VOLTAS
A TATA Enterprise

RESILIENCE.
TRANSFORMATION.
SUSTENANCE.
PROGRESSION.

ANNUAL REPORT
2021-22

About the Report

REPORTING APPROACH

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

SCOPE AND BOUNDARY

This Report uses a holistic approach and furnishes information for the year ended 31 March, 2022. It adequately captures information on all business segments that we undertake for creating value in the short, medium and long-term.

FRAMEWORKS

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

LEADERSHIP ACCOUNTABILITY

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

Investor Information

Market Capitalisation as at 31 March, 2022	~ ₹ 41,000 crores
CIN	L29308MH1954PLC009371
BSE Code	500575
NSE Symbol	VOLTAS
Bloomberg Code	VOLT:IN
Dividend Proposed	550% or ₹ 5.50 per share
AGM Date	24 June, 2022

For more investor-related information, please visit: https://www.voltas.com/investors/financial-snapshot/

Or simply scan this QR code

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VOLTAS AT A GLANCE

Incorporated in 1954, Voltas Limited is a part of the Indian multinational conglomerate, the TATA Group. The Company is India's largest air conditioning company, with a strong presence offering leading engineering solutions across Air Conditioning and Cooling Products (Unitary Products), Engineering Projects and Engineering Products & Services. At Voltas, our focus is on driving value through smart engineering and providing best-in-class business solutions to consumers and industries – unlocking exceptional value for all our internal and external stakeholders.

We are one of the most reputed, distinguished, and trusted Indian engineering solution providers specialising in project management. The Company plays an essential role in developing the nation's infrastructure and exporting unparalleled expertise across, Cooling and Ventilation, Infrastructure Projects, Engineering, Construction, Textile, Mining and Manufacturing sectors. Extending our expertise in the consumer durables segment, we entered the Home Appliance segment through a 50:50 Joint Venture with Arçelik (VoltBek).

₹ **8,124** crores
TOTAL INCOME

₹ **697** crores
PROFIT BEFORE TAX

₹ **506** crores
PROFIT AFTER TAX

RESILIENCE. TRANSFORMATION. SUSTENANCE. PROGRESSION.

This is what drives us This is what inspires us.

As a future-focused company, our constant attention is on envisioning the future to design relevant strategies and offerings – making us thought leaders and trend-setters in our industry.

Our strong foundation has helped us be resilient to the turbulence through the years.

Our robust technological know how and capabilities have helped us respond to the socio-economic transformations that have reshaped people's lives.

Our untiring efforts have aided us in creating delight for our entire value chain. Thereby, changing lifestyles in a better and more sustainable way.

In this journey of providing cooling, comfort and convenience, we are committed to progress towards achieving our long-term endeavours.

We strongly believe in India's growth plans. Operating in one of the most competitive and fastest-growing global economies presents various opportunities. Factors like comprehensive economic reforms, rapid urbanisation, infrastructure development and the growing aspirational population are fuelling the endless prospects and untapped potential in the Indian market. It is this desire to lead a high-quality life is what makes us reimagine and reinvent ourselves time and again. This is what adds to our **RESILIENCE,** pushes us to adapt to **TRANSFORMATION,** drives us to work on **SUSTENANCE,** and propels us to remain on the path of **PROGRESSION.**

In a world characterised by fast-changing trends and demands, consistency in delivering promises and reliability in fulfilling expectations is what differentiates us.

RESILIENCE

We are evolving our product and service operating models to meet the fast-changing customer demands and expectations. Our first-hand experience, coupled with an undying spirit and resilience, has given us the confidence to be agile and scale rapidly in the face of future uncertainties.

TRANSFORMATION

To thrive in an ever-changing business environment, agility is imperative. We work swiftly across verticals to move the value chain by delivering innovative products and services. We restructured our business as a step to help us focus on B2C and B2B businesses being independent of each other while expanding the growth of each business, individually.

SUSTENANCE

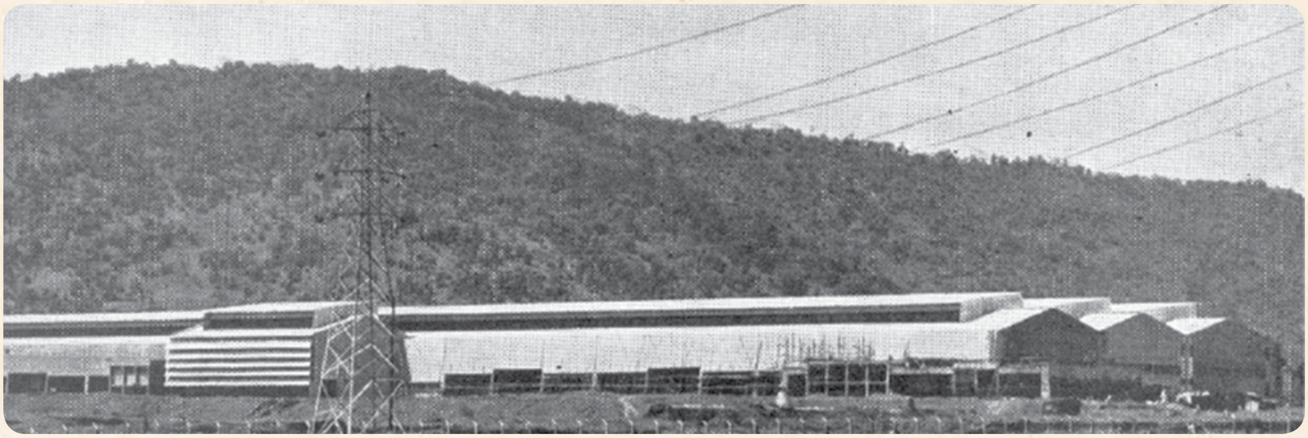
The Indian business landscape is evolving at a rapid pace than expected. Newer technologies and business models are disrupting the existing environment. We are focusing on building sound and robust systems that can withstand any form of disruption. Our business restructuring decision is a testament of the same.

PROGRESSION

Our inspiring legacy, inherent strength and passion for performing prepare us for the new era of growth. We design products and services that enrich the quality of consumers' lives. Our corporate philosophy is to think beyond the conventional, embrace innovation and set new trends for the industry. To this end, our operations are lean, technologies are ahead of the curve, and our strategies are customer-centric.

67 YEARS OF VOLTAS

Progressing with India through its journey post independence, our Company has come a long way and stands tall while creating a rich legacy from a humble beginning. It is the story of being Resilient and Transforming, Sustaining and Progressing with times.



1964-65 Thane Factory

First among equals

1954:
Introduced the first air-conditioner in India

1956:
Made history by installing eight Crystal air-conditioners at then Chief Minister, Mr. Morarji Desai's Bombay residence

1969:
Inaugurated India's first integrated AC manufacturing plant in Thane

Since our first project in the 50s – a contract to build power plants and use earthmoving machinery at the mighty Tungabhadra Dam – we have dedicated ourselves to the task of building a self-reliant India. In the late 60s, our Company even introduced the country's first indigenous drilling machine to help drill wells in the country's drought prone areas.

160H Hydraulic Rotary Drill Machine

Partner in Constructing Tungabhadra Dam (1955-56)

1969:

Developing and deploying cooling solutions for Rajdhani Express, India's first high-speed train

Rajdhani Express

2009:

Developed India's first indigenously built split AC and energy-efficient AC product range

2012:

Developed and launched the all-weather AC range

From taking up the challenge to cooling Dubai's Burj Khalifa – the tallest building in the world – to building Abu Dhabi's F1 Yas Marina Grand Prix Circuit, to Singapore's Thomson-East Coast Line – one of the world's largest driverless rapid transit lines – we have made our presence felt across regions.

Burj Khalifa, Dubai

Yas Marina F1 Circuit, Abu Dhabi, UAE

Beyond Brand

2017:

Bagged two projects in Karmalichak and Beur, Bihar, under the Namami Gange Mission, forming an integral part of the cleaning up of the river Ganga

2018:

Established Voltas Beko, a joint venture with Ardutch BV, a subsidiary of Arçelik AS - part of the Koç Group to enter the consumer durables market

2020:

Launched a wide range of innovative UV products and solutions to help stop the spread of the coronavirus

2022:

Launched India's First AC with HEPA Filter - an industry first - with a unique value proposition of 'Pure & Flexible Air Conditioning'

TRANSFORMING LIVES THROUGH SUSTAINED PROGRESSION

ADDING COOLING, COMFORT AND CONVENIENCE THROUGH OUR WIDE ARRAY OF PRODUCTS AND SERVICES

At Voltas, innovation reinforces our efforts in long-term value creation. It defines and reflects upon our ability to come up with ground-breaking ideas to keep our operations and our products and services relevant and futuristic. It is the story of how we partnered with the nation not just in terms of engineering innovation and business prowess but also to drive our endeavours, offering products and solutions that perfectly meet customer requirements.

RESIDENTIAL

Consumer durables meticulously crafted to suit the needs of Indian households for healthy living

CONVENIENCE STORES

Commercial refrigerators and coolers engineered for long term storage and improving the shelf life of food

OFFICE, BUSINESS, AND WORKPLACE

Multi-purpose solutions for building ease and comfort in workplaces. Transforming the world through smart engineering

SOCIETAL INFRASTRUCTURE

Sustainable solutions for turnkey projects for transforming the world through smart societal engineering.

TEXTILE INDUSTRY

Smartly engineered solutions enabling higher productivity across the textile value chain from knitting to finishing

MINING AND CONSTRUCTION SITES

Products and solutions for safe and sustainable operations enabling seamless operations

VISION

Driving value through smart engineering

MISSION

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

DRIVEN BY VALUES

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

Integrity

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

Excellence

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

Unity

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

Responsibility

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

Pioneering

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

CULTURAL PILLARS

SMART THINKING
- Fact-based analysis
- Use logic and customer insights

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

WINNING ATTITUDE
- Take responsibility for customers
- Seize every opportunity

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

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

Image credit : Forbes India

MD'S COMMUNIQUE

Dear Stakeholders,

As we have all experienced, 2021-22 came as another year of perseverance and persistence. The year witnessed a lot of disruptions, including the second and third wave of Covid-19, and frequent lockdowns. However, the economic activities gradually regained momentum as markets started recovering and consumers continued to invest in their homes, for their comfort and convenience.

At Voltas Limited, our history, spanning over six decades, has helped us earn a reputable name of a trusted partner when it comes to adding and offering comfort and convenience to everyday life. Staying true to our purpose, we delivered stable performance through our attractive bouquet of products and services. We successfully offset significant cost inflation through value engineering. Once the lockdowns were eased, we witnessed pent-up demand for our entire range of products. This helped us to gain back lost momentum.

RESILIENCE AS A KEY TO RESPONDING APPROPRIATELY:

In view of the consumers' extreme experience during the previous waves, their sentiments around the next wave were dampened yet again. This impacted Consumer Durable sales across the industry. Rising global geopolitical tensions added to the unrest in the consumers' minds. Furthermore, commodity prices continued to be on a rising trend, impacting margins across the industry.

We, at Voltas, took cautious yet confident steps in the right direction to benefit from the changing and emerging trends. Our consistent focus is always on finding a resilient business model that enables us to counter unseen challenges from diverse industry sectors.

As a Brand, we strongly support the Nation-building agenda and to this end, our Domestic Projects Business (Infrastructure Solutions) played an instrumental role in electrifying over 30,000 villages across the country as a 'last-mile' connector. We have also installed several Water Treatment plants till date across the country, serving the needs of many local villages.

FINANCIAL STABILITY AS THE KEY TO FACING UNPREDICTABILITY:

We recorded a consolidated total income for the year at ₹ 8,124 crores, a 5% growth compared to ₹ 7,745 crores last year. Our profit before share of profit/loss of joint ventures/ associates and tax increased by 5% and was ₹ 808 crores against ₹ 770 crores last year. However, Profit before tax (after share of profit/ loss of joint ventures/associates) stood marginally lower at ₹ 697 crores, compared to ₹ 709 crores last year. Net Profit (after tax) stood lower by 4%, at ₹ 506 crores against ₹ 529 crores, in the corresponding period of last year.

Voltas remains the market leader and has maintained its No. 1 position in the Room Air Conditioner business with a significant lead over the nearest competitor. One out of four Room ACs being sold in India is a Voltas AC. We enjoy the highest brand equity in the category, with the highest brand recall and brand consideration. With the economy showing signs of improvement and the summer season at its peak, we are focusing on boosting targeted consumer offerings to generate secondary sales.

Our recognition as the MEP Contractor of the Year in 2021-22 and multiple times in the past testifies our excellent project execution capabilities. We have also bagged numerous other awards in the GCC region. We plan to leverage our superior brand image, past track record of successfully executing both large and small projects, experienced human capital, and excellent customer relationships, to bag orders from new clients and consistently get repeat orders from our existing clients. Furthermore, investments by governments across the UAE, Saudi Arabia and Qatar will provide tailwinds in our quest to amplify our foothold in the international projects' space.

TRANSFORMATION AS THE KEY TO RELEVANCE:

Our excellent reach, and distribution network and good relationships with dealers have always been our strong point. We continuously engage with them to better understand the evolving consumer needs and launch products which would add maximum value to the consumers. The addition of Voltas Beko products to our portfolio further gives our brand the leverage whilst extracting cost synergies from marketing, sales, and service.

We have been focusing on exports to further expand our business operations and leverage the upside of our presence across multiple geographies. Moreover, to build upon our Room Air Conditioners' market leadership position in both offline and online channel presence, was among our major focus areas. We also launched our D2C e-commerce platform 'Voltas Lounge' in Q2. Our increased footprint of exclusive Brand Shops and Experience Zones, and our wide reach in the Digital e-commerce channel, makes us a formidable player in the omnichannel ecosystem.

In order to develop a deeper connection with our consumers, we have constantly increased our digital footprint through various media campaigns and have been constantly active through our innovative content on all social media platforms during the past year. We have also tapped into different topical content that has helped us reach more audiences while making our platforms more engaging.

Hybrid working environment has become a trigger for investment and upgradation in Branded Consumer Appliances segment. The Voltas Beko appliance business has grown significantly in the last year. Although, it is a new brand in the Appliances market, consumers have responded well to the same.

In case of our International Projects Business, the IOBG vertical transformed challenges into opportunities and bagged orders worth INR 1722 crores as on 31 March, 2022.

SUSTENANCE IS THE KEY TO A SECURED FUTURE:

We constantly endeavour to manufacture and source locally. We are in the process of setting up an additional manufacturing facility for Room Air Conditioners and expanding our installed capacity for Commercial Refrigeration products. To further emphasise our commitment towards local manufacturing, we partook in the Government's Production Linked Incentive (PLI) Scheme. Voltas had registered in the PLI scheme for manufacturing several components including compressors for Room ACs. This is an important step towards our goal of backward integration and will help us secure our supply chain against political and trade uncertainties. Our efforts have been channelised towards developing a robust local supply chain. Our actions will not only help ring-fence ourselves from any unexpected eventualities in the future, but also create superior brand image and improve profitability.

With an emphasis on sustained profitable growth, our Textile Machinery division capitalised on the pent-up demand supported by China+1 strategy, adopted by leading brands globally, and recorded a growth of 75% as compared to 2020-21.

Our M&CE division continued to grow and secured the largest ever order of 55 Terex Powerscreen Machines from one of our existing customers – a testimony to the brand strength of Voltas.

PROGRESSION AS THE KEY TO PERSISTENCE:

Our business models are designed for flexibility to appropriately pursue our actions in line with evolving situations. We believe in actively engaging with all our stakeholders – be it our customers, channel partners, suppliers and employees – to ensure the sustainability of our business ecosystem. In our quest for lasting brand loyalty, we focus on changing consumer needs and proactively fortifying our value proposition to meet their expectations. Our business restructuring exercise was a step to help our rentless focus on B2C and B2B businesses, independent of each other while, expanding the growth of each business, individually.

At present, consumers are becoming more aware of the health-centric and purification features of their home appliances. This has helped reinforce the demand for

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holistic well-being. Voltas launched India's first AC with HEPA Filter technology in response to the growing emphasis on health, hygiene and purification needs. This comes with a unique value proposition of 'Pure and Flexible Air Conditioning', powered with HEPA Filter, PM 1.0 Sensor and AQI indicator – which is an industry-first – that helps purify indoor air.

The world is transforming at a tremendous pace. With each invention, each solution, smart technologies play a key role in fostering what is called a 'smarter' world. Realising the same, Voltas is working towards introducing a Smart Home with IoT capability by providing WiFi in ACs.

Keeping our brand promise and serving our commitment to stand by the 'Make in India' initiative, Voltas Beko unveiled an array of innovations this year. The Frost Free range of Refrigerators with HarvestFresh™ and StoreFresh™ technologies was an industry-first, which helped consumers keep fruits and vegetables fresh for upto 30 days, aiding during the pandemic. We also introduced 5 Star rated Top Load Washing Machine, with industry-defining USPs like Fountain Wash. Our focus on hygiene post the pandemic, resulted in a new range of Front Loading Washing Machines having Stain Expert technology which removes upto 26 types of stains, and our Steam Wash and Hygiene+ technologies which kills germs and bacteria. While there was increased workload and unavailability of house-help during the pandemic, we expanded our offerings in the highly successful Dish Washer category with the introduction of Aqua-Intense and Corner-intense functions, especially designed for removing stains from Indian utensils. All these initiatives have made Voltas Beko the fastest-growing brand in the Home Appliances segment.

Being cognizant of the evolving customer needs, we aim to sustain and further extend Voltas' market leadership position in Room Air Conditioners. While fulfilling these objectives, we need to consolidate market shares in other product categories like Air Coolers, Commercial Refrigeration and Commercial Air Conditioners. Moreover, we are focused on improving the quality of customer service and customer delight, to improve customer loyalty. We are also building our digital infrastructure to benefit from the changing trends. This will help us safeguard our supply chain ecosystem through local sourcing.

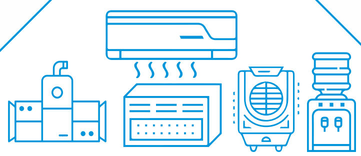
We stay true to our core values as we move forward, making sound investments to grow our business, keeping our hardworking and dedicated employees safe, and delivering outstanding value for our clients, stakeholders and communities.

Regards,

Pradeep Bakshi
MD & CEO
Voltas Limited

TRANSFORMING THROUGH SMART ENGINEERING

PRODUCTS AND SOLUTIONS DILIGENTLY DESIGNED BY THE INHERENT DESIRE TO TRANSFORM LIVES WHILE ADDING COOLING, COMFORT AND CONVENIENCE



UNITARY COOLING PRODUCTS FOR COMFORT AND COMMERCIAL USE (UCP)

OUR OFFERINGS

- ROOM AIR CONDITIONERS (RAC)
- AIR COOLERS
- FREEZERS
- VISI COOLERS
- WATER DISPENSERS
- VARIABLE REFRIGERANT FLOW (VRF)
- CASSETTE ACS
- CHILLERS
- TOWER ACS
- CUSTOMER CARE

With a focus on developing cooling appliances, Unitary Cooling Products (UCP) has been a market leader in the RAC category for over a decade now. The vertical caters to business-to-consumer (B2C) and business-to-business (B2B) market requirements like Room Air Conditioners, Commercial Refrigerations, Commercial Air Conditioners, Water Coolers, Air Coolers, etc. UCP sources equipment locally from Original Equipment Manufacturers (OEMs), and overseas vendors based on business requirements.

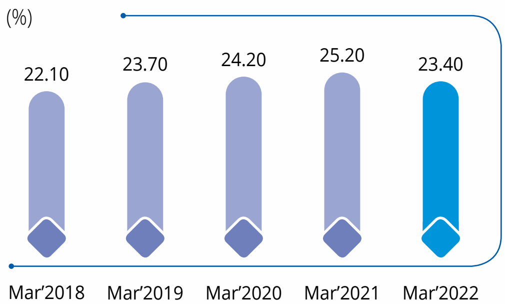
We are one of the leading manufacturers under window inverter category and the Bureau of Energy Efficiency (BEE) star-labelled air conditioners through our 'Smart Engineering' approach. Having grown to more than 24,000 touch points across the nation, our UCP segment has established itself as a leader in Room Air Conditioner.

Our continued investments towards sustainable growth have helped improve the efficiency of the supply chain with service as a key differentiator. Keeping in mind our commitment towards the environment, we aim to develop products with higher energy efficiency and eco-friendly gases.

HIGHLIGHTS

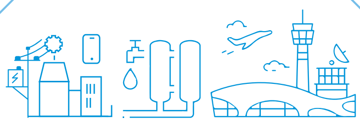
- Launched PureAir 6 Stage Adjustable Inverter AC (India's First AC with HEPA Filter technology)
- Strengthened product offerings under commercial refrigerators by launching 60 SKUs
- Inspired by the cultural insights of Indians, launched 32 SKUs under Maha-adjustable inverter air conditioners
- Received license from Bureau of Indian Standards (BIS) for Air Cooled Ducted and Packaged Air Conditioner

Market share (YTD, March)



24,000+
TOUCH POINTS

700+
SKUs



ELECTRO-MECHANICAL PROJECTS & SERVICES

OUR OFFERINGS

INFRASTRUCTURE SOLUTIONS (DOMESTIC PROJECTS GROUP)

- MECHANICAL, ELECTRICAL AND PLUMBING (MEP)
- RURAL ELECTRIFICATION
- WATER INFRASTRUCTURE
- OPERATIONS AND MAINTENANCE

INTERNATIONAL OPERATIONS BUSINESS GROUP (IOBG)

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

DOMESTIC PROJECTS GROUP (DPG):

As one of the leading providers of integrated end-to-end solutions in engineering projects, our DPG business contributes to nation-building by executing key infrastructure projects. Our smart engineering and efficient project management capabilities enable us to judiciously implement large-scale, complex electromechanical projects with safety and reliability. Our focus is always on optimising the latest technologies to engineer smarter and more sustainable product solutions.

Committed to the Central Government's Deendayal Upadhyaya Gram Jyoti Yojana, we have been instrumental in electrifying more than 30,000 villages across the country as a 'last-mile' connector. Subsequently, we ensured uniform complaint resolution and service delivery through the single window solution.

Our Water Management Business Division (WMBD) manages the entire water activity chain (from raw water processing to the treatment of wastewater) through products and projects. This division undertakes water treatment as well as end-to-end projects

HIGHLIGHTS

- Successfully commissioned project Gandhinagar Railway and Urban Development Corporation Ltd (GARUD) in Gandhinagar, Gujarat that was inaugurated by Hon'ble Prime Minister, Mr. Narendra Modi
- Commissioned one project of 300 MW AC & 225 MW DC under Solar EPC for Azure Power
- Commissioned second project for SB Energy, later renamed as Adani, for 71 MW AC & 104 MWp DC
- Gained tier 1 status in Solar EPC business

Water Treatment and Management Project for Karnataka Power Corporation Limited

INTERNATIONAL OPERATIONS BUSINESS GROUP (IOBG)

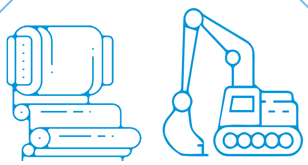
Our international operations is a leading one-stop turnkey electromechanical solutions and services provider. IOBG has executed several prestigious and complex projects in more than 35 countries in diverse segments over the years. IOBG leads the Tier-I MEP service provider category in about 7 GCC countries. As the preferred contractor for mid to large-scale projects in the GCC countries, IOBG has been duly recognised and conferred numerous awards for its emphasis on effective execution.

IOBG - Place Vendome, Qatar

HIGHLIGHTS

- Achieved operational efficiency through renewed focus on ongoing jobs
- Maintained improvised margins by monitoring developments

₹ **5,360** Crores
ORDER BOOK



ENGINEERING PRODUCTS AND SERVICES

OUR OFFERINGS

TEXTILE PRODUCTS

- CAPITAL MACHINERY
- ACCESSORIES
- ALLIED MACHINERY
- AFTER SALES SERVICES FOR BOTH SPINNING AND POST SPINNING

MINING & CONSTRUCTION EQUIPMENT (M&CE)

- OPERATIONS AND MAINTENANCE
- CRUSHING & SCREENING MACHINERIES

TEXTILE MACHINE DIVISION (TMD)

As the second-largest employer in the country, the textile industry significantly benefits from TMD's offerings, such as the sale of Capital machinery, after-sales support, stock and sale of parts and accessories. Working closely with stalwarts (principals) in the textile machinery sector, our business adds incredible value by offering robust textile technological solutions. The division acts as an intermediary between principals and end-users by maintaining close contact with both sides to keep up with the dynamic environment. TMD provides end-to-end engineering services and represents many global manufacturers. The division has a strong presence across 16 locations in India, which includes the textile hubs of Madurai, Ludhiana, Surat, and Coimbatore. TMD also offers special services such as energy audits, yarn realisation and cotton management. Considering the cyclic nature of the textile industry, the division has de-risked its business by ramping up after-sales offerings. TMD has been selectively adding new products to its portfolio from new principals, forging strong partnerships, and focusing on high-quality products and services for the textile industry.

LMW Comber LK69

HIGHLIGHTS

- Increased investments influenced by pent-up demand and the China +1 strategy
- Witnessed significant growth in the export of yarn and apparel
- Secured the largest ever order of 55 Terex Powerscreen machines from one of the existing Customer

60%
MARKET SHARE OF SPINNING MACHINERY

10+
AVERAGE YEARS OF ASSOCIATION WITH MAJOR TEXTILE PRINCIPALS

MINING AND CONSTRUCTION EQUIPMENT DIVISION (M&CE)

We incorporated the M&CE as the Earthmoving, Mining & Agricultural (EMA) machinery division in 1954. M&CE conducts operations across India and in Mozambique (in collaboration with Tata Mozambique and Tata Africa). Primarily serving mining companies, this division identifies itself as an engineering solutions provider. It is in the trade and service business of heavy earthmoving equipment. Voltas M&CE is the official product support partner for Joy Global-Letourneau Loaders and Komatsu South Africa. With increasing investment in infrastructure development, M&CE's range of equipment caters to large projects such as roadways, ports, power generation and irrigation. In the Indian context, M&CE specialises in providing equipment for mining iron ore, coal, copper, zinc and limestone.

M&CE - Powerscreen Horizon H6203

VOLTAS BEKO

Voltbek Home Appliances Private Limited (Voltas Beko) is an equal partnership joint venture between our Company, Voltas Limited – India's leading Air Conditioner company – and one of Europe's largest household appliances manufacturers, Arçelik. We launched the brand 'Voltas Beko' in September 2018, and positioned it as 'Partners of Everyday Happiness' in India. Voltas Beko's portfolio of products includes Refrigerators, Washing Machines, Microwaves/ Ovens and Dishwashers. The brand offers state-of-the-art innovative products to customers. It leverages the brand name and distribution strength of our Company, Voltas, and the global expertise of Arçelik in product development. Voltas Beko has been consistently increasing its footprint in the Indian home appliances segment and currently has over 7,000 consumer touchpoints.

HIGHLIGHTS

- Commenced production of Washing Machine and Frost free refrigerators from Sanand factory
- Launched 74 new SKUs in 2021-22 to further strengthen product portfolio
- Launched new products with new and upgraded technologies under all categories

OUR OFFERINGS

- REFRIGERATORS
- WASHING MACHINES
- MICROWAVES
- DISHWASHERS

Voltas Beko - A range of Consumer Durables

7,000+
TOUCH POINTS

200+
SKUs

PROGRESSING WITH OUR GROWING PRESENCE

TAKING COMFORT AND CONVENIENCE TO PLACES

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

RECOGNITION THAT REFLECTS UPON OUR SUSTENANCE AND PROGRESSION

BADGES OF TRUST, APPRECIATION AND CREDIBILITY

Voltas wins the prestigious **'National Energy Conservation Award 2021'**

Voltas wins the **'Dun & Bradstreet Corporate Awards 2021'**

Team Marksmen recognizes **Voltas as one of India's most trusted brands**

Voltas recognized by the **TATA Business Excellence Group at BEC 2021**

Voltas wins the **'Making Customers Smile'** Contest

Voltas wins **'Best Supply Chain Design Award 2021'**

Voltas Oman Operations bags 5 Awards at **'Construction Week Oman Awards 2021'**

Voltas IOBG Bags **'CBNME MEP Awards 2021'**

Voltas Wins the **'7th CSR Impact Award by CSRBOX'**

Voltas Wins the **'HSE Excellence & Sustainability Awards 2021'** By OHSSAI

CREATING RIGHT VALUES TO PROGRESS WITH OUR STAKEHOLDERS

WHEN EVERYONE MOVES FORWARD, SUCCESS IS THE ONLY OUTCOME

THE LEGACY OF THE TATA GROUP

At Voltas, we benefit from our strong mother brand. Being a part of the esteemed Tata Group establishes significant consumer trust towards our brand, products and services.

DIVERSIFIED REVENUE STREAMS

Over the years, we have established ourselves as a leading consumer durables brand, with an equally renowned name in product engineering and a turnkey specialist in the industry. Replicating our success and leveraging our capabilities, we have architectured sustainable and reliable revenue streams under all our verticals. While we are directly connected with our end users in consumer durables products, our presence across product and project solutions helps us cater to societal infrastructure requirements. Focused on improving the efficiency, we aim to improve productivity of equipment. It is committed to introducing innovations in project executions across industries.

STRONG CONSUMER CONNECT

We are among the market leaders in Room Air Conditioners, with a presence in both Window and Split Air Conditioner segments. We are also one of the recognised players in Air Coolers, Commercial Refrigeration and Commercial Air Conditioner business. Extending our leadership position, we are also among the finest home appliance brands delivering smart solutions under Refrigeration, Washing Machines, Dishwashers and Microwave Ovens. Our brand name is our strength, and our distribution network is our forte.

UNDERPENETRATED MARKETS

The underpenetrated nature of the products that we sell, primarily in the consumer durables business, provides ample runway for sustained growth in the future.

STRONG PRESENCE IN B2B BUSINESS

We have a well-established market position in the Projects business in domestic and international markets and are well-poised to benefit from new order inflows in our target markets. The Central Government has repeatedly emphasised boosting infrastructure spending, which will aid our business growth. We also have a well-established relationship with leading textile and mining OEMs in India & overseas.

STRONG FINANCIAL FUNDAMENTALS

With our strong balance sheet, we are well-placed to invest and achieve our short- and long-term business objectives.

₹ **7,934** crores
OPERATING REVENUE

₹ **697** crores
PROFIT BEFORE TAX

₹ **682** crores
EBITDA

8.7 %
EBITDA MARGIN

10.6 %
EBIT MARGIN

₹ **506** crores
PROFIT AFTER TAX

8.9 %
PBT

6.5 %
PAT

₹ **15.23**
EARNINGS PER SHARE

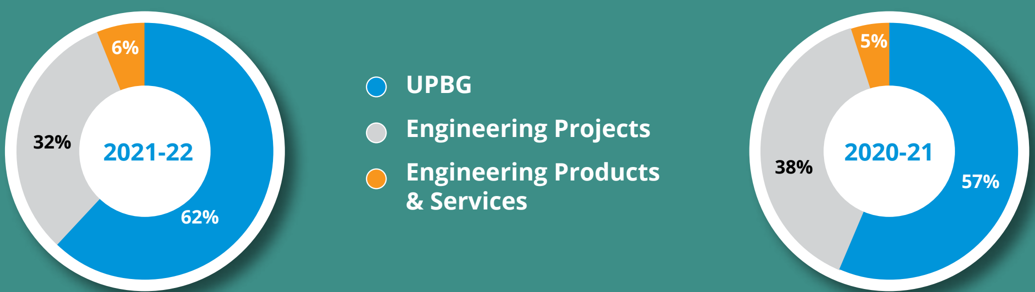
₹ **165.25**
BOOK VALUE PER SHARE

₹ **5,360** crores
ORDERBOOK

₹ **2,000** crores+
ORDERS SECURED

200+
EBOS

REVENUE BY SEGMENT (₹ crores)



ALIGNING OUR STRATEGIES TO PROGRESS WITH THE NATION

OUR CONSISTENT EFFORTS REINFORCE OUR COMMITMENT TO COUNTRY, COMMUNITY, ENVIRONMENT AND BUSINESS

At Voltas, we continuously prepare for the next. Our operations across verticals are conscious of the planet, either in the form of reducing carbon footprints, ensuring water security or taking steps towards a cleaner and greener India. We are working tirelessly to meet the increasing demand for more advanced products and services and adopt initiatives to be an integral part of Atmanirbhar Bharat. We firmly believe the ‘future is now’.

ENERGY EFFICIENCY

Today's customers are looking for aspirational products and services that are energy-efficient, environment conscious and economical.

Through continuous upgradation, we have been identifying sustainable technologies that

- Purify air
- Lower energy costs and
- Purify polluted water and industrial effluents

Our green energy projects are a testimony to our strong commitment to sustainability. We have also moved towards using an environment-friendly gas (R-32), resulting in lower Ozone Depletion Potential (ODP) and Global Warming Potential (GWP) than existing refrigerants.

We have consecutively won the prestigious National Conservation Award 2021 for the 5th time in 2021.

Our Textile Machinery Division leverages the use of machinery and energy audits to its customers to promote the energy efficiency of its services. Our transition to IE3 motors in our services has reduced our customers' overall emissions and energy needs.

RESOURCE EFFICIENCY

The current need of the hour is to measure, mitigate and offset the impact of the products and services on the environment. Resource efficiency is the immediate requirement to generate maximum value with minimal negative impact to recycle, repair, refurbish and reuse the best.

We are proactively building the circular economy approach in our products and solutions.

- We and our partners collect and discard defective electronic waste systematically. Some of these products are diverted to our electronic labs for repair and reuse.
- Under the retrofitting and revamping business (part of customer care), we ensure energy savings, resource-efficient solutions of Capex through energy audits – thereby helping customers to replace old machines with new ones with the latest technology.

SUPPLY CHAIN MANAGEMENT

Most industries globally are grappling with supply chain disruptions, raw material shortages, and rising commodity prices impacting procurement and supply.

We have a well-defined framework of procuring in a planned manner in-order to meet the business demands and simultaneously navigating through any supply-chain or price increase issues. We are in process of developing localised eco-system with an aim to reduce dependency on imports.

VOCAL FOR LOCAL

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

It has been our constant endeavour to manufacture and source locally. We are in the process of setting up an additional manufacturing facility for Room Air Conditioners and expanding our installed capacity for Commercial Refrigeration products in our existing plant.

In order to benefit from the PLI Scheme and carve a niche for India in this space, Voltas, has planned a capital expenditure of close to ₹ 350-400 crores.

- We are looking at strengthening our domestic manufacturing at our several facilities at Waghodia, Pantnagar and the new plant proposed in South India.
- We have also formed a JV with Highly International (Hong Kong) Limited - subject to approvals – and are engaged with them to design, develop, manufacture and sell inverter compressors for RACs, motors for inverter compressors and their associated parts.
- We are planning to manufacture cross-flow fans, heat exchangers and plastic moulding components, as well.

Waghodia facility

AC quality control and testing line at Pantnagar

RURAL ELECTRIFICATION

Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) is a scheme designed to electrify rural India. Attaining a 100% rural electrification target is a major milestone for India to fulfil the SDG target 7.1 of providing universal access to affordable, reliable, and modern energy services by 2030.

Voltas, has been instrumental in electrification of more than 30,000 villages under the DDUGJY Scheme. We have been the 'last-mile' connector and working closely with the Government to provide electricity to the remotest parts of India.

We also ensure uniform complaint resolution and service delivery through the single window solution.

SECURING WATER

India is facing a severe water crisis. Around 600 million people in India are facing extreme water stress. It is estimated that by 2030, 40% of India's population will not have access to safe drinking water. Bearing this in mind, the Government has taken a critical step towards the clean Ganga initiative under the Namami Gange Scheme.

Under our Water Management Business Division (WMBD), we have undertaken end-to-end water treatment projects and through the Namami Gange initiative, we:

- Are leading this initiative across 5 States with 29 projects.
- Have completed 2 sewage treatment plants in Bihar which have ensured proper treatment of household sewerage, leading to clean treated water discharge in the river Ganga.

Bihar Urban Infrastructure Development Corporation, Beur

CREATING VALUE. TRANSFORMING LIVES.

