

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

	Rupees in Lakhs	2007-2008 Rupees in Lakhs
Not later than one year	2181.13	2145.28
Later than one year but not later than five years	3546.00	4518.46
Later than five years	581.59	508.76

(v) The Original Cost, Depreciation for the year and Written Down Value are Rs.1474.54 Lakhs, Rs.30.91 Lakhs and Rs.962.35 Lakhs (Previous year : Rs.1432.07 Lakhs, Rs.34.41 Lakhs and Rs.967.94 Lakhs), respectively.

14. CONTINGENT LIABILITIES NOT PROVIDED FOR:

(a) Bills and Letter of Credits discounted with Banks : Rs.324.32 Lakhs (31-3-2008 : Rs.1723.97 Lakhs)

(b) Other Guarantees given Rs.18.76 Lakhs (31-3-2008 : Rs.10.04 Lakhs)

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

In respect of various matters aggregating Rs.23500.54 Lakhs (31-3-2008 : Rs.20709.07 Lakhs) against which a provision has been made for contingencies Rs.1125 Lakhs (31-3-2008 : Rs.1125 Lakhs). In respect of a contingent liability of Rs.4502.84 Lakhs (31-3-2008 : Rs.4502.84 Lakhs), the Group has a right to recover the same from a third party.

(d) Income tax demands in respect of matters :

(i) Decided in Group's favour by Appellate Authorities where the Department is in further appeal - Rs.359.42 Lakhs (31-3-2008 : Rs.225.32 Lakhs).

(ii) Other matters - Rs.Nil (31-3-2008 : Rs.142.82 Lakhs).

(e) In respect of guarantees aggregating Rs.96452.68 Lakhs (31-3-2008 : Rs.49793.77 Lakhs) issued by Banks at the request of the Group in favour of third parties.

(f) Staff demands under adjudication : Amount indeterminate.

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

15. Estimated amount of contracts remaining to be executed on capital account and not provided for : Rs.2712.99 Lakhs (31-3-2008 : Rs.1943.80 Lakhs). Advance paid against such contracts : Rs.735.54 Lakhs (31-3-2008 : Rs.1745.31 Lakhs).

16. Auditors' Remuneration:

	Rupees in Lakhs	2007-2008 Rupees in Lakhs
Audit Fees	82.26	68.58
Other Services	93.21	59.77
Out of pocket expenses	1.51	1.68
	176.98	130.03

[The above excludes Service Tax availed Rs.16.38 Lakhs (2007-08 : Rs.13.74 Lakhs)]

SCHEDULE 'M' : NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009(contd.)

17. The Group has consolidated the accounts of the following joint ventures as on 31st March, 2009 and its percentage holding is given below :

Name of the Joint Venture	% Holding
Universal Comfort Products Private Ltd. (upto 16-6-2008)	50.00
Lalbuksh Voltas Engineering Services & Trading L.L.C., Sultanate of Oman	49.00
Universal Voltas L.L.C., United Arab Emirates	49.00
Naba Diganta Water Management Ltd.	26.00
Universal Weathermaker Factory L.L.C., United Arab Emirates	49.00
ETA-Voltas-Hitachi Plant, United Arab Emirates	37.50
NDIA Package 19 Project, Qatar	77.08
Sidra Medical & Research Centre Project, Qatar	51.08
Saudi Ensas Company for Engineering Services W.L.L. (upto 27-1-2009)	49.00

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

	Rupees in Lakhs	2007-2008 Rupees in Lakhs
ASSETS		
Net Block (including Capital WIP)	1162.31	2840.09
Current Assets	31080.57	18455.89
Loans and Advances	1759.99	1197.07
	34002.87	22493.05
LIABILITIES		
Reserves and Surplus	6570.63	4239.11
Secured Loans	2636.59	5374.14
Deferred Tax Liability	Nil	150.00
Current Liabilities and Provisions	24159.94	12088.53
	33367.16	21851.48
INCOME		
Sale of Products and other Services	34744.04	27820.80
Other Income	(255.03)	83.97
EXPENSES		
Cost of Sales, Services and Expenses	33857.45	34222.74
Depreciation	199.47	351.19
Interest	(36.70)	407.55
Exceptional Items	Nil	19.65
Impairment of Assets	397.88	Nil
Taxes :		
- Current	59.91	48.55
- Deferred	(135.00)	(27.25)
- Earlier years	27.47	0.05
- Fringe Benefit Tax	0.33	Nil
CONTINGENT LIABILITIES	32054.22	9140.45
CAPITAL COMMITMENT	1108.02	1138.85