THE BEDROCK OF OUR BUSINESS FOR SECURING LONG-TERM CUSTOMERS

INPUTS | **BUSINESS MODEL**

FINANCIAL CAPITAL

Operating Working Capital	₹ 1,923 crores
Owners Funds	₹ 5,500 crores
Debt (mainly overseas operations)	₹ 361 crores
Total Assets	₹ 9,746 crores
Net worth	₹ 5,468 crores
Total Capital Employed	₹ 5,538 crores

MANUFACTURED CAPITAL

Existing manufacturing locations	4
Facilities added in last 5 years (Waghodia and Sanand)	2
Total manufacturing capacity (consumer and commercial)	2.7 million units

INTELLECTUAL CAPITAL

Investment in R&D	₹ 14.25 crores
R&D team strength	37
Research & Development centres	4

HUMAN CAPITAL

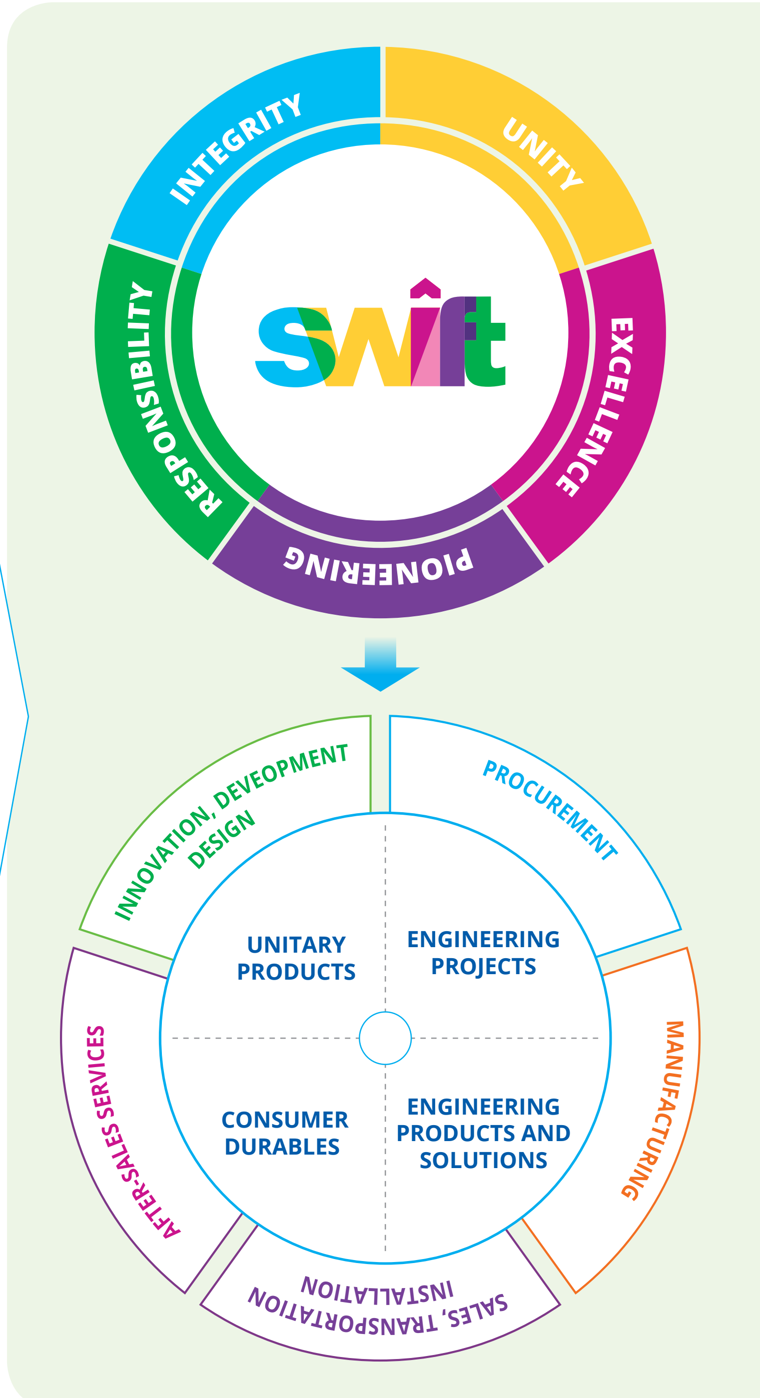
Investments towards Employee training programmes	₹ 1.65 crores
Training, programs	681
Employee engagement initiatives during the year (Nos.)	52
Average work experience of senior management	20+ years
Spend on Employee Safety	₹ 30 lakhs
Total No. of employees	8,000+

NATURAL CAPITAL

Renewable Energy Capacity	700 MW
Water consumption	49,387 KL
Energy consumption	35,961 GJ
Energy savings	445 GJ

SOCIAL AND RELATIONSHIP CAPITAL

CSR Spend (Financial support, CSR Activities)	₹ 12.94 crores
EBOs	200+
Touchpoints	24,000+
Experience Zones launched	1



VALUE GENERATED

FOR PROVIDERS OF FINANCIAL CAPITAL

We deliver consistent, profitable and responsible growth

FOR CUSTOMERS

Value to customers by providing high quality and sustainable products

FOR OUR PEOPLE

We strive to provide equal opportunities to all our employees, ensure capacity building, training, and a safe work environment

FOR COMMUNITIES AROUND US

We contribute towards improving the living conditions of communities around us through our CSR activities; at the same time we ensure that our production processes do not have any adverse impact on the environment around us

FOR SUPPLIERS

We ensure an optimum supply chain with competent suppliers for seamless operations. We also engage and collaborate with our suppliers closely for knowledge enhancement, process improvements and product applications

OUTPUTS

FINANCIAL CAPITAL

Market Capitalisation	₹ 41,178 crores
Return on Capital Employed	13%
Return on Equity	9.6%
Dividend payout ratio	31%
Total Income	₹ 8,124 crores
Profit Before Tax	₹ 697 crores
Profit After Tax	₹ 506 crores
Credit Ratings (ICRA)	AA+
Debt: Equity ratio	0.06:1
EPS (per share)	₹ 15.23

MANUFACTURED CAPITAL

No. of units sold (Consumer)	3 million+
Sales of commercial products tonnage	2 lakh ton

INTELLECTUAL CAPITAL

New SKUs added in 2021-22	244
Total no. of 5 star SKUs	85
Room AC market share	23.4%
Window AC market share	35.7%

HUMAN CAPITAL

Turnover per permanent employee	₹ 2.96 crores
Percentage of employees trained	85%
Total Training mandays	56,679
Lost Time Injury Frequency Rate	0.048
Fatalities	Zero

NATURAL CAPITAL

Quantum of Water recycled	7,800 KL+
E-waste recycled	11,500 MT +
Renewable energy utilization	1,790 GJ

SOCIAL AND RELATIONSHIP CAPITAL

Villages benefited through CSR interventions	10,000+
Investor interactions during the year	100 +
Social media presence (impressions)	17.5 million +
Customer satisfaction index (consumer)	88%
Grievance resolution time (UPBG only)	39 Hrs

SDGs

4 QUALITY EDUCATION

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

ASSETS THAT ADD TO OUR RESILIENCE

A NECESSITY FOR FUTURE GROWTH

Our Company's 6 decade legacy is a testimony of our commitment to sustainable value creation for all our stakeholders. Our strong fundamentals and core competencies have positioned us to navigate the current external crisis. Our focus on prudent resource allocation, control systems, and proactive strategies continues to take our Company to the next level of growth.

FINANCIAL CAPITAL

The year was a mixed bag of events for both the industry and our Company. On one hand, we started witnessing gradual economic recovery on easing of Covid-19 restrictions and on other hand, mutation of Covid-19 variants and geo-political issues at the end of the year led to headwinds towards increase in prices and inflation as a whole.

At Voltas, we measure our progress by our ability to look beyond challenges. We have been responsive to the changes and always try to take actions on a timely basis. This helps us embrace tomorrow with agility and vigour.

Despite headwinds, we continued sailing our way ahead on our focussed approach towards

- Working on better product mix and other value engineering initiatives to drive better margins
- Planning procurement to partially mitigate escalating raw material and logistics cost and also mitigate any supply-chain issue
- Enhance focus on timely collections in all our businesses
- Selecting orders of high-quality and better margins, diligently
- Enhancing productivity
- Improving cost rationalisation
- Adopting various cost austerity measures

- Managing our Cash by investing in better rated and secured investments resulting in safe and quality returns

Our culture of managing risk in a structured manner has contributed significantly to maintaining a healthy balance sheet. Our operating cash flow has continued to remain positive despite the tides we have been facing. Borrowings has been minimal to the extent required for our overseas operations. However, our financial flexibility is demonstrated through the availability of liquidity on our balance sheet.

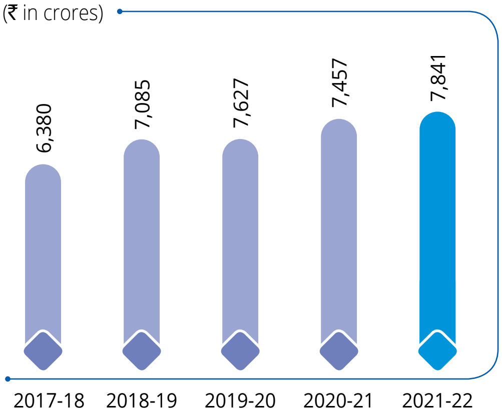
FOREX RISK

A part of our risk also includes exposure of foreign currency on account of our imports in USD. As a directive by the Governance and Board, we continue to maintain atleast 25% of our exposure hedged. We at Voltas, reserve our earnings in foreign currency in EEFC and take forward contracts on a timely basis to mitigate any risk towards depreciation in our operating currency.

UCP - Range of ACs

Sales and Services

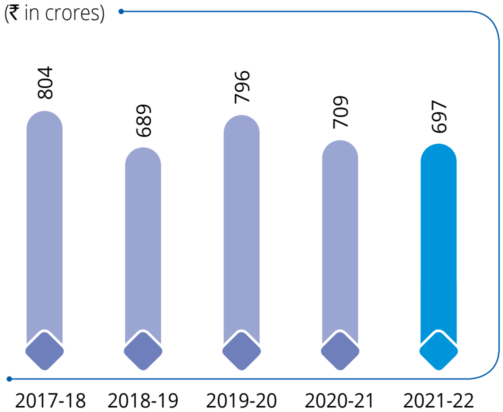
(₹ in crores)



Despite emergence of Covid variants and extended winter, thriving on the summer and our distribution reach, we managed to register growth during the year

Profit Before Exceptional Items and Tax

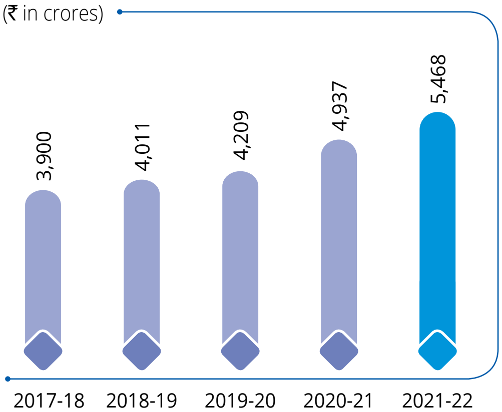
(₹ in crores)



Albeit the recovery in revenue, profit was impacted on account of loss on joint ventures and associates

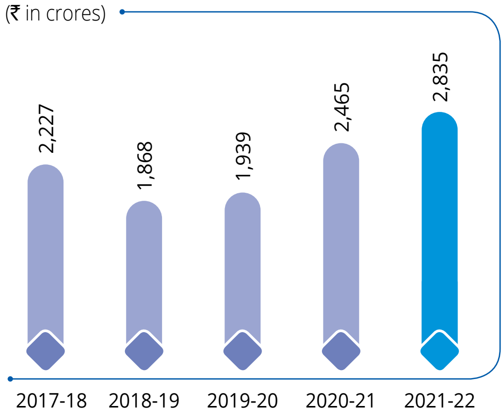
Net Worth

(₹ in crores)



Cash and Bank with Liquid Investments

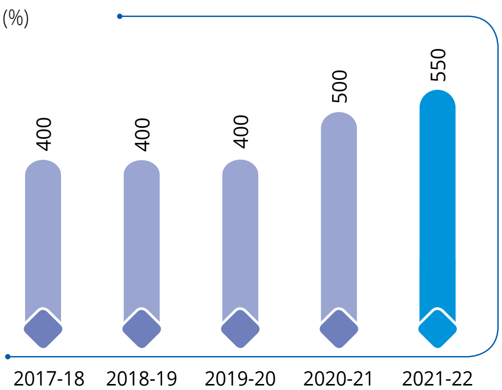
(₹ in crores)



A stronger recovery in business in the subsequent quarters, focus on collections in all divisions helped us achieve a strong cash position even in uncertain times

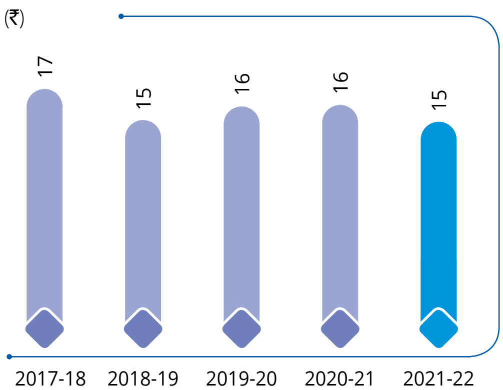
Dividend on Equity Capital

(%)

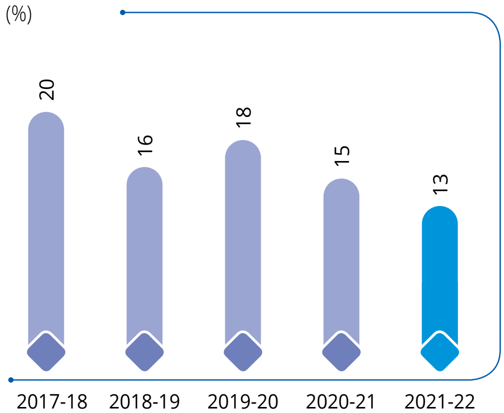


Earnings Per Share

(₹)

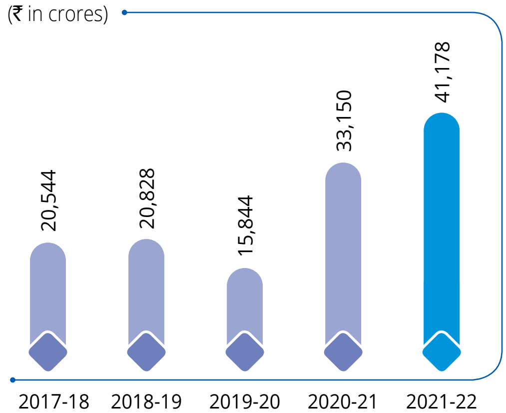


Return on Capital Employed (RoCE)



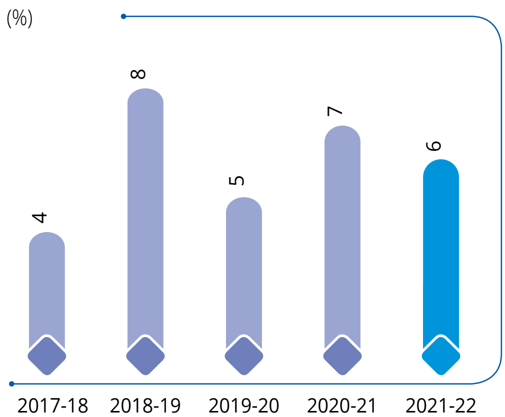
Subdued profits amidst the pandemic resulted in dip in RoCE for the year

Market Capitalisation



Strong Company fundamentals coupled with investor confidence in the Brand helped Voltas achieve a life time high of ₹ 1,356.90 per share - a market capitalisation of ₹ 44,886 crores

Debt/Equity



Capital Trade-offs

FINANCIAL CAPITAL

CAPITAL IMPACTED	STAKEHOLDER IMPACTED	STRATEGIC GOALS
Manufactured	Employees	◆ Shareholder value creation
Intellectual	Customers	◆ Improving operational efficiency
Human	Communities	◆ Building stronger cashflows
Social	Government	
Natural	Shareholders	
	Vendors	

INVESTING IN THE FUTURE

STRENGTHENING OUR CAPABILITIES TO MEET CONSUMER DYNAMIC NEEDS

We are trying to make significant inroads in the ever-evolving space with state-of-the-art manufacturing infrastructure backed by best-in-class technical know-how. We are building on our innovative product pipeline and augmenting capabilities to strengthen our manufacturing abilities to achieve self-reliance. We have committed to invest in building competencies across our verticals to support long-term growth and value creation.

MANUFACTURED CAPITAL

MAKE IN INDIA

It has been our constant endeavour to manufacture and source locally. We are in the process of setting up an additional manufacturing facility for Room Air Conditioners and expanding our installed capacity for Commercial Refrigeration products at our existing plant.

To further emphasise our commitment towards local manufacturing, we participated in the Government's Production Linked Incentive (PLI) Scheme. We have registered in the PLI Scheme for manufacturing Compressors, Cross Flow Fans (CFF), Heat Exchangers and Plastic Moulding Components as our long-standing commitment towards Atmanirbhar Bharat would be an important step towards our goal of backward integration and will help us secure our supply chain against political and trade uncertainties. Our efforts have been channelled

Refrigerator Assembly Line at Sanand

towards developing a robust local supply chain ecosystem. Our actions will help ring-fence ourselves from any unexpected eventualities in the future.

Towards the end of the year, we undertook yet another step towards tapping the opportunity in the industry. We entered a joint venture with Highly International (Hong Kong) Limited, a wholly owned subsidiary of Shanghai Highly (Group) Company Ltd. This JV would engage in the business of design, development, manufacture, marketing, sale and service of inverter compressors for room ACs, motors for inverter compressors and their associated parts. Our Company will have a 40% stake in the JV and it will help the Company be a key beneficiary of the PLI Scheme. In order to comply with the PLI requirements to manufacture components, we have planned to spend ₹ 350-400 crores in Capex.

BUSINESS RESTRUCTURING

We undertook a business restructuring exercise as a step to help us focus on B2C and B2B businesses, independent of each other while expanding the growth of each business individually. Furthermore, segregation of our businesses into separate entities will also lead to:

(i) More direct and meaningful comparison versus industry peers i.e. benchmarking business performance with industry

(ii) Financial ease through optimum utilisation of resources

(iii) Commercial ease through execution of projects under one entity

(iv) Improvement in flexibility to help us expand our business further in the B2C space

The manufacturing of frost-free refrigerators has commenced at the Sanand factory. We have also added a production line for fully automatic washing machines. This initiative of in-house manufacturing shall help us introduce more customer-centric products, helping optimise the working capital and other cost savings associated with it.

INFRA Project - DMRC

IOBG - Bahrain City Centre (BCC) Mall

Capital Trade-offs

MANUFACTURED CAPITAL

CAPITAL IMPACTED	STAKEHOLDER IMPACTED	STRATEGIC GOALS
Financial	Employees	Responsible sourcing of raw materials
Intellectual	Customers	Reducing our impact on the environment
Human	Communities	Building capacities for the future
Social	Government	
Natural	Shareholders	
	Vendors	

LEVERAGING TECHNOLOGIES TO AUGMENT PROGRESSION

NURTURING KNOWLEDGE FOR THE FUTURE

To build world-class products and provide seamless service, we continue to invest in technology, digitisation, automation, safety, environment and systems. Our untiring efforts in R&D help us innovate advanced and differentiated products. Continuously sharpening the edge of innovation is the key to building the best. Our focus on digitalisation and automation enables us to cater to the dynamic needs of our end-users.

INTELLECTUAL CAPITAL

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

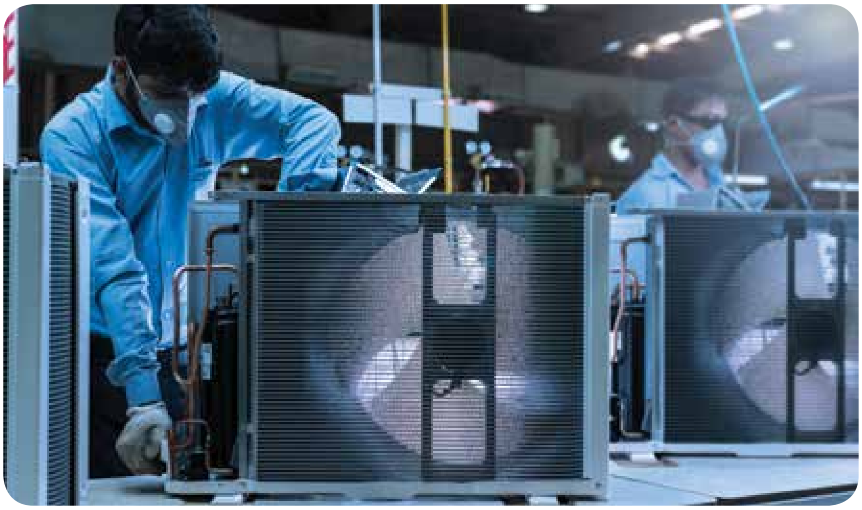
IT INITIATIVES

In the face of repeated waves of the Covid-19 pandemic and multiple lockdowns during 2020 and 2021, Work-from-Home (WFH) and a hybrid work culture became the new norm. Voltas' response to these changing needs was quick, and we launched multiple initiatives to provide an enhanced experience to all our consumers. The process was further strengthened to enable remote support for a smoother transition with minimal work disruption. The Company made constant improvements to the IT infrastructure and security. Voltas successfully completed the Vulnerability Assessment and Penetration Testing (VAPT), and also enhanced the Web Application Firewall (WAF) and NextGen EDR. In order to ensure seamless connectivity and remote collaboration, the Company introduced IT capacity and version upgrade initiatives such as expansion of the Storage Area Network (SAN) storage capacity of servers, along with the backup capacity of Data Center and DR

Servers, increasing the internet bandwidth across all our offices, and upgrading active directory and SMTP servers, thereby providing an advanced solution for fast backup restoration.

APPLICATIONS AND DIGITAL

In the process of Business Transfer, the Company's IT team ensured configuration of all systems and applications for smooth and uninterrupted transition of the business. Voltas launched its own e-Commerce portal (www.voltaslounge.com), and new implementations were undertaken for e-Procurement. Various functionalities such as online payment integration, channel partner financing, consumer finance integrations, AMC Renewal alerts, were some of the projects undertaken in Siebel and SAP. With the changing IT dynamics and demands, the Company increased its emphasis and focus on digitalisation.



Pantnagar facility

IT Asset Management System, Safety Portal enhancements, Technician Safety App, CRM enhancements were some of the key initiatives on Web. New processes were added using Analytics and Robotic Process Automation (RPA), integrated with cutting-edge third party systems. Analytics platform was extended for new business units and new interfaces were added with banks, partners (like Tata Cliq), and external applications (like Optiexim, Delhivery, among others). Collectively, all the work and developments during the year played a critical role in further enhancing business advantage, customer delight and in securing the digital environment of the organisation.

Voltas Beko - A range of Consumer Durables

INDIA'S FIRST AC WITH HEPA FILTER TECHNOLOGY

PureAir 6 Stage Adjustable Inverter AC comes with a unique value proposition of 'Pure & Flexible Air Conditioning', powered with HEPA Filter, PM 1.0 Sensor and AQI Indicator (an industry first). It helps purify the indoor air and is also loaded with 6 Stage Adjustable Tonnage Mode. Allowing the user to switch within multiple tonnages, depending on the ambient heat or number of people in the room, the AC provides pure and clean air, savings, and optimisation of running costs.

FEATURES:

- **HEPA Filter:** Provides a very high level of filtration for the smallest and the largest particulate contaminants.
- **AQI Indicator with PM 1.0 sensor:** A multicolour indicator ring to show the AQI range and a highly sensitive PM sensor that detects particulate matter with the highest accuracy.
- **Multi Adjustable Mode:** Intelligent switching within multiple tonnages, basis ambient heat and the number of people in the room.
- **Super UVC Technology:** Provided in select models for further purification.
- **Eco-friendly Refrigerant:** Green R32 refrigerant, which is environment friendly.
- **High Ambient Cooling:** Keeps the user comfortable even at 52°C.

3

SKUs LAUNCHED

MAHA-ADJUSTABLE INVERTER AIR CONDITIONERS

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

FEATURES:

- Adjustable range from 0.75 Ton, 1 Ton, 1.2 Ton, 1.5 Ton or 2 Ton depending on the ambient heat or the number of people in the room; leading to savings and reduction of running cost.
- **Multi-Adjustable Mode:** Intelligent switching within multiple tonnages, basis ambient heat and the number of people in the room.
- **Super UVC:** The PureAir AC in this range comes with Super UVC technology and TiO2-coated air filtration system.
- **Superdry Mode:** Controls the humidity levels in the room by quick dehumidification.
- **Eco-friendly Refrigerant:** Green R32 refrigerant which is environment-friendly.
- **High Ambient Cooling:** Keeps user comfortable even at 52°C.

32

SKUs LAUNCHED

FRESH AIR COOLERS

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

FEATURES:

- **Smart Humidity Controller:** Optimises the humidity in the air
- **Mosquito Repellent:** Resists mosquito breeding and keeps them away
- **Turbo Air Throw:** Large fan size delivers a powerful air throw to cool large spaces
- **Pre-Soaking:** Pre-cools the Honeycomb pads before starting the fan, releasing cool and fresh air
- **Honeycomb Cooling pads:** Comes with better durability and provides uniform cooling without letting dirt and sediment deposit

38

SKUs LAUNCHED

VOLTAS FreshAir® Coolers

RO-ENABLED WATER DISPENSERS

FEATURES

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

22

SKUs LAUNCHED

WIDER CHOICE OF COMMERCIAL REFRIGERATION EQUIPMENT

We strengthened our overall portfolio by introducing 60 SKUs of Commercial Refrigeration products, including Convertible Freezer, Freezer on Wheels and Curved Glass Freezer.

FEATURES

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

COLD ROOM

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

60
SKUs LAUNCHED

ECO-FRIENDLY WATER COOLERS

FEATURES

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

25
SKUs LAUNCHED

PRODUCT SOLUTIONS

RUKS COILOTRON

Developed by our Company Voltas and Canada-based Ruks Engineering Limited. The product ensures near-total elimination of Mold, Fungi, and Microbes on the Cooling Coil and Drain Pan.

FEATURES

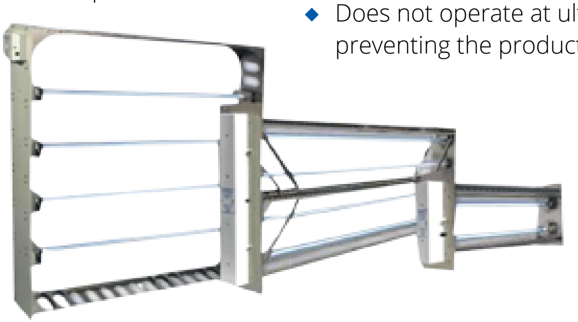
- 100% elimination of Endotoxin and Pathogens on coil
- Improves heat transfer efficiency by up to 20%
- Suitable for new or retrofit installations and is easy to install
- High energy output 425 mA lamps emitting at 253.7 nM
- Two lamps per fixture for increased energy and spread
- High reflective mirror surface providing 86% specular reflectivity
- Highest lamp life in industry
- Tested and certified by the UL for compliance with fire and smoke safety to UL 2043 and is CE Certified

RUKS GERMITRON

The RUKS GermiTron Ultraviolet Germicidal Irradiation (UGVI) System can kill 90% of bacteria and viruses per pass. This indoor air quality and bactericidal management system has a scientifically proven design with computerised selection to ensure the delivery of specified or target kill rates.

FEATURES

- Provides software version of selection
- Customised design to suit airflow and duct size
- Comes with rated average life of lamps at 16,000 hours
- Offers high energy output 800 mA lamps installed in frame-mounted Quartz Sleeve
- Is environmentally friendly, easy and facilitates quick lamp change
- Does not operate at ultra-low wavelength, thereby preventing the production of ozone

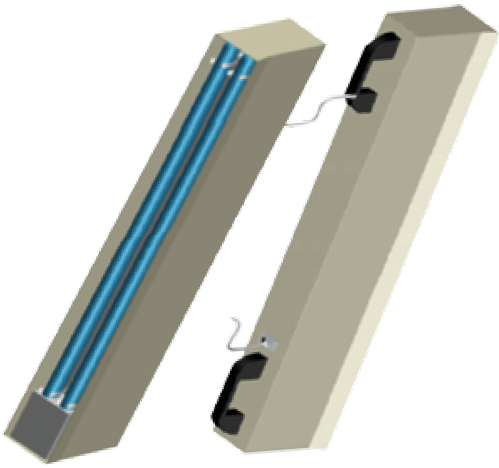


HANDHELD

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

FEATURES

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



UV CART SYSTEM

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

FEATURES

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

VOLTAS BEKO HOME APPLIANCES

REFRIGERATORS

Our portfolio includes refrigerators with industry-defining features and a combination of unique patented technologies – HarvestFresh™ and StoreFresh™.

FEATURES

- **HarvestFresh™ Technology:** Upto 30 days' freshness of fruits and vegetables
- **Active Fresh Blue Light Technology:** simulates natural lighting conditions, keeps food fresh
- **Neofrost™ Dual Cooling Technology:** Maintains the same temperature right from top to bottom of the crisper, ensuring no mixing of odours between compartments
- Additionally, the refrigerators include dynamic features such as Fresh Guard™, and Ion Guard™

MICROWAVE

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

FEATURES

- Auto cook programme
- Ample room for large-size containers
- Perfect aesthetics look which complements cooking and kitchen
- Advanced feather touch digital display
- Active Defrost technology

WASHING MACHINE

Introduced our 5 Star rated Top Load Washing Machine range built on the principles of industry-defining USPs like Fountain Wash and adjustable Jet function. The wide portfolio of washing machines caters 7.5 to 14 kg capacities.

FEATURES

- Stain Expert Function: Helps remove 26 tough stains
- Steam Wash: Softens dirt, releases wrinkles and sanitises clothes
- Prosmart Inverter Motor: Enhances washing machines' performance while consuming less energy and with brushless motor
- India's first 5 Star Semi-Automatic Washing Machine

DISHWASHERS

Our range of Dishwashers are specially designed to meet the needs of Indian kitchens while rinsing heavy stains developed due to the Indian cooking style. During the year, we expanded our product offering with the introduction of AquaIntense™ and Fast Plus functions. Our Dishwashers are available in full sizes and also as table-top Dishwashers.

FEATURES

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

Capital Trade-offs

INTELLECTUAL CAPITAL

CAPITAL IMPACTED	STAKEHOLDER IMPACTED	STRATEGIC GOALS
Financial	Employees	Innovate offerings
Manufactured	Customers	Harness opportunities
Social		Leverage capabilities and capacities

TALENT THAT HELPS US TRANSFORM

NURTURING OUR HUMAN CAPITAL TO DRIVE GROWTH

We focus on the development of our employees' over-all competence, health and safety. We aim to be a reliable employer and an encouraging working entity where every individual has the opportunity to hone their skills and abilities.

HUMAN CAPITAL

At Voltas, we aim to create a work environment where our employees flourish. Employees play a critical role in successfully running our diverse business offerings, creating value and supporting us in meeting the expectations of our stakeholders. Our employees proactively contribute to create a sustainable future through our smart engineering technology and processes, and we are committed to their well-being and safety. Our people initiatives promote the holistic growth of our people. Over the years, we have improved our employee engagement score and reduced work-related accidents.

Waghodia facility

8,000+

NUMBER OF EMPLOYEES

Waghodia facility

DIVERSE WORKFORCE

Our diverse workforce brings unique and different skill sets and experiences to our organisation, and we further nurture this talent through our various holistic development programmes. We follow a two-pronged approach by building internal resources and hiring industry experts.

We strive to make our workplace inclusive while encouraging our employees to present and implement their diverse thoughts and perspectives. We are also an equal opportunity employer and ensure there is no discrimination against our employees based on race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability or any other category protected applicable law.

3 lakhs+

EMPLOYEE LEARNING HOURS

2,000

MODULES ON DIGITAL LEARNING PLATFORMS

Coex, Fire safety & House keeping stand down

EMPLOYEE WELFARE AND WELL-BEING

At Voltas, we respect human rights and ensure they are protected and governed by the Tata Code of Conduct (TCOC). We have a zero-tolerance policy against harassment, whether sexual, verbal or psychological. Apart from that, we ensure that we do not employ children at our workplaces. Our code of conduct also safeguards against forced labour of any kind. During the reporting year 2021-22, we did not receive any complaints related to sexual harassment, child labour, forced labour and involuntary labour. During these challenging times of the Covid-19 pandemic, we took care of our employees and ensured that our employees had access to doctors, counsellors and helpline numbers.

We have taken several initiatives toward our employees' well-being, which has become a core driver of our growth. The three pillars of our well-being initiatives include Physical well-being, Financial well-being and Emotional well-being.

Swachh Bharat Mission

Blood donation at Azaiba Muscat, Oman

EMPLOYEE ENGAGEMENT

We constantly try to understand and resolve any concerns and challenges our employees face through our various employee engagement programmes and initiatives. Our focus remains on creating an employee-centric environment by conducting employee satisfaction surveys, performance feedback, and organising employee connect programmes. We believe in the

ICICI - Gas welding training

holistic well-being of our employees and have initiated various programmes around financial, emotional and physical wellness for our employees. An immediate shift from physical to virtual learning was one of the key breakthroughs in Covid-19 times.

We came up with new ways to engage remotely with the employees regarding their learning and development needs. We leveraged our learning platforms like Percipio, HandyTrain, TMTC, among others, to promote online learning and build on the learning culture in the organisation.

TMF RAC training

Plumbing training being imparted to students at plumbing lab

EMPLOYEE LEARNING AND DEVELOPMENT

At Voltas, we believe in fostering a culture of continuous learning. Development and learning is the core of our human resource strategy. We achieve this by providing learning opportunities across different functional areas through varied learning channels to all employees, associates, and service technicians. Upgrading our skills and knowledge is one way of keeping up with the constant technological advancement and changes in the market. We have

Students at Voltas supported Skill training centre in partnership with Fr. Agnel Technical Institute

We started our journey of digitalising the learning and development offerings in 2018, focusing on improving e-learning by introducing Skillsoft. Consequently, we launched Handytrain mobile application in 2019 to reach out to service technicians. With the introduction of this application, we have been able to reach out to more than 10,000 users. Our internal subject matter experts have developed more than 100 modules.

customised business-specific training modules designed in consultation with different departmental heads.

Role-based learning and development have been our focus since last year. Our knowledge and skill enhancement e-initiatives are designed based on the training needs and gaps analysis in discussion with business heads. We cover right from front line franchisee technicians to our senior management employees in these initiatives. Following are some of the initiates we undertook last year:

- Sales training programmes for Business Managers of UCP
- Service effectiveness training programmes for Area Service Managers (ASM)
- Service effectiveness training programmes for Branch Service Managers (BSM)
- Product training programmes for Area Sales Managers and Branch Managers
- Soft skill training programmes for In Shop Demonstrators (ISD) across locations in India
- Soft skill/service effectiveness programmes for all the technicians of franchisees and direct service centres (DSC)
- Technical and functional skills enhancement webinars through In-house Subject Matters Experts
- E-learning courses on percipio, addressing the needs across grades
- **TATA Management Training Centre session for:**
  - Soft skills and functional programmes through VILT mode and classroom mode
  - Need-based programmes addressing the requirements across levels
  - Leveraged free content on various websites such as ASQ, APQC and TATA platforms
  - On-the-go learning through our mobile learning app, Handytrain. Catering for the byte size learning needs across the organisation also extended to our service providers.
  - POSH awareness training programmes for all employees
  - POSH training for IC members
  - TCOC programmes for GM and above level employees

Project site - Safe usage of Hand & Power Tools

TBT - Power Tool, Reem

OCCUPATIONAL, HEALTH AND SAFETY

The health and safety of our employees are of paramount importance to us. We have been actively focusing on creating a safe working environment by encouraging the participation of our employees. We are continuously striving to identify and mitigate the risks posed to our employees and our workers in our business.

Our safety standards, practices and policies are governed by the Tata Group's Safety Standards. We also have our Safety, Health and Environment (SHE) policy that serves as a framework to prevent and report injuries at workplace. Our occupational health and safety management system is ISO 45001 certified and covers all our employees and workers, including projects, manufacturing units and services.

One of our key focus areas has been the Safety Leadership Programme, and people were trained for the same during the reporting year. We also conducted external trainings under the safety leadership programme for our top management. Our Hazard Identification and Risk Assessment (HIRA) process involves identifying work-related hazards, reporting unsafe practices and conditions, calculating the risk levels, and taking control measures to avoid any such incidents. Further, we conduct our safety leadership audits by Senior Management on a periodical basis.

RAC - Skill development training

KEY SAFETY INITIATIVES

The initiatives we undertook during the reporting year were road safety annual campaigns and working at height safety annual campaigns, since these are some of major work-related hazards we have identified as a Company. We have developed mandatory safety inductions, which includes training modules on-road and driving safety, and material handling, among others, for our service technicians.

Some other initiatives undertaken were safety awareness training for new service joiners before being transferred to the branches; and a refresher safety training programme for the engineers at the customer site. In addition, our service engineers deliver toolbox talk before commencement of work everyday, safety briefing to colleagues and workers with details on the emergency exit routes, and safe assembly points, among others.

Capital Trade-offs

HUMAN CAPITAL

CAPITAL IMPACTED	STAKEHOLDER IMPACTED	STRATEGIC GOALS
Financial	Employees	Build a safe working environment
Intellectual	Customers	
Manufactured		
Social		

TRANSFORMING RELATIONS THROUGH SHARED VALUES AND COMMITMENTS

VALUING THE TRUST THAT OUR STAKEHOLDERS, COMMUNITIES AND SOCIAL NETWORKS ENTRUST US WITH

Our purpose is to unlock the power to enhance the quality of life for everyone today and for generations to come. This purpose drives us to positively impact the lives of people we are surrounded by – now and in the future. We are constantly evolving our strategies by aligning and re-evaluating activities to meet the expectations of stakeholders, thereby prioritising them.

SOCIAL AND RELATIONSHIP CAPITAL

CONSUMERS

Comfort, care and convenience are the key metrics at our Company when it comes to customer satisfaction and enhancing quality of life. Our state-of-the-art, innovative, and efficient products aim to simplify life, add a class, and enrich the experience each time.

CUSTOMER FIRST

As a part of our 'Smart Thinking' philosophy, we have grown manifolds to touch the highest distribution reach in the country over the last ten years, to more than 24,000 touchpoints. Additionally, we have also launched an exclusive online web store – www.voltaslounge.com – as a one-stop solution for buyers looking to purchase Voltas or Voltas Beko products. Currently, our presence spans over 200 Exclusive Brand Outlets (EBOs), and many more are expected to come up in the near future. We have also launched several Brand Shops in Tier 1, 2 and 3 cities across the country to meet consumers' demand in these markets – enabling them to experience the best-in-class and technologically advanced range of products.

VOLTAS LOUNGE

We aim to work towards exceeding the expectations of our customers constantly. Observing a shifting focus towards consumer preference for online shopping, we launched our new web store - www.voltaslounge.com, aiming to reach out to our customers 24X7 and be available to them at all times, from within the comfort of their homes. Strenghtening presence across channels, this Web Lounge is a one-stop-shop for customers looking to purchase Voltas products online. The customers also get access to the range of Voltas Beko home appliances for online purchase of Refrigerators, Washing Machines, Dishwashers and Microwaves. The Web Lounge comprehensively showcases the products' line-up to the consumer from the house of Voltas.

Voltas Lounge

1ST EXPERIENCE ZONE IN THE WEST

As a market leader, customer centricity has always been at the core of all our offerings. Taking a step towards our strategic ambition, we inaugurated our first Experience Zone in West India, located at Prabhadevi, for our valuable customers in Mumbai. This Experience Zone offers a unique experience to our consumers, integrating the world's best technology in white goods with comfort and convenience.

The objective behind creating an Experience Zone was to make the experience of buying home appliances exciting and memorable for consumers. To manifest the same idea into the store, we have created conceptual experience booths and corners to display products rather than opting for a regular store that simply showcases the products on a wall or in a cluttered floor plan. In addition, the centre has a 'Sustainability Zone' as well where we showcase our sustainable products made from recycled fishnet waste, recycled plastic bottles and thread waste, encouraging consumers to build a greener future together. Consumers can also experience what living in a 'Smart Home' feels like by exploring our HomeWhiz™ platform that provides a range of connected home appliances, offering products, services and user experiences. With a state-of-the-art design and the latest technology to fulfil the needs of a modern home, our Experience Zone also has a corner for displaying products for a hygienic home.

Scan to browse Voltas Lounge

Voltas and Voltas Beko Experience Zone, Mumbai

SUMMER AND FESTIVE BONANZA

With our consistent efforts towards bringing happiness to our customers, we once again brightened the festive season through our channel partners with the 'Grand Mahotsav Offer'. This was a step toward fulfilling customer aspirations and bringing the products closer by making purchasing more attractive and affordable. During the festive season between October-November 2021, we came up with a 41-Day long exclusive offer through our channel partners, which included:

- Zero down payment options
- Special cashback offers on Voltas and Voltas Beko products
- Attractive Easy EMIs
- Up to 5-year comprehensive warranty
- Standard installation for ACs

To make the purchase process easier, we launched several consumer schemes such as 15% cashback on major banks' credit and debit cards, Zero Down Payment Schemes on NBFC with choice of 6 and 8 EMIs, among others. Keeping true to our brand promise and dedication to the 'Make in India' initiative, we introduced a gamut of state-of-the-art products in the market last summer.

CUSTOMER CARE AND DIGITAL INITIATIVES FOR PRODUCT SOLUTION

We have successfully introduced, automatic mails, WhatsApp call registration, and a dedicated dealer app to create last-mile connectivity with our customers and value chain partners. We have also introduced a weblink, which helps choose warranty and maintenance for servicing. This initiative is aimed at cost-saving while also improving customer convenience.

We are enhancing our customer care services with smart service engineers and digital interventions. Our service engineers are equipped with 150 real-time learning and development modules for resolving issues. We also have DO IT YOURSELF (DIY) videos that are cost-saving and offer quick service and instant satisfaction for our customers. Along with these, all our service engineers are constantly building their capacities through three types of modules – safety, soft skills, and product training. We have already introduced Hindi and English Modules, and there are more modules in progress, being developed in regional languages. In this process, service engineers are mandatorily required to secure a minimum benchmark score before starting customer home visits for service. In the context of Customer Relationship Management, we have established various modes of communication and feedback support systems.

Voltas Beko Experience Centre, Mumbai

COMMUNITIES

Shared value creation has always been fundamental to the way we do business. For decades, our activities and products have aimed to make a positive difference in society, fostering our ongoing success. We have long believed that our Company can only be successful in the long term by creating value both for our shareholders and society.

Our interventions in the environmental and social spheres go beyond compliance requirements and aim to create a positive, tangible and sustainable impact on the communities within which we function. All our efforts are aligned with national and international development goals to provide maximum value to all our stakeholders. In a bid to build sustainable communities, we focus on skilling beneficiaries and capacity-building of NGOs, to set both our implementation partners and the communities up for success.

28
TRAINING CENTERS ACROSS 13 INDIAN STATES

₹ 12.94 crores
CSR EXPENDITURE

25
SKILLS DEVELOPED FOR BENEFICIARIES

COMMUNITY DEVELOPMENT PROGRAM

Our CSR policy emphasises serving the local, societal and national goals. In line with the importance given to responding to the issues of National Importance, we have been addressing issues like disaster management, sanitation and affirmative action through the years.

QUALITY EDUCATION

HEALTH

WATER

MHM training with adolecent girls group, Piparkui village

Water budgeting workshop, Mastupura

WATER

Under the Participatory Ground Water Management Project, phase two of the programme, six needy villages in the perennially drought affected Beed District of Maharashtra are covered through interventions for Water Resource Management and Sustainable Agriculture activities. The Beed District receives only around 700 mm of annual rainfall. Further, Marathwada is a landlocked region, heavily dependent on rainwater with depleted underground water resources. Water sources do not get refilled, forcing most communities to migrate to the sugarcane farms in western Maharashtra and Karnataka to sustain themselves.

AFPRO - Artificial Recharge Structures, Mahabal

Layout mark, AsardohBlock Dharur

QUALITY EDUCATION

We support programmes aimed at enhancing English language proficiency (with the NGO 'Learning Space Foundation'), capacity building of teachers (with the NGO 'Muktangan') and inculcating reading habits (with the NGO 'Room to Read'). All these interventions have benefited students and teachers from Zilla Parishad and Government Schools. We have made efforts to improve the pedagogy with a focus on building the capacities of Teachers to ensure the sustainability of the outcomes.

Waghodiya Kanya school urinal after intervention

Rajnagar school hand wash stand

SUSTAINABLE LIVELIHOOD PROGRAM

We acknowledge the significance of self-reliance and economic independence for holistic and sustainable development. Through various skill development programmes, we seek to enhance youth employability in the age group of 18 to 25 years. These programmes are coupled with on-the-job training and placement opportunities as well.

Technical Training

Refrigeration and Central Air Conditioning (RAC, CAC), Plumbing, Electrical & Automotive

Non-Technical Training

Business Correspondent and Business Facilitator (BCBF), Customer Care Executive (CCA), Sewing and Tailoring, Nursing

Recognition of Prior Learning (RPL)

RAC & CAC, Plumbing, Electrical and Masonary Electrical & Automotive

Sustainable Livelihood through Skill Development is our flagship CSR Programme. The programme has been implemented in 13 States across India with the help of 11 NGO partners and is delivered through 22 technical and 3 non-technical skill programmes. Taking forward the TATA Group's Affirmative Action policy, we are committed to create and promoting access to quality skill training and capacity building for the Scheduled Castes and Scheduled Tribes. We support the social inclusion of these communities, which strive to further the Affirmative Action mandate in a focused and integrated manner.

We also conduct non-technical, short-term courses in the areas of vocational skills, sewing and tailoring and support to girls from SC/ ST Community for Auxiliary Nursing Midwifery Course. Through our non-technical training centres in Thane, Bhubaneshwar and Panvel, we trained 415 candidates through these courses during the reporting period. Due to the pandemic and country-wide lockdowns, the number of placements through this initiative was slightly impacted.

Being an industry leader, we channel our technical expertise and experience in designing and updating the course curriculum and syllabus of the Room Air Conditioning (RAC) and Central Air Conditioning (CAC) courses. This has helped us make this course industry-oriented and market-linked.

TMF practicals, parts of AC

RECOGNITION OF PRIOR LEARNING (RPL)

RAC Training on simulator

Training - Brazing

RAC & CAC, PLUMBING, ELECTRICAL AND MASONRY

Sustainable Livelihood through Skill Development is our flagship CSR Programme. The programme has been implemented in 13 States across India with the help of 11 NGO partners and is delivered through 22 technical and 3 non-technical skill development centres. We successfully trained many youth from marginalised sections of the community during the reporting period.

The concept 'Recognition of Prior Learning' – RPL – is gaining importance worldwide. It aims to appreciate prior learnings and competencies of the candidate, irrespective of the medium of achieving it. To understand the training and skill upgradation requirements and identify gaps as per market trends, a needs assessment exercise was undertaken in the east zone of our ecosystem (in West Bengal - Jamshedpur and Kolkata). It offered a vast and comprehensive platform to understand different aspects related to RPL in detail.

Stakeholder engagement formed a crucial part of the need assessment. Different stakeholders engaged in open and constructive discussion sessions, including semi-skilled technicians, contractors and sub-contractors, franchises, service engineers, technical experts, and customers. Actual site visits and field interactions during the needs assessment helped devise and fine-tune appropriate modalities and best-suited strategies to roll out the RPL initiative.

Plumbing training being imparted to students at plumbing lab

Electrical training

Brazing training of the contract base associates

IOBG Training - Al Sheraa DEWA HQ Project - UAE

Voltas Pantnagar Facility

STAKEHOLDER ENGAGEMENT AND MATERIALITY ANALYSIS

At Voltas, we understand the need for stakeholder engagement and long-term value creation. We strive to create value by focusing on optimising sustainability and financial returns.

We have an effective dialogue mechanism to address the key concerns of stakeholders. Based on the responses received and impacts assessed, we hold regular discussions to focus and address those issues. This creates a transparent and effective communication channel among the stakeholders, strengthening their trust on our long-lasting relationships with them.

STAKEHOLDER ENGAGEMENT

We have developed a robust mechanism to engage with our stakeholders. We address the needs and concerns of our key internal and external stakeholders through a stakeholder mapping exercise. Our internal stakeholders include employees – permanent and contractual. Our key external stakeholders, in no order of preference, include shareholders and lenders, Government and Regulatory authorities, industry associations, customers, suppliers, NGO's, community, dealers and distributors, contractors, media and academic institutions. We engage with our internal and external stakeholders periodically through consultations and provide platforms or communication channels such as surveys and press releases to freely express views or opinions.

STAKEHOLDERS	WHY ARE THEY IMPORTANT?	ENGAGEMENT CHANNELS
Shareholders and Lenders	Provide financial resources	◆ Periodic Conference/Investor Meets ◆ Quarterly Performance ◆ Briefings ◆ Annual General Meeting
Government and Regulatory Authorities	Legal, compliances or policies important to our business	◆ Meetings
Industry Associations	Develop partnerships on mutual interest	◆ Industry Conferences ◆ Press Releases ◆ Regional Industry Events ◆ Memberships in Associations
Customers	Long and beneficial relationships will help the business exist	◆ Net Promoter Score ◆ Feedback Surveys
Suppliers	Facilitate in business operations, provide an edge in the market	◆ Supplier Management ◆ Portals ◆ Supplier Audits ◆ Surveys
Community	Social impact and vital to business operations	◆ CSR Initiatives ◆ Community Grievance ◆ Mechanisms
Dealers and Distributors	Ensuring quality of products	◆ Feedback ◆ Surveys
Contractors	Value creation through OHS training and fair labour practices	◆ Contractor ◆ Management Portals ◆ Surveys ◆ Feedback
Media and Academic Institutions	For innovation and strategizing business objectives	◆ Media Briefings ◆ Press Releases ◆ Feedback

MATERIALITY ASSESSMENT

We conducted a comprehensive materiality assessment to identify and understand the issues that significantly impact value creation. The assessment identified the top 11 material topics that had interlinkages with ESG performances. Due to the dynamic operating environment, the material topics keep evolving on the sustainability front. However, the materials remain constant.

ENVIRONMENT

MATERIAL TOPICS	STRATEGIC OBJECTIVE	APPROACH
Emission Management	Committed to bringing a positive impact	Decarbonising by switching to eco-friendly refrigerants, improving operational energy efficiency
E-Waste Management	Safe disposal of E-waste	Adhering to e-waste disposal rules and policy
Environmental Compliance	Compliance with statutory standards	Regular checking and monitoring systems

SOCIAL

MATERIAL TOPICS	STRATEGIC OBJECTIVE	APPROACH
Fair Labour Practices	To promote fair practices and equal treatment	Adhering to TCOC and contract management
Health and Safety	To provide resilient and safe working atmosphere	Implementing safety measures through training and awareness
Local Community Engagement	To bring a positive impact on the communities and strengthen the bond with them	Empowering local communities through education, safe drinking water, skill development
Stakeholder Engagement	To address the impact and concerns of stakeholders	Stakeholder Relationship Committee
Product Lifecycle	To provide quality products and retain customers	Innovating through customer insights and inputs
Development of Energy-Efficient Products and Spaces (R&D)	To provide products that have positive impact on the environment	Investing in R&D

GOVERNANCE

MATERIAL TOPICS	STRATEGIC OBJECTIVE	APPROACH
Economic Performance and Market Share	To provide better returns for our investors	**Investing in joint venture for a sustainable tomorrow**
Governance and Ethics	To create a safe, transparent environment for stakeholders	**Adopting Tata business model**

Capital Trade-offs

SOCIAL AND RELATIONSHIP CAPITAL

CAPITAL IMPACTED	STAKEHOLDER IMPACTED	STRATEGIC GOALS
Financial	Employees	Long-term value creation
Manufactured	Customers	Localised sourcing
	Government	Welfare development of the society
	Shareholders	
	Vendors	

PROGRESSING WITH SUSTAINABILITY AT OUR CORE

VALUING AND INTEGRATING NATURE INTO OUR OPERATIONS TO MAKE SMARTER CHOICES AND PRESERVE TOMORROW

We are taking the initiative by actively contributing, and consistently moving ahead to integrate sustainability in everything we do. We are consciously reducing, reusing, and recycling increasingly to reduce our carbon footprint. As a responsible company, we take proactive measures to manage resources, laws, policies, and ensure accurate allocation of resources for clients to responsibly minimise our environmental footprints.

NATURAL CAPITAL

7,800+ KL
QUANTUM OF WATER RECYCLED

265
WATER TREATMENT PLANTS INSTALLED TILL DATE IN BIHAR

11,500+ MT
E-WASTE MANAGEMENT

300 MW
SOLAR ENERGY PROJECTS COMMISSIONED

100%
ZERO ODP FOR NEW RAC PRODUCTS

SOME OF OUR GREEN INITIATIVES

- Installing daylights on the factory rooftop which resulted in power savings of 6,098 kWh and a reduction of 5.2 tons of CO2 per year. Automatic operation of a water pump for testing purpose resulted in power savings of up to 315 kWh and a reduction of 0.27 tons of CO2 per year.

- Adopting trans vector type pneumatic cleaning air guns significantly reduced our power consumption to 10,080 kWh and a reduction of 8.6 tons of CO_2 per year.
- Installing high-Volume Low Speed (HVLS) Fans for ventilation in the factory locations;
- Started using Battery-operated forklifts and BT trucks for material handling.
- Replacing all the conventional lights with LED lights at Mumbai Head office and about to adopt this practice in all other office locations across India.
- Conducting regular preventive maintenance activities to ensure the energy efficiency of equipment that increases the durability of systems like HVAC, UPS, DG set, elevators, and electrical panels. We replaced old and inefficient HVAC systems with new energy-efficient ones. Close monitoring of the central HVAC system by the admin team, for better floor temperature, resulted in optimum energy utilisation.
- Leveraging the use of machinery and energy audits at our Textile Machinery Division for its customers to promote the energy efficiency of its services. We have transitioned to IE3 motors in our services, which has significantly reduced our clients' need for energy and reduced the overall emissions.
- Reducing our carbon footprint by conducting renewable energy business. One of our subsidiaries recently started EPC business for Solar projects. We are planning to commission 300 MW by the end of the year, out of which 50 MW has already been commissioned. The spread of the business includes more than 10 States of India.

Voltas commissions first solar project in Dubai For SirajPower

OZONE-DEPLETING SUBSTANCES

We are taking proactive measures to phase out HCFC to protect our environment and ozone layer well before the timeline proposed under Kigali Agreement. One of our key steps against the phase-out is the use of eco-friendly refrigerant R-32, which has zero ODP. Our R&D facility has played a pivotal role in exploring different eco-friendly refrigerants with lower carbon equivalent emissions. These include exploring opportunities by using L20 (a blend of R32, R15 and R1234f) with much lower GWP and ODS. For our chest freezer, we use green refrigerants like R600a and R290, with a GWP of 3 and 20, respectively. We are well ahead on the research aspect in this sector and have modified the assembly line at our manufacturing facilities. This also includes the use of CO2 (R744), which has almost zero or NIL global warming potential compared to HFC refrigerants. This has helped in the reduction of direct emissions of our plants.

The solar water absorption machine (VAM-10 TR) uses water as a green refrigerant. This has been a very important step for us to reduce the impact on the environment.

Water treatment plant

WATER MANAGEMENT

As water is a precious resource, we are committed to utilising it judiciously while ensuring efficient water management. Our processes are not water-intensive, however, we are consciously adopting water neutral technologies and solutions. We ensure minimisation of water consumption by adopting several water-saving initiatives. To this end, we have also implemented Rainwater Harvesting systems.

The wastewater discharged to Common Effluent Treatment Plant (CETP) in Pantnagar is within the permissible limits of the Government guidelines. We also use some of the treated water for horticulture and domestic purposes. We have 20 KLD STP facilities at Waghodia, where treated water is utilised for gardening purposes.

Our Waghodia facility successfully saves over 2,500 litres of water per day by replacing Coil Submerged Leak testing with the new Helium Leak Testing Machine. Through this change, we saved 832,000 litres of water in 2021-22.

Our Textile Machinery Division (TMD) has also significantly reduced wastewater discharge into the rivers. We ensure limiting the impact due to release of effluent for our TMD customers by offering them machines and services with Zero Liquid Discharge.

Our M&CE division is proactively engaged with clients in providing best-in-class services by acknowledging the potential impact of mining industry on the environmental footprint. The division is significantly collaborating with various stakeholders to create value and ensure long term business sustainability.

WASTE MANAGEMENT

We have been following the Reduce, Reuse, Recycle (3R) approach for our waste management practices. We take conscious efforts to manage waste generated at our facilities effectively. The waste generated is classified as non-hazardous and hazardous. The hazardous waste, which is a minor portion of our complete waste, is disposed off through Government-authorised agencies and recyclers. This is done by strictly following all Government guidelines and regulations.

During the year, we inaugurated our first Solid Waste Management unit in Madodhar Village, near Waghodia manufacturing plant, as a part of our 'Kachare Se Azadi' initiative. The reprocessing plant has been set up for solid waste disposal. It is well equipped to segregate dry waste and wet waste to make plastic items, fertilisers and liquids for sustainable growth. We have also partnered with Coastal Salinity Prevention Cell (CSPC) to make provisions for improving the basic needs of hygiene in the communities.

At our Waghodia facility, we recycled and converted 6 MT of scrap copper tubes into usable copper tubes. We also recycled other waste materials like scrap oil and batteries through authorised vendors. Our Engineering Projects (International) services effectively managed about 1.7 MT of HDPE plastic wastes through recycling this year.

Our non-hazardous wastes include E-wastes. In adherence to the e-waste policy, we could achieve a 100% target of e-waste recycling. We also collaborated with Producer Responsibility Organizations for the Extended Producers Responsibility of e-waste and implemented customer buyback schemes to decrease the overall waste.

22
SOCIETIES COVERED

10,000+
VILLAGERS BENEFICIARIES

Capital Trade-offs

NATURAL CAPITAL

CAPITAL IMPACTED
- Financial
- Manufactured
- Intellectual

STAKEHOLDER IMPACTED
- Employees
- Customers
- Government
- Shareholders
- Vendors

STRATEGIC GOALS
- Reduce carbon emissions
- Reduce dependency on natural resources
- Management of waste

BOARD OF DIRECTORS

PROFESSIONAL MANAGEMENT IS KEY TO ACHIEVING GROUP GOALS

Noel Tata
Chairman

Pradeep Bakshi
Managing Director & CEO

Vinayak Deshpande
Non Independent Non-Executive Director

Anjali Bansal
Independent Non-Executive Director

Arun Kumar Adhikari
Independent Non-Executive Director

Zubin Dubash
Independent Non-Executive Director

Debendranath Sarangi
Independent
Non-Executive Director

Bahram N. Vakil
Independent
Non-Executive Director

Saurabh Mahesh Agrawal
Non Independent
Non-Executive Director

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

CORPORATE MANAGEMENT TEAM

Pradeep Bakshi
Managing Director & CEO

Jitender P. Verma
Executive Vice President &
Chief Financial Officer

Narendren Nair
Executive Vice President &
Chief Human Resources Officer

Jayant Balan
Chief Executive Officer, Voltbek
Home Appliances Private Limited

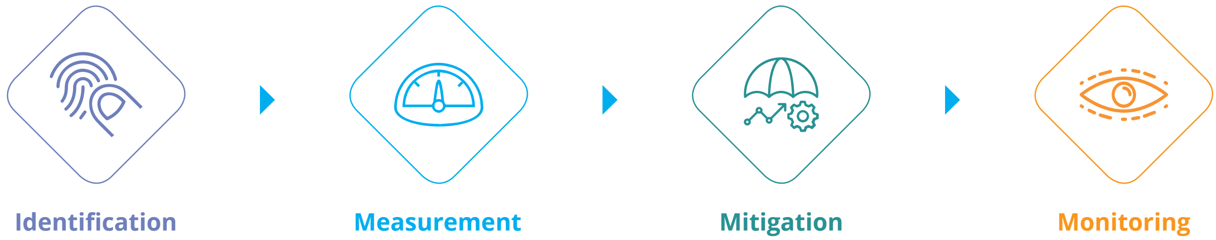
Dinesh Singh
Vice President -
Merger & Acquisition

MANAGING RISKS TO STRENGTHEN RESILIENCE

ADDRESSING RISKS WITH EFFICIENCY IS ESSENTIAL TO PROGRESS SUSTAINABLY

Our Company has a comprehensive and robust risk management policy and framework in place. It covers all the business divisions and the corporate level. Senior Management along with divisions review and address risks periodically. We prioritise the material risks that can impact our Company's value creation process to formulate mitigation plans. A collective and distilled view of all the inputs is then taken into account to develop a corporate risk matrix. This is first reviewed and monitored at Business Unit level and thereafter, at an Entity level by the Board's Risk Management Committee.

A COMPREHENSIVE RISK IDENTIFICATION PROCESS



SOME OF OUR COMPANY'S PROMINENT BUSINESS RISKS AND ALONG WITH THEIR MITIGATION STRATEGIES ARE GIVEN BELOW:

RISKS

An increase in commodity prices and higher ocean freight may impact margins

Shorter summers owing to climate change may affect sales of cooling products and hamper channel sentiments

The imposition of higher import tariffs may impact profitability

Short-term impact on business due to the continued presence of Covid-19 pandemic on account of:

a) Potential economic slowdown

b) Probable loss of business during the peak summer season

c) Disruption in the supply chain in case of re-imposition of lockdown

d) Liquidity concerns and deferred investments primarily by smaller private players

Potential currency volatility and possible inflation may dilute earnings

Risks pertaining to the health and safety of employees in plants and other facilities

Exposure of sensitive data due to cyber attacks

Voltas' business challenges, further compounded by the ongoing Covid-19 pandemic and the global geo-political tensions, are making us focus on an agile way of working. Our business models are designed keeping flexibility in mind. This enables us to appropriately pursue/alter the course of our actions as the situation evolves and demands. We believe in actively engaging with all our stakeholders, be it consumers, channel partners, suppliers or employees. We feel this is critical to ensure the sustainability of our business ecosystem. In our quest for lasting brand loyalty, we are focusing on changing consumer needs and proactively fortifying our value proposition to meet their expectations. To this end, our enhanced focus on B2C and B2B businesses, independent of each other, will assist us in expanding the growth opportunities of our respective businesses.

We take pride in the time-tested strength of our dealer relationships. As we progress, we will continue focusing on sensibly expanding our presence in both offline and online channels. The progressive addition of Voltas Beko products to our portfolio further improves our appeal to the trade whilst extracting cost synergies from marketing, sales, distribution and service spending. The underpenetrated nature of our products provides ample runway for sustained growth in the future. We are also channelling our efforts towards developing a robust local supply chain ecosystem to ring-fence ourselves from any unexpected rumblings in the future. We are in the process of setting up an additional manufacturing facility for Room Air Conditioners and expanding our installed capacity for Commercial Refrigeration products in our existing plant. To further emphasise our commitment to local manufacturing, we partook in the Government's Production Linked Incentive Scheme (PLI). Our Company has registered in the PLI Scheme for manufacturing Cross Flow Fans (CFF), Heat Exchangers, Plastic Moulding Components, and Compressors. This is an important step towards our goal of backward integration and will help us secure our supply chain against political and trade uncertainties.

Our Company remains a leading HVAC/MEP contractor in the country with a track record of successfully delivering solutions across multiple infrastructure projects and industrial and commercial establishments. The Central Government has repeatedly emphasised boosting infrastructure spending, which will act as tailwinds to aid our business growth.

FOREX RISKS

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

Voltas Air Cooler Platter

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Noel Tata

Managing Director & CEO

Pradeep Bakshi

Directors

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

Executive Vice President & Chief Financial Officer

Jitender P. Verma

Vice President – Taxation, Legal & Company Secretary

V. P. Malhotra

AUDIT COMMITTEE

Chairman

Zubin Dubash

Members

D. Sarangi
Arun Kumar Adhikari

NOMINATION AND REMUNERATION COMMITTEE

Chairman

Bahram N. Vakil

Members

Noel Tata
Anjali Bansal

SHAREHOLDERS RELATIONSHIP COMMITTEE

Chairman

Noel Tata

Members

Bahram N. Vakil
Pradeep Bakshi

CORPORATE MANAGEMENT

Managing Director & CEO

Pradeep Bakshi

Executive Vice President & Chief Financial Officer

Jitender P. Verma

Executive Vice President & Chief Human Resources Officer

Narendren Nair

Chief Executive Officer, Voltbek Home Appliances Private Limited

Jayant Balan

Vice President - Merger & Acquisition

Dinesh Singh

SOLICITORS

Messers Mulla & Mulla & Craigie
Blunt & Caroe

AUDITORS

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

BANKERS IN INDIA

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

OVERSEAS

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

REGISTERED OFFICE

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

SHARE REGISTRAR

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

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

OVERVIEW

The year 2022 was a mixed bag, with the first half witnessing mass vaccinations in phases, ease of restrictions and post-pandemic opening-up, providing nations with opportunities to re-coup some of the economic losses. Quantitative easing, relaxation in restrictions, monetary policy frameworks, support packages and Government's initiatives towards achieving maximum employment and working towards price stabilities pushed the economies on the path of recovery post-pandemic.

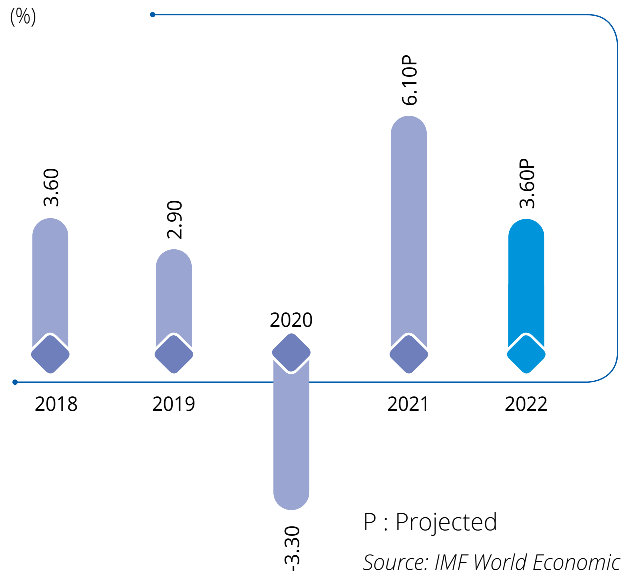
As the economies moved on the path of progression, the multiple mutations of Covid-19 resurfaced again in the second half of the year – bringing unfavourable consequences to economic output. The rebound continued at a slower pace with new challenges of supply chain disruptions and higher food and energy prices driving inflation to record high levels.

The global economy grew by 6.1% in calendar year 2021 against a contraction of 3.1% registered in the year 2020. The advanced and developing economies grew by 5.2% and 6.8%, respectively, in 2021. The US registered a record growth of 5.7% – the highest over the last four decades. This growth was attributed to various stimulations provided by the Government to fight against the aftermath of the pandemic. Industries started settling into the new normal and replenishing inventories on the back of increased investor confidence and recovery in consumption.

The United Kingdom recorded its best performance since World War II, expanding by 7.4% in 2021 on account of huge package support from the Government.

China, on the other hand, expanded by 8.1% in 2021, supported by robust exports. Overall, growth across economies rebounded on account of a low base, pent-up demand post the pandemic and huge support from the Government in terms of interest rate redressal and relief packages.

WORLD GDP FORECASTS



P : Projected

Source: IMF World Economic Outlook Report April 2022

OUTLOOK

The beginning of 2022 had a mix of turbulent events, from elevated global supply chain shocks to inflation running at its fastest pace. These issues were further aggravated by the conflict between Russia and Ukraine. Sanctions on Russia have put global energy prices at risk. Russia supplies around 10% of the world's energy, including natural gas and oil. Even though there are peace talks between both nations, Ukraine has faced complete humanitarian and welfare destruction. Together, Russia and Ukraine supply one-third of the world's wheat and barley, apart from other major agro-products and fertilisers. This is also likely to put a food threat across countries. Further, Fed Bank has turned hawkish, tapering down the easing and increasing interest rates, along with ECB ending its asset purchase programme.

The recovery of the global economy will largely depend on how the economies come together to contain the threat of the pandemic, ease out supply chains and restore peace treaties between Russia and Ukraine. Against this backdrop, the global GDP is likely to be at 3.5% in 2022.

GROWTH MARKETS OF VOLTAS

The Middle East and North Africa (MENA) region is likely to witness a GDP growth of 5.0% in 2022 compared to 5.8% in 2021. The growth drivers will be higher oil output and recovery in non-oil sectors.

The UAE's early efforts of vaccination and fiscal support to hard-hit sectors has helped its economy to gain momentum. The high oil prices will help the economy to narrow its fiscal deficit to 0.7% of overall GDP. The nation's GDP is projected to be 4.2% in 2022 from 2.3% in 2021 on account of increased public spending, positive credit growth, high employment and optimistic business sentiments on account of the world fair EXPO event in Dubai.

The real GDP growth of Qatar is anticipated to accelerate to 3.4% in 2022. The reason behind this acceleration is the strength gained in the economic recovery underpinned by rebounding domestic demand, higher hydrocarbon prices, and the preparation for the 2022 FIFA World Cup

(Source: The International Monetary Fund (IMF)).

The growth projection in Saudi Arabia for 2022 stands at 7.6%. A strong rebound is anticipated in the Oil sector, which in turn is likely to boost exports, benefitting non-oil activity from high vaccination rates and accelerating investment.

In Oman, a hike in oil prices is likely to positively impact its economy. Improvement in demand from the oil and non-oil segment is also expected to drive GDP growth to 5.6% in 2022.

In 2020, Mozambique registered its first contraction in nearly three decades. The economy is expected to recover gradually from 2021. But even then, the economy's significant downside risks continue to persist owing to the uncertainty surrounding the Covid-19 pandemic. Real GDP is expected to rebound over the medium-term, touching around 3.8% by 2022.

INDIAN ECONOMY

OVERVIEW

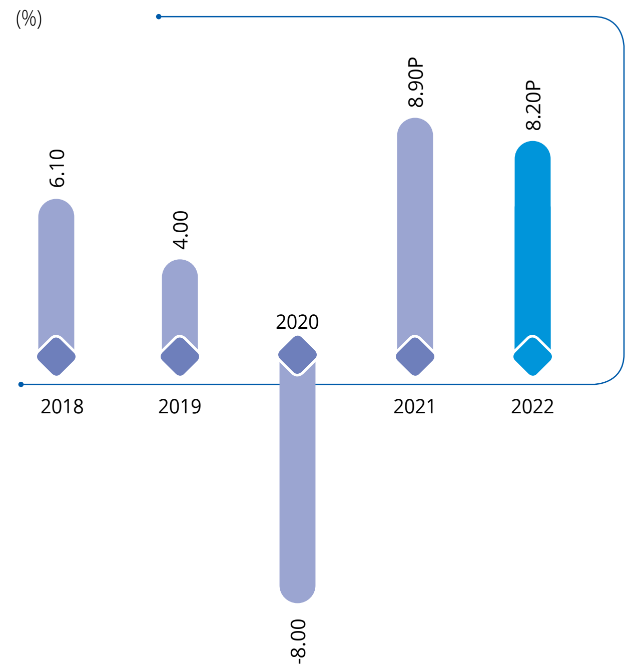
India's economy is the fastest-growing economy of the emerging nations post-pandemic. India's GDP is estimated to be 8.9% in 2021-22 against a contraction of 6.6% in 2020-21. Despite the damaging impact of the second wave, the Gross Value Added (GVA) is likely to grow at 8.3% in 2021-22 compared to a contraction of 4.8% in 2020-21. Apart from contact intensive services like Trade, Hotels, Transport, Communication and Broadcasting, all sectors are likely to surpass pre-pandemic GVA in 2021-22.

India's GDP growth from the second half of 2020-21 till third quarter of 2021-22 has been positive for five consecutive quarters. This itself is a testimony of India's resilient economy.

The economic output is gradually reaching pre-pandemic levels on account of the re-calibrated opening of the markets and progress in vaccination. This, coupled with higher than pre-pandemic level real spending by Private and Government sector and the accommodative stance of RBI during the fiscal has augmented the growth. The capital expenditure in the current fiscal is estimated to be ₹ 7.50 lakh crores, 35% higher compared to 2020-21. In order to give a push to the self-reliant India initiative, the Indian Government announced a set of structural reforms in 2021, of which the Production Linked Incentive (PLI) scheme would benefit multiple sectors and boost indigenous production.

The second half of the year witnessed significant upheaval. The GDP, estimated at 9.2% at the beginning of the year, was revised down to 8.9% in 2021-22. The third wave (Omicron) in January 2022 weakened consumer confidence

INDIA'S GDP PROJECTIONS



P : Projected

Source: IMF World Economic Outlook Report April 2022

AC quality control and testing line at Pantnagar

Disclaimer: The World Economic Outlook (WEO) Report, premised on surveys carried out by the IMF, is usually published bi-annually, in the months of April and October every year. It presents analyses of global economic developments during the near and medium-term. Hence, all the data captured in this Management Discussion and Analysis Section is as per WEO April 2022 Report. Owing to the unprecedented event of the Covid-19 pandemic and geopolitical issues, there is a possibility that IMF releases another report with amendments in the growth forecast over the earlier estimates. Hence, to maintain parity, the data presented at the full year Board Meeting held on 5 May, 2022, has been showcased here.

and investor sentiment. The geopolitical tensions, supply chain bottlenecks, and pronounced issues of coal, power and semi-conductor further pose major challenges to the nation's growth. India imports almost 80% of its oil needs and a rise in oil prices would result in a widening of the fiscal deficit, a weakening rupee and rising inflation.

OUTLOOK

India's GDP in 2022-23 is likely to be impacted by various factors like restraints on energy access and prices, food inflation, reflexes from trade sanctions, tightening policies and financial instability. Amid this scenario, the GDP is likely to be around 8.2% for 2022-23. The 2022-23 budget is a balanced response by the Government to support economic recovery and enable the projected 8%-8.2% GDP growth rate for 2022-23. The announcements for record setting outlay on infrastructure projects and push for the rural economy in the budget will support and revive the industry in general, recovering from the pandemic-induced shocks.

BUSINESS OVERVIEW

Incorporated in 1954, Voltas has established itself as the undeniable leader in Cooling Products, and the No. 1 Room Air Conditioner brand, in India. A part of the TATA Group, the Company is also a project specialist and provider of engineering solutions. Voltas has been a consistent market leader and makes use of a strong market positioning both domestically and internationally – across the Middle East.

With a broad and strong product portfolio – involving Unitary Products, Engineering Products and Engineering Projects – Voltas is also present in the White Goods market through its joint venture (Voltbek) with Arcelik. The Company's wide range of offerings in the Unitary Product segment includes Room Air Conditioners, Air Coolers, Water Dispensers, Water Coolers, Commercial Refrigeration and Commercial Air-conditioning products. Furthermore, the joint force of Arcelik's robust R&D, and Voltas' strong home presence of 24,000+ touchpoints is expected to aid Voltbek in attaining its objective of a 10% market share in the Home Appliance's segment by 2025.

The Company is a provider of Engineering Solutions to a diversified range of industries – including areas of Heating, Ventilation and Air Conditioning, Refrigeration, Electro-mechanical projects, Electrification, Textile Machinery, Mining and Construction equipment, Water Management & Treatment, Cold Chain solutions, and Indoor Air Quality management.

During the Covid-19 pandemic, Voltas actively engaged and undertook initiatives to develop and upgrade medical facilities to contribute to the global struggle against the virus outbreak. The Company played a vital role in maintaining the Heating, Ventilation, and Air Conditioning (HVAC) systems of various hospitals and cold storage units for dairy and essential products.

UNITARY COOLING PRODUCTS (UCP)

ROOM AIR CONDITIONERS (RACs)

Industry volume growth in 2021-22 are expected to be higher than 2020-21 but lower than 2019-20 levels, a pre-pandemic year. However, there will be some head room for the industry to reflect upon the growth in year-on-year basis owing to festive season. Swift recovery post opening of the regional lockdowns, pent-up demand ahead of festive season and multiple consumer offers helped the UCP business recovering partially the loss of season sale. The year began with limited operational hours/days imposed as part of regional lockdowns by various state and local authorities which had a cascading effect on the overall consumer durables industry especially for cooling products market, as it being a traditional peak season for sales. The business with its 24,000+ touch points across the country managed to grow even during such unprecedented times. Focus on the Inverter sub-category with competitive pricing and optimised number of SKUs yielded a favourable outcome. The business had also taken a partial price increase during the year to partially offset the higher input costs.

Opportunities and Outlook

India's AC market was valued at ₹ 19,358 crores in 2019-20. It is expected to grow at a double digit CAGR during the FY 21 - FY 26 period, inspite of Covid-19 headwinds for two years. New innovative, health and environment-friendly products to match the evolving consumer preference, changing lifestyle along with increased affordability will fuel this market growth.

(Source: GFK Retail Audit Report)

Voltas Adjustable Inverter AC

Further, the Government's PLI Scheme on White Goods is designed to create a complete component ecosystem for the Air Conditioner industry in India and make India an integral part of the global supply chain. Over the next five years, the scheme is expected to lead to the total production of about ₹ 2,71,000 crores of components of ACs and LEDs. Thus, 2022 will see the Air Conditioner market flooded with products geared towards the aspirational middle-class. With the PLI promoting localisation, it is believed to substitute import sourcing by 30% for the components side. Setting aside import of raw materials, in the absence of ecosystem in domestic market, the Industry's dependence on the import will be reduced substantially in the next four years.

AIR COOLERS

The lockdown significantly impacted the Air Cooler business. It disrupted the limited seasonal window for secondary sales. This resulted in trade reporting a substantial level of inventory impacting primary sales. Focused efforts on expanding dealer network, expanded product portfolios in each sub-category, and launch of new SKUs helped in maintaining the sales during the year under review. The launch of new SKUs, increased number of touchpoints and acceptance of products resulted in higher market share despite a limited time window of sales for the Air Cooler category. It also helped the Company retain its second position in the market with an overall market share of 12% in the Air Cooler category.