SCHEDULE 'M': NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

18(A). Information about Consolidated Segments :

Particulars	Rupees in Lakhs	2007-2008 Rupees in Lakhs
1. SEGMENT REVENUE		
(a) Segment - A (Electro - mechanical Projects and Services)	276678.85	174486.03
(b) Segment - B (Engineering Products and Services)	54219.11	55348.90
(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	92228.24	82593.88
(d) Others	10390.58	8945.90
Less : Inter segment revenue	927.00	1082.04
Net Sales / Income from Operations	432589.78	320292.67
2. SEGMENT RESULTS		
(a) Segment - A (Electro - mechanical Projects and Services)	21341.55	11698.55
(b) Segment - B (Engineering Products and Services)	6264.53	11361.71
(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	5503.00	5531.16
(d) Others	901.91	1024.14
	34010.99	29615.56
Less : (i) Interest Paid	1099.35	897.50
(ii) Interest Received	(1343.28)	(398.65)
(iii) Other unallocable expenditure net of unallocable income	(2917.32)	(1609.30)
Profit from Ordinary Activities before Tax	37172.24	30726.01

Particulars	Segment Assets		Segment Liabilities	
	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs	Rupees in Lakhs	As at 31-3-2008 Rupees in Lakhs
(a) Segment - A (Electro - mechanical Projects and Services)	178510.52	83407.48	164402.16	86007.17
(b) Segment - B (Engineering Products and Services)	25990.56	19099.95	13086.97	11220.47
(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	38608.37	38371.10	22493.03	26308.79
(d) Others	3449.39	3213.77	2084.44	1986.84
Segment Total	246558.84	144092.30	202066.60	125523.27
Unallocated	75746.60	69091.61	41263.88	29938.32
Total	322305.44	213183.91	243330.48	155461.59

SCHEDULE 'M' : NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

18(A). Information about Consolidated Segments (contd.):

Particulars	Capital Expenditure		Depreciation		Non-Cash Expenses other than Depreciation	
	Rupees in Lakhs	2007 - 2008 Rupees in Lakhs	Rupees in Lakhs	2007 - 2008 Rupees in Lakhs	Rupees in Lakhs	2007 - 2008 Rupees in Lakhs
(a) Segment - A (Electro - mechanical Projects and Services)	2381.90	1343.94	787.59	605.71	5230.53	2641.16
(b) Segment - B (Engineering Products and Services)	510.88	531.28	122.00	87.91	88.23	86.43
(c) Segment - C (Unitary Cooling Products for Comfort and Commercial use)	175.10	931.52	505.46	423.91	529.26	925.82
(d) Others	83.92	102.72	78.35	86.04	119.10	67.55
Segment Total	3151.80	2909.46	1493.40	1203.57	5967.12	3720.96
Unallocated	1889.13	1242.12	602.95	465.69	—	—
Total	5040.93	4151.58	2096.35	1669.26	5967.12	3720.96

18(B). Information about Consolidated Secondary Business Segments :

Particulars	Rupees in Lakhs	2007 -2008 Rupees in Lakhs
Revenue by Geographical Market		
India	261994.01	232395.33
Middle East	153519.99	85166.53
Others	17075.78	2730.81
Total	432589.78	320292.67
Capital Expenditure		
India	1549.12	2333.40
Middle East	1517.17	565.41
Others	85.51	10.65
Total	3151.80	2909.46
Carrying Amount of Segment Assets		
India	128071.23	97640.61
Middle East	109788.21	44527.51
Others	8699.40	1924.18
Total	246558.84	144092.30