Opportunities and Outlook

As far as the Air Cooler segment is concerned, Commercial Air Cooling is emerging as the new sub-segment with much potential for fast growth. Commercial Air Coolers are used to cool large and open spaces like marriage pandals, banquet halls, exhibition centres, open-air restaurants, warehouses where air conditioning is difficult or unaffordable. The segment is not very crowded, with very few brands offering their products at present. To tap into the potential of this new segment, the Company is planning to launch a range of commercial coolers during 2022-23

Newly launched Air Cooler designed for Indian tropical climate

COMMERCIAL REFRIGERATION

The segment continued to perform well with the changing dynamics of the industry. Despite witnessing two lockdowns, ease of restrictions and changing consumer taste and habits helped the Commercial Refrigeration business capitalise on the opportunities. Changes in consumer pattern and the expansion of mini 'cold chain' facilities across Mom & Pop/Kirana-type stores in Tier-2 and Tier-3 cities underpinned the growth. Continued leverage with trade & distribution, the contribution from exports, and a healthier channel partner mix from B2B accounts helped register a stellar growth in this segment. Further, focusing on strengthening contracts with OEM and new product expansion helped the vertical achieve a record growth of 22% over the previous year. Both OEMs and Retail segments registered growth consistently over the past few quarters.

With the largest range of SKUs across all the three segments in Water Coolers/Water Dispensers/Commercial Refrigeration categories, introduction of Hydrocarbon refrigerant (most efficient and environmentally safe refrigerants which helps to reduce carbon footprint) across models clubbed with timely localisation and enhanced production capacity, supported with the increased market demand helped business flourish during the year.

Our wide range of commercial refrigeration products designed for Indian needs

Opportunities and Outlook

The Commercial Refrigeration market size was valued at ₹ 4,033 crores in 2019-20 and is projected to reach ₹ 8,022 crores in 2026-27, registering a CAGR of 10%. Increase in demand for frozen products among the consumers due to change in lifestyle and rapid urbanisation, combined with growth in the organised Retail sector with increase in number of hypermarkets/supermarkets is expected to drive demand for commercial refrigeration products. Furthermore, advancements in technology and rise in the number of quick service restaurants especially in the growing economies are expected to provide numerous further opportunities for the market growth.

Threats

The world is witnessing disruption in supply chain resulting into increase in raw material /commodity prices with long lead times. Ongoing revised pricing trends may impact demand in certain categories. With an increased focus on Atma Nirbhar Bharat, the thrust is to improve the localised procurement. But with the rising geopolitical tensions, the situation has worsened, thereby, causing raw material prices to remain elevated. That said, the Company is committed to customer-centricity and is focused on consistently innovating and launching economical products, offering best-in-class technology – making Voltas the brand of choice. Additionally, the Company's strategic localisation and extensive distribution network built over the years enable it to cater to a larger audience. This stands true not just in the AC category but across all other segments of the Company.

COMMERCIAL AIR CONDITIONING

Voltas is the leading company in the HVACR products segment. The Company's Commercial Air conditioning business intends to provide smart and efficient air-conditioning not only for human comfort but also for industrial application. The synergy between room air conditioning and commercial air conditioning holistically allows the organisation to be equitably present in all market sectors with reasonable distribution. In B2B segment, the Company has prioritised Operating and Maintenance (O&M) systems in accordance with prescribed standards to achieve best operational efficiency and thereby, minimising carbon footprints.

The Commercial Air Conditioning (CAC) business includes sales of VRF systems, Chillers, Ducted units, Light Commercial units, for comfort cooling, and Vapor

Absorption Machines and LTR systems for process cooling, along with Customer Care and Retrofit Business.

Commercial Air Conditioning (CAC) offers Lifecycle Management Solutions for products and systems including the cassette and tower ACs to the largest of the Chillers, LTR Systems & Services – starting from installation, commissioning of the products, to O&M along with the after-sales service – which are aligned to the goals of sustainability and customer satisfaction.

The Company constantly works to add value to their business and reduce carbon emission from products and services with an aim of making these more efficient and less resource intensive. The Company plans to use digital tools to create value for the customers in line with the improvement of efficiency of products and services along with carbon emission reduction, and leverage digitalisation in approaching customers predominantly in Tier-2 and 3 markets along with metros and Tier-1 markets.

While resumption of the commercial activities bodes well for the Product Sales, the Customer Care solution team is geared towards providing a complete Lifecycle Management solutions for products, and systems through Operation and Maintenance, Annual Maintenance schemes/contracts and Retrofit solutions. Thereby, maintaining the highest standard of customer satisfaction. CAC also provides value-added services such as remote monitoring of equipment, improved indoor air quality solutions and retrofit solutions.

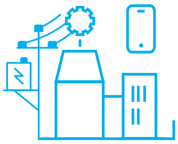
CAC has a wide network of service partners to reach its customers either in person or digitally to address their issues. Customers needing spare parts are serviced through the network of offices and channel partners ensuring nil to minimum disruption in the performance of the installed units in a most optimal way.

Opportunities and Outlook

CAC aims to accelerate customer satisfaction and in that pursuit is enhancing its reach, both in offline and online markets. In the online space, digitalisation strategy along with digital penetration is helping to create footprints and widen the reach. In the offline space, the Company has improved collaborations and output, with the channel partners and service associates.

Our range of Commercial Air Conditioners

ENGINEERING PROJECTS



INFRASTRUCTURE SOLUTIONS

The resumption of construction activities, unlike amid the national lockdown in the previous year, helped the business vertical in better and timely execution of projects. Availability of sites and a healthy project mix drove the business during the year. During the pandemic, there was a delay in capex plans, especially by corporate clients in MEP business. However, focus on the Government backed infra projects helped to mitigate the risk of reduced private investments. Now, with easing of Covid-19 cases in India corporate investments are expected to start flowing. However, increased and unprecedented fluctuations in commodity prices and supply and demand gap have added to the lead time of materials. In the Water Business, the Company has developed in-house strengths in Engineering/Designing of treatment processes and in project execution. The Company has expertise in varied domains like WTP, Industrial ETPs, ZLDs, STPs, and Drinking Water Projects.

Over ₹ 1,190 crores of fresh orders were added across Domestic markets in 2021-22. The carry-forward order book for Domestic projects at ₹ 3,638 crores (including taxes and Letter of intent) contained a bouquet of orders across Water, HVAC, Rural Electrification and Urban infra activities.

In the midst of various challenges during the year, Infrastructure Solutions has successfully executed time bound projects such as:

- MEP project GARUD, which has been inaugurated by Hon'ble Prime Minister, Mr. Narendra Modi.
- IAQ projects of ~₹ 35 crores for TCS in record time.
- Commissioned a project of 300 MW AC & 225 MW DC under Solar EPC for Azure Power.
- Commissioned 100 MW AC & 140 MWp DC, out of 300 MW AC & 426 MWp DC. for Soft Bank Energy (now taken over by Adani).

Opportunities and Outlook

The Government's push on infrastructure is expected to increase spending on infra projects. This will provide opportunities to bid for Metro, Rural Electrification and Solar Projects. Having credentials of timely execution of the projects and that too in a most cost-effective manner across metro, large rural electrification, underground cabling, and solar projects, giving the Company a competitive edge over others.

INFRA - GARUD, Gandhinagar

INFRA - DMRC

In the E&M segment, the Vertical expects growth in sectors like Data Centres, Hospitals and Metros due to the Government's thrust on transportation, connectivity, healthcare and digitisation. A new scheme from the Government of India (GOI): Revamped Distribution Sector Scheme (RDSS) Scheme has an estimated budget of around ₹ 3 lakh crores in four years up to 2025. This simply translates to ~₹ 75 thousand crores investment every year. The Company is targeting to secure projects under this Scheme.

In Renewables, around 350 GW is to be added in India's generating capacity, out of which in Solar Business, around 230 GW worth of projects are expected to come up in the next nine years till 2030 as per GOI targets. So an EPC opportunity of ~₹ 2.5 lakh crores is likely to come up in the next 9 years with around ₹ 28,000 crores every year. A single digit market share will translate in excess of ~₹ 850 crores worth of business for the Company.

There is good potential for Water and Sanitation sector in the country for the coming years. Projects under Jal Shakti Mantralaya/Har Ghar Jal se Nal yojana will see investments of lakhs of crores from the Central and State Governments. In addition, very large numbers of STP's are coming up across the country. The Company is also expecting Water and ETP projects to come up in Industrial sectors – Steel and Oil & Gas in particular.

Threats

India's ambition of sustaining its relatively high growth depends on one important factor: infrastructure. The country, however, is plagued with weak infrastructure, incapable of meeting the needs of a growing economy and population. However, the Government's aim to significantly boost the manufacturing sector to contribute an all-time high of about 25% of GDP by 2025 augurs well for the infrastructure development in India. The key challenge, however, continues to be a timely execution of projects within budgeted costs.

INTERNATIONAL PROJECTS

The Company's International Operations Business Group (IOBG) has served the Middle-East Asia – predominantly the UAE, Qatar, Oman, Bahrain and Kingdom of Saudi Arabia – for over 40 years. Today, Voltas is the leading MEP services provider in the region, felicitated with several awards for its quality, capability and safety records.

The last couple of years were challenging for the entire industry, in particular for IOBG. The pandemic has left a devastating landscape in the economic front, in this region prominent as a travel and trade hub. Restrictions in travel and movements created hurdles in many development projects. However, IOBG's prudent approach in selection of projects coupled with tight control on the cost, progress, quality and safety, resulted in a stable management of the projects while retaining the margins. IOBG has transformed adversity into opportunity through improvised processes, automation and digitising, eliminating significant costs arising out of mobility restrictions and other hindrances.

Despite the difficult period of the pandemic, IOBG could book jobs like Dubai Waste Management Centre (Waste to Energy) along with Facility Management projects at the UAE, Qatar and Bahrain. With close monitoring and better control, IOBG could maintain the margins and in some projects, improve it. IOBG has exercised a prudent approach and is exercising extra caution of not getting into 'panic booking'. Weakened sentiments of delay in announcement of capex plans by potential clients across the operational geographies coupled with diligent choice of orders has translated into subdued but high-quality order booking. On the execution part, some of the high value order projects are nearing completion. The key priorities for 2022-23 will be getting more projects, especially during Q1 and Q2, continue to work on automation and digitisation process, bring higher level of productivity and reliability, focus on project cost management, timely delivery and quality assurance.

The carry forward order book is ₹ 1,722 crores (including Letter of Intent) mainly in the UAE, Oman and Qatar.

Outlook and Opportunities

Successful completion of Expo 2020 by the UAE resolving the regional crisis (Qatar vs rest of the region), combined with signing up of the trade and relationship agreement with Israel, has changed the economic scenario. Both the UAE and Qatar announced several new projects, reflected in the higher inflow of inquiries for IOBG. The improvised structures and systems implemented in the past paved way for IOBG to harvest dividends from new project announcements – reflected in the early signs of project bookings during the past few months.

Bahrain is warming up with new projects announcements in the Tourism industry while Saudi is firing all cylinders with mega projects moving from drawing board to reality.

There is a renewed focus on destination tourism, utility plants, infrastructure, manufacturing sector, and oil and gas balance of plants. IOBG will strategically focus on these segments as it enjoys strong prequalification to stand above the competition. IOBG is looking for the possibility of early pre-bid agreements as well as strategic tie-ups with main contractors, developers and even with the competitors.

Threats

The current geopolitical situation with uncertainty over the war in Europe has led to an increase in the commodity prices combined with higher logistics cost resulting in an adverse impact on supply chain. To add to this the increased demand for skilled workforce has resulted in higher attrition rates across the region. This, in turn, impacts the international operations and margins.

IOBG - Commercial Boulevard Qatar

ENGINEERING PRODUCTS AND SERVICES

TEXTILE MACHINERY DIVISION (TMD)

The pent-up demand supported by the China plus one strategy adopted by Global leading brands led to increased investments in different verticals of the textile value chain. There was significant growth in the export of yarn, apparel and domestic demands across the textile segments reaching closer to the pre-pandemic levels. The margins of the spinners increased, resulting in improved ratings and availability of surplus funds to the investors, leading to upswing in the investment for the capital machines. The surge in utilisation levels also supported the growth in sales of aftersales products.

Voltas-TMD proactively capitalised on this positive investment sentiment in the industry, which resulted in the capital machinery order booking reaching record-high levels. TMD achieved a growth of 75% compared to 2020-21, and it was one of the best years in terms of overall financials. Aftersales support and renewed demand for Capital machinery both in Spinning and Post-spinning contributed significantly to the bottom line for this vertical. The broader strategies remain to grow market share in capital machines and after-sales products, both in Spinning and Post-Spinning. TMD has also strategised to partner with new Principals for Non-woven and Warp knitting, for enhancing presence in the textile value chain.

Outlook and Opportunities

The GOI is firming up a new scheme called Textiles Technology Development Scheme (TTDS) to upgrade the technology for micro, small, and medium enterprises and supporting new manufacturing facilities for areas of the industry including knitting, and weaving. This will boost the sentiments of the Capital Machinery machinery industry. The export incentives, PLI scheme, New TTDS, setting up of seven Mega textile parks, followed by FTA with the UAE and Australia and the expected FTA with Europe will make the Indian Textile industry globally competitive. This will drive investments in green and brown-field projects in the long run. Further, the 'Make in India' program is expected to gain even more momentum in the textile industry, both in classical Textiles and technical textiles, providing good opportunities for Voltas, ideally positioned to encash the same. Besides, the Government is also planning to accelerate the export of Synthetic garments, supported by the PLI scheme – providing new opportunities for Voltas-TMD in Synthetic textiles. As Voltas customers would be availing these benefits, the demand would be more for the machines offered by Voltas-TMD (spinning, knitting, weaving and processing).

Threats

Price increase announced by almost all the Spinning and Post-spinning Principals with disruptions in the supply chain may pose some interim challenges. The current price hike of raw materials like cotton, polyester, viscose and more, leading to spinners under profit margin might prompt them to postpone their booked orders to a certain period, which might bring down the investment sentiments. Voltas-TMD continues its emphasis on the Aftersales market supported by the workforce of sales and service engineers located across the country near the textile clusters. This enables Voltas to diversify its revenue stream and de-risk itself from such challenges.

Furthermore, TMD is fully equipped to address most of the challenges of the Textile industry and has become a 'one-stop' solution provider through a comprehensive portfolio of products and services.

TMD - LMW Card LC636

MINING AND CONSTRUCTION EQUIPMENT (M&CE)

Over the years, M&CE has come to position itself as a Mining Equipment maintenance and service provider to key accounts in India and Mozambique.

Mozambique Business

Mozambique operation has largely remained insulated from the pandemic-induced disruptions and continued with various on ground initiatives to improve performance of the large mining equipment's. On the customer front, as a part of its strategy to become a carbon neutral Company by 2030, Vale Mzm sold its Moatize Mines & Nacala Freight corridor to Vulcan (Company of USD 18 billion Jindal Group). However, all contractual obligations of vendors/ service providers, among others, will be honoured and there will be no discontinuity in the current operations/ contracts.

India Business

A major order bagged by M&CE was on account of the crushing and screening business witnessing a spurt in equipment demand owing to strong traction in Iron Ore & Road Infrastructure segments. Being a part of this momentum, M&CE secured the largest ever order of 55 Terex Powerscreen machines from one of the existing customer. In addition to the Crushing & Screening equipment's, Municipal Solid Waste (MSW) screening emerged as the focus market and witnessed good part of demand across local authorities.

Leveraging on the strong engineering skills, M&CE has also entered into a specific tender-based agreement with Komatsu Mining Corp (Joy Global), for providing service support to their 42 cumt Electric rope shovel in SECL, Chhattisgarh, which is expected to be finalised shortly.

Opportunities and Outlook

The thrust on infrastructure is going to see increased demand for steel and iron ore. As a result of this, many road projects are expected to be awarded. In Mozambique, opportunities exist for servicing of Hitachi Equipment and Epiroc drills, currently being serviced by the respective OEMs. For Mining India, the cost-effective proposition for multi-brand equipment service for upcoming Coal India tenders is a potentially big opportunity. The existing Service setup, coupled with four decades of experience and strong customer relationship, will enable Voltas to execute contracts directly with Coal India.

Furthermore, Terex Powerscreen is launching Dual Power Screens this year, which will be deployed primarily in Iron Ore, Aggregates and MSW applications. This was a long pending market requirement. In addition, Terex Powerscreen will start manufacturing Horizon 6203 Screens from their plant in Hosur, Tamil Nadu. Thereby, substituting import with in-house manufacturing to meet the increased demand for these equipment in a sufficient and consistent manner.

Threats

Over the past decade, M&CE operations in Vale Mines, Mozambique have fetched good profits. The current year 2022-23 will be quite challenging due to the transition of business from Vale to Jindal Group. Going ahead, as Jindal takes control of the mines, there is a possibility of revisiting commercial arrangements for reducing overall operating costs of mines, which in turn might affect the margins. However, the Company is optimistic of increasing the services with the Jindal Group in Mozambique, and expect to cover up any shortfall in revenues that might occur due to this transition. In India, the Company expects M&CE business to remain stable. In case of crushing and screening, 60% market share under the Voltas territory shall face strong threat from powerful competitors such as Kleeman, Finlay and Metso.

M&CE - Powerscreen Premiertrak 400

VOLTBEK HOME APPLIANCES PRIVATE LIMITED (VOLTAS BEKO)

The Home Appliance segment is one of the fastest-growing industries in the Indian market, driven by low penetration and rising disposable incomes in the segment. India saw significant changes in its Governmental policies, especially the investment incentives implemented to promote overall objective of 'Make in India'. Therefore, industry remains poised for exponential growth. To keep pace with the growing demand, the industry also needs to build a much stronger component base in India, supported by Government schemes such as the Production Linked Incentive Scheme (PLI).

The Industry faced turbulence during the pandemic and subsequent waves, leading to supply chain disruptions and inflationary pressures on input costs. However, the long-term growth potential of the industry continues to remain intact given the low penetration levels.

Voltbek has made significant progress since the commencement of its operations, supported by setting up of a state-of-the-art factory at Sanand, Gujarat, availability of the entire product range, indigenisation of ~85% of product portfolio and achievement of an overall market share in excess of 3% on an annual basis for categories on a cumulative basis. On the production front, in addition to the Direct Cool refrigerator, Voltbek has started production of Frost Free refrigerator upto a certain literage. Thereby, substituting a substantial part of import sourcing. Further to leverage on the potential savings over the high value added products, manufacturing of fully automatic washing machine has commenced in the later part of the year under review. These strategic moves will help in strengthening supply chain and improvising margin in the long run.

Demand tapered in the later part of Q3 2021-22 owing to high inflation and depressed consumer demand, following the Omicron variant scare. Margins remained under pressure due to elevated commodity costs, and Voltbek was not immune to these challenges. However, with the introduction of new SKUs across all product categories on the strength of R&D and leveraging on the distribution reach of joint venture partners, Voltbek registered an overall volume growth of 45% during the year.

Customer First

With 'Smart technology' in boom, launch of exclusive online web store – www.voltaslounge.com – one-stop solution for buyers wanting to purchase Voltas or Voltas Beko models with exciting customer offers has been one of the initiatives focusing on providing customer centricity. The online webstore has generated significant traffic and has been well-received in the online market.

Additionally, the Company has rolled out exclusive Brand Shops and Experience Zones, taking the number of Exclusive Stores to 200+ from 160 in the previous year. The objective behind creating an Experience Zone is to

make the experience of buying home appliances exciting and memorable for consumers. Experience Zone is conceptualised with experiential booths and corners to display products rather than opting for a regular store that simply showcases the products, thereby making the customer experience better.

Opportunities

The world market is evaluating Indian companies as an alternative to other Asian countries. Having a large manufacturing base, gives an opportunity to capture the export market, especially in the developing countries such as Africa and South-East Asia. Moreover, there are a lot of positives seen within India. Favorable demographic indicators like urbanisation, nuclear families, aspiring youth, higher individual disposable income, desire for good quality and branded products, and more are expected to catalyse growth for electrical and electronic goods. This supported by the Government's mission of 'electricity for all' has created opportunities for the Company to expand into Rural and Semi-urban markets.

Technological advancements have led to the development of smart appliances and are expected to drive the market growth over the next few years. Smart appliances offer advanced features and are more energy-efficient and this has also led to the growth of a strong secondary market. Smarter technologies with a strong focus on sustainability and energy efficiency offer Voltbek with market growth avenues. Lastly, the rapid expansion of digital/e-commerce platforms allow easy accessibility and availability of products for consumers.

Threats

The economic slowdown resulting from the pandemic and challenging geopolitical situations, have posed a lot of uncertainty with regards to income and employment, causing a low consumer sentiment. Also, majority of consumer facing products in India have lower penetration vis-à-vis other emerging countries. Under-penetration could lead to hyper competitive environment due to a smaller market demand. This coupled with rise of digitisation could pose a threat to the traditional sales channels given the competitive pricing offered by them. Last but not the least, any reduction in Government expenditure on rural upliftment, will have a spiraling impact on the rural demand.

Voltas & Voltas Beko Experience Zone

FINANCIAL PERFORMANCE: CONSOLIDATED

Financial performance as a measure of operational performance:

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

₹ in crores

	2021-22	2020-21	Change	Change%
Segment -A (Unitary Cooling Products for Comfort and Commercial use)	**4,882**	4,218	664	16
Segment-B (Electro-Mechanical Projects and Services)	**2,470**	2,879	(409)	(14)
Segment-C (Engineering Products and Services)	**489**	359	130	36
Total	**7,841**	7,456	385	5

Despite multiple pandemic-induced lockdowns in peak season of Unitary Cooling Products (UCP) business, the consolidated segment revenue was higher by 5% in 2021-22 over last year.

(B) EMPLOYEE BENEFITS EXPENSE

₹ in crores

	2021-22	2020-21	Change	Change%
Employee Benefits Expense	**618**	602	16	3

Employee benefits expense comprise salary, wages, and commission to the Directors and Company's contribution to Provident Fund and other funds, gratuity and staff welfare expenses. The increase in expense is mainly driven by annual increments and also manpower, especially for Products business.

(C) FINANCE COSTS

₹ in crores

	2021-22	2020-21	Change	Change%
Interest	**26**	26	-	-

Finance costs primarily pertain to interest paid on overdraft facilities from banks for execution of overseas projects.

(D) PROFITABILITY

₹ in crores

	2021-22	2020-21	Change	Change%
Profit Before Tax	**697**	709	(12)	(2)
Profit After Tax	**506**	529	(23)	(4)

Emergence of multiple Covid-19 variants resulting in subdued market sentiments coupled with increase in input costs and time lag of passing the cost to the consumers led to a marginal reduction in Profit before Tax for 2021-22.

Financial Position : Consolidated

(A) BORROWINGS (Non-current and Current)

₹ in crores

	2021-22	2020-21	Change	Change%
Borrowings	**343**	251	92	37

Borrowings represent working capital facilities availed for the execution of overseas projects.

(B) INVESTMENTS

₹ in crores

	2021-22	2020-21	Change	Change%
Non-Current Investments	**3,181**	2,797	384	14
Current Investments	**434**	249	185	74
Total	**3,615**	3,046	569	19

Investments include debt mutual funds, investment in bonds, preference shares and strategic equity instruments in Tata group companies and in joint ventures and associates. Increase in investments in Mutual Funds was over ₹ 265 crores during the year apart from subscribing to Rights Shares of certain strategic equity investments.

(C) INVENTORIES

₹ in crores

	2021-22	2020-21	Change	Change%
Raw Materials, Components, Stores and Spares	**567**	364	203	56
Work-in-Progress (net)	**7**	10	(3)	(30)
Finished Goods	**598**	366	232	63
Stock-in-Trade of Goods (for trading)	**489**	540	(51)	(9)
Total	**1,661**	1,280	381	30

Increase in Inventory balance as at the year-end reflects the build up mainly to meet the seasonal demand in UCP segment during the ensuing summer, after two years of lockdown.

(D) TRADE RECEIVABLES

₹ in crores

	2021-22	2020-21	Change	Change%
Non-current Trade Receivables (net)	**2,110**	1,801	309	17

Trade receivables of Projects business have increased depicting the increased time in receipt of due receivables/payments.

(E) OTHER ASSETS

₹ in crores

	2021-22	2020-21	Change	Change%
Other Current Financial Assets	**80**	109	(29)	(27)
Other Non-current Financial Assets	**83**	96	(13)	(14)
Contract Assets	**748**	1,064	(316)	(30)
Other Current Assets	**271**	226	45	20
Other Non-current Assets	**104**	117	(13)	(11)

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

(F) LIABILITIES AND PROVISIONS

₹ in crores

	2021-22	**2020-21**	**Change**	**Change%**
Current Liabilities	**4,056**	3,504	552	16
Non-current Liabilities	**153**	122	31	25

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

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

FINANCIAL PERFORMANCE: STANDALONE

Financial performace as a measure of operational performance:

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

₹ in crores

	2021-22	**2020-21**	**Change**	**Change%**
Segment-A (Unitary Cooling Products for Comfort and Commercial use)	**4,882**	4,218	664	16
Segment-B (Electro-Mechanical Projects and Services)	**1,619**	1,674	(55)	(3)
Segment-C (Engineering Products and Services)	**489**	359	130	36
Total	**6,990**	6,251	739	12

Total revenue for 2021-22 was higher by 12% at ₹ 6,990 crores as compared to ₹ 6,251 crores last year, driven by higher turnover by Unitary Cooling Products business (Segment-A).

(B) OTHER INCOME

₹ in crores

	2021-22	**2020-21**	**Change**	**Change%**
Other Income	**168**	220	(52)	(24)

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

(C) EMPLOYEE BENEFITS EXPENSE

₹ in crores

	2021-22	2020-21	Change	Change%
Employee Benefits Expense	**489**	465	24	5

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

(D) FINANCE COSTS

₹ in crores

	2021-22	2020-21	Change	Change%
Interest	**15**	19	(4)	(21)

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

(E) DEPRECIATION AND AMORTISATION EXPENSES

₹ in crores

	2021-22	2020-21	Change	Change%
Depreciation and Amortisation Expenses	**33**	30	3	10

The charge for depreciation on fixed assets was higher for the year 2021-22 as compared to the previous year as it also included depreciation on Right to Use Asset as per Ind AS 116.

(F) OTHER EXPENSES

₹ in crores

	2021-22	2020-21	Change	Change%
Other Expenses	**596**	591	5	1

Other expenses include repairs and maintenance, travel and communication costs, service maintenance charges, other selling expenses, external services/contract labour charges, subscriptions, e-auction charges, C&F charges, moving and shifting expenses, staff selection expenses, brand equity expenses and commission paid to Non-Executive Directors. Other expenses have by and large remained at same level like last year, depicting various cost austerity measures taken by the Company.

(G) PROFITABILITY

₹ in crores

	2021-22	2020-21	Change	Change%
Profit Before Tax	**763**	733	30	4
Profit After Tax	**583**	570	13	2

Profit before tax for the year was higher in current year as compared to previous year due to improved profitability in Project business. On the other hand, profits of Unitary Cooling business registered a dip due to increase in input costs which could not be passed on to the end-customers.

Financial Position: Standalone

(A) BORROWINGS (Non-current and Current)

₹ in crores

	2021-22	2020-21	Change	Change%
Borrowings	**126**	102	24	24

Borrowings were primarily for execution of overseas projects. The increase in borrowings was towards credit facilities availed for new jobs in the UAE.

(B) INVESTMENTS

₹ in crores

	2021-22	2020-21	Change	Change%
Non-current Investments	**3,691**	3,194	497	16
Current Investments	**434**	249	185	74

Non-current investments comprise investment in subsidiaries, joint ventures, associates and investment in Mutual Funds, Bonds and Preference Shares. Current investment comprise investment in Mutual Funds and Bonds/Debentures. During the year, the Company has made additional equity investment of ₹ 93 crores in Voltbek Home Appliances Private Limited, the joint venture company for Consumer Durable business and ₹ 80 crores in other strategic equity investments. Investments in Mutual Funds increased by ₹ 265 crores over last year.

(C) INVENTORIES

₹ in crores

	2021-22	2020-21	Change	Change%
Raw Materials, Components, Stores and Spares	**562**	359	203	57
Work-in-Progress (Net)	**7**	10	(3)	(30)
Finished Goods	**597**	365	232	64
Stock-in-Trade of Goods (for Trading)	**489**	539	(50)	(9)

Inventories were at higher levels as compared to last year due to the demand building up in the peak season for Unitary Cooling Products business.

(D) TRADE RECEIVABLES

₹ in crores

	2021-22	2020-21	Change	Change%
Trade Receivables	**1,520**	1,452	68	5

Trade receivables were higher by 5% as compared to the previous year, mainly in Projects businesses.

(E) CASH AND CASH EQUIVALENTS

₹ in crores

	2021-22	2020-21	Change	Change%
Cash and Cash Equivalents	**451**	314	137	44

Cash and bank balance at the year-end stood at ₹ 451 crores.

(F) OTHER ASSETS

₹ in crores

	2021-22	2020-21	Change	Change%
Other Current Financial Assets	**110**	137	(27)	(20)
Contract Assets	**576**	648	(72)	(11)
Other Non-current Financial Assets	**76**	89	(13)	(15)
Other Current Assets	**222**	164	58	35
Other Non-current Assets	**95**	109	(14)	(13)

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

(G) LIABILITIES AND PROVISIONS

₹ in crores

	2021-22	2020-21	Change	Change%
Current Liabilities	**3,519**	2,888	631	22
Non-current Liabilities	**129**	104	25	24

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

RISKS AND CONCERNS

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

INTERNAL CONTROL SYSTEM

The Company has established a robust and effective Internal Financial Control (IFC) framework, as prescribed under the ambit of Section 134(5) of the Companies Act, 2013, commensurate with its business operations' nature and complexity. The Control framework has documented policies and procedures covering all financial and operating functions. The controls are designed in line with the Companies Act 2013, and the Guidance Note issued by The Institute of Chartered Accountants of India. It aims to provide reasonable assurance about the proper maintenance of accounting records. Thus ensuring the reliability of financial reporting, operations monitoring, and compliance with applicable laws and regulations.

The Company has robust systems for internal audit, risk assessment and mitigation. The Company has an independent Internal audit function headed by the Chief Internal Auditor supported by co-sourced audit teams viz, an in-house team and reputed external firm/s for carrying out internal audits. The Chief Internal Auditor reports to the Board Audit Committee. This helps to bring in external perspective, industry best practices and benchmarks. Internal audit assures the Board and Audit Committee on the internal control system's design, adequacy, and operating effectiveness.

The Internal Audit function carries out a focused and risk-based annual internal plan approved by the Board Audit Committee. The scope and coverage of audits include review and reporting on key process risks, adherence to operating guidelines and statutory compliances. It also includes recommending improvements for monitoring and enhancing the efficiency of operations. The Audit Committee/Board are periodically presented with significant internal audit findings and agreed-upon action plans. The Audit Committee also monitors the progress on implementation of these actions along with the adequacy and reliability of financial reporting, internal control and risk management frameworks.

During the year, the operating effectiveness of internal controls was tested as part of the Management's control testing programme. Based on the testing carried out and evaluation of the results thereof, the Board, with the concurrence of the Audit Committee, was of the opinion that the Company's Internal Financial Controls were adequate and operating effectively as of 31 March, 2022.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Under the aegis of Vision 2027-28, the Company has taken several initiatives to meet its ambitious goals. Accordingly, the Company has hired experts from the industry, invested in capability-building, digitalisation and employee engagement, paving the way for a future-ready organisation.

The Company's long-term and short-term strategic plans drive the talent planning and management process. The decision to build vs. buy talent, for various leadership and critical roles, also flows from the talent strategy. Key talent is mapped to critical roles, and accordingly, internal movement of talent is decided and development plans are aligned. Organisational training needs are identified, and required technical, functional, culture-building programmes are conducted to cater to these needs. To create a robust frontline work-force, HR inducts fresh talent through campus recruitments.

Learning and Development programmes are designed to address the Company's long-term and short-term strategic plans. The Company has trained over 20,000 contractual and flexi-staff through apps such as the Handy Train.

Employee care and well-being is a top priority at Voltas. The Company has achieved almost 100% Covid-19 vaccination of its workforce. To help employees and their families deal with the Covid-19 pandemic, the Company had procured 52 oxygen concentrators – 5 BiPAP machines and 10 oxygen cylinders – across our various locations, which was available and accessible to employees in times of need. The Handy Train mobile app was used extensively, to create awareness about the safety measures and precautions required to combat the Covid-19-related concerns.

The Company had initiated services such as doc-on-call, Dial 4242 ambulance service, stress helpline, among others. HR team works closely with employees in need of medical aid, to address their needs and try to provide them relevant facilities. The Group Medical Policy, Group Personal Accident Policy (including for third party employees), Group Term Life Policy have been renewed for 2022-23.

Voltas works relentlessly towards fulfilling its commitment of providing a safe and harassment-free working environment for all its employees. The Company runs programmes across all locations to increase awareness on gender equality, sensitivity at work place and redressal mechanism in case of complaints. This is done through face-to-face meetings and e-learning modules. Various tools like the Manual on Sexual Harassment of Women at Workplace released by the Ministry of Women and Child Development, Government of India, POSH Classroom trainings and E-learning portal for employees, have helped sustain a harassment-free work place.

CAUTIONARY STATEMENT

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

Voltas Beko factory at Sanand

Highlights

			2021-22	2020-21	2019-20	2018-19	2017-18
1.	**SALES AND SERVICES**	₹	7,841	7,457	7,627	7,085	6,380
2.	**OTHER INCOME (INCLUDING OTHER OPERATING INCOME)**		283	288	262	226	222
3.	**COST OF SALES AND SERVICES (incl. Excise Duty)**	₹	5,897	5,555	5,555	5,262	4,591
4.	**OPERATING, ADMINISTRATION AND OTHER EXPENSES**		1,419	1,396	1,470	1,307	1,210
5.	Staff Expenses (included in 3 & 4)	₹	(618)	(602)	(672)	(642)	(587)
	Number of Employees (including Contract Staff)	Nos.	8343	8617	8821	8261	8118
6.	**OPERATING PROFIT**	₹	697	709	795	689	804
7.	**EXCEPTIONAL INCOME/(EXPENSES)**	₹	-	-	(51)	(12)	1
8.	**PROFIT BEFORE TAXATION**	₹	697	709	744	677	805
	Percentage to Sales and Services	%	8.9	9.5	9.8	9.6	12.6
	Percentage to Total Net Assets	%	11.9	13.5	16.5	15.3	19.9
9.	**TAXATION**	₹	191	180	223	163	227
10.	**PROFIT AFTER TAXATION**	₹	506	529	521	514	578
	Percentage to Sales and Services	%	6.5	7.1	6.8	7.3	9.1
	Percentage to Shareholders' Funds	%	9.2	10.6	12.2	12.5	14.8
11.	**PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY**	₹	504	525	517	508	572
12.	**RETAINED PROFIT**	₹	322	397	372	353	437
13.	**DIVIDEND ON EQUITY CAPITAL**	₹	182	165	132	132	132
	Percentage	%	550	500	400	400	400
14.	**PROPERTY, PLANT AND EQUIPMENT INCLUDING OTHER INTANGIBLE ASSETS (AT COST)**	₹	560	564	550	518	470
15.	**DEPRECIATION**	₹	322	317	300	294	290
16.	**INVESTMENTS**	₹	3,615	3,046	2,343	2,386	2,754
17.	**NET CURRENT AND NON-CURRENT ASSETS**	₹	1,975	1,905	1,234	1,716	1,108
18.	**DEFERRED TAX ASSET (NET)**	₹	32	56	71	99	5
19.	**TOTAL NET ASSETS**	₹	5,860	5,254	4,498	4,425	4,047
20.	**SHARE CAPITAL**	₹	33	33	33	33	33
21.	**OTHER EQUITY**	₹	5,467	4,960	4,247	4,077	3,872
22.	**EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY**		5,500	4,993	4,280	4,110	3,905
	Equity per Share (Book Value)	₹ †	*165.25	*149.22	*127.20	*121.21	*117.88
	Earnings per Share	₹ †	*15.23	*15.87	*15.63	*15.35	*17.30
	Number of Shareholders	Nos.	175,827	150,995	125,527	119,915	107,457
	Share Prices on Stock Exchange - High	₹ †	*1357	*1131	*741	*665	*675
	- Low	₹ †	918	*428	*449	*471	*401
23.	**BORROWINGS**	₹	343	251	218	315	142
	Debt/Equity Ratio	%	6	5	5	8	4
	(Percentage to Shareholders' Funds)						

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

2016-17	2015-16	2014-15	2013-14	2012-13	1994-95	1984-85	1974-75	1964-65	1954-55	
6,033	5,720	5,166	5,280	5,567	811	266	159	42	10	1
274	164	148	123	107	8	2	**	**	**	2
4,298	4,114	3,619	3,891	4,220	604	211	138	35	8	3
1,271	1,242	1,227	1,194	1,186	192	56	19	5	2	4
(618)	(635)	(590)	(595)	(633)	(100)	(32)	(10)	(4)	(1)	5
8429	8741	8424	9101	10191	10667	8147	7252	5082	2324	
719	534	468	318	268	23	1	2	2	**	6
1	29	46	22	12	(1)	—	—	—	—	7
720	563	514	340	280	22	1	2	2	**	8
11.9	9.8	9.9	6.4	5.0	2.7	0.5	1.0	5.9	2.5	
20.7	18.3	23.1	16.3	14.8	5.0	1.1	4.6	18.3	6.5	
200	170	128	94	73	**	—	1	1	**	9
520	393	386	246	207	22	1	1	1	**	10
8.6	6.9	7.5	4.7	3.7	2.7	0.5	0.5	2.3	1.4	
15.7	14.0	18.4	13.5	12.7	13.2	4.1	6.7	17.6	9.1	
517	387	384	245	207	—	—	—	—	—	11
414	309	286	174	146	10	**	**	1	**	12
116	86	74	61	53	12	1	1	**	**	13
350	260	225	185	160	35	10	12	15	5.5	
460	484	459	461	451	307	50	12	4	1	14
278	280	266	251	240	107	16	6	1	**	15
2,268	1,946	1,094	732	407	82	5	1	1	—	16
1,008	901	902	1,116	1,247	149	66	29	9	3	17
20	31	35	24	22	—	—	—	—	—	18
3,478	3,082	2,224	2,082	1,887	431	105	36	13	4	19
33	33	33	33	33	34	10	6	3	2	20
3,274	2,778	2,069	1,786	1,593	131	20	6	3	**	21
3,307	2,811	2,102	1,819	1,626	165	30	12	6	2	22
*99.93	*84.96	*55.59	*48.29	*44.81	50	305	191	216	1,027	
*15.64	*11.70	*11.62	*7.42	*6.28	7	12	13	38	93	
108,646	105,465	99,973	103,543	116,804	84,180	45,237	14,395	7,356	150	
*425	*360	*301	*164	*138	176	470	211	276		
*267	*211	*149	*63	*73	92	356	125	183		
171	271	122	263	261	266	75	24	7	2	23
5	10	6	14	16	162	253	200	136	151	

REPORT OF THE BOARD OF DIRECTORS

To the Members

Your Directors present their 68th Annual Report and the Audited Statement of Accounts for the year ended 31 March, 2022.