SCHEDULE 'M': NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

19. Related Party Disclosures :

(a) List of Related Parties and Relationships :

Party	Relation
A. Brihat Trading Private Ltd. Terrot GmbH (upto 20-3-2009)	Associate
B. Universal Voltas L.L.C. Lalbuksh Voltas Engineering Services & Trading L.L.C. Naba Diganta Water Management Ltd. AVCO Marine S.a.S. (Under liquidation) Agrotech Industries Ltd. (Under closure) Universal Weathermaker Factory L.L.C. (w.e.f. 26-4-2008) Universal Comfort Products Private Ltd. (upto 16-6-2008) Saudi Ensas Company for Engineering Services W.L.L. (upto 27-1-2009)	Joint Venture
C. Tata Sons Ltd.	Promoters holding together with its Subsidiary is more than 20%
D. Mr. A.Soni - Managing Director	Key Management Personnel

(b) Related Party Transactions :

Transactions	Rupees in Lakhs			
	Associates and Joint Ventures	Key Management Personnel	Promoter	Total
Purchase of Goods [Refer 19 (c) (1)]	4196.49 (9665.37)	— (—)	— (—)	4196.49 (9665.37)
Sale of Goods [Refer 19 (c) (2)]	228.99 (1.71)	— (2.25)	4.36 (5.60)	233.35 (9.56)
Service Income [Refer 19 (c) (3)]	2.16 (1.37)	— (—)	5.22 (0.15)	7.38 (1.52)
Rental Income [Refer 19 (c) (4)]	— (—)	— (—)	1.45 (—)	1.45 (—)
Freight Recovery [Refer 19 (c) (5)]	16.28 (54.47)	— (—)	— (—)	16.28 (54.47)
Advertising Recovery [Refer 19 (c) (6)]	67.25 (217.58)	— (—)	— (—)	67.25 (217.58)

SCHEDULE 'M' : NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

19 (b) Related Party Transactions (contd.) :

Transactions	Rupees in Lakhs			
	Associates and Joint Ventures	Key Management Personnel	Promoter	Total
Commission Received [Refer 19 (c) (7)]	128.87	—	—	128.87
	(362.62)	(—)	(—)	(362.62)
Provision / Write off of Debts and Advances - Reversal [Refer 19 (c) (8)]	—	—	—	—
	(710.99)	(—)	(—)	(710.99)
Remuneration Paid / Payable [Refer 19 (c) (9)]	—	179.08	—	179.08
	(—)	(141.05)	(—)	(141.05)
Tata Brand Equity [Refer 19 (c) (10)]	—	—	610.19	610.19
	(—)	(—)	(464.18)	(464.18)
Interest Expenses [Refer 19 (c) (11)]	—	—	—	—
	(21.81)	(—)	(—)	(21.81)
Other Operating and Administration Expenses-Received/Receivable [Refer 19 (c) (12)]	0.54	—	—	0.54
	(8.48)	(—)	(0.08)	(8.56)
Other Operating and Administration Expenses -Paid/ Payable [Refer 19 (c) (13)]	—	—	70.84	70.84
	(—)	(—)	(96.31)	(96.31)
Warranty Recovery [Refer 19 (c) (14)]	8.53	—	—	8.53
	(24.81)	(—)	(—)	(24.81)
Debit Balance Outstanding as on 31-3-2009 [Refer 19 (c) (15)]	29.59	—	—	29.59
	(39.18)	(—)	(0.29)	(39.47)
Credit Balance Outstanding as on 31-3-2009 [Refer 19 (c) (16)]	221.06	—	591.91	812.97
	(1816.50)	(—)	(464.90)	(2281.40)

Note: Figures in bracket are of previous year.