1. Financial Results

₹ in crores

	Consolidated		Standalone	
	2021-22	**2020-21**	**2021-22**	**2020-21**
Total Income	8,124	7,745	7,266	6,598
Profit for the year after meeting all expenses but before interest and depreciation	871	830	811	782
Interest	26	26	15	19
Depreciation and amortisation	37	34	33	30
Profit before share of profit/ (loss) of joint ventures and associates and tax	808	770	-	-
Share of profit/(loss) of joint ventures and associates	(111)	(61)	-	-
Profit before tax	697	709	763	733
Tax expenses	191	180	180	163
Profit after tax	506	529	583	570
Other comprehensive income (net)	170	321	166	329
Total comprehensive income	676	850	749	899

2. Operations

By the end of 2020-21, on the lower base of the Covid-19-led pandemic, economists and corporates alike anticipated a robust growth given the visibility of multiple green shoots in forthcoming quarters of 2021-22. However, in April-May 2021, the pandemic re-erupted like a tsunami wave in several countries across the globe. The vaccination rate fairly aided in controlling casualties, however the anticipated growth in recoveries seemed doubtful even in geographies where infections seemed to be contained. Apart from human life, there were signs of extreme social and economic challenges accompanied with lockdowns all across the world.

During the financial year under review, commodity prices saw unabated increase quarter-on-quarter, causing inflationary rates to reach pre-pandemic level. Additionally, the container freight rate saw a sharp escalation amid the global trade disruptions that widened the supply-demand gap owing to the pandemic. Supply disruptions posed another trial in operations across the industry. The pandemic and climate concerns resulted in shortages of key inputs and dampened manufacturing activities in numerous countries. Supply shortages and the rise in commodity prices caused consumer price inflation to increase rapidly across the world economy.

Amidst various mutations of Covid-19 variants, supply-chain and commodity price increase concerns, the global economy face another potentially enormous broad-based supply shock. The Russia-Ukraine conflict, the steady roll-out of sanctions by the West against Russia, and some retaliatory measures by Moscow led to a new era of economic conflict–the implications of which appear to extend well beyond the short-term repercussions of commodity prices and inflation initiated by the surge in oil prices.

The IMF (International Monetary Fund) has downgraded both Global and India GDP projection to 3.6% from 4.4% in 2022, and from 9% to 8.2%, for 2022-23 owing to the spillover impact of war, tightening monetary condition in several countries, and frequent lockdowns in China affecting supply shortages.

Similar to lockdown in Q1 of 2020-21, the peak season of Unitary Cooling Business was affected for a second time in a row in 2021-22, especially for the Room Airconditioners. However, the strength of the brand, Voltas and its enviable distribution network shone through rest of the quarters. Favorable climatic conditions in the North and Central regions, helped the business to make a recovery of the sales lost during the peak season. The Company ended the year with a growth of 16% as compared to the previous year, the performance being backed by pent-up demand and channel partner eagerness to secure their share of market amidst ongoing fears of supply chain disruptions and price escalation.

Appropriate focus by the Company on the Inverter sub-category with competitive pricing and larger number of SKUs has yielded a favourable outcome – Inverter growth in FY22 was ahead of the previous year and now contributes over 74% of Split ACs sold during entire year, compared to 69% last year.

The Commercial Refrigeration Products business registered a stellar growth due to increase in demand and change in food habits, largely driven by beverages and ice cream products in tier 3 and tier 4 cities and higher participation from OEMs engaged in chocolate, beverages and Ice cream products.

Substantial build-up of Air Cooler inventory with trade, due to lockdowns especially during the seasonal period continued to impact the performance of the Air Cooler vertical.

With opening up of commercial places and focus on retrofit jobs, the Company's Commercial Airconditioning (CAC) business reported good growth in turnover along with retention of the customers with attractive after sales offerings.

Unlike the situation in 2020-21, construction activities were allowed providing relatively better access to the project sites, both domestic and international. Albeit, erratic weather conditions and non-availability of required labour kept the growth under pressure during the year under review. Weakened sentiments of delay in announcement of Capex plans by potential clients across the operational geographies, coupled with the Company's cautious policy and diligent choice of orders translated into subdued but high-quality order booking during the year.

The Engineering Products and Services comprising the Textile Machinery business as well as Mining & Construction Equipment business performed better.

Nevertheless, given the difficult times and circumstances, the Company has sustained its turnover and profitability and grew over previous year. Consolidated total income from operations reported at ₹ 8,124 crores, as compared to ₹ 7,745 crores last year achieved growth of 5%. Profit before share of profit/ loss from joint ventures and associates was ₹ 808 crores (Previous year: ₹ 770 crores) and consolidated Profit before tax was at ₹ 697 crores as compared to ₹ 709 crores last year.

The Company's balance sheet continues to remain healthy. Minimal borrowings are availed, primarily for the overseas operations. Operational cash flow during the first six months were weak given the context of the lockdown and AC sales lost out in the peak season. However, recovery of product sales in later months and focus on collection in the project business, strengthened the cash flow by end of the year.

There were no material changes and commitments between the end of the financial year to which the financial statements relate, and the date of this Report that affected the financial position of the Company. There was no change in the nature of the Company's business.

3. Covid-19: Impact on Business Operations

Multiple variants of Covid-19 led to an unprecedented health crisis and disrupted economic activities and global trade, severely. The pandemic has been continuously posing new and myriad challenges upon the world economies.

As the world was taken over by the second and the third wave of Covid-19 in 2021-22, the immediate priority at Voltas was to ensure the safety and health of its employees. The second wave was far more severe and resulted in more fatalities. The Company, in consultation with the Tata Group, worked relentlessly to provide support to Covid-19-affected families and reached out to them, wherever possible.

The Company launched extensive Covid-19 vaccination drives across all geographies and ensured that all employees receive both the doses. The Company also arranged vaccines for the family members of its employees.

The second and third waves affected many aspects of the Company's operations and also brought along several changes in market conditions. This was primarily due to State induced lockdowns that disrupted operations and supply chain partially or even fully in some cases. Voltas, however, continued to focus on running operations safely and efficiently to their best abilities and ensured minimum impact to its customers.

4. Reserves

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

5. Dividend Distribution Policy

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

6. Dividend

Based on the Company's performance and keeping in mind the shareholders' interest, the Directors recommend a dividend of ₹ 5.50 per equity share of ₹ 1 each (550%) for the year 2021-22 (2020-21: 500%). The dividend would result in a cash outflow of ₹ 182 crores, reflecting pay out of 31%, in line with the Company's Dividend Policy.

The dividend on equity shares is subject to the Shareholders' approval at the 68th Annual General Meeting ('AGM') scheduled to be held on 24 June, 2022. The Register of Members and Share Transfer Books of the Company will remain closed from 11 June, 2022 to 24 June, 2022 (both days inclusive) for the purpose of payment of the dividend for the year ended 31 March, 2022, and the AGM.

7. Finance

Industry across length and breadth of the globe witnessed steep escalation in input prices, leading to an overall reduction in the margins. Further, supply chain disruptions were also a cause of concern. However, the Company due to its prudent and effective approach managed its financial resources efficiently. On one hand, cash reserves were systematically nurtured to ensure adequate liquidity to ride out potential disruptions and on the other hand, Voltas retained its capacity to fund its future growth ambitions comprehensively.

The minimal borrowing in the Company's balance sheet represents fund-based borrowings for overseas operations – domestic borrowing being largely confined to non-fund-based facilities. Meanwhile, an external rating agency reconfirmed the credit rating of AA+ for the long-term and A1+ for short-term borrowing for third time in a row. Thus, helping the Company avail banking facilities at competitive rates.

Similar to the industry, the Company's working was also impacted by the growing commodity prices. The price hike and subsequent lag in pass through of the cost to customers was slowed down by resilient consumer recovery, amidst emerging concerns of the evolving Covid-19 variants. Further, pressure led by Russia-Ukraine war and increase in fuel cost kept the operations under stress. Despite this, a well-established distribution network, relationships with the vendors and planned strategy to procure helped to keep a tight rein on working capital. The tight control on the working capital along with value engineering and various cost saving initiatives helped to contain the impact on margins while also generating cash surplus during the year.

During the year, following the directions by Government's initiative on Atma Nirbhar Bharat, to reduce import dependencies and to balance supply chain, the Company has made an application in Government-led Production Linked Incentive (PLI) scheme, with a committed investment of ₹ 100 crores for manufacture of various components, such as heat exchangers, plastic component, and cross flow fans, among others. Further, as a step forward towards self-sustainability, a separate application has been made under the category of AC components for a committed investment of ₹ 350 crores for manufacturing of inverter compressors for Room Airconditioners, through a separate proposed joint venture company.

In the Project business, over ₹ 2,000 crores of new orders were added in the domestic and international markets, providing suitable revenue visibility in the periods ahead. Compared to certain legacy orders, the intrinsic quality of the new orders has improved as a result of additional due diligence, risk identification and mitigation, apart from higher bid margins. The carry-forward order book (including taxes and Letter of Intent, wherever applicable), for domestic projects at ₹ 3,638 crores comprised orders across Water, HVAC, Rural Electrification and Urban Infra-activities and the international order book of ₹ 1,722 crores represents MEP work, mainly in the UAE, Qatar and Oman. Better execution of running projects and improved cash collection, reduced the impact of the pandemic and helped the Projects business segment post a growth in turnover and results for the year.

With an eye on sustained profitable growth, while enhancing focus on both B2C and B2B verticals, the Board, had in 2020-21, approved the transfer of its domestic B2B businesses to its wholly-owned subsidiary. Accordingly, B2B business relating to MEP/HVAC and Water projects, Mining and Textiles are proposed to be transferred to a wholly-owned subsidiary of Voltas Limited, Universal MEP Projects & Engineering Services Limited ('UMPESL') (formerly known as Rohini Industrial Electricals Limited), by slump sale through a Business Transfer Agreement executed on 24 March, 2021. The proposed transfer of businesses is subject to satisfaction of certain Conditions Precedent to the Closing Date. As consents for novation of some contracts, especially with Government Clients had been delayed, beyond expectations, the Management is targeting consummation of the BTA on or before 30 June, 2022, or such other date as may be mutually agreed between the Company and UMPESL.

Despite uncertainty looming around Covid-induced restrictions, Voltbek , the Joint Venture company for White Goods achieved substantial growth in sales volume of over one million units (all product categories) during the year under review. The manufacturing plant of Voltbek at Sanand also completed its second year of manufacturing activities. After the successful launch of Direct Cool Refrigerator, Voltbek has commenced manufacturing of Frost Free Refrigerators (upto a certain literage). Further, under the back-drop of Make-in-India initiative and to leverage on the potential savings over the high value-added products, Voltbek has also installed a production line for fully-automatic washing machines from its Sanand facility. This initiative of in-house manufacturing shall help the brand to introduce more customer centric products, helping in optimising the working capital and other cost savings associated with it.

The year 2021-22 witnessed bond yields moving range bound during first half of the fiscal year, aided by ample surplus liquidity, regular interventions by RBI and lower than expected market borrowings by the Central Government. Yields hardened substantially in the second half, driven by elevated CPI, strong recovery, sustained global inflation and rise in yields in AEs along with reduced RBI's intervention. Further, steps taken by RBI towards policy normalisations (introduction of Variable Rate Reverse Repo (VRRR), market sale of securities, buy/sell forex swaps) and higher than expected market borrowings for 2022-23 by Central Government put upward pressure on the yields. The Company's investment policy considers the three all-important aspects of safety, security and liquidity, in consonance to which, it currently has investments of over ₹ 2,300 crores (mutual funds, debentures and bonds).

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

Despite all the ramifications of the pandemic, the Company's total income for 2021-22 at ₹ 8124 crores was higher than that of the previous year. At the PAT level, the Company was marginally lower than the previous year at ₹ 506 crores. Voltas ended the year with an Earnings per Share of ₹ 15.23 (Face Value per share of ₹ 1).

8. Tata Business Excellence Model (TBEM)

The Tata Business Excellence Model (TBEM) Assessment process has been critical in strengthening the strategic and operational capabilities of Tata companies. Voltas has benefited by adopting the concepts of TBEM for more than two decades.

Based on the outcome of the External TBEM and Data Excellence Assessments, the Company has developed and implemented rigorous action plans to take its business excellence journey forward. This is done by setting a benchmark through the processes with companies within and outside the Tata Group.

Voltas was recognised and conferred by the Tata Business Excellence Group with the 'Top Contributor Award – Tata Best Practices Programme (Maximum Number of Best Practice Sharing Sessions Conducted) 2021' at the Annual Business Excellence Convention (BEC) 2021 on 14 December, 2021.

The Company organises 'Best Practice Learning Programs/ Missions' with other Tata companies to learn/share on key areas like Strategic Planning Process, Customer Complaint Management, Salesforce process, and Competitive Intelligence.

Voltas has transformed its Quality Assurance focus and strengthened its Quality approaches by implementing robust processes and developing a Central Quality Assurance structure backed by an online knowledge management repository.

The Company is continuously driving improvement programs through tools like 5S, Kaizen, CIP Projects and Process Simplification and Improvement initiatives at business units and manufacturing plants. The manufacturing plants have improved in 5S levels and have successfully implemented 40+ Best Kaizen improvements, achieving results in productivity, space and inventory optimisation, improvement in order execution, on-time delivery, quality, safety, and the environment.

In 2020-21, the Company had participated in the 'Making Customers Smile' contest organised by the Customer Centricity and Marketing Team of Tata Sons. 'Creation of Covid Care Facilities' from Infra Solutions business vertical of the Company was recognised as one of the Top 3 winners. In 2021-22, the Company participated, and ten entries have been selected for the final round. The evaluation process is yet under progress.

To promote a culture of innovation, the Company has participated in Tata Ideas' monthly eHackathons, covering areas such as reducing water consumption in air coolers, flexible indoor to outdoor AC refrigerant pipe connectors, spare-parts management inventory optimisation, and effective monetisation of IoT-based Remote Monitoring System for chillers. The Company has received innovative ideas for solution implementation.

The Company also participated in Tata InnoVista – a Tata Group level contest to recognise and celebrate innovation. Voltas registered 12 entries in the TATA InnoVista 2022 cycle during the current year and is awaiting the results.

9. IT Initiatives

In the face of repeated waves of the Covid-19 pandemic and multiple lockdowns during 2021, Work-from-Home (WFH) and a hybrid work culture became the new norm. Voltas' response to these changing needs was quick, and multiple initiatives were launched to provide an enhanced experience to the consumers. The process was further strengthened to enable remote support for a smoother transition with minimal work disruption. The Company made constant improvements to the IT infrastructure and security. Voltas successfully completed the Vulnerability Assessment and Penetration Testing (VAPT), and also enhanced the Web Application Firewall (WAF) and NextGen EDR. In order to ensure seamless connectivity and remote collaboration, the Company introduced IT capacity and version upgrade initiatives such as expansion of the Storage Area Network (SAN) storage capacity of servers, along with the backup capacity of Data Center and Disaster Recovery (DR) Servers, increasing the internet bandwidth across all offices, upgrading active directory and Simple Mail Transfer Protocol (SMTP) servers. Thereon, providing an advanced solution for fast backup restoration.

Applications and Digital

During the year under review, the Company witnessed various re-organisations in the Products and Infra Solutions businesses. The Company's IT team ensured configuration of all systems and applications in line with the Company's new structure. Voltas launched its own E-Commerce portal (www.voltaslounge.com), and new initiatives were undertaken for E-Procurement and Human Capital Management. Various functionalities such as online payment integration, channel partner financing, consumer finance integrations, AMC Renewal Alert, and Organisational Structure restructuring for Universal MEP Projects & Engineering Services Limited (UMPESL) were some of the projects undertaken in Siebel and SAP. With the changing IT dynamics and demands, the Company increased its emphasis and focus on digitalisation. IT Asset Management System, Safety Portal enhancements, Technician Safety App, CRM enhancements were some of the key initiatives on Web. New processes were added using Analytics and Robotic Process Automation (RPA), integrated with cutting-edge third party systems. Analytics platform was extended for new business units and new interfaces were added with banks, partners (like Tata Cliq), and external applications (like Optiexim, Delhivery, among others). Collectively, all the work and developments during the year played a critical role in enhancing further business advantage, customer delight and in securing the digital environment of the organisation.

10. Safety and Health

At Voltas, the belief is that 'Safety is a journey and not a final destination'. The Company embarked this journey on September 2019 with an aim to imbibe 'safety as a culture'. The Company has successfully achieved the milestones set and aim at sustaining the changes in the long term. The Company has extended safety to cover the occupational health, industrial hygiene and environmental aspect, rigorously.

It was the strategic direction of the Board to bring changes in the safety culture, which was incorporated through a five years' plan – split into a three-phase action plan namely: Immediate Action Plan (September 2019 to March 2020), Intermediate Action Plan (April 2020 to March 2022) and Long-term or Sustainability Action Plans (April 2022 to March 2025). 'Vol-ty', the Safety mascot, has been used for all Safety-Health-Environment (S-H-E) related communications and has played a key role in the successful implementation of all the phases. The improvement efforts have given tangible results, monitored by 3-tier committees, S-H-E Committee of the Board, a Steering Committee comprising the Corporate Management Group and Corporate SHE Committee.

- The Company ensured 100% sustainable implementation of the Intermediate Action Plan. Safety reviews are conducted through Corporate SHE Committee, Business SHE Committee, and Project SHE Committees.
- In the second phase, the Company reinforced training of the Top Management and Business Unit (BU) Heads. Two sessions were conducted as part of the Business Centric Safety Leadership programme, for the Senior Leadership Team, BU Heads and Project Directors/Project Managers. Regular campaign on 'road safety' and 'working at height' was carried out, safety leadership audits were conducted by the Senior Management during site visits, safety specific reward and recognitions have been initiated. The Managing Director and CHRO along with the SHE Head meet the Safety managers on a quarterly basis. Certification audit of ISO 9001, ISO 14001 and ISO 45001 for UMPESL and ISO 14001 and ISO 45001 for Water Business segment was conducted successfully besides the surveillance audit of Integrated Management System (IMS) at the Pantnagar and Waghodia plants. The Company launched the safety portal for hazard and incident reporting – through web, mobile app and QR code options, alongside a platform for vendor's management, contractor safety management software, visitor's management system and software for UPBG Service technician tracking. Safety model sites have been established in each Region for all businesses. With respect to the trainings conducted, 76% employees have completed mandatory safety training through the Handy Train App. In order to ensure consistency and resilience of Safety controls, 245 major projects and offices were audited, with a weighted score on the Tata Group Safety Standards compliances. This was in addition to the regular safety inspections and audit of sites, manufacturing units, customer care premises, offices and warehouses. To increase the participation, the Company also organised safety events such as the 'World Environment Day' and 'National Safety Day' across all its locations. The event comprised virtual training programmes, various competitions and winners were recognised by the Management. Employees at all levels were recognised and appreciated by the Management for 'Best Safety Performance' at work.
- Effective implementation of the vendor management process was achieved wherein contractors/ vendors conducted evaluations on 'Safety, Health and Environment' prior to issue of work order or purchase order. The Company also successfully implemented the Contractor Safety Management (CSM) software wherein contractor information related to safety performance, machines, equipment and tools inspection records are maintained and tracked. To enhance communication and interaction with contractors, Voltas conducted Safety Health and Environment conclave in Kolkata, Chennai and Bhubaneswar, where a total of 304 contractors from various businesses participated.
- The Company has received many appreciation certificates and awards in India and overseas for enhancing the Safety Standards. The Company also achieved the HSE Excellence Gold Award 2021 by Occupational Health Safety & Sustainability Association India (OHSSAI) for Digital Safety Excellence Centre at Beed, under the 'Construction' category. Various clients like Maharashtra State Electricity Distribution Company Limited have recognised Voltas for the continual improvement and excellent performance in 'Occupational Health, Safety and Environment' at electrical sites, including appreciation from Tata Projects, UTI Mumbai for demonstration of Best Safety Performance at Customer Air Conditioning services, Safest Contractor (2021-22) from Tata Center,

and appreciation from Duhai Depot Ghaziabad for Best Safety Performance. The Management also recognises and appreciates the best performers in S-H-E at all levels on a monthly/quarterly and annual basis, resulting in enhanced morale and proactive participation by employees in the implementation of long-term action plan to create and sustain safety culture across the organisation.

- Further, amid a competitive environment, the focus is primarily on upgrading the speed, scale, quality and S-H-E aspects beside enhancement of business partners' capabilities.

11. Sustainability Development

Giving back to the community lies among Voltas' top priorities. All its interventions in the form of social development are need-based, sustainable in nature and also caters to the lowest sections of the society. Affirmative Action is a common thread for all the CSR initiatives undertaken by Voltas. The CSR framework has been designed based on the Tata Ethos and priority community need. Time and again, the Company reviews the relevance of the thrust areas defined in the framework, and makes suitable amendments. There are three verticals in the framework: (a) Sustainable Livelihood – deals with skilling and employability building for marginalised youth and women; (b) Community Development – emphasises on issues like quality education, health and water; (c) the third vertical deals with Issues of National Importance like disaster management, affirmative action, and sanitation. Voltas CSR works with an approach to Engage, Equip and Empower. The Company believes in ensuring participation and ownership of the communities, and equips them with necessary knowledge and skills. Thereon, facilitating community empowerment. With every passing year, the Company has strengthened its CSR interventions for optimal impact.

Sustainable Livelihood

Voltas believes that Skill Development and Employability Enhancement are the essential building blocks to empower the marginalised youth. The Company has adopted this as its flagship programme with an objective to promote sustainable livelihood and economic development – through youth employment, education and training.

The Company offers technical courses in Room Air Conditioning (RAC), Central Air Conditioning (CAC), Plumbing and Electrical. These courses are industry-oriented and relevant to market requirements. They place emphasis on hands-on-training in well-equipped laboratories, on-the-job training in real-life situations, soft skills, customer care and safety. The content of these well-designed courses is developed by experienced Subject Matter Experts from Voltas, leveraging the Company's domain expertise. In non-technical space, the courses offered include BFSI (Banking, Finanical Services and Insurance), Retail, IT-enabled services, Tally and Accounting, Nursing Assistant and Tailoring. Since 2002, Voltas has trained over 19,000 youth through its technical and non-technical programmes.

Recognition of Prior Learning (RPL) programme helps the existing workforce with skill upgradation and certification. This initiative is positively impacting work efficiency, productivity and income of the existing unskilled and semi-skilled technicians. Over 15,297 existing RAC/CAC technicians have been formally trained and certified under the RPL programme.

Through 28 Skill Development Centres across 13 States in India, the Company is creating a shared value which converges the aspirations of the community and the requirements of the industry, to create a win-win situation for all.

The Company also aims at sharing domain expertise with various stakeholder groups including trainers from ITIs and other private organisations, to help the RAC industry with knowledge and expertise, backed by a rich experience of over six decades.

Community Development

This thrust area essentially focusses on priority community needs like Education, Health and Water.

Voltas supported a Cancer Care Hospital which is being established in Tirupati, in terms of procurement of medical equipment.

Voltas has developed educational facilities for physically-challenged students, like laboratories, IT labs, water filters and more. Nutritional support was provided to tribal children in Maharashtra, and an organisation was supported with vehicles, for providing mid-day meal to children in Uttarakhand.

The Company supported integrated development programme for the Mushar Community – a Dalit community found in the eastern Gangetic plains. They are mostly landless agricultural labourers and among the most marginalised castes in India.

Voltas extended support to an old-age home in Baroda and a zoological society in Jamshedpur which were impacted by the outbreak of Covid-19.

Endeavouring to protect the national heritage, art and culture, Voltas supported a Museum of Art and Photography in Bangalore. This five-storied building will include art galleries, auditorium, library, education centre and research facility, with a strong focus on accessibility.

Book reading needs to be conserved in the digital era. Voltas provided 110 libraries across India with several books on art and culture by extending financial support to Marg Foundation.

Voltas also extended support to the Armed Forces, towards the welfare of the ex-servicemen.

Issues of National Importance

This thrust area was conceived to ensure that the Company supports the social issues, not only limited to the operational areas but also areas of national importance. The three sub-themes are: (a) Disaster Management (b) Sanitation (c) Affirmative Action for Schedule Caste and Schedule Tribe communities.

The Covid-19 pandemic left the country in desperate need of upgrading medical infrastructure within limited and less timeframes. Voltas made efforts towards resolving these concerns and supported the Government in availing charitable healthcare machinery with oxygen concentrators and Covid-19 relief material.

Initiating proactive measure towards drought mitigation, Voltas has been implementing Participatory Ground Water Management and Sustainable Agriculture Project in six villages of the Beed district in Maharashtra.

In 2021-22, interventions in the following areas were undertaken by the Company: water resource development, sustainable agriculture, capacity building of farmers, formation and strengthening of local institutions. The interventions benefited around 3200 individuals including small and marginal farmers, women and youth in the project villages.

In order to sensitise and train the community in improving water productivity and to follow regulatory norms about water usage, water level indicators were installed at identified wells, in line with the recharge and discharge areas at 12 strategic locations. A total of 36 training programmes were conducted on integrated pest management and integrated nutrient management for major crops, such as soybean and cotton. Over 1,100 farmers benefited from these trainings. Village Water Committees are established for each project village. Trainings are conducted to strengthen and enable them to act as an apex body for the planning, implementation and monitoring of water and agriculture-related activities in the village.

A total of 586 families were directly benefited from the area treatment under the water conservation initiatives. This will also benefit 557 hectares of land through recharging of dug wells and bore wells, and higher water availability in streams and public percolation tanks. In the long run, this will create increased livelihood opportunities.

Voltas is implementing Integrated Sanitation Project in Waghodia (near Vadodara), in partnership with Tata Trusts for (a) Household Toilets (b) School Sanitation (c) Solid Waste Management (d) Menstrual Hygiene Management. The Project is being implemented in 10 villages around the Voltas Waghodia Plant. It emphasises on community participation and convergence with Government programmes and schemes.

12. Corporate Social Responsibility (CSR)

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

During 2021-22, the Company spent ₹ 12.94 crores towards various CSR activities, in line with the requirements of Section 135 of the Companies Act, 2013 ('Act'). Details of the composition of the CSR Committee and Meetings held during 2021-22 are disclosed in the Corporate Governance Report.

13. Consolidated Financial Statements

The Consolidated Financial Statements of the Company and its subsidiaries for the year 2021-22 are prepared in compliance with the applicable provisions of the Act and as stipulated under Regulation 33 of the Listing Regulations, as well as in accordance with the Indian Accounting Standards notified under the Companies

(Indian Accounting Standards) Rules, 2015. The Audited Consolidated Financial Statements, together with the Auditor's Report thereon, forms part of this Annual Report.

14. Subsidiary/Joint Ventures/Associate Companies

As on 31 March, 2022, the Company had 9 subsidiaries (direct and indirect), 5 joint ventures and 1 associate company. During the year under review, two 100% wholly-owned subsidiaries were established: Hi-Volt Enterprises Private Limited in India and Universal MEP Projects Pte. Limited (Universal) in the Republic of Singapore. Universal is a 100% wholly-owned subsidiary of Voltas Netherlands B. V. – a wholly-owned subsidiary of the Company in the Netherlands.

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

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

Presently, the Company does not have any material subsidiary.

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

- Universal MEP Projects & Engineering Services Limited (UMPESL) (formerly known as Rohini Industrial Electricals Limited), a wholly owned subsidiary of the Company, is engaged in the business of rural electrification work and EPC projects related to solar power. UMPESL has reported turnover of ₹ 397 crores and profit before tax of ₹ 12 crores in 2021-22 as compared to ₹ 323 crores and ₹ 18 crores respectively, in the previous year.

- Voltbek Home Appliances Private Limited (Voltbek), the joint venture with Arcelik A.S. for Consumer White Goods has reported turnover of ₹ 944 crores as compared to ₹ 637 crores in the previous year. Voltbek has achieved a sales volume of over 1 million units (all product categories) in 2021-22. Voltas as one of the main shareholders (49%) has provided funds in the form of capital infusion and similar capital contribution is also made by the foreign JV partner. The paid-up capital of Voltbek as on 31 March, 2022 was ₹ 1027.01 crores. During 2021-22, the Company invested ₹ 93.10 crores in the share capital of Voltbek and the Company's total investment in Voltbek (49% share) was ₹ 503.23 crores.

Except as mentioned above, there have been no material changes in the nature of the business of the subsidiaries, including associates and joint ventures during 2021-22.

The following companies have ceased to be subsidiary/associate of the Company:

- The name of Auto Aircon (India) Limited (AAIL), a dormant wholly-owned subsidiary of the Company, has been struck-off from the Register of Companies with effect from 8 September, 2021 based on an application made to the Registrar of Companies, Maharashtra, Pune. Accordingly, AAIL has ceased to be a subsidiary of the Company.

- Due to losses suffered by Terrot GmbH, an associate company in Germany, in the last few years, its Net Worth was fully eroded and was negative. Terrot had therefore undertaken a capital restructuring plan, by implementing reduction of its existing capital to zero and raised new capital by fresh infusion from its existing shareholders. As Voltas did not subscribe to the new capital, it ceased to be a shareholder (20.07% shareholding) with effect from 12 November, 2021. The Company's investment of ₹ 1.56 crores in Terrot had been earlier impaired and therefore there was no P&L impact due to reduction of capital of Terrot.

15. Number of Board Meetings

During 2021-22, eleven Board Meetings were held on 15 April, 2021; 26 April, 2021; 12 May, 2021; 19 July, 2021; 6 August, 2021; 20 August, 2021; 11 October, 2021; 29 October, 2021; 20 January, 2022; 11 February, 2022 and 16 March, 2022. Most of the Board Meetings were held through video conferencing.

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

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

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

Pursuant to the provisions of the Act and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Board carried out an evaluation of its performance, Committees and individual Directors. The performance of the Board as a whole, Committees and individual Directors was evaluated by seeking inputs from all Directors based on certain parameters as per the Guidance Note on Board Evaluation issued by SEBI such as: Board structure and composition; Meetings of the Board in terms of frequency, agenda, discussions and dissent, if any, recording of Minutes and dissemination of information; Functions of the Board, including governance and compliance, evaluation of risks, stakeholder value and responsibility, Board and Management, including evaluation of the performance of the Management. The Directors also made their self-assessment of certain parameters – attendance, contribution at meetings and guidance/support extended to the Management. The feedback received from the Directors was discussed and reviewed by the Independent Directors at their separate Annual Meeting held on 15 March, 2022, and also shared with the NRC/Board. At the separate Annual Meeting of Independent Directors, the performance of Non-Independent Directors, including the Chairman, Board as a whole and various Committees was discussed. The Independent Directors in the said meeting also evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties. They expressed their satisfaction in respect thereof. The performance of the individual Directors, performance and role of the Board/ Committees was also discussed at the Board Meeting held on 5 May, 2022. The performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

18. Statutory Auditors

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

Pursuant to the provisions of Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, and based on the recommendations of the Audit Committee, it is proposed to reappoint SRBC as Statutory Auditors for a second term of five years from the conclusion of 68th AGM till the conclusion of 73rd AGM of the Company to be held in the year 2027, to examine and audit the accounts of the Company for the financial years between 2022-23 and 2026-27. SRBC have, pursuant to Section 139 of the Act, provided written consent and furnished a certificate regarding their eligibility for re-appointment.

Resolution seeking Members' approval for the reappointment of SRBC as Statutory Auditors of the Company forms part of the Notice of 68th AGM of the Company.

19. Cost Auditors

The Company has maintained the accounts and cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013. The Board had appointed M/s. Sagar and Associates, Cost Accountants as the Cost Auditors for 2021-22, and they have been reappointed as Cost Auditors of the Company for 2022-23. Approval of the Members is being sought for ratification of their remuneration at the ensuing AGM.

20. Secretarial Auditor

M/s. N. L. Bhatia and Associates, the Practicing Company Secretaries were appointed as Secretarial Auditor to undertake the Secretarial Audit of the Company for the year 2021-22. Their Secretarial Audit Report, in prescribed Form No. MR-3, is annexed to the Directors Report as Annexure IV, and does not contain any qualification, reservation or adverse remarks. M/s. N. L. Bhatia and Associates have been re-appointed as the Secretarial Auditor for 2022-23.

21. Audit Committee

The Audit Committee comprises Mr. Zubin Dubash (Chairman), Mr. Debendranath Sarangi and Mr. Arun Kumar Adhikari, all Independent Directors, in line with Section 177 of the Act. The Board accepted the recommendations made by the Audit Committee from time to time. Details of Audit Committee Meetings held during the year 2021-22 are disclosed in the Corporate Governance Report.

22. Internal Financial Controls

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

23. Reporting of Fraud

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

24. Risk Management

Pursuant to Section 134(3)(n) of the Act and Regulation 21 of Listing Regulations, Risk Management Committee was in place, comprising Mr. Zubin Dubash (Chairman), Mr. Debendranath Sarangi and Mr. Arun Kumar Adhikari. The Company has formulated a Risk Management Policy to establish an effective and integrated framework for the Risk Management process. During 2021-22, three Meetings were held on 12 August, 2021, 10 November, 2021 and 19 January, 2022, wherein, the top 10 risks and relevant mitigation measures identified for the Company were reviewed and discussed. The Company has appointed E&Y to carry out an Enterprise Risk Management (ERM) study of Voltas, and their work is in progress.

25. Particulars of Employees

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

(a) The ratio of each Director's remuneration, to the median remuneration of the Company's employees for 2021-22:

Directors	Ratio to Median Remuneration
Mr. Noel Tata	0.68
Mr. Vinayak Deshpande	0.58
Mr. Debendranath Sarangi	4.47
Mr. Bahram N. Vakil	5.56
Ms. Anjali Bansal	5.34
Mr. Hemant Bhargava (upto 29 September, 2021)	*
Mr. Arun Kumar Adhikari	4.47
Mr. Zubin Dubash	5.51
Mr. Saurabh Agrawal	0.52
Executive Director	
Mr. Pradeep Bakshi Managing Director & CEO	61.78

* Since the remuneration of Mr. Hemant Bhargava was only for part of the year, the ratio of his remuneration to median remuneration was not comparable, and hence not stated.

Note: Ratio of Remuneration of Directors was computed based on sitting fees paid during 2021-22 and commission paid for 2020-21 in 2021-22. However, in line with the internal guidelines, no commission was paid to Mr. Noel Tata, Mr. Vinayak Deshpande and Mr. Saurabh Agrawal, as they were in full-time employment with another Tata Company. They were paid sitting fees only.

(b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in 2021-22:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% Increase in Remuneration in 2021-22 over 2020-21
Mr. Noel Tata	14.81
Mr. Pradeep Bakshi	25.61
Mr. Vinayak Deshpande	47.22
Mr. Debendranath Sarangi	(11.27)
Mr. Bahram N. Vakil	5.87

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% Increase in Remuneration in 2021-22 over 2020-21
Ms. Anjali Bansal	5.43
Mr. Hemant Bhargava (upto 29 September, 2021)	*
Mr. Arun Kumar Adhikari	(11.27)
Mr. Zubin Dubash	40.20
Mr. Saurabh Agrawal	*
Mr. Anil George [Chief Financial Officer (CFO) up to 18 July, 2021]	*
Mr. Jitender P. Verma (CFO w.e.f. 19 July, 2021)	*
Mr. V. P. Malhotra (Company Secretary)	22.03

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

(c) Percentage increase in the median remuneration of employees in 2021-22:

6.42%

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

2,576 employees.

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

Average percentile increase in salary of employees other than managerial personnel was 15.73%. Average percentile increase in managerial remuneration was 10.15% in 2021-22 over 2020-21.

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

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

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

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

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

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

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

28. Directors and Key Managerial Personnel

In accordance with the provisions of the Act and the Company's Articles of Association, Mr. Pradeep Bakshi and Mr. Vinayak Deshpande retire by rotation and being eligible, offer themselves for re-reappointment.

Mr. Hemant Bhargava, representing Life Insurance Corporation of India, had tendered his resignation as a Director of the Company with effect from 29 September, 2021. The Board placed on record their appreciation for valuable contributions made by him during his association with the Company.

Mr. Anil George retired as the Chief Financial Officer and Key Managerial Personnel with effect from 19 July, 2021. The Board placed on record their appreciation for the services rendered by Mr. Anil George during his long tenure with the Company. Consequently, pursuant to the recommendations of the Nomination and Remuneration Committee and the Audit Committee, the Board appointed Mr. Jitender P. Verma as the Chief Financial Officer and Key Managerial Personnel of the Company with effect from 19 July, 2021.

Mr. Pradeep Bakshi, Managing Director & CEO of the Company has also been appointed as the Managing Director of Universal MEP Projects & Engineering Services Limited (UMPESL), a 100% wholly-owned subsidiary of the Company for a period of 5 years with effect from 1 April, 2021. Mr. Pradeep Bakshi does not draw any remuneration from UMPESL. No other Director is the Managing or Whole-time Director of any subsidiary of the Company.

At the Sixty-Seventh AGM of the Company held on 27 August, 2021, the Members had approved the re-appointment of Mr. Arun Kumar Adhikari as an Independent Director for a second term of five years with effect from 8 June, 2022.

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

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

29. Declaration by Independent Directors

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

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

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

30. Business Responsibility Report

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report on initiatives taken from an Environmental, Social and Governance perspective, in prescribed format forms part of this Annual Report.

31. Corporate Governance

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

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

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

33. Particulars of Loans, Guarantees or Investments under Section 186 of the Act during 2021-22

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

Name of the Entity	Nature of Transaction	Particulars of Loan, Guarantees given or Investments made during 2021-22			Purpose for which the loans, guarantees and investments are proposed to be utilised
		Loan/ ICD (₹ in crores)	Investment (₹ in crores)	Guarantee (₹ in crores)	
TMF Holdings Limited	Subscription of debentures	--	50.00	--	General Corporate Purpose
Voltbek Home Appliances Private Limited #	Subscription of Rights equity shares	--	93.10	--	Strategic investment
Tata Projects Limited		--	79.99	--	Strategic investment
Hi-Volt Enterprises Private Limited*	Subscription of equity shares	--	0.01	--	Strategic investment
Universal MEP Projects & Engineering Services Limited *	Guarantees to Banks	--	--	700.00	Business Purpose, as a collateral.
Voltas Netherlands B.V. *		--	--	768.56	
LIC Housing Finance Limited	Inter Corporate Deposit	40.00	--	--	General Corporate Purpose

* wholly-owned subsidiaries

Joint-venture company

34. Particulars of Contracts or Arrangements with Related Parties

During the year under review, the Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Act, except for the proposed transfer of domestic B2B businesses to UMPESL and execution of BTA to that effect. However, as the transaction is not yet consummated, the details of such contracts or arrangements in Form AOC-2 does not form part of the Report, as the same is not applicable for the year under review.

35. Secretarial Standards

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

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

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

37. Proceeding under Insolvency and Bankruptcy Code, 2016

There are no proceedings, either filed by the Company or against the Company, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before the National Company Law Tribunal or other Courts as on 31 March, 2022.

38. Deposits from Public

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the 31 March, 2022.

39. Directors' Responsibility Statement

Based on the framework and testing of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors, including audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2021-22. Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, based on the assurance given of the business operations, to the best of their knowledge and ability, confirm that:

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

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

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

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

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

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

40. Annual Return

Pursuant to Sections 92(3) and 134(3)(a) of the Act, the Annual Return (Form MGT-7) is available on the Company's website at the link: https://www.voltas.com/file-uploads/general/Voltas_AnnualReturns_FormMGT-7_2021-22.pdf

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a 'Respect for Gender' Policy on prevention, prohibition and redressal of sexual harassment in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') and the Rules there under. As per the requirement of POSH Act, the Company has formed an Internal Committee to address complaints pertaining to sexual harassment at work place. The Company did not receive any complaint during 2021-22.

42. General

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

On behalf of the Board of Directors
Noel Tata
Chairman

Date: 5 May, 2022
Place: Mumbai

ANNEXURE I

DIVIDEND DISTRIBUTION POLICY

Background

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

Objective

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

Dividend Payout

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

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

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

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

Criteria to be considered for determining the quantum of dividend

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

- **Financial Factors:**
  - (a) Result of Operations
  - (b) Earnings stability
  - (c) Working Capital requirements and surplus
  - (d) Liquidity position
  - (e) Quantum of profits
  - (f) Future fund requirements, including for Brand / Business Acquisitions, Expansion/ Modernisation of existing business
  - (g) Providing for unforeseen events and contingencies
  - (h) Any other financial factor as the Board may deem fit
- **Internal factors:**
  - (a) Business expansion plan
  - (b) Investment plans
  - (c) Contractual restrictions
  - (d) Contingent liabilities
  - (e) Past dividend trends
  - (f) Any other factor as deemed fit by the Board
- **External factors:**
  - (a) Industry outlook and business cycles for underlying businesses
  - (b) Overall economic / regulatory environment
  - (c) Capital market

Frequency of Dividend

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

- **Final Dividend:**

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

- **Interim Dividend:**

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

Circumstances under which the shareholders may not expect dividend

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

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

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

(d) Proposal for buyback of shares.

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

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

Utilisation of Retained Earnings

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

General

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

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

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

Annexure II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

for financial year 2021-22

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

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

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

2. Composition of the CSR Committee:

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

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

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

(i) CSR Committee composition and CSR Policy:

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

(ii) CSR Projects programs undertaken by the Company:

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

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

The Company undertakes Impact Assessment of projects after they attain certain maturity period which generally is done after three years. The assessment process would be carried out according to the due timelines

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in crores)	Amount required to be set-off for the financial year, if any (₹ in crores)
1	2021-22	0.21	0.16

6. **Average net profit of the Company as per as per Section 135(5):** ₹ 654.76 crores.

7. (a) **Two percent of average net profit of the Company as per Section 135(5):** ₹ 13.10 crores.

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

   (c) **Amount required to be set-off for the financial year, if any:** ₹ 0.21 crore.

   (d) **Total CSR obligation for the financial year (7a+7b-7c):** ₹ 12.89 crores.

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

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

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the Project (₹ in crores)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
1	Skill Training in Technical and Non-Technical courses for employability enhancement of youth	(ii)	Yes	Maharashtra, Uttar Pradesh, West Bengal, Madhya Pradesh, Jharkhand, Telangana, Andhra Pradesh, Bihar	Thane, Nashik, Aligarh, Hardoi, Midnapur, Chhindwara, Jamshedpur, Karimnagar, Hyderabad, Srikakulam, Muzaffarpur	2.93	No*	Tata Community Initiative Trust (TCIT)	CSR00002739
2	Skill Training in Refrigeration and Air Conditioning (OPEX and maintenance cost for Centre of Excellence and CSR training facility at Integrated Complex at Faridabad)	(ii)	Yes	Maharashtra, Jharkhand, Haryana,	Thane, Jamshedpur, Faridabad,	0.55	Yes	Direct	Not applicable
3	Skill Training in Refrigeration and Air Conditioning and Plumbing	(ii)	Yes	Uttarakhand	Pantnagar	0.30	No	Greysim Learnings Foundation	CSR00000153
4	Recognition of Prior Learning for RAC and CAC technicians	(ii)	Yes	Andhra Pradesh, Odisha, Tamil Nadu, Kerala, Madhya Pradesh, West Bengal, Maharashtra, Chhattisgarh	Vishakhapatnam, Krishna, Khordha, Chennai, Ernakulum, Indore, Kolkata, Pune, Mumbai, Nagpur, Raipur	0.55	No	Greysim Learnings Foundation	CSR00000153

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the Project (₹ in crores)	Mode of imple menta tion - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
5	Recognition of Prior Learning for RAC and CAC technicians	(ii)	Yes	Andhra Pradesh, Bihar, Chhattisgarh, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Karnataka, Punjab, Rajasthan, Telangana, Uttar Pradesh, Uttarakhand,	Srikakulam, Amalaapuram, West Godavari, Darbhanga, Bhagalpur, Arwal, Madhubani Bilaspur, Raipur, Gariyaband, Delhi, South Delhi, New Delhi, Ahmedabad, Vadodara, Navsari, Surat, Rajkot, Sonipat, Gurgaon, Karnal, Ambala, Jind, Hamirpur, Una, Kangra, Jammu, Samba, Bidar, Bangalore, Ludhiana, Jalandhar, Hoshiarpur, Alwar, Dholpur, Jaipur, Karimnagar, Hyderabad, Warangal, Kanpur, Unnao, Moradabad, Haridwar, Deharadun	0.90	No	Care Foundation	CSR00009956
6	Skill training in Non - Technical trades	(ii)	Yes	Maharashtra, Telangana	Mumbai, Hyderabad	0.20	No	Sarthak Education Foundation	CSR00001093
7	Functional English program for students from Voltas's Skill Training centres	(ii)	Yes	Maharashtra, Uttar Pradesh, West Bengal, Madhya Pradesh, Jharkhand, Telangana, Bihar, Andhra Pradesh, Delhi	Thane, Aligarh, Hardoi, Midnapur, Chhindwara, Jamshedpur, Karimnagar, Hyderabad, Muzaffarpur, Jired, Nired, Delhi	0.01	No	Step-Up Charitable Trust	CSR00007140

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/ No)**	**Location of the project**		**Amount spent for the Project (₹ in crores)**	**Mode of implementation - Direct (Yes/No)**	**Mode of implementation - Through implementing agency**	
				State	**District**			**Name**	**CSR Registration Number**
8	Skill Training in Refrigeration and Air Conditioning	(ii)	Yes	Andhra Pradesh, Delhi	Nired, Hyderabad, Delhi	0.25	No	GMR Varalakshmi Foundation	CSR00000851
9	Tool kits for students from Skill Training centres	(ii)	Yes	Maharashtra, Uttar Pradesh, West Bengal, Madhya Pradesh, Jharkhand, Telangana, Bihar, Andhra Pradesh, Delhi	Thane, Aligarh, Hardoi, Midnapur, Chhindwara, Jamshedpur, Karimnagar, Hyderabad, Muzaffarpur, Jired, Nired, Delhi	0.24	Yes	--	Not applicable
10	COVID Relief measure (healthcare)	(xii)	Yes	West Bengal	Kolkata	0.40	No	Tata Medical Centre Trust, Kolkata	CSR00002920
11	Nutritional and educational support to the Tribal children	(i)	Yes	Maharashtra	Raigad	0.37	No*	The Bethany Society	CSR00008712
12	Animal adoption program at Jamshedpur	(iv)	Yes	Jharkhand	Jamshedpur	0.07	No	Tata Steel Zoological Society	CSR00007552
13	Providing Oxygen Concentrators for COVID patients	(xii)	Yes	Maharashtra, Delhi, West Bangal, Tamil Nadu, Uttara khand, Gujarat, Jharkhand, Telangana, Karnataka, Haryana, Uttar Pradesh, Bihar, Odisha	Mumbai, Delhi, Kolkata, Chennai, Coimbatore, Pantnagar, Waghodia, Jamshedpur, Hyderabad, Bangalore, Chandigarh, Lucknow, Patna, Bhubaneshwar	0.47	Yes	--	Not applicable
14	Support for COVID centre	(xii)	Yes	Uttarakhand	Rudrapur	0.05	No	Green Environment Public Welfare Society	CSR00021433

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/ No)**	**Location of the project**		**Amount spent for the Project (₹ in crores)**	**Mode of implementation - Direct (Yes/No)**	**Mode of implementation - Through implementing agency**	
				State	**District**			**Name**	**CSR Registration Number**
15	Support for food distribution vehicles for mid-day meal program	(i)	Yes	Uttarakhand	Pantnagar	0.80	No	The Akashaya Patra Foundation	CSR00000286
16	Support towards medical equipment for Cancer Care Hospital	(i)	Yes	Andhra Pradesh	Tirupati	1.00	No	Alamelu Charitable Foundation	CSR00001539
17	COVID Relief measure (healthcare)	(xii)	Yes	Maharashtra	Mumbai	0.05	No	Central Chinmaya Mission Trust	CSR00008084
18	Support to the libraries restoring historical books	(v)	No	PAN India		0.05	No	Marg Foundation	CSR00006830
19	Support for Lab for Physically challenged students (Deaf and dumb students)	(ii)	Yes	Delhi	Delhi	0.05	No	All India Federation for the Deaf	CSR00006061
20	Integrated WASH and Solid Waste management project	(i)	Yes	Gujarat	Waghodia	1.06	No *	Costal Salinity Prevention Cell	CSR00002590
21	Support to Art and Photography Museum	(v)	Yes	Karnataka	Bangalore	0.25	No	Art and Photography Foundation	CSR00000053
22	Support to the welfare of Armed Forces	(vi)	Yes	Punjab, Kerala, Andhra Pradesh, Tamil Nadu	Amritsar, Kannur, Thiruvananthapuram, Visakhapatnam, Coimbatore	0.01	No	Armed Forces Flag Day Fund	CSR00011199

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/No)**	**Location of the project**		**Amount spent for the Project (₹ in crores)**	**Mode of implementation - Direct (Yes/No)**	**Mode of implementation - Through implementing agency**	
				State	**District**			**Name**	**CSR Registration Number**
23	Participatory Groundwater and Sustainable Agriculture project	(xii)	Yes	Maharashtra	Beed	1.07	No	Action for Food Production	CSR00000747
24	Support for Mushar integrated development program/ activities (for social welfare of Mushar Community)	(i)	No	Bihar	Gaya	0.20	No	Bhansali Trust	CSR00000609
25	Support towards upliftment of rural poor and differently abled children	(ii)	Yes	Tamil Nadu	Tenkasi	0.20	No	Amar Sewa Sangham	CSR00000229
26	Support towards IT lab and education for differently abled children	(ii)	Yes	Maharashtra	Mumbai, Thane, Palghar	0.20	No	Human Development Centre Trust	CSR00018558
27	Support for Old Age Home	(iii)	Yes	Gujarat	Vadodara	0.05	No	Maa Madhuri Brij Varis Sewa Sangh	CSR00003469
28	Support for safe and clean drinking water in a school	(i)	Yes	Gujarat	Navsari	0.01	No	Bai Navajbai Tata Zoroastrian	CSR00006224
					Total	**12.29**			

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

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

(d) Amount spent in Administrative Overheads: ₹ 0.65 crore

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 12.94 crores

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

Sl. No.	Particular	Amount (₹ in crores)
(i)	Two percent of average net profit of the Company as per Section 135(5)	13.10
(ii)	Total amount spent for the Financial Year	13.15 *
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.05
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.05

* including amount of ₹ 0.21 crores spent in previous financial year.

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

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

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

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

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

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

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

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

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

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

Pradeep Bakshi
Managing Director & CEO
Place: Mumbai

Noel Tata
Chairman – CSR Committee
Place: Mumbai

Date: 5 May, 2022

ANNEXURE III

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

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

CONSERVATION OF ENERGY:

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

(a) 250W High bay Sodium vapour lights replaced by 100W LED lights at Pantnagar factory resulted in power saving of 78,000 KWH and also saving in costs.

(b) Rooftop Fibre sheets replaced with Poly carbonate sheets in Pantnagar factory to improve the daylight in Shop Floor resulting in power saving of 39,000 KWH and saving in costs.

(c) Installation of Presence sensors in Office premises for usage of air-conditioning and Lights control resulted in power savings and costs.

(d) Existing water cooled Air compressor in the Commercial Refrigeration factory at Waghodia was replaced with 500 CFM Screw Type Air Compressor with VFD (Variable Frequency Drive). Saving of 1,248 KL of water per annum and also energy saving of 1.8 lakh units per annum.

(e) Solar rooftops in factory premises as an alternate source generating 497 MW electrical energy at Waghodia resulting in reduction of 472.017 MT of carbon footprint.

(f) The Company has taken various initiatives focusing on conservation of water resources. This has resulted in saving 14,138 KL of water during 2021-22 and also savings in electricity required for water pumping. (Saving of 2.69 MT of carbon footprint).

(g) Battery operated Material Handling Equipment were put to use resulting in saving of diesel consumption (saving of 6.48 MT of CO_2 Carbon footprint).

TECHNOLOGY ABSORPTION:

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

(a) Complete line up of Voltas Inverter Air conditioner converted into adjustable type, which operates on different tonnages, as per customer needs, depending on the ambient temperature or number of people in the room, resulting in savings in electricity costs.

(b) Developed Pure Air 6 Stage adjustable Air conditioner having capacity of 18K with 5 Star rating with HEPA filter and PM 1.0 sensor indicator. Multifunction display PCB shows the actual PM values up to 3 digits (0~999) and Visual display of Air Quality Index by using Multi Color Ring on display side.

(c) Anti-Rust Nanotech Coating Implementation on Evaporator Hair Pin Side which enhance life of Coil and minimise the replacement cost and time by reducing gas leakage and provide optimum cooling performance to end user for longer duration.

(d) Use of R290 Refrigerant in all models of Chest Freezers and Chest Coolers in place of R134a Refrigerant. By this change over, the Company has saved 25.6 ton of CO_2 equivalent of global warming gas for the Environment.

(e) Manufacturing of Water Dispenser components (condenser and evaporator coil) have been localised to reduce import requirements.

(f) Developed condensing units with 7mm micro finned tube condenser coils to improve efficiency, reduce weight and cost.

(g) Designed and tested ultra-low noise Screw Chillers with special acoustic enclosure on compressors.

RESEARCH & DEVELOPMENT (R&D):

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

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

  (i) Developed Scroll Chillers with R410a Refrigerant in place of R22 Refrigerant.

  (ii) Developed single compressor large capacity energy efficient Screw Chillers with R13a Refrigerant.

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

  (i) 18K 3 Star Inverter and 18K 2 Star Fixed Speed Air conditioner models launched with compact IDUs (Indoor Units).

(ii) Developed and launched 2 Ton 3 Star Window inverter AC.

(iii) Low gas detection implemented in Fixed Speed series of split ACs.

(iv) Developed series of Scroll Chillers with 7mm Internal Groove (IG) tubes condenser coils.

(v) Designed and developed new series of Packaged and Ductable Air conditioners up to 22TR capacity complying to Quality Control Order (QCO) requirements.

EXPENDITURE ON RESEARCH & DEVELOPMENT:

The Company has incurred Research & Development expenditure of ₹ 14.25 crores (including capital expenditure of ₹ 1.48 crores) during 2021-22.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earnings in foreign exchange: ₹ 238.89 crores

Expenditure in foreign currency: ₹ 0.72 crore

Value of import on CIF basis: ₹ 888.66 crores

On behalf of the Board of Directors

Date: 5 May, 2022 **Noel Tata**

Place: Mumbai Chairman

ANNEXURE IV

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2022

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

To,

The Members,

VOLTAS LIMITED

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31 March, 2022 complied with the statutory provisions listed hereunder. The Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31 March, 2022 according to the provisions of:

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

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

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

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

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

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

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

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

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

(e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the Company during the audit period);**

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable to the Company during the audit period);**

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

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the audit period); and**

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

(j) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013, (upto 15 August, 2021) **(Not applicable to the Company during the audit period).**

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

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

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were in accordance with the provisions of the Act and the rules made thereunder.

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes. **All the decisions at the Board Meetings were passed unanimously and with requisite majority at the Sixty-Seventh Annual General Meeting (AGM) held during 2021-22.**

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines. The Company has complied with COVID- 19 guidelines issued by MCA.

We further report that during the audit period, no specific event has taken place which has any major bearing on the Company's affairs.

For M/s N. L. Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
UDIN: F008663D000267119

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

Date: 4 May, 2022
Place: Mumbai

ANNEXURE A

LIST OF OTHER APPLICABLE LAWS

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

To,

The Members,

VOLTAS LIMITED

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

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

(2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

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

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

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

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

For M/s N. L. Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
UDIN: F008663D000267119

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

Date: 4 May, 2022
Place: Mumbai

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

2. BOARD OF DIRECTORS

(a) Composition

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

(b) Independent Directors

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

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

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

During financial year 2021-22, a separate Meeting of Independent Directors of the Company was held on 15 March, 2022 to discuss the performance evaluation based on the self assessment of Directors and the Board and also to assess the quality, content and timeliness of flow of information between the Management and the Board, including the quality of Board Agenda papers and Minutes. The Independent Directors at their meeting also reviewed the performance of the Chairman of the Company. They have expressed their satisfaction and complimented the good process followed by the Company, including conduct of Board Meetings and quality of Minutes.

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

(c) Performance Evaluation

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

(d) Non-Executive Directors' compensation and disclosures

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

(e) Other provisions as to Board and Committees

During 2021-22, eleven Board Meetings were held, mostly through video conferencing on the following dates and the gap between two consecutive Board Meetings did not exceed 120 days.

15 April, 2021; 26 April, 2021; 12 May, 2021; 19 July, 2021; 6 August, 2021; 20 August, 2021; 11 October, 2021; 29 October, 2021; 20 January, 2022; 11 February, 2022 and 16 March, 2022.

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

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

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

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

(f) Code of Conduct

The Board has adopted the Codes for all Directors and Senior Management of the Company and the same have been posted on the website of the Company. All the Board members and Senior Management of the Company have affirmed compliance with their respective Codes as on 31 March, 2022. A declaration to this effect, signed by the Managing Director & CEO of the Company is annexed hereto. Senior Management comprises the Division/Department/ Functional Heads, General Managers and Head-Finance of the respective business clusters. The Independent Directors have also confirmed compliance with the Code as prescribed in Schedule IV to the Act.

(g) Category and attendance

The category of the Directors, their attendance at Board Meetings held during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies (as on 31 March, 2022) are given below:

Name of Directors	Category	Board Meetings Attended during 2021-22	Attendance at the last AGM held on 27 August, 2021	Number of Directorships in other public limited companies (excluding directorship in associations, private/Section 8/ foreign companies)	Number of Committee positions held in other public companies#	
					Chairman	Member
Mr. Noel Tata (Chairman) DIN: 00024713	Non Independent Non-Executive	11	Yes	6	--	2
Mr. Pradeep Kumar Bakshi (Managing Director & CEO) DIN: 02940277	Non Independent Executive	11	Yes	--	--	--
Mr. Vinayak Deshpande DIN: 00036827	Non Independent Non-Executive	11	Yes	6	1	2
Mr. Debendranath Sarangi DIN: 01408349	Independent Non-Executive	11	Yes	4	1	--
Mr. Bahram N. Vakil DIN: 00283980	Independent Non-Executive	11	Yes	4	--	2
Ms. Anjali Bansal DIN: 00207746	Independent Non-Executive	11	Yes	3	--	2
Mr. Arun Kumar Adhikari DIN: 00591057	Independent Non-Executive	11	Yes	5	--	3
Mr. Zubin Dubash DIN: 00026206	Independent Non-Executive	10	Yes	--	--	--
Mr. Saurabh Agrawal DIN: 02144558	Non Independent Non-Executive	11	Yes	7	--	2
Mr. Hemant Bhargava* DIN: 01922717	Non Independent Non-Executive	5	No	NA	NA	NA

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

*Mr. Hemant Bhargava, representing Life Insurance Corporation of India, stepped down as Non-Executive Director of the Company with effect from 29 September, 2021.

(h) Directorship held in other Indian listed entities as on 31 March, 2022

Sr. No.	Name of Director	Name of other listed entity	Category of Directorship
1	Mr. Noel Tata	Titan Company Limited	Director (Vice Chairman)
		Tata Investment Corporation Limited	Director (Chairman)
		Trent Limited	Director (Chairman)
		Tata Steel Limited	Director (Vice Chairman)
		Kansai Nerolac Paints Limited	Independent Director
2	Mr. Vinayak Deshpande	Kennametal India Limited	Independent Director
		Artson Engineering Limited	Director (Chairman)
3	Mr. Debendranath Sarangi	Shriram City Union Finance Limited	Independent Director
		Southern Petrochemical Industries Corporation Limited	Independent Director
		Tamilnadu Petroproducts Limited	Independent Director
4	Mr. Bahram N. Vakil	Trent Limited	Independent Director
5	Ms. Anjali Bansal	The Tata Power Company Limited	Independent Director
		Piramal Enterprises Limited	Independent Director
		Siemens Limited (upto 31 March, 2022)	Independent Director
6	Mr. Arun Kumar Adhikari	Ultratech Cement Limited	Independent Director
		Aditya Birla Capital Limited	Independent Director
		Vodafone Idea Limited	Independent Director
		Aditya Birla Fashion and Retail Limited	Independent Director
7	Mr. Saurabh Agrawal	Tata Steel Limited	Director
		The Tata Power Company Limited	Director

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

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

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

(1) Mr. Noel Tata, Non-Executive Chairman of the Company is a graduate from Sussex University (UK) and has done the International Executive Programme (IEP) from INSEAD, France. He has vast experience in the field of Marketing and Retail Business. Mr. Noel Tata has in November 2021 retired as the Managing Director and has been appointed as the Non-Executive Chairman of Tata International Limited, which is a global trading and distribution company. He is also Chairman of Trent Limited and Tata Investment Corporation Limited and Vice Chairman of Titan Company Limited and Tata Steel Limited. His knowledge of Retail business is humongous and has aspired the Company grow in Consumer Products significantly.

(2) Mr. Pradeep Bakshi, Managing Director & CEO of the Company is a Science graduate with Post Graduate Diploma in Marketing Management. He has around 39 years of experience in Consumer Appliances domain and his vast expertise and experience in the Appliances domain makes him a distinct professional. Under his able leadership, Voltas has consistently grown in revenue and profitability, ahead of the AC Industry. Voltas achieved leadership position in market share of Room Air conditioners and has scored the

highest in terms of Brand Equity under his stewardship. He was awarded the Appliances Man of the Year 2013 and has also received the President's award for Energy Conservation, amongst many other awards and accolades during the last decade.

(3) Mr. Vinayak Deshpande, Non-Executive Director of the Company is a graduate in Chemical Engineering (1980) from IIT, Kharagpur. He has over 38 years of work experience in different roles in diverse companies like Thermax and Tata Honeywell. Mr. Vinayak Deshpande is currently the Managing Director of Tata Projects Limited which has achieved all-round excellence in Industrial Infrastructure business. He was earlier the Managing Director of Tata Honeywell Limited for 5 years for its India business till 2004-05. Mr. Deshpande was conferred as the Infrastructure Person of the Year' for 2016-17 by 'Construction World' and 'Construction Times' awarded him as the 'Best Infra CEO' of the year 2017. His vast knowledge and experience is beneficial for the Company's Projects business and the Company has constituted a separate Project Committee of the Board, of which Mr. Deshpande is the Chairman.

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

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

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

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

(8) Mr. Zubin Dubash holds a Bachelor's Degree in Commerce from Mumbai University and has done Masters in Business Administration from The Wharton School, Philadelphia. He is a Chartered Accountant from the Institute of Chartered Accountants, England and Wales and has over 41 years of experience in finance and business development. Mr. Zubin Dubash is currently the COO of Warburg Pincus India Private Limited and was previously Executive President of ATC Tires Private Limited. He was the Managing Director and Head India, Merrill Lynch, Global Private Equity and the Group CFO and a key member of the leadership team of WNS Holdings Limited (NYSE listed company). Mr. Zubin Dubash was associated with the Tata Group, including as Director, Tata Financial Services, a division of Tata Sons and also as an Executive Director of Indian Hotels. Mr Zubin is the Chairman of Board Audit Committee as well as Risk Management Committee in Voltas.

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

3. AUDIT COMMITTEE

(a) Composition, name of Members and Chairman

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

(b) Meetings and attendance during the financial year

Seven Meetings of BAC were held during 2021-22 on the following dates mostly through video conferencing:

11 May, 2021; 5 August, 2021; 24 September, 2021; 28 October, 2021; 22 November, 2021, 19 January, 2022 and 10 February, 2022.

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

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

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

(c) Terms of reference and role of Audit Committee

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

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

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

4. SUBSIDIARY COMPANIES

The Company has nine unlisted subsidiary companies, of which two are Indian subsidiaries. During 2021-22, the Company has incorporated two wholly-owned subsidiaries Hi-Volt Enterprises Private Limited in India and Universal MEP Projects Pte Limited in the Republic of Singapore.

The Board of Directors have adopted the Policy for determining 'material' subsidiaries as specified in Listing Regulations. This Policy is uploaded on the Company's website www.voltas.com and the weblink is https://www.voltas.com/images/_ansel_image_collector/DETERMINING_MATERIAL_SUBSIDIARY_POLICY_1.pdf

As defined in Regulation 16(1)(c) of Listing Regulations, during 2021-22 none of the Indian subsidiaries, falls under the category of 'material subsidiary'. The financial statements of all subsidiary companies, including investments made, if any, are periodically reviewed by the BAC. The financial performance, Minutes of Board Meetings of these subsidiary companies and all significant transactions or arrangements entered into by the subsidiary companies are reviewed by the Board. An Independent Director of the Company is on the Board of the Indian wholly-owned subsidiary of the Company.

5. RISK MANAGEMENT COMMITTEE

The Risk Management Committee (RMC) comprise Mr. Zubin Dubash (Chairman), Mr. Debendranath Sarangi and Mr. Arun Kumar Adhikari, Non-Executive Independent Directors. During 2021-22, three Meetings were held on 12 August, 2021; 10 November, 2021 and 19 January, 2022 through video conferencing. The quorum of RMC Meetings is two Members or one third of the Members, whichever is greater and the gap between two meetings was not more than 180 days. The Company has formulated a Risk Management Policy and RMC charter to establish an effective and integrated framework for the risk management process. The RMC monitor and oversee implementation of the Risk Management Policy including evaluating the adequacy of risk management systems. The RMC periodically reviews the policy, once in two years. considering the changing industry dynamics and evolving complexities, if any. After discussions/deliberations and workshops at Corporate as well as Divisional level, the Company has identified top ten major risks (external as well as internal) which comprise financial, operational, sectoral and sustainability and its mitigation measures which are closely reviewed by the respective Businesses/Corporate and changes if any, along with mitigation measures are reported to the RMC. The SBP of the respective Divisions factor the risks associated with the businesses and discussed at Board Meetings. The Minutes of the RMC Meetings and presentations made to RMC are circulated to the Board of Directors along with Agenda for subsequent Board Meetings. The Board of Directors has accepted all the recommendations made by RMC from time to time. Based on the advise of RMC, an Enterprise Risk Management (ERM) study is being carried out at the entity level and E&Y LLP has been appointed for this purpose. This exercise is in progress.

6. RELATED PARTY TRANSACTIONS

The Company has in line with the requirements of the Listing Regulations formulated a revised Policy on materiality of Related Party Transactions (RPTs) and also on dealing with RPTs. The said policy also defines the material modifications of RPTs and is uploaded on the website of the Company at www.voltas.com and the weblink is https://www.voltas.com/images/_ansel_image_collector/RELATED_PARTY_TRANSACTIONS_POLICY_1.pdf

The Audit Committee had granted omnibus approval upto certain threshold limits for RPTs during 2021-22 and the actual value of transactions were reviewed on quarterly basis vis-à-vis the limits. The Company had no materially significant RPTs that could have any potential conflict with the interest of the Company. During the year under review, besides the transactions reported in the Notes to Accounts (Refer Note No. 46), there were no other RPTs with promoters, directors, management, joint ventures/subsidiaries, etc. that had any potential conflict with the interest of the Company at large. All transactions with Related Parties were on arm's length basis, in the normal course of business during 2021-22. The interest of Directors, if any, in transactions are disclosed at Board Meetings and the interested Director does not participate in the discussion or vote on such transactions.

7. MANAGERIAL REMUNERATION

(a) Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) comprise Mr. Bahram N. Vakil (Chairman), Ms. Anjali Bansal (Independent Directors) and Mr. Noel Tata (Non-Executive Director). During 2021-22, three Meetings were held on 23 April, 2021; 12 May, 2021 and 14 December, 2021 through video conferencing. The attendance of each member of the Committee is given below:

Name of Members	No. of Meetings attended
Mr. Bahram N. Vakil	3
Mr. Noel Tata	3
Ms. Anjali Bansal	3

The Minutes of NRC Meetings are circulated and noted by the Directors at Board Meetings. Mr. Bahram N. Vakil, Chairman of NRC was present at the last AGM of the Company. The quorum of NRC meeting is either two members or one-third of the members of the Committee, whichever is greater including at least one Independent Director. The Board of Directors has accepted all the recommendations made by NRC from time to time.

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

(i) Recommend to the Board the setup and composition of the Board and its Committees, including the formulation of the criteria for determining qualifications, positive attributes and independence of Director;

(ii) Support the Board in matters related to the setup, review and refresh of the Committees;

(iii) Devise a policy on Board diversity;

(iv) Identify persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel (KMPs) and Senior Management in accordance with the criteria, and recommend to the Board their appointment/re-appointment or removal;

(v) Specify the manner and criteria for effective evaluation of performance of the Board, its Committees and individual Directors, including Independent Directors and support the Board and Independent Directors, as may be required, in the evaluation process;

(vi) Oversee the performance review process for the KMPs and Senior Management with the view that there is an appropriate cascading of goals and targets across the Company;

(vii) Recommend to the Board as to whether to extend or continue the term of appointment of the Independent Directors, based on the performance evaluation of the Independent Directors;

(viii) Recommend the remuneration policy for Directors, KMPs, Senior Management and other employees;

(ix) On annual basis, recommend to the Board, all remuneration, in whatever form, payable to the Directors, KMPs, and Senior Management of the Company including review and recommendation of actual payment of annual and long term incentives (if any) for Managing Director (MD)/Executive Director (ED), KMPs and Senior Management;

(x) Review matters related to remuneration and benefits payable upon retirement and severance to MD/EDs, KMPs and Senior Management, if so applicable to the Company;

(xi) Provide guidelines for remuneration of Directors on material subsidiaries;

(xii) Review HR and People strategy and its alignment with the business strategy periodically or when a change is made;

(xiii) Review the efficacy of HR practices including those for leadership development, rewards and recognition, talent management and succession planning;

(xiv) Perform other activities as requested by the Board from time to time.

The NRC of the Company has formulated the respective criteria as stated in (i) and (v) above and also devised the Policy on Board Diversity. Based on the recommendations of NRC, the Board has adopted the Policy relating to remuneration of the Directors, KMPs and other employees.

(b) Remuneration Policy

The Board has adopted the Remuneration Policy for Directors, KMPs and other employees as disclosed in the Directors Report and uploaded on website of the Company at https://www.voltas.com/images/_ansel_image_collector/DISCLOSURE_OF_REMUNERATION_POLICY_FOR_DIRECTORS.pdf

The key principles governing the Remuneration Policy are as under:

(a) Sitting fees/commission to Directors may be paid within regulatory limits.

(b) Overall remuneration should be reasonable and significant to attract, retain and motivate Directors aligned to the requirements of the Company.

(c) Overall remuneration should be reflective of the size of the Company, complexity of the sector/industry/Company's operation and the Company's capacity to pay the remuneration.

(d) Overall remuneration practices should be consistent with the recognised best practices.

(e) The NRC will recommend to the Board, the quantum of commission for each Director based on the outcome of the evaluation process which also includes attendance and time spent by the Directors for Board and Committee Meetings, individual contributions made by Directors at the Meetings and other than in Meetings.

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

The remuneration of NEDs, by way of sitting fees and commission is decided and approved by the Board of Directors based on recommendations of the NRC. The shareholders have at the 66th AGM held on 21 August, 2020 approved payment of commission to NEDs of a sum not exceeding 1% per annum or 3% per annum of the net profits of the Company, as the case may be calculated in accordance with the provisions of the Act for that particular financial year. The aforesaid Resolution was for financial years commencing from 1 April, 2020. Commission for financial year 2021-22 will be distributed amongst the NEDs in accordance with the directives given by the Board.

In addition to commission, the NEDs of the Company are paid sitting fees for attending Board/Committee Meetings, as under:

Meetings	Fees per Meeting
• Board Meeting	₹ 50,000
• Board Audit Committee Meeting	₹ 30,000
• Nomination and Remuneration Committee Meeting	₹ 30,000
• Investment Committee Meeting	₹ 15,000
• Project Committee Meeting	₹ 15,000
• Safety-Health-Environment Committee Meeting	₹ 15,000
• Corporate Social Responsibility Committee Meeting	₹ 15,000
• Risk Management Committee Meeting	₹ 15,000
• Shareholders Relationship Committee Meeting	₹ 15,000
• Annual Independent Directors Meeting	₹ 30,000

Sitting fees for attending the Board Meetings was revised from ₹ 30,000 to ₹ 50,000 with effect from 6 August, 2021.

Remuneration to Directors

The Directors' remuneration paid/payable and sitting fees paid in 2021-22 and their shareholding in the Company as on date are given below:

- Non-Executive Directors

Name of Directors	Commission for 2021-22* (₹ in lakhs)	Sitting Fees paid in 2021-22 (₹ in lakhs)	No. of Shares held
Mr. Noel Tata	16.50	6.20	-
Mr. Vinayak Deshpande	-	5.30	-
Mr. Debendranath Sarangi	41.00	7.55	-
Mr. Bahram N. Vakil	41.00	6.50	-
Ms. Anjali Bansal	35.50	6.50	-
Mr. Hemant Bhargava**	11.00	1.70	-
Mr. Arun Kumar Adhikari	41.00	7.55	-
Mr. Zubin Dubash	44.00	7.05	-
Mr. Saurabh Agrawal	-	4.70	-

*payable in 2022-23.

** Mr. Hemant Bhargava stepped down as Non-Executive Director of the Company with effect from 29 September, 2021. While sitting fees was paid to Mr. Hemant Bhargava, the Commission is payable to LIC.

In accordance with internal Group guidelines, no commission is payable to Mr. Vinayak Deshpande and Mr. Saurabh Agrawal as they are in full time employment with another Tata company. During the year, Mr. Noel Tata retired as Managing Director of Tata International Limited and commission is payable to him on pro-rata basis. The Company did not have any pecuniary relationship or transactions with the NEDs during 2021-22, except as stated above.

- Remuneration of Executive Director

(₹ in lakhs)

Name of Director	Salary	Perquisites and allowances including retiral benefits	Commission for 2021-22*	No. of Shares held
Mr. Pradeep Bakshi	108.36	244.19	310.24	-

* payable in 2022-23.

Notes:

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

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

(c) Retirement Policy for Directors

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

8. SHAREHOLDERS RELATIONSHIP COMMITTEE

The Shareholders Relationship Committee (SRC), apart from reviewing the shares related activities, also looks into the redressal of shareholder and investor complaints, compliances in respect of dividend payments and transfer of unclaimed amount to the Investor Education and Protection Fund pursuant to the provisions of Section 125 of the Act. Mr. Noel Tata, is the Chairman and Mr. Bahram N. Vakil, Independent Director and Mr. Pradeep Bakshi, Managing Director & CEO are Members of SRC. During 2021-22, two Meetings of SRC were held on 29 October, 2021 and 11 February, 2022 and the same were also attended by the Company Secretary. The Minutes of the SRC Meetings are circulated and noted by the Directors at Board Meetings. Mr. Noel Tata attended the last Annual General Meeting of the Company as Chairman of SRC. In line with Listing Regulations, a charter defining the role of SRC has been formulated as under:

(i) Resolving the grievances of the security holders, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.

(ii) Review of measures taken for effective exercise of voting rights by shareholders.

(iii) Review of adherence to the Service Standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

(iv) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices to the shareholders of the Company.

(v) To appoint/change the Nodal Officer and/or Deputy Nodal Officer in terms of the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

During 2021-22, 17 complaints were received from SEBI/ Stock Exchanges which were suitably dealt with. As on 31 March, 2022, 1 complaint was pending, which was attended and subsequently closed in April 2022.