SCHEDULE 'M' : NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

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

		Rupees in Lakhs	
Name of Party	Transaction Value	Transaction Value 2007-2008	
1. Purchase of Goods			
Universal Comfort Products Ltd.	3868.49	9270.83	
2. Sale of Goods			
Naba Diganta Water Management Ltd.	226.55	—	
Universal Comfort Products Ltd.	—	1.17	
Mr. A. Soni	—	2.25	
Tata Sons Ltd.	—	5.60	
3. Service Income			
Terrot GmbH	—	1.37	
Tata Sons Ltd.	5.22	0.15	
Universal Comfort Products Ltd.	2.16	—	
4. Rental Income			
Tata Sons Ltd.	1.45	—	
5. Freight Recovery			
Universal Comfort Products Ltd.	16.28	54.47	
6. Advertising Recovery			
Universal Comfort Products Ltd.	67.25	217.58	
7. Commission Received			
Terrot GmbH	42.45	61.85	
Universal Comfort Products Ltd.	86.42	300.77	
8. Provision / Write off of Debts and Advances - Reversal			
AVCO Marine S.a.S.	—	710.99	
9. Remuneration Paid / Payable			
Mr. A.Soni - Managing Director	179.08	141.05	
10. Tata Brand Equity			
Tata Sons Ltd.	610.19	464.18	

SCHEDULE 'M' : NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

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

Rupees in Lakhs		
Name of Party	Transaction Value	Transaction Value 2007-2008
11. Interest Expenses		
Universal Comfort Products Ltd.	—	21.81
12. Other Operating and Administration Expenses -Received/ Receivable		
Lalbuksh Voltas Engineering Services & Trading L.L.C.	0.49	—
Universal Voltas L.L.C.	—	1.52
Universal Comfort Products Ltd.	—	6.75
13. Other Operating and Administration Expenses -Paid/Payable		
Tata Sons Ltd.	70.84	96.31
14. Warranty Recovery		
Universal Comfort Products Ltd.	8.53	24.81
15. Debit Balance Outstanding as on 31-3-2009		
Terrot GmbH	—	36.11
Naba Diganta Water Management Ltd.	26.43	—
Brihat Trading Private Ltd.	3.06	—
16. Credit Balance Outstanding as on 31-3-2009		
Universal Comfort Products Ltd.	—	1815.45
Tata Sons Ltd.	591.91	464.90
Universal Voltas L.L.C.	221.06	—

20. Figures for the previous year have been regrouped, wherever necessary.

For and on behalf of the Board

Chairman
Managing Director
Directors

Ishaat Hussain
A. Soni
N. J. Jhaveri
S. D. Kulkarni
N. D. Khurody
J. S. Bilimoria
S. N. Menon

Executive Vice President (Finance)

M. M. Miyajiwala

*General Manager - Taxation
& Company Secretary*

V. P. Malhotra

Mumbai, 29th May, 2009



Details of Subsidiary Companies as at 31st March, 2009

Name of Subsidiary Company	Simto Investment Company Limited (Simto)	Auto Aircon (India) Limited (AAIL)	Universal Comfort Products Limited (UCPL)	Rohini Industrial Electricals Limited (RIEL)	Metrovol FZE (Metrovol) #		VIL Overseas Enterprises B. V. (VOEBV) #		Voice Antilles N.V. (VANV) #		Weathermaker Limited (WML) # @		Saudi Ensas Company for Engineering Services WLL (SECL) # @	
	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Dirhams (AED)	Rupees in Lakhs	Euro	Rupees in Lakhs	USD	Rupees in Lakhs	Dirhams (AED)	Rupees in Lakhs	Saudi Riyal (SR)	Rupees in Lakhs
1. Capital	152.99	1130.00	2764.20	182.58	2000000	277.80	618729	418.88	400000	204.16	1500000	198.30	2600000	336.18
2. Reserves and Surplus	1139.53	—	—	2944.77	4084939	567.40	1173958	794.77	511394	261.01	13670622	1807.26	959649	124.08
3. Total Assets (Fixed Assets+Current Assets)	315.46	39.31	8558.56	9149.49	12260965	1703.05	1378629	933.33	1337032	682.43	36830445	4868.98	4662506	602.86
4. Total Liabilities (Debts+Current Liabilities)	302.01	112.98	7266.58	6103.44	6176026	857.85	26537	17.97	815638	416.30	21659823	2863.43	16916847	2187.34
5. Investments * excluding investment in subsidiary	1279.07	—	—	—	—	—	25934*	17.56	390000	199.05	—	—	—	—
6. Turnover/Total Income	74.23	—	15274.73	19099.61	27945160	3881.58	822851	557.07	640668	327.00	40104819	5301.86	11516119	1489.03
7. Profit/(Loss) before Tax	72.20	(2.98)	(2072.21)	1817.33	381595	53.00	768688	520.40	629997	321.55	4332137	572.71	(11290121)	(1459.81)
8. Provision for Taxation	0.15	—	(297.39)	641.80	—	—	—	—	4468	2.28	—	—	—	—
9. Profit/(Loss) after Tax	72.05	(2.98)	(1774.82)	1175.53	381595	53.00	768688	520.40	625529	319.27	4332137	572.71	(11290121)	(1459.81)
10. Equity Dividend (including interim)	—	—	—	215.25	500000	69.45	154682	104.72	800000	408.32	2000000	264.40	—	—