Mr. V. P. Malhotra, Vice President – Taxation, Legal & Company Secretary liaise with SEBI and other Regulatory authorities in the matter of investors complaints. The Board has nominated Mr. V. P. Malhotra as the Compliance Officer of the Company for monitoring the share transfer process and other related matters. **He is also the Nodal Officer for IEPF matters. His e-mail id is vpmalhotra@voltas.com and his contact details are 022-66656251 and 022-66656258.**

9. OTHER COMMITTEES

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

(a) Corporate Social Responsibility (CSR) Committee comprise Mr. Noel Tata (Chairman), Mr. Bahram N. Vakil, Mr. Pradeep Bakshi and Ms. Anjali Bansal. A CSR Policy has been formulated by the Committee, which has been approved by the Board, to undertake CSR projects/activities. During 2021-22, two Meetings were held on 19 July, 2021 and 28 February, 2022 through video conferencing. The scope of the CSR Committee includes approving the budget of CSR activities, reviewing the CSR programmes, formulation of annual action plan and monitoring the CSR spends. The Board of Directors has accepted all the recommendations made by CSR Committee from time to time.

(b) The Board Committee comprising any two Directors is authorised to approve routine matters such as opening/closing and changes in the operation of bank accounts of the Company, to grant limited power of attorney to the officers of the Company, etc. During 2021-22, five Meetings were held mostly by video conferencing on 16 July, 2021; 7 October, 2021; 15 November, 2021; 21 January, 2022 and 16 March, 2022.

(c) The Investment Committee considers and takes appropriate decisions for deployment of surplus funds of the Company/investments in Mutual Funds. The Company has formulated an Investment Policy in consultation with the Investment Committee, which has been approved by the Board. Mr. Pradeep Bakshi, Managing Director & CEO, Mr. Jitender P. Verma, Executive Vice President & CFO and Ms. Anjali Bansal, Independent Director of the Company are members of the Investment Committee. Mr. Jitender P. Verma was appointed as a member of the Investment Committee in place of Mr. Anil George with effect from 19 July, 2021. During 2021-22, two Meetings were held on 26 October, 2021 and 9 March, 2022 by video conferencing. Status of investments made and returns/dividends earned on Mutual Funds are reported to the Investment Committee on a monthly basis and to the Board, on quarterly basis.

(d) The Committee of Board (COB) comprise Mr. Noel Tata, Mr. Bahram N. Vakil, Ms. Anjali Bansal, Mr. Zubin Dubash and Mr. Pradeep Bakshi. The COB periodically meet to discuss and guide the Management on various strategic issues. No Meetings of COB were held during 2021-22.

(e) Project Committee comprising, Mr. Vinayak Deshpande (Chairman) and Mr. Pradeep Bakshi, review and monitor the progress and execution of projects and other related matters. During 2021-22, two Meetings were held on 7 June, 2021 and 6 January, 2022 by video conferencing.

(f) The Safety-Health-Environment (S-H-E) Committee comprising Mr. Vinayak Deshpande (Chairman), Mr. Pradeep Bakshi and Ms. Anjali Bansal review and monitor the Safety standards and practices followed by the Company. During 2021-22, two Meetings of S-H-E Committee were held on 7 June, 2021 and 6 January, 2022 by video conferencing. The Company also conducts Safety audits by cross-functional teams at project sites.

10. GENERAL BODY MEETINGS

The 65th AGM was held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020. The 66th and 67th AGMs were held through video conferencing/ other audio visual means as permitted by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI). The date and time of the AGMs held during preceding three years are as given below.

Date of AGM	Time
65th AGM- 9 August, 2019	3.00 p.m.
66th AGM- 21 August, 2020	3.00 p.m.
67th AGM- 27 August, 2021	3.00 p.m.

(a) Special Resolution for appointment of Mr. Arun Kumar Adhikari, Independent Director for a second term of five years with effect from 8 June, 2022 upto 7 June, 2027 was passed at the 67th AGM.

(b) There was no matter that required to be passed by a Special Resolution at the 66th AGM of the Company.

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

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

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

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

During 2021-22, no Special Resolution was passed through postal ballot and no Extraordinary General Meeting was held.

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

As required under Regulation 36(3) of Listing Regulations, particulars of Director/s seeking reappointment are given in the Explanatory Statement annexed to the Notice of the Sixty-Eighth AGM to be held on 24 June, 2022.

12. DISCLOSURES

- A certificate from M/s. N. L. Bhatia & Associates, Practicing Company Secretaries, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the companies by SEBI, MCA or any such statutory authority is annexed as part of this Report. In accordance with the SEBI Circular dated 8 February, 2019 read with Regulation 24A of the SEBI Listing Regulations, the Company has obtained an Annual Secretarial Compliance Report from M/s. N. L. Bhatia & Associates, Practising Company Secretaries, confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended 31 March, 2022.
- None of the Directors are related to each other.
- During the last three years, there were no strictures or penalties imposed by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to capital markets.
- The Company has adopted a Whistle Blower Policy which enables the employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct. The mechanism provides for adequate safeguards against victimisation of employees and provides direct access to the Chairman of the Board Audit Committee on concerns relating to financial accounting matters. For all other concerns, if they pertain to employees below the Vice President level, the same gets referred to the Ethics Counsellor and for Vice

Presidents and above, the same is referred to the Chairman of the Board Audit Committee. The Whistle Blower Policy has been communicated to the employees of the Company and its functioning is reviewed by the Board Audit Committee, periodically. Concerns received under the Tata Code of Conduct are reported and discussed at the Audit Committee Meetings. The Whistle Blower Policy of the Company has been disclosed on the website of the Company.

- Senior Management has made the disclosure to the Board and confirmed that they had no material financial and commercial transactions that could have a potential conflict with the interest of the Company at large.

- In the preparation of financial statements, the Company has followed the Accounting Standards as prescribed by the Central Government.

- The Company did not raise funds through public/rights/preferential issues/Qualified Institutions Placement (QIP) during the financial year 2021-22. Hence, disclosure of utilisation of funds is not required.

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

- The Managing Director & CEO and Chief Financial Officer have in accordance with Regulation 17(8) of Listing Regulations certified to the Board on matters pertaining to CEO/CFO certification.

- The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been made in Directors' Report.

- **Compliances**

  The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27, sub-paras (2) to (10) of Part C of Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

- **Credit Rating:**

  The Company has obtained Annual Credit Rating from ICRA Limited (ICRA) for ₹ 4,000 crores Line of Credit (LOC), pursuant to an Agreement between ICRA and Voltas. ICRA has rated the Company as 'AA+ for long-term' and 'A1+ for short-term' LOC [fund base and non-fund base bank facilities].

- **Consolidated payment to Statutory Auditors**

  During 2021-22, ₹ 3.41 crores was paid on consolidated basis to Statutory Auditors of the Company and all entities in the network firm/network entity of which Statutory Auditors is part towards services rendered by them, as under:

₹ in crores

Sr. No	Particulars	By Company	By Subsidiaries	Total
1	Statutory Audit fees including tax audit fees	2.69	0.28	2.97
2	Other services	0.35	0.01	0.36
3	Reimbursement of expenses	0.08	-	0.08
	Total	**3.12**	**0.29**	**3.41**

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

- **Dividend Distribution Policy**

  The Company has formulated Dividend Distribution Policy which is available on the website of the Company at www.voltas.com and the weblink has been provided in Directors' Report and also annexed to the Director's Report for ready reference.

- **Commodity price risk or foreign exchange risk and hedging activities**

  The Company does not deal in commodity and hence the disclosure pursuant to SEBI Circular dated

15 November, 2018 is not required. Foreign exchange risk and hedging activities are covered separately in the Annual Report.

13. MEANS OF COMMUNICATION

- The quarterly, half-yearly and annual financial results are published in widely circulated newspapers: Business Standard in English; Sakaal in Marathi and also displayed on the website of the Company www.voltas.com soon after its submission to the Stock Exchanges.
- Shareholding Pattern, Corporate Governance Report and financial results are uploaded in the prescribed format, on NEAPS and Listing Centre maintained by NSE and BSE, respectively.
- The financial results, official news releases and presentations, conference calls with the institutional investors or with the analysts are displayed on the Company's website www.voltas.com. Copies of Press Release are filed with the Stock Exchanges.
- The Company's website contains information on Voltas' Management, vision, mission, various policies and corporate sustainability. The section on 'investors' provides financial results, annual reports, shareholding pattern and announcements submitted to the Stock Exchanges. The intimation of Schedule of Analysts Meet sent to the Stock Exchanges as also the recording of conference call on financial results is uploaded on Company website. The section on 'News Room' includes all major press releases.

14. GENERAL SHAREHOLDERS INFORMATION

AGM: Date, time and venue	Tuesday, 24 June, 2022 at 3.00 p.m. by Video Conferencing or Other Audio Visual Means
Financial Calendar	(a) 1 April to 31 March (b) First Quarter Results – By 14 August, 2022 (c) Second Quarter Results – By 14 November, 2022 (d) Third Quarter Results – By 14 February, 2023 (e) Results for the year ending 31 March, 2023 - By 30 May, 2023
Date of Book closure	Saturday, 11 June, 2022 to Tuesday, 24 June, 2022 (both days inclusive)
Dividend Payment date	Dividend, if declared would be paid on or after 29 June, 2022
Listing on Stock Exchange	- BSE Limited (BSE) P.J. Towers, Dalal Street, Mumbai 400 001 - National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai 400 051

The Company has paid the listing fees to BSE and NSE for 2022-23.

Stock Code

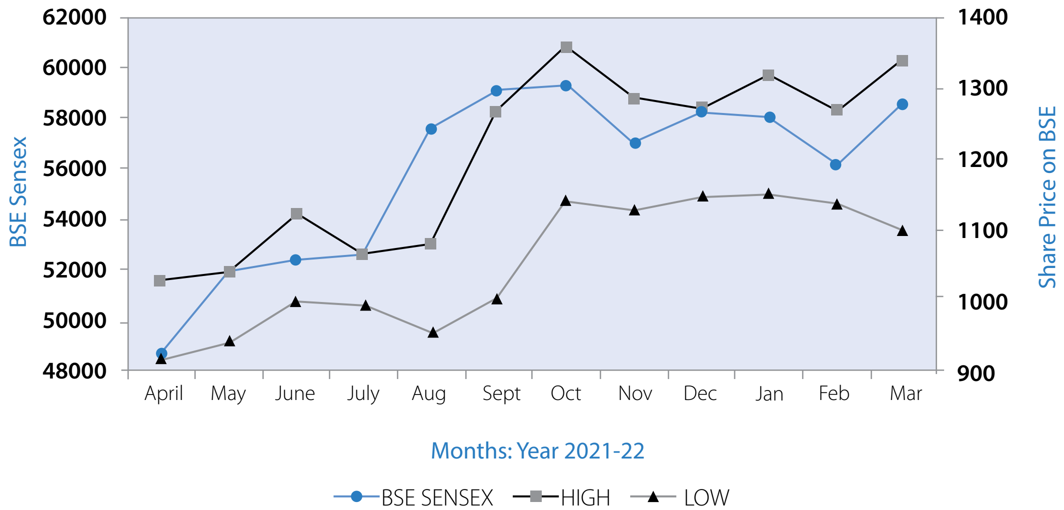
- BSE	500575
- NSE	VOLTAS
- ISIN for NSDL/CDSL	INE226A01021

- **Market Information**

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

Month	BSE Sensex	BSE Limited (BSE)				National Stock Exchange of India Limited (NSE)			
		High ₹	Low ₹	No. of Shares Traded	Turnover ₹ in crores	High ₹	Low ₹	No. of Shares Traded	Turnover ₹ in crores
2021									
April	48,782	1,027.00	918.00	14,76,025	142.74	1,026.80	918.00	3,18,50,111	3,092.44
May	51,937	1,040.00	938.00	17,48,322	173.01	1,033.90	935.65	4,34,89,991	4,309.08
June	52,483	1,124.90	1,002.45	32,90,814	347.10	1,125.00	984.35	3,44,82,801	3,645.82
July	52,587	1,064.65	997.75	22,34,419	229.39	1,065.00	997.20	1,79,12,553	1,848.02
August	57,552	1,079.50	955.20	25,21,862	250.73	1,079.85	955.00	2,81,86,444	2,821.68
September	59,126	1,265.00	1,004.90	17,75,658	205.16	1,265.00	1,004.00	4,39,80,005	5,163.52
October	59,307	1,356.90	1,143.60	9,79,181	120.43	1,356.90	1,143.20	2,41,31,139	2,989.56
November	57,065	1,283.90	1,131.55	5,07,384	61.92	1,282.00	1,131.25	1,57,73,245	1,933.38
December	58,254	1,271.65	1,146.50	4,51,968	55.00	1,272.00	1,146.00	1,32,98,883	1,621.87
2022									
January	58,014	1,317.15	1,150.00	15,17,954	189.41	1,317.30	1,149.55	1,84,85,980	2,287.18
February	56,247	1,268.20	1,138.80	9,26,734	112.96	1,269.00	1,138.00	2,03,87,981	2,490.22
March	58,569	1,339.85	1,100.30	11,52,930	143.44	1,340.00	1,100.00	3,15,02,384	3,906.48

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



- **Distribution of shareholding as on 31 March, 2022**

No. of equity shares held	No. of Shareholders	No. of Shares held	% of Issued Share Capital
Upto 5000	1,74,240	3,04,00,421	9.19
5001 to 10000	765	54,50,518	1.65
10001 to 20000	317	44,44,364	1.34
20001 to 30000	91	22,86,594	0.69
30001 to 40000	53	18,34,416	0.55
40001 to 50000	32	14,35,509	0.44
50001 to 100000	90	62,46,878	1.89
100001 and above	239	27,87,86,040	84.25
Total	**1,75,827**	**33,08,84,740**	**100.00**
Physical Mode	**7,887**	**52,88,103**	**1.60**
Electronic Mode:	**1,67,940**	**32,55,96,637**	**98.40**
- NSDL	**70,143**	**30,91,36,619**	**93.43**
- CDSL	**97,797**	**1,64,60,018**	**4.97**

- **Shareholding Pattern as on 31 March, 2022**

Category	No. of Shares held	% of Issued Share Capital
Tata Group of companies	10,02,53,480	30.30
Mutual Funds and UTI	5,79,14,126	17.50
Foreign Portfolio Investors	8,66,44,783	26.19
Insurance companies	3,17,87,164	9.61
Bodies Corporate	67,73,230	2.05
Alternate Investment Funds	13,89,686	0.42
Non Resident Indians	24,35,474	0.74
Investor Education and Protection Fund Authority	26,29,794	0.79
Central Government Corporations and Banks	17,06,431	0.51
Foreign national	4,433	0.00
Public/Individuals	3,93,46,139	11.89
Total	**33,08,84,740**	**100.00**

- **Shareholders holding more than 1% Equity Shares of the Company as on 31 March, 2022**

Name of Shareholders	No. of Shares held	% of Issued Share Capital
Tata Sons Private Limited	8,81,31,780	26.64
Life Insurance Corporation of India	1,55,82,206	4.71
Mirae Asset Mutual Fund	1,03,95,083	3.14
Tata Investment Corporation Limited	99,62,330	3.01
T. Rowe Price Emerging Markets Stock Fund	92,55,487	2.80
HDFC Life Insurance Company Limited	71,43,056	2.16
Aditya Birla Sun Life Trustee Company Private Limited	60,21,574	1.82
Emerging Markets Equity Trust	59,89,803	1.81
Franklin India Mutual Fund	52,31,145	1.58
Canara Robeco Mutual Fund	52,07,804	1.57
Axis Mutual Fund	45,12,792	1.36
SBI Life Insurance Company Limited	40,81,981	1.23

Registrar & Transfer Agent:	TSR Consultants Private Limited (formerly TSR Darashaw Consultants Private Limited) Unit : Voltas Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai 400083. Tel: 022-66568484 Fax: 022-66568494 e-mail: csg-unit@tcplindia.co.in website : https://tcplindia.co.in
Share Transfer System	The transmission cases and demat requests are processed and approved by the Share Transfer Board Committee on a fortnightly basis, which are reported at the subsequent Board Meetings.
Dematerialisation of shares and liquidity.	98.40% of the share capital has been dematerialised as on 31 March, 2022.
Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	The Company has not issued GDRs/ADRs/Warrants or any Convertible instruments.
Plant locations	The Company's manufacturing activities are located at: (i) Plot No.1-5, Sector 8, I.I.E. Pantnagar Industrial Area, Dist. Udham Singh Nagar. Rudrapur, Uttarakhand 263 145. (ii) Plot No. 1A, Siddhi Industrial Infrastructure Park, Village Waghodia, Tal. Waghodia, Dist. Vadodara 390 001
Addresses for correspondence	All correspondence relating to shares should be addressed to TSR Consultants Private Limited, the Company's Registrar & Transfer Agent at the address mentioned aforesaid. Shareholders holding shares in electronic mode should address their correspondence to the respective Depository Participants.

- **Unclaimed Dividends**

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

Date of declaration of dividend	Dividend for the year	Due for transfer to the IEPF	Amount lying in unpaid dividend Accounts as on 31 March, 2022 ₹ in crores
3 August, 2015	2014-15	3 September, 2022	0.90
29 August, 2016	2015-16	29 September, 2023	1.13
28 August, 2017	2016-17	28 September, 2024	1.49
27 August, 2018	2017-18	27 September, 2025	1.19
9 August, 2019	2018-19	9 September, 2026	1.12
21 August, 2020	2019-20	21 September, 2027	0.97
27 August, 2021	2020-21	27 September, 2028	0.99

Pursuant to Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), the Equity Shares of the Company in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred by the Company to IEPF Authority. Accordingly, the Company had during 2021-22, transferred 1,05,478 shares (physical) and 5,182 shares (held in demat) and ₹ 0.72 crore to IEPF Authority in respect of dividend declared by the Company for 2013-14 and which had remained unclaimed for seven consecutive years from the date of transfer to unpaid dividend account. The Company has uploaded the details of such shareholders on its website www.voltas.com and website of IEPF Authority www.iepf.gov.in. The concerned shareholders may note that the shares so transferred to IEPF Account, including all benefits accruing on such shares, if any, can be claimed by them only from IEPF Authority by following the prescribed procedure. As earlier stated, Mr. V. P. Malhotra, Company Secretary has been appointed as 'Nodal Officer' under the provisions of IEPF.

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

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

- **Bank details for Electronic Shareholding**

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

- **Bank details for Physical Shareholding**

  In order to provide protection against fraudulent encashment of dividend warrants, the members are requested to provide, if not provided earlier, their Bank Account numbers, names and addresses of the Bank along with original cancelled cheque leaf of the saving/current account in which the credit of dividend is desired, quoting Folio numbers to the Company's RTA – TSR Consultants Private Limited to incorporate the same on the dividend warrants.

- **Physical Transfer of Shares**

  As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from 1 April 2019, except in case of request received for transmission or transposition of securities. Subsequently, SEBI vide its circular dated 2nd December, 2020 had fixed 31 March, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode.

  Further SEBI has effective 24 January, 2022, mandated to issue shares in demat form only after processing the requests in prescribed Form ISR-4 received for issue of duplicate certificate, transmission, transposition, renewal/exchange of share certificate, endorsement, sub-division/splitting of certificate, consolidation of certificates, etc. The RTA will after processing such requests issue a Letter of Confirmation to the concerned shareholder for submission to DP within 120 days from the date of issue of Letter of Confirmation for dematerialistion of shares. In case shareholder fails to submit the demat request within the aforesaid period, the RTA shall credit the shares to Suspense Escrow Demat Account of the Company.

  In view of this and in order to eliminate the risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company by sending an email at shareservices@voltas.com or to the Company's Registrar & Transfer Agent, TSR Consultants Private Limited at csg-unit@tcplindia.co.in for any assistance in this regard.

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

- **Dematerialisation of Shares**

  Shareholders presently holding shares in physical form are requested to convert their physical holding into demat holding.

- **Nomination facility**

  Shareholders should register their nominations in Form SH-13 in case of physical shares with the Company's RTA – TSR Consultants Private Limited. In case of dematerialised shares, nomination should be registered by the shareholders with their DP. Nomination would help the nominees to get the shares transmitted in their favour in a smooth manner without much documentation/legal requirements. For change/cancellation of Nomination, Form SH-14 shall be filed with the RTA in case of physical shares and with DP in case of shares held in demat form. The said Forms can be downloaded from the website of the Company www.voltas.com under investor section.

- **Common and Simplified Norms for updation of PAN and KYC details**

  SEBI has vide circular dated 3 November, 2021 introduced Common and Simplified Norms for furnishing PAN, KYC details and Nomination by the Shareholders, according to which all shareholders holding shares in physical form are mandatorily required to furnish PAN (compulsorily linked with Aadhaar), nomination, contact details, bank account details and specimen signature to RTA. Further, effective 1 January, 2022, it is mandated that the RTA shall not process any service request or complaint of shareholders till PAN, KYC and nomination document/details are received. In case any one of aforesaid documents are not available on or after 1 April, 2023, the folios shall be frozen by the RTA.

  Shareholders holding shares in physical form are therefore requested to provide following Forms for updation of their signatures, PAN, Nomination as the case may be. The said Forms can be downloaded from the website of the Company www.voltas.com under Investor section:

  (i) From ISR-1: PAN and KYC details;

  (ii) Form ISR-2: Updation of signature;

  (iii) Form ISR-3: Declaration for opting out of Nomination;

  (iv) Form SH-13: Nomination Form;

  (v) Form SH-14: Cancellation/variation of Nomination;

  In accordance with the above SEBI circulars, the Company has sent a communication to all the shareholders holding shares in physical form requesting for updating their KYC details.

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

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

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

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

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

I hereby declare that all the Directors and Senior Management personnel have as on 31 March, 2022 affirmed compliance of their respective Codes of Conduct adopted by the Company and confirmation to that effect has been given by each of them.

Date: 5 May, 2022
Place: Mumbai

Pradeep Bakshi
Managing Director & CEO

ANNEXURE

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
VOLTAS LIMITED

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

In our opinion and to the best of our information and according to the verifications [including Director Identification Number (DIN) status on the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that for the Financial Year ended 31 March, 2022, none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of Original appointment	Date of cessation
1.	Mr. Noel Tata	00024713	27 January, 2003	--
2.	Mr. Pradeep Kumar Bakshi	02940277	1 September, 2017	--
3.	Mr. Vinayak Deshpande	00036827	14 February, 2012	--
4.	Mr. Debendranath Sarangi	01408349	1 September, 2014	--
5.	Mr. Bahram N. Vakil	00283980	1 September, 2014	--
6.	Ms. Anjali Bansal	00207746	9 March, 2015	--
7.	Mr. Hemant Bhargava	01922717	23 May, 2017	29 September, 2021
8.	Mr. Arun Adhikari	00591057	8 June, 2017	--
9.	Mr. Zubin S. Dubash	00026206	9 August, 2019	--
10.	Mr. Saurabh Mahesh Agrawal	02144558	21 January, 2021	--

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

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

For **M/s. N L Bhatia & Associates**
Practising Company Secretaries
UIN: P1996MH055800
UDIN: F008663D000267141

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

Date: 4 May, 2022
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED

The Members of Voltas Limited

1. The Corporate Governance Report prepared by Voltas Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2022 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

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

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Register of Directors as on March 31, 2022 and verified that atleast one independent woman director was on the Board of Directors throughout the year;

   iv. Obtained and read the minutes of the following committee meetings / other meetings held between April 01, 2021 to March 31, 2022:

      (a) Board of Directors;

      (b) Audit Committee;

      (c) Annual General Meeting (AGM);

      (d) Nomination and Remuneration Committee;

      (e) Stakeholders Relationship Committee;

      (f) Risk Management Committee

v. Obtained necessary declarations from the directors of the Company.

vi. Obtained and read the policy adopted by the Company for related party transactions.

vii. Obtained the schedule of related party transactions during the year and balances at the year end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved by the audit committee.

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

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

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2022, referred to in paragraph 4 above.

Other matters and Restriction on Use

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

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

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
UDIN: 22038730AILEQG1232
Place: Mumbai
Date: May 05, 2022

BUSINESS RESPONSIBILITY REPORT

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

INTRODUCTION

Voltas is a market leader in room air conditioners segment in India and a preferred brand for various other products and services across home, occupational and industrial sites such as textile, mining, and construction. As the Company paves its way towards a brighter future, it intends to tread on a sustainable, innovative, and insights-driven pathway. To summarise the various initiatives under three primary areas – Community, Environment and Business, the Business Responsibility (BR) Report has been prepared by Voltas in accordance with Regulation 34(2)(f) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company's interventions have been outlined against each of the 9 Principles mentioned in the National Voluntary Guidelines (NVG).

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company:**

   L29308MH1954PLC009371

2. **Name of the Company:**

   Voltas Limited

3. **Registered address:**

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

4. **Website:**

   www.voltas.com

5. **E-mail id:**

   astriddias@voltas.com

6. **Financial Year reported:**

   2021-22

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

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

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

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

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

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

   (i) **Number of International Locations (Provide details of major 5):** Voltas has its presence at eight major International Locations: Dubai, Abu Dhabi, Qatar, Sultanate of Oman, Kingdom of Saudi Arabia, Mozambique, Bahrain and Republic of Singapore.

   (ii) **Number of National Locations:** Voltas has its manufacturing units located at Pantnagar, Uttarakhand and Waghodia, Gujarat. The business activities of Voltas are carried out via 38 offices PAN India. In addition to the offices, Voltas runs its auxiliary operations across the country through warehouses and direct service centers.

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

    Voltas offers a wide range of products and services across different business lines throughout India. Further, the Company provides specialised products and services in overseas markets like the GCC countries (Dubai, Abu Dhabi, Qatar, Sultanate of Oman, Kingdom of Saudi Arabia, Bahrain), Mozambique and Republic of Singapore.

Section B: Financial Details of the Company (As on 31 March, 2022)

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

   ₹ 33.08 crores

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

   ₹ 6990 crores

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

   ₹ 583.47 crores

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

In accordance with the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended), Voltas has spent over 2% of its average net profit of last 3 financial years for activities related to social welfare and improvement (CSR activities).

Voltas's actual CSR spend for 2021-22 is ₹ 12.94 crores (after considering set-off of excess amount of ₹ 0.21 crore spent in 2020-21).

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

Based on the Company's ethos of 'Giving Back to the Community', a robust framework has been developed after a detailed mapping of the community's needs. The framework focuses on three areas – 'Sustainable Livelihood', 'Community Development' and 'Issues of National Importance'.

The target group across the three verticals are women, children, youth, marginalised communities and the planned interventions emphasise on critical issues pertaining to Skilling (to build employment), Education, Water and Sanitation.

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

- Skilling and Employability building Development Program(s)
- Education
- Health Care Support
- Community Development (Water & Sanitation)
- Disaster Relief

Section C: Other Details

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

Yes, Voltas has 9 subsidiaries of which, 2 are in India and 7 are situated overseas:

Subsidiaries (India):

1. Universal MEP Projects & Engineering Services Limited (UMPESL), formerly Rohini Industrial Electricals Limited
2. Hi-Volt Enterprises Private Limited

Subsidiaries (Overseas):

1. Weathermaker FZE (Jebel Ali Free Zone, United Arab Emirates)
2. Saudi Ensas Company for Engineering Services W.L.L. (Jeddah, Kingdom of Saudi Arabia)
3. Voltas Oman SPC (Muscat, Sultanate of Oman)
4. Lalbuksh Voltas Engineering Services & Trading L.L.C. (Muscat, Sultanate of Oman)
5. Voltas Qatar W.L.L. (Doha, Qatar)
6. Voltas Netherlands B.V. (Amsterdam, The Netherlands)
7. Universal MEP Projects Pte. Limited (Republic of Singapore)

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

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

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

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

Section D: BR Information

1. Details of Director/Directors responsible for BR

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

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

(b) Details of the BR head

Sl. No.	Particulars	Details
1.	DIN (if applicable)	N.A.
2.	Name	Ms. Astrid Dias
3.	Designation	Head Sustainability
4.	Telephone number	022 – 66656662
5.	E-mail id	astriddias@voltas.com

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

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

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

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policy for ...?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Voltas conforms to the Tata Code of Conduct (TCOC), Climate Change and Sustainability policies formulated for the Tata Group companies. Further, at Voltas there are various policies - Ethics, Quality, CSR, Affirmative Action, Safety, Respect for Gender and Whistle Blower. The formulation of all these policies was done based on comprehensive deliberations and research on the globally followed best practices.								
3	Does the policy conform to any National? / International standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Tata Code of Conduct (TCOC) encompasses all applicable National Laws.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes, the Affirmative Action, CSR, Ethics, Quality, Safety Health and Environment, Whistle Blower and Respect for Gender policy have been approved by the Board and respective Committees, as applicable.								
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Board/ respective Committees oversee the implementation of these Policies.								
6	Indicate the link for the policy to be viewed online?	Refer to the table below.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The communication on Tata Code of Conduct (TCOC) and other policies is extended to suppliers, vendors, dealers, and channel partners based on their relevance to these external stakeholders. Further, all other internal policies of Voltas and other policies formulated at the TATA group level, have been formally communicated to all internal stakeholders of Voltas.								
8	Does the Company have in-house structure to implement the policy/policies	There are in-house structures instituted in Voltas for the implementation of these policies.								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	There is a mechanism in place for the employees to report any potential concern or any instance of violation of the TCOC, known as the Whistle Blower mechanism. Also, to respond to the investor grievances, there is an investor grievance mechanism. Further, the customer complaints mechanism records the grievances of customers on product and service quality and other issues, if any.								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	All policies applicable to Voltas are evaluated internally.								

Web-links of the Policy:

NVG Principle	Applicable Policy	Link
Principle 1: Ethics, transparency & accountability	Whistle Blower Policy	https://www.voltas.com/file-uploads/general/Whistle_Blower_Policy_Mar19_Updated_29072021.pdf
	Ethics Policy	https://www.voltas.com/images/_ansel_image_collector/ETHICS_AT_VOLTAS_1.pdf
	TCOC	https://www.voltas.com/images/_ansel_image_collector/TATA_CODE_OF_CONDUCT_FOR_VOLTAS_EMPLOYEE_2.pdf
Principle 2: Sustainability in life-cycle of product	SHE Policy	https://www.voltas.com/images/_ansel_image_collector/SAFETY_HEALTH_ENVIRONMENT_POLICY_1.pdf
	TCOC	https://www.voltas.com/images/_ansel_image_collector/TATA_CODE_OF_CONDUCT_FOR_VOLTAS_EMPLOYEE_2.pdf
	Quality	https://www.voltas.com/images/_ansel_image_collector/QUALITY_POLICY_1.pdf
Principle 3: Employee well-being	TCOC	https://www.voltas.com/images/_ansel_image_collector/TATA_CODE_OF_CONDUCT_FOR_VOLTAS_EMPLOYEE_2.pdf
	SHE	https://www.voltas.com/images/_ansel_image_collector/SAFETY_HEALTH_ENVIRONMENT_POLICY_1.pdf
Principle 4: Stakeholder engagement	TCOC	https://www.voltas.com/images/_ansel_image_collector/TATA_CODE_OF_CONDUCT_FOR_VOLTAS_EMPLOYEE_2.pdf
	Affirmative Action	https://www.voltas.com/images/_ansel_image_collector/AFFIRMATIVE_ACTION_POLICY.pdf
Principle 5: Promotion of human rights	TCOC	https://www.voltas.com/images/_ansel_image_collector/TATA_CODE_OF_CONDUCT_FOR_VOLTAS_EMPLOYEE_2.pdf
	POSH	https://www.voltas.com/file-uploads/general/POLICY_ON_RESPECT_FOR_GENDER_%28POSH%29_1.pdf
Principle 6: Environmental protection	SHE	https://www.voltas.com/images/_ansel_image_collector/SAFETY_HEALTH_ENVIRONMENT_POLICY_1.pdf
	TCOC	https://www.voltas.com/images/_ansel_image_collector/TATA_CODE_OF_CONDUCT_FOR_VOLTAS_EMPLOYEE_2.pdf
	Climate Change	https://www.voltas.com/images/_ansel_image_collector/CLIMATE_CHANGE_POLICY.pdf
Principle 7: Responsible public policy advocacy	TCOC	https://www.voltas.com/images/_ansel_image_collector/TATA_CODE_OF_CONDUCT_FOR_VOLTAS_EMPLOYEE_2.pdf
Principle 8: Inclusive growth	TCOC	https://www.voltas.com/images/_ansel_image_collector/TATA_CODE_OF_CONDUCT_FOR_VOLTAS_EMPLOYEE_2.pdf
	CSR	https://www.voltas.com/images/_ansel_image_collector/CSR_Policy_%28Revised%29_11102021.pdf
	Affirmative Action	https://www.voltas.com/images/_ansel_image_collector/AFFIRMATIVE_ACTION_POLICY.pdf
Principle 9: Customer value	TCOC	https://www.voltas.com/images/_ansel_image_collector/TATA_CODE_OF_CONDUCT_FOR_VOLTAS_EMPLOYEE_2.pdf
	Quality	https://www.voltas.com/images/_ansel_image_collector/QUALITY_POLICY_1.pdf

3. **Governance related to BR**

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

        The CSR Committee reviews BR performance of the Company on an annual basis.

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

        The BR Report and Sustainability Report of Voltas gets published annually. The Sustainability Report for 2021-22 is under development and upon finalisation, will be uploaded on the Company's website. The Sustainability Report for 2020-21 can be viewed at the website of the Company at: https://www.voltas.com/images/_ansel_image_collector/Voltas_Limited_Sustainability_Report_2020-21_V18.pdf)

Section E: Principle-wise performance

Principle 1

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

    The policy relating to Ethics also extends to the suppliers, vendors, and contractors.

    Tata Group, and all its companies, including Voltas abide by the Tata Code of Conduct (TCOC) and its underlying principles have shaped the Company's culture and its core values – Integrity, Responsibility, Excellence, Pioneering and Unity. TCOC mandates conforming to 'highest moral and ethical standards' and does not tolerate any form of bribery or corruption. Further, in accordance with the 'Ethics Policy' at Voltas, the Locational Ethics Counsellors appointed ensures that the TCOC policy is cascaded to various Voltas's offices, manufacturing units and other areas of business operations.

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

    17 complaints were received from shareholders of which, 16 were resolved up to 31 March, 2022 and 1 was closed in April 2022. No complaint was received under the Whistle Blower Policy of the Company.

Principle 2

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

    Voltas is conscious of its impact on the environment and ensures that the Company utilizes all the essential natural resources optimally and efficiently throughout the value chain.

    The Company's commitment to sustainability ensures that it undertakes initiatives which ramp up energy and product efficiency, utilize raw materials more optimally, reduce the refrigerant loss and use more eco-friendly refrigerants in products. Some initiatives where environmental concerns are being addressed through appropriate design are as follows:

    (i) **Maha Adjustable Inverter AC:** Voltas has come up with its all-new range of 'Maha Adjustable Inverter AC's', giving the consumers the option to run the AC from 0.75 Ton to 2.0 Ton, depending on their need. Adjustable mode delivers predefined lower cooling capacity by limiting the inverter compressor's running frequencies depending on the number of people in the room and ambient weather conditions which enables fast cooling and in turn energy saving for the customer.

    (ii) With the detoriation of Air Quality Level across metros and major cities, the indoor air could contain harmful levels of invisible particulates, toxic fumes and germs. Considering the above insights, two unique product offerings have been developed for the customers:

    (a) **PureAir Inverter AC with HEPA filter:** Purification of indoor room air up to 1.0 micron level by using HEPA filter (High Efficiency Particulate Arrester) has been incorporated in the Pure Air Series. The air quality level is visible to the customer on a real time basis through numeric as well as a colour ring on the Indoor unit display.

    (b) **UVC Disinfection:** UVC Led which is emitting short wavelength of Ultra Violet C or UV-C light to kill or inactivate micro organisms (bacteria and virus) present in air. It also has a TIO2 (Tiatanium Oxide) coated mesh filter which can absorb volatile organic compound (VOC) from surrounding air and make the air free from all kinds of germs.

(iii) **Protective coating on heat exchanger:** Refrigerant leakage happens due to harsh environment areas which leads to the corrosion of copper pipe and the unit eventually releases the refrigerant gas. In order to overcome this situation, a special protective Coating is applied on heat exchangers which prevents copper corrosion and refrigerant leakage.

(iv) **Reduction in usage of key raw material (Copper / Aluminium / Plastic) in Split Indoor Unit:** Introduction of new 1.5T split AC which has 30% less raw material consumption (Copper / Aluminium / Plastic) and 20% less refrigerant consumption leading to substantial reduction in CO2 emission.

(v) **Chest freezers and Chest Coolers with R290 refrigerant:** Replaced the current refrigerant with a more environment friendly (R290) refrigerant and use lesser quantities of the same.

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

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

(a) **Installation of 500 CFM Screw Type Air Compressor with VFD (Variable Frequency Drive):** The new type of air compressor in the manufacturing operations at Pantnagar is more energy efficient and uses no water. Thereby leading to energy savings of ~40%, and bringing the water consumed in the process from 1248 KL per annum to 0. Moreover, this process is helping the Company save on repair and maintenance cost by about 70%.

(b) **Introduction of compact and efficient 18K 3-star inverter and 18K 2-star Fixed speed AC models:** 18K 3 Star Inverter and 18K 2 Star Fixed speed AC models were launched with a compact indoor unit (IDU) whereas the specification of the outdoor unit (ODU) remained the same. Since the platform size of the IDU has been reduced, the consumption of raw materials like copper and plastic were reduced, thereby also lowering the gas charge quantity by approximately 20%. This not only reduced material consumption but also the quantity of refrigerant gas.

(c) **Air conditioners with high efficiency grove technology:** In the 2022 product range of outdoor unit air conditioners, high efficiency grooved copper tubes were used. These tubes had a smaller diameter (5mm, vis-à-vis 7mm used previously). The smaller diameter resulted in reduction in the size of the heat exchanger in copper tube by 15%. This initiative also reduced resource consumption as well as the quantity of refrigerant gas.

(d) **Chest freezers and Chest Coolers with R290 refrigerant:** The Chest freezers and coolers require lower quantities of R290 Refrigerant (as compared to the previously used R134a). Further, R290 is better from an environment perspective as it has a lesser Global Warming Potential (GWP) when compared to other refrigerants.

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

(a) **Adjustable Air-conditioning Technology:** Voltas Maha Adjustable Inverter AC has been upgraded to have unique 6-Stage adjustable mode which runs on different tonnages, as per customer needs (i.e., depending on the ambient temperature or number of people in the room). Hence, it not only provides comfort, but also saves electricity costs. Six Stage Adjustable Mode delivers predefined lower and higher cooling capacity by controlling inverter compressor's running frequencies. This technology has the potential to save additional energy by approximately 15% over a normal Inverter Air-conditioner.

(b) **Air Conditioners with protective coating to cooling coil:** To augment the efficiency of an indoor air conditioner by limiting the refrigerant leakage from the cooling coil, an anti-corrosive protective coating has been added to it. The coating acts as a barrier and prevents copper corrosion from the evaporator cooling coil.

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

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

Conforming with the Tata Code of Conduct (TCOC), the supplier's selection takes place fairly and transparently. Further, the vendors and suppliers are screened on ISO, Environmental Management System (EMS) certifications, labour practices, safety, quality, delivery and service ratings.

As a part of the supply chain management process, quality assessments, onsite audits are carried out on a quarterly basis. In 2021-22, for a significant part of Engineering Projects (Domestic) business, the procurement or sourcing from EMS certified vendors is about 42% in value.

Owing to a need of specialised components and parts for the products manufactured in the country, there is a limited supplier base in India. However, Voltas is actively working towards reducing its import dependence. Additionally, strengthening local sourcing in a phased manner will also contribute to reducing the CO2 emissions. Even at present, to limit the impact on the environment, ~99% of the import transportation is through seaways. The Company's warehouses are strategically located close to manufacturing operations, seaports and markets to minimise road transportation and optimise vehicle usage.

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

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

In line with the Affirmative Action policy at Voltas, the Company supports the national vision and mission of Atmanirbhar Bharat and supports local and small to medium enterprises to establish manufacturing set up in areas closer to the Company's manufacturing facilities.

Various components for water dispenser are procured from the local vendors. In 2021-22, for the Engineering Projects (Domestic) business, the Company sourced 8% of the raw material from vendors within 100 Km radius of the manufacturing unit.

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

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

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

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

(iv) Voltas conducts regular training and capacity building programs for the vendors and associate supply chain partners.

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

Voltas is conscious to reduce, reuse, recycle the waste material. The Company has partnered with E-waste handlers/ recyclers, PRO (Producer Responsibility Organisations) to efficiently collect (meet their collection targets) and dispose all the E-waste sustainably. Voltas has achieved 100% targets of Recycling E-waste during 2021-22.

While the target for 2021-22 given by Central Pollution Control Board (CPCB) towards E-waste was 11,562 metric tonnes (MT), the Company exceeded the collection target and sent 11,570 MT for recycling. However, the Company's internal scrap or E-waste accounts only for 7% of the total waste collected in 2021-22.

Principle 3

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

Total number of employees (including contractual and apprentices) for the Company's India and overseas operations as on 31 March, 2022 stands at 5706.

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

	Number of employees
Contractual - India & Overseas	3084

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

There are 134 permanent women employees, including in India and overseas.

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

In accordance with the Tata Code of Conduct, Voltas does 'not unfairly discriminate on any ground, including race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability or any other category protected by applicable law'. Based on information made available to the Company, there are 2 permanent employees with disabilities.

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

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

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

Out of the permanent manpower strength across India, around 7.84% are members of aforesaid recognised employee association.

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

During 2021-22, Voltas has not received any complaint relating to sexual harassment. The Tata Code of Conduct clearly states that '(the Company) does not employ children at workplace', 'do not use forced labour in any form'.

Further, no complaints were received under child labour, forced labour and involuntary labour.

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

80% of permanent and contractual workers/employees across India and overseas have participated in multiple safety trainings provided by Voltas in 2021-22.

85% of the permanent employees have received skill upgradation training in 2021-22 (2,299 employees have been imparted training from total of 2,690). All contractual workers both in the sales and services teams across the Company's different business operations have undergone mandatory Handy Train (Mobile App) course as part of the standard operating procedure.

Principle 4

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

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

- Business Partners
- Communities
- Customers
- Dealers, Distributors and Retailers
- Government and Regulatory Authorities
- Investors
- Vendors

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

As part of the Affirmative Action, underserved communities are identified and opportunities are created towards Employment, Employability, Entrepreneurship and Education for these communities and forms a critical part of Voltas's commitment towards Corporate Social Responsibility.

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

Voltas, being a Tata Group Company, is committed to help the vulnerable and marginalised sections of the society by addressing their issues in a systematic way. A framework has been developed by the Company, which essentially emphasises on Sustainable livelihood, Education, Water and Sanitation.

While working on the said issues with the underprivileged communities, sustainable development is at the forefront. Various projects with respect to skilling and employability building for youth and women, irrigation and improved agricultural practices for farming community, water and sanitation are being carried out, year-on-year.

Principle 5

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

For all Tata Group companies, the Tata Code of Conduct covers Human Rights and the policy is extended to cover the Group, Suppliers, Contractors and all other engagements of the business. In addition to this, the Policy for Respect for Gender at Voltas also covers human rights pertaining to respect, dignity and safety for all genders.

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

No, there were no complaints which have been raised in the past financial year pertaining to Human Rights by any stakeholder. Moreover, if any complaints are raised by stakeholders under the TCOC, they are attended and resolved by the Management and reported to the Board Audit Committee.

Principle 6

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

   As part of the Tata group, the organisation abides by the Climate Change policy which clearly delineates 'incorporating green perspectives in all key organisational processes', and 'benchmarking in their segment of industry on carbon footprint'. Moreover, Voltas's Safety-Health-Environment (S-H-E) Policy also highlights 'environment friendly processes', 'prevention of pollution' and 'overall environmental protection'. The S-H-E Policy extends to all, including the Suppliers, Contractors and NGOs working with the Company.

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

   Voltas has been the pioneer in introducing energy efficient products in India and has introduced India's first energy efficient Air-conditioners many years ago, before it was mandated by Government of India (GOI). The Company's strong commitment towards sustainability has driven it to innovate and upgrade its product offerings. Voltas has also been the recipient of National Energy Conservation Award for 5 times.

   In 2021-22, the entire range of Air-conditioners were manufactured with R-32 refrigerant which have low GWP. By optimising the system components, the Company has achieved targeted energy efficiency with lesser input material thereby reducing resource consumption. Further, using R-32 as a refrigerant in the place of R-22 has led to reduction in CO_2 emissions.

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

   Yes, Company has identified the potential environment risks.

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

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

   Though Voltas does not have any project related to Clean Development Mechanism, the Company is committed to create a better tomorrow through its active participation in the 'Green mission'.

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

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

   - The Waghodia manufacturing unit has 700 KW potential of solar panels installed on the plants rooftop and has generated ~4,96,860 KWH in 2021-22. The total solar energy generated was significantly higher than last year. This was achieved without increasing the capacity and by adding inverters to the system. Moreover, the Voltas's Corporate office in Mumbai (Head Office) also completely operates on Solar power.
   - The Pantnagar units have installed rooftop poly-carbonate sheets to improve the daylight at shop floors, thereby leading to power savings of ~ 39,312 KWH. Moreover, all conventional high-bay luminaires have been replaced with LED lights thereby achieving power savings of 77,750 KWH.
   - The manufacturing operations at Pantnagar and Waghodia recycle and reuse wastewater mainly for landscaping thereby reducing dependency on freshwater sources.
   - The Waghodia unit has undertaken water savings initiatives that have resulted in reducing its consumption to almost 50%. This was due to rigorous monitoring, water audits and process modifications such as:
     - Installed low flow fixtures in taps, which reduced and adjusted the water pressure and flow rate from 1 Litre per minute to 600 Millilitre per minute.

- Using the heat exchanger testing method which reduce water consumption by 5 Kilo Litre per week.
- Installing water free urinals.

- Voltas conducts regular preventive maintenance activities to ensure energy efficiency of equipment that increases the durability of systems, HVAC, UPS, DG set, elevators, and electrical panels.
- Voltas has replaced old HVAC systems with new energy efficient HVAC systems. The central HVAC system is closely monitored for better floor temperature resulting in optimum energy utilisation.
- Diesel consumption has been saved owing to a shift from diesel operated to battery operated forklifts in Waghodia.
- Other initiatives include, use of HVLS (High Volume Low Speed) Fans for ventilation in the Plants.

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

Emissions and waste generation due to the operations and business activities are within the permissible limits given by CPCB/SPCB for 2021-22.

Voltas has put in continuous efforts to achieve the targets set by CPCB/SPCB.

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

There are no show cause/legal notices received from CPCB/SPCB which are pending at the close of 2021-22.

Principle 7

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

Voltas is a member of following associations:

- Refrigeration and Airconditioning Manufacturers Association (RAMA)
- Bureau of Indian Standards (BIS)
- ODS Committee formed by MoEF & CC (Ministry of Environment, Forest, and Climate Change)
- Consumer Electronics and Appliances Manufacturers Association (CEAMA)
- The South India Textile Research Association (SITRA)
- Textile Machinery Manufacturers Association (TMMA)
- Northern India Textile Research Association (NITRA)
- The Textile Association of India (TAI)
- Indian Society of Heating, Refrigerating & Air Conditioning Engineers (ISHRAE)
- Bombay Chamber of Commerce & Industry (BCCI)
- Indian Merchants Chamber (IMC)
- The Federation of Indian Export Organization (FIEO)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).**

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

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

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

Principle 8

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

The CSR policy of Voltas sets out the Company's commitment and approach towards CSR, which is based on the Tata legacy of 'Giving Back to Society'. The CSR programs and initiatives are based on the approach 'Engage, Equip and Empower', which leads to empowerment of one of the most valued stakeholders of Voltas, the 'communities.'

Based on the community needs assessment exercise, the Company has built a framework, which includes three thrust areas: (a) Sustainable livelihood, (b) Community Development and (c) Issues of national Importance.

The three thrust areas include projects aimed at Skilling and Employability building of marginalised youth and women, Water resource development and Sustainable Agriculture, Water Sanitation and Hygiene and Solid Waste management interventions for the marginalised and needy communities. The programs are strategic in nature, and pursued year-on-year with Sustainability at its core. The Company considers Community Participation and Ownership, Affirmative Action and Gender Inclusion as crucial common threads to ensure inclusive growth and equitable development.

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

For Voltas, it is crucial that all its CSR projects are designed and implemented with quality and sustainable outcomes at its core. Hence, the Company emphasises on selection of reputed NGOs and implementing agencies as partners, which share the same vision, to design and implement various development programs. Prior to the programme/project partner selection, the Company takes into cognisance the agencies subject matter expertise, experience, organisational stability, its reach, presence in various locations and overall performance in the past.

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

Voltas has built a robust system to ensure that the outcome from the intervention is positive. The Company conducts need assessments, baselines, mid-term reviews and impact assessments.

Voltas undertakes impact assessment studies when the projects are mature enough to be assessed. This period ranges between three to five years.

The Company carried out impact assessments for 6 of its matured projects through an external expert in the year 2019. The next round of impact assessment is due in 2022-23.

4. **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

The Company's contribution in 2021-22 towards community development projects was ₹ 2.13 crores. The two community development projects where the funding was deployed were: (1) Participatory Groundwater Management and Sustainable Agriculture, in Beed, Maharashtra, and (2) Integrated Water, Sanitation and Hygiene in Waghodia, Gujarat.

The Participatory Groundwater Management and Sustainable Agriculture project aims to address the drudgery of landless communities in Beed. These communities live in perennially drought prone villages, compelling them to migrate to other States in search of livelihood. This project strives to solve the impending challenge by supporting villages in Beed through water resource development and capacity building exercises for the farming communities. As of 31 March, 2022, it has impacted the lives of around 13,000 people across 6 drought affected villages (in Ambejogai and Dharur Blocks of Beed District, Maharashtra).

The Integrated Water, Sanitation and Hygiene project's endeavour is to improve the quality-of-life of 2000 rural families in 10 villages (in Waghodia, Gujarat), by creating awareness, building capacity around sanitation and personal hygiene and facilitation of safe drinking water.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

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

Principle 9

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

Consumers are one of the key stakeholders for Voltas and the Company's robust customer relationship management makes them the most preferred brand in the air conditioning business. The Company captures consumer grievances and servicing requests through telephone and digital medium (emails, Whatsapp, dealer application), and endeavours to provide support within 24 hours.

Further, for the Commercial Air-Conditioning business, the Company provides operations and maintenance (O&M) contracts, retrofit design and execution, predictive maintenance through remote monitoring and spares support through Tier 1 to Tier 4 cities.

For 2021-22, the customer complaints which are still being resolved stands at approximately 2.2%. The number of consumer cases pending as on 31 March, 2022 are 41.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).

Voltas displays the relevant information on the product label as per the applicable laws and the nature of product, which is also one of the requirement of Tata Code of Conduct.

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

There are no such pending cases against the Company.

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

Yes, Voltas is actively engaged with its customers through various initiatives and feedback processes. The Company is committed to deliver innovative and efficient product solutions to drive customer satisfaction and trust. The next customer survey would be carried out in 2022-23.

INDEPENDENT AUDITOR'S REPORT

To the Members of Voltas Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Voltas Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and joint ventures comprising of the consolidated Balance Sheet as at March 31, 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint ventures as at March 31, 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group, associate, joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition for long term Mechanical, Electrical and Plumbing (MEP) contracts	
The Group's revenues include revenue from long-term Mechanical, Electrical and Plumbing (MEP) contracts amounting to INR 2,395.87 crores, disclosed under Note 35 'revenue from contracts with customers' as construction contract revenue which are recognized over a period of time in accordance with the requirements of Ind AS 115, 'Revenue from Contracts with Customers'.	Our audit procedures included the following: ▶ Read the Group's revenue recognition accounting policies and assessed compliance of the policies with Ind AS 115.

Key audit matters	How our audit addressed the key audit matter
Due to the nature of the contracts, revenue is recognized based on percentage of completion method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs, which involves significant judgments including estimate of future costs, revision to original estimates based on new knowledge such as delay in timelines, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/onerous obligations. Accuracy of revenues, onerous obligations and profits may deviate significantly on account of change in judgements and estimates. Considering the variability of assumptions involved in estimation of revenues, the same has been considered as a key audit matter.	▶ We assessed the design and tested the operating effectiveness of controls over revenue recognition through inspection of evidence of performance of these controls with specific focus on determination of progress of completion, recording of costs incurred, estimation of costs to complete and the remaining contract obligations. ▶ We performed test of details, on a sample basis and evaluated management estimates and assumptions. ▶ We assessed management's estimates by comparing estimated cost with actual costs and discussion on the project specific considerations with the relevant project managers including on our site visits. We assessed that, fluctuations in commodity and currency prices, delays, cost overruns related to the performance of work are appropriately taken into consideration while estimating costs to come and also assessed the accounting treatment of expected loss on projects including variable consideration which is recognized in accordance with the Group's accounting policy of revenue recognition. ▶ We tested on sample basis contracts with low or negative margins, loss making contracts, contracts with significant changes in planned cost estimates and probable penalties due to delay in contract execution. ▶ We assessed that the disclosure of revenue in accordance with IND AS 115 'Revenue from contracts with customers' are appropriately presented and disclosed in Note 56 to the consolidated Ind AS financial statements.
Recoverability of and Impairment Allowance of receivables and contract assets of Electro - Mechanical projects and services segment	
As at 31 March, 2022, trade receivable and contract assets of Electro - mechanical projects and service segment amount to INR 2,144.25 crores.	Our audit procedures included the following: ▶ We evaluated the Group's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers. ▶ We assessed the design and tested the operating effectiveness of relevant controls in relation to the process adopted by management for testing the impairment of these receivables and the contract assets.

Key audit matters	How our audit addressed the key audit matter
Out of the total trade receivables and contract assets of Electro - mechanical projects and service segment, INR 1,342.16 crores represent trade receivable and contract assets of international business operation. Recoverability of certain receivables and contract assets are impacted due to several factors like the customer profile, delays in obtaining completion certification in certain projects due to long project tenure, project disputes resulting in future claims against the Group and financial ability of the customers etc. As regards the receivables of this segment, the Group follows 'simplified approach' in accordance with Ind AS 109- 'Financial Instruments', for recognition of impairment loss allowance on trade receivables and contract assets. In calculating the impairment loss allowance, the Group has considered its credit assessment for its customers. Owing to the long settlement period involved in a few of the government projects, management also considers the likely delays involved in the settlement process as part of the impairment allowance calculation. The assessment of the impairment of such trade receivables and contract assets requires significant management judgment and hence same is considered as Key Audit Matter.	▶ In respect of impairment allowance on receivables of this segment and recovery of certain trade receivable and contract assets of international business operation we tested the ageing of trade receivable and contract assets. We tested the management's assessment on the customer's financial circumstances, ability to repay the dues based on historical payment trends, assumption used for determining likely losses and delays in collection of trade receivables including any project disputes which may result in future claims against the Group. ▶ We evaluated the assumptions used by management in calculation of the expected credit loss impairment including the impact of the future uncertainties in the economic environment. ▶ We assessed the disclosures on the contract assets and trade receivables in Note 15 and Note 16 respectively and the related risks such as credit risk and liquidity risk in Note 52 of the consolidated Ind AS financial statements.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for assessing the ability of the Group and of its associate and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. With respect to matters specified in paragraph 3 (xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order" or "CARO"), issued by the Central Government of India in terms of sub- section (11) of section 143 of the Act, according to the information and explanations given to us and based on the CARO reports issued by the respective auditors of companies included in the consolidated financial statements, to which reporting under CARO is applicable, we report as under:

   Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

S. No	Name	CIN	Holding company / subsidiary / associate/ joint venture	Clause number of the CARO report which is qualified or is adverse
1	Voltas Limited	L29308MH1954PLC009371	Holding Company	(i)(c)
2	Hi-Volt Enterprises Private Limited	U29299MH2021PTC367448	Subsidiary	(xvii)
3	Voltbek Home Appliances Private Limited	U29308MH2017PTC298742	Joint venture	(xvii)
4	Naba Diganta Water Management Limited	U93010WB2008PLC121573	Associate	(i)(c)

2. **As required by Section 143(3) of the Act, we report, to the extent applicable,that:**

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors who are appointed under section 139 of the Act of its subsidiary companies, associate company and joint ventures, none of the directors of the Group's companies, its associate and joint ventures, incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate company and joint ventures, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associate and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company, its subsidiaries, associate and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the associate:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated Ind AS financial statements – Refer Note 45 to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures, incorporated in India during the year ended March 31, 2022.

iv. (a) The respective managements of the Holding Company and its subsidiaries, associate and joint ventures, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate and joint ventures respectively that to the best of its knowledge and belief, as disclosed in note no 58(v) to the consolidated financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associate and joint ventures to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, associates and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company and its subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate and joint ventures respectively that, to the best of its knowledge and belief, as disclosed in note 58(vi) to the consolidated financial statement, no funds have been received by the respective Holding Company or any of such subsidiaries, associate and joint ventures from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associate and joint venture shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The final dividend paid by the Holding Company and its associate company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The Interim dividend declared and paid during the year by associate company incorporated in India is in accordance with section 123 of the Act.

As stated in note 61 to the consolidated financial statements, the Board of Directors of the Holding and its associate have proposed final dividend for the year which is subject to the approval of the members of the Holding Company at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

No dividend has been declared or paid during the year by subsidiaries and joint venture companies, incorporated in India.

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
UDIN: 22038730AILEJX7797
Place of Signature: Mumbai
Date: May 05, 2022

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF VOLTAS LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Voltas Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") , its associates and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, its associates and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013, as amended ("the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated Ind AS financial statements.

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

A Company's internal financial control with reference to consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group , its associates and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
UDIN: 22038730AILEJX7797
Place of Signature: Mumbai
Date: May 05, 2022

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH, 2022

₹ in crores

Particulars	Note No.	As at 31 March, 2022	As at 31 March, 2021
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	230.45	238.37
(b) Capital work-in-progress	4	59.29	8.81
(c) Investment property	5	53.32	55.55
(d) Goodwill	7	72.31	72.31
(e) Right-of-use assets	6	20.43	13.29
(f) Other intangible assets	7	7.17	8.46
(g) Investments in joint ventures and associates	8	266.07	283.18
(h) Financial assets			
(i) Investments	8	2,915.05	2,513.93
(ii) Loans	10	0.10	0.17
(iii) Other financial assets	11	83.39	96.08
(j) Income tax assets (net)		11.98	2.67
(j) Deferred tax assets (net)	12	44.00	55.77
(k) Other non-current assets	13	103.55	117.48
Total non-current assets		**3,867.11**	**3,466.07**
Current assets			
(a) Inventories	14	1,661.39	1,279.60
(b) Contract assets	15	748.32	1,063.72
(c) Financial assets			
(i) Investments	9	434.27	249.32
(ii) Trade receivables	16	2,109.67	1,800.93
(iii) Cash and cash equivalents	17	558.90	448.15
(iv) Other balances with banks	18	12.77	10.64
(v) Loans	19	3.09	2.13
(vi) Other financial assets	20	79.85	108.98
(d) Other current assets	21	270.96	225.94
Total current assets		**5,879.22**	**5,189.41**
TOTAL ASSETS		**9,746.33**	**8,655.48**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	22	33.08	33.08
(b) Other equity	23	5,466.48	4,960.27
Equity attributable to owners of the Company		**5,499.56**	**4,993.35**
Non-controlling interests		38.08	36.10
Total Equity		**5,537.64**	**5,029.45**
Liabilities			
Non-current liabilities			
(a) Contract liabilities	24	3.51	0.64
(b) Financial liabilities			
(i) Lease liabilities	25	12.68	5.66
(ii) Other financial liabilities	26	14.89	19.41
(c) Provisions	27	103.03	89.91
(d) Deferred tax liabilities (net)	12	12.35	-
(e) Other non-current liabilities	28	6.32	6.32
Total non-current liabilities		**152.78**	**121.94**
Current liabilities			
(a) Contract liabilities	29	354.19	421.55
(b) Financial liabilities			
(i) Borrowings	30	343.19	251.40
(ii) Lease liabilities	30A	4.96	3.55
(iii) Trade payables	31		
- Total outstanding dues of micro and small enterprises		144.19	160.42
- Total outstanding dues of creditors other than micro and small enterprises		2,797.86	2,304.11
(iv) Other financial liabilities	32	103.54	94.52
(c) Provisions	33	158.85	119.55
(d) Income tax liabilities (net)		60.29	75.95
(e) Other current liabilities	34	88.84	73.04
Total current liabilities		**4,055.91**	**3,504.09**
TOTAL LIABILITIES		**4,208.69**	**3,626.03**
TOTAL EQUITY AND LIABILITIES		**9,746.33**	**8,655.48**

Summary of significant accounting policies 2

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

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number: 38730
Place: Mumbai
Date: 5 May, 2022

For and on behalf of the Board

Noel Tata
Chairman
Place: Mumbai

Pradeep Bakshi
Managing Director & CEO
Place: Mumbai

Jitender P. Verma
Executive Vice President and Chief Financial Officer
Place: Mumbai

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

Place: Mumbai
Date: 5 May, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2022

₹ in crores

	Particulars	Note No.	Year ended 31 March, 2022	Year ended 31 March, 2021
	Income			
I	**Revenue from operations**	35	7,934.45	7,555.78
II	**Other Income**	36	189.19	188.86
III	**Total Income (I + II)**		**8,123.64**	**7,744.64**
	Expenses			
	(a) Consumption of materials, cost of jobs and services		4,032.16	3,436.90
	(b) Purchases of stock-in-trade		2,042.75	1,862.26
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	37	(178.25)	279.30
	(d) Employee benefits expenses	38	617.62	601.68
	(e) Finance costs	39	25.87	26.15
	(f) Depreciation and amortisation expenses	40	37.26	33.89
	(g) Other expenses	41	738.62	734.28
IV	**Total Expenses**		**7,316.03**	**6,974.46**
V	**Profit before share of profit / (loss) of joint ventures and associates and tax (III - IV)**		**807.61**	**770.18**
VI	Share of profit / (loss) of joint ventures and associates		(110.31)	(60.97)
VII	**Profit before tax (V + VI)**		**697.30**	**709.21**
	Tax Expense			
	(a) Current tax		191.81	192.13
	(b) Adjustment of tax relating to earlier periods		(1.41)	-
	(c) Deferred tax charge / (credit)	12	0.90	(11.71)
VIII	**Total tax expense**	43	**191.30**	**180.42**
IX	**Net Profit for the year (VII - VIII)**		**506.00**	**528.79**
	Other Comprehensive Income			
	(a) Items that not to be reclassified to profit or loss			
	(i) Changes in fair value of equity instruments through other comprehensive income		206.54	342.18
	(ii) Income tax effect on (i) above	12	(27.54)	(19.64)
	(iii) Remeasurement gain / (loss) on defined benefit plans		(19.60)	5.40
	(iv) Income tax effect on (iii) above	12	4.31	(2.04)
	(b) Items that to be reclassified to profit or loss			
	Exchange gain / (loss) on translation of foreign operations		6.11	(4.65)
X	**Other Comprehensive Income [net of tax]**		**169.82**	**321.25**
XI	**Total Comprehensive Income [net of tax] (IX + X)**		**675.82**	**850.04**
	Profit /(loss) for the year attributable to :			
	– Owners of the Company		504.09	525.14
	– Non-controlling interests		1.91	3.65
			506.00	**528.79**
	Other Comprehensive income for the year attributable to :			
	– Owners of the Company		168.18	321.86
	– Non-controlling interests		1.64	(0.61)
			169.82	**321.25**
	Total Comprehensive Income for the year attributable to :			
	– Owners of the Company		672.27	847.00
	– Non-controlling interests		3.55	3.04
			675.82	**850.04**
XII	**Earnings per share:**			
	Basic and Diluted (₹) (Face value ₹ 1/- per share)	44	15.23	15.87
	Summary of significant accounting policies	2		

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

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number: 38730
Place: Mumbai
Date: 5 May, 2022

For and on behalf of the Board

Noel Tata
Chairman
Place: Mumbai

Pradeep Bakshi
Managing Director & CEO
Place: Mumbai

Jitender P. Verma
Executive Vice President and Chief Financial Officer
Place: Mumbai

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

Place: Mumbai
Date: 5 May, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2022

A. EQUITY SHARE CAPITAL

₹ in crores

Balance as at 31 March, 2020	33.08
Changes in equity share capital	-
Balance as at 31 March, 2021	33.08
Changes in equity share capital	-
Balance as at 31 March, 2022	**33.08**

B. OTHER EQUITY:

₹ in crores

	Reserves and Surplus (Refer Note 23)								Items of Other Comprehensive income (Refer Note 23)		Total attributable to owners of the Company	Non-controlling interests	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Capital Reserve on Consolidation	General Reserve	Staff Welfare Reserve	Legal Reserve	Retained earnings	Equity instruments fair value through other comprehensive income	Exchange difference on translation of foreign operations			
Balance as at 31 March, 2020	1.56	1.26	6.28	12.69	1,398.15	0.01	2.68	2,481.14	304.31	39.05	4,247.13	36.49	4,283.62
Net profit for the year	-	-	-	-	-	-	-	525.14	-	-	525.14	3.65	528.79
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	3.97	322.54	(4.65)	321.86	(0.61)	321.25
Total comprehensive income for the year (net of tax)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**529.11**	**322.54**	**(4.65)**	**847.00**	**3.04**	**850.04**
Payment of dividend	-	-	-	-	-	-	-	(132.35)	-	-	(132.35)	-	(132.35)
Dividend paid by subsidiary to minority	-	-	-	-	-	-	-	-	-	-	-	(3.43)	(3.43)
Transfer to General Reserve	-	-	-	-	20.00	-	-	(20.00)	-	-	-	-	-
Transfer to Capital Reserve	12.69	-	-	(12.69)	-	-	-	-	-	-	-	-	-
Share issue expenses of a subsidiary company	-	-	(1.51)	-	-	-	-	-	-	-	(1.51)	-	(1.51)
Balance as at 31 March, 2021	**14.25**	**1.26**	**4.77**	**-**	**1,418.15**	**0.01**	**2.68**	**2,857.90**	**626.85**	**34.40**	**4,960.27**	**36.10**	**4,996.37**
Net profit for the year	-	-	-	-	-	-	-	504.09	-	-	504.09	1.91	506.00
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	(15.77)	179.00	4.95	168.18	1.64	169.82
Total comprehensive income for the year (net of tax)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**488.32**	**179.00**	**4.95**	**672.27**	**3.55**	**675.82**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH, 2022

₹ in crores

	Reserves and Surplus (Refer Note 23)								Items of Other Comprehensive income (Refer Note 23)		Total attributable to owners of the Company	Non-controlling interests	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Capital Reserve on Consolidation	General Reserve	Staff Welfare Reserve	Legal Reserve	Retained earnings	Equity instruments fair value through other comprehensive income	Exchange difference on translation of foreign operations			
Transferred on divestment of subsidiary, joint venture and associate	(0.53)	-	-	-	-	-	-	0.53	-	-	-	-	-
Payment of dividend	-	-	-	-	-	-	-	(166.06)	-	-	(166.06)	-	(166.06)
Transfer from Retained earnings	-	-	-	-	-	-	0.04	(0.04)	-	-	-	-	-
Dividend paid by subsidiary to minority	-	-	-	-	-	-	-	-	-	-	-	(1.57)	(1.57)
Transfer to General Reserve	-	-	-	-	20.00	-	-	(20.00)	-	-	-	-	-
Balance as at 31 March, 2022	**13.72**	**1.26**	**4.77**	**-**	**1,438.15**	**0.01**	**2.72**	**3,160.65**	**805.85**	**39.35**	**5,466.48**	**38.08**	**5,504.56**

Summary of significant accounting policies Note 2

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

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number: 38730
Place: Mumbai
Date: 5 May, 2022

For and on behalf of the Board

Noel Tata
Chairman
Place: Mumbai

Jitender P. Verma
Executive Vice President and Chief Financial Officer
Place: Mumbai

Pradeep Bakshi
Managing Director & CEO
Place: Mumbai

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

Place: Mumbai
Date: 5 May, 2022

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2022

₹ in crores

Particulars	Year ended 31 March, 2022		Year ended 31 March, 2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax		697.30		709.21
Adjustments for :				
Share of (profit) / loss of joint ventures and associates	110.31		60.97	
Depreciation and amortisation expenses	37.26		33.89	
Allowance for doubtful debts and advances	93.49		140.03	
Unrealised foreign exchange (gain) / loss (net)	3.88		(20.84)	
Interest income	(4.01)		(13.03)	
Dividend income	(5.02)		(4.84)	
Gain arising on financial assets measured at Fair Value through Profit or Loss (FVTPL) (net)	(81.09)		(95.57)	
Finance costs	25.87		26.15	
Unclaimed credit balances written back	(9.79)		(19.65)	
(Gain) / loss on disposal of property, plant and equipment	1.14		(0.66)	
Rental income	(24.40)		(32.31)	
		147.64		74.14
Operating profit before working capital changes		**844.94**		**783.35**
Changes in Working Capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(381.79)		189.34	
Trade receivables	(386.81)		(87.01)	
Contract assets	300.20		(187.88)	
Other financial assets	(5.93)		8.64	
Other non-financial assets	(46.53)		191.34	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	485.27		(182.30)	
Contract liabilities	(64.50)		(135.47)	
Other financial liabilities	7.66		34.18	
Other non-financial liabilities	15.77		30.65	
Provisions	32.83		(19.44)	
		(43.83)		(157.95)
Cash generated from operations		801.11		625.40
Income tax paid (Net of refunds)		(216.88)		(69.29)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**584.23**		**556.11**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment and intangible assets	(48.16)		(20.82)	
(including capital advances and capital work-in-progress)				
Proceeds from disposal of property, plant and equipment	1.26		2.17	
Investment in fixed deposits	43.64		29.42	
Purchase of investments	(1,103.84)		(1,173.89)	
Proceeds from sale of investments	712.82		848.22	
Interest received	9.22		20.76	

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

₹ in crores

Particulars	Year ended 31 March, 2022		Year ended 31 March, 2021	
Dividend received:				
– Joint ventures and Associates	1.34		6.99	
– Others	5.02		4.52	
Rent received	25.42		31.83	
Rental Deposits repaid	(11.35)		(5.11)	
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)		**(364.63)**		**(255.91)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Share issue expenses	-		(1.51)	
Repayment of borrowings	(16.56)		(511.00)	
Proceeds from borrowings	108.35		553.45	
Interest paid	(22.52)		(21.18)	
Payment of lease liability	(8.70)		(5.48)	
Dividend paid	(167.61)		(135.79)	
NET CASH FLOW USED IN FINANCING ACTIVITIES (C)		**(107.04)**		**(121.51)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**112.56**		**178.69**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**447.97**		**269.28**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**560.53**		**447.97**
Non-Cash Investing and Financing transaction				
Net gain arising on financial assets measured at FVTPL	71.37		95.57	
Lease liabilities	13.45		10.29	
	84.82		**105.86**	
Cash and cash equivalents at the end of the year consist of:				
Cash and cash equivalents at the end of the year (Refer note 17)		558.90		448.15
Effect of exchange difference on restatement of foreign currency Cash and cash equivalents		1.63		(0.18)
		560.53		**447.97**

Summary of significant accounting policies Note 2

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

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number: 38730
Place: Mumbai
Date: 5 May, 2022

For and on behalf of the Board

Noel Tata
Chairman
Place: Mumbai

Jitender P. Verma
Executive Vice President and Chief Financial Officer
Place: Mumbai

Pradeep Bakshi
Managing Director & CEO
Place: Mumbai

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

Place: Mumbai
Date: 5 May, 2022

NOTES FORMING PART OF THE IND AS CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2022

1. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of Voltas Limited ('the Company') and its subsidiaries (collectively, 'the Group') for the year ended 31 March, 2022. Voltas Limited is a public limited company domiciled in India. The address of its registered office is Voltas House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai 400033.

The Group belongs to the Tata Group of companies and was established in the year 1954. The Group is engaged in the business of air conditioning, refrigeration, electro-mechanical projects as an EPC contractor both in domestic and international geographies (Middle East and Singapore) and engineering product services for mining, water management and treatment, construction equipment's and textile industry.

The consolidated financial statements for the year ended 31 March, 2022 were approved by the Board of Directors and approved for issue on 5 May, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards

(Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value as explained in accounting policy of fair value measurement (Note 2 (G)) and financial instruments (Note 2 (Q)) below.

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

The consolidated financial statements are presented in INR and all values are rounded to the nearest crores, except when otherwise indicated.

B. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in Note 3.

C. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company and its subsidiaries as at 31 March, 2022.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements

- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income are attributed to the equity holder of the parent of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

D. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but does not have control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit and loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit and loss.

E. REVENUE

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services mentioned below, as it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on handover of materials to transporter. The normal credit term is 7 to 30 days.

The Group provides preventive maintenance services on its certain products at the time of sale. These maintenance services are sold together with the sale of product. Contracts for such sales of product and preventive maintenance services comprise two performance obligations because the promises to transfer the product and to provide the preventive maintenance services are capable of being distinct. Accordingly, a portion of the transaction price is allocated to the preventive maintenance services and recognised as a contract liability. Revenue is recognised over the period in which the preventive maintenance service is provided based on the time elapsed.

Warranty obligation

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section Q 'Provisions and Contingencies'.

Revenue from Services

Revenue from services are recognised at the point in time when the services are rendered. Revenue from maintenance contracts are recognised over the period of contract on time elapsed.

In case of mining equipment's long-term maintenance contracts, revenue is recognised over the period of time based on input method where the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of performance obligation.

Agency Commission

The Group procures textile machinery on behalf of its customers. Accordingly, in these arrangements the Group is acting as an agent and records the revenue on net basis that it retains for its agency services.

Revenue from Construction contract

Performance obligation in case of revenue from long - term construction contracts is satisfied over the period of time, since the Group creates an asset that the customer controls as the asset is created and the Group has an enforceable right to payment for performance completed to date if it meets the agreed specifications. Revenue from long term construction contracts, where the outcome can be estimated reliably and 20% of the project cost is incurred, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity.

The stage of completion is measured by input method i.e. the proportion that costs incurred to date bear to the estimated total costs of a contract. The total costs of contracts are estimated based on technical and other estimates. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

Contract revenue earned in excess of billing is reflected under as "contract asset" and billing in excess of contract revenue is reflected under "contract liabilities". Retention money receivable from project customers does not contain any significant financing element, these are retained for satisfactory performance of contract.

In case of long - term construction contracts payment is generally due upon completion of milestone as per terms of contract. In certain contracts, short-term advances are received before the performance obligation is satisfied.

Dividend and Interest income

Dividend income is recognised when the right to receive payment is established. Interest income is recognised using the effective interest method.

F. CONTRACT BALANCES

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

The amount recognised as contract assets is reclassified to trade receivables once the amounts are billed to the customer as per the conditions of the contract. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section R Impairment.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Q Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

G. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

H. EMPLOYEE BENEFITS

(a) Post-employment benefits costs and termination benefits:

(i) Defined Contribution Plans

Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions. The Group operates following defined contribution plans:

(a) Superannuation Fund: Contribution to Superannuation Fund, a defined contribution scheme, is made at pre-determined rates to the Superannuation Fund Trust and is charged to the Statement of Profit and Loss, when an employee renders the related service. There are no other obligations other than the contribution payable to the Superannuation Fund Trust.

(b) Provident and Pension Fund: Retirement benefit in the form of provident fund is a defined contribution scheme in respect of employees of Indian subsidiary companies. The Indian subsidiary companies has no obligation, other than the contribution payable to the provident fund. The group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

(ii) Defined Benefit Plans

The Group's liabilities towards gratuity, pension and post-retirement medical benefit schemes are determined using the projected unit credit method, with actuarial valuation being carried out at the end of each annual reporting period.

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

Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement.

The Group represents the first two components of defined benefit costs in the statement of profit and loss in the line item "Employee Benefits Expenses". Curtailment gains and losses are accounted for as past service costs.

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans.

(b) Short term and other long term employee benefits

Benefits accruing to employees in respect of wages, salaries and compensated absences and which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employee performs the service that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit expected to be paid in exchange of related service. Where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method at the present value of the estimated future cash flow expected to be made by the Group in respect of services provided by employees up to the reporting date. The Group presents the leave as a current liability in the Balance Sheet, to the extent it doesnot have an unconditional