The foreign currency figures of Metrovol, VOEBV, VANV, WML and SECL have been converted into Indian Rupees on the basis of appropriate exchange rates.

Exchange rate as on 31st March, 2009 : 1 AED = Rs.13.89; 1 Euro = Rs.67.70; 1 USD = Rs.51.04.

@ Financials of WML and SECL are for the year ended 31st December, 2008 : 1 AED = Rs.13.22; 1 SR = Rs.12.93.

Vital offerings for industry and infrastructure.

Malthon Power Plant, Jharkhand

Artist's Impression



Electrical power distribution package for plant water system at the coal-based generation facility.

In addition to MEP for built environments, Voltas serves infrastructure and industry through engineering, supply, installation and commissioning of equipment and systems. Voltas' range of offerings serves power, steel plants and textile mills, water treatment systems, food preservation facilities, chemicals and pharmaceuticals facilities, mining and road construction, among others, as featured in these pages.

Visakhapatnam Steel Plant



Electrical power distribution system for coal handling unit.

Alok Industries, Mumbai



LNW Carding machine for spinning applications.

Changi Water Reclamation Plant, Singapore



One of the world's largest of its kind. Process equipment and stainless-steel piping for 400 million litres/day.

Pack House for NAFED



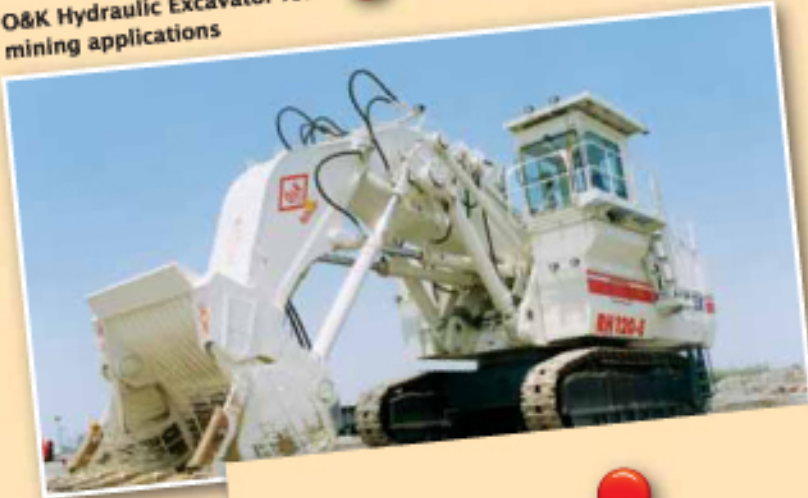
For sorting, grading, packing and pre-cooling oranges.

Vinati Organics



Chemical process refrigeration plant; also has Pharma applications.

O&K Hydraulic Excavator for mining applications



Voltas 10T forklift, part of a range for industrial/infrastructure usage



Powerscreen track mounted screening plant for mining and road construction



VOLTAS LIMITED

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Along with the cool, pollution-free comfort that a Voltas AC provides, you will also find comfort in the fact that we have tied up with The Energy and Resources Institute (TERI) 'Lighting A Billion Lives' campaign to light up needy villages across the length and breadth of India.

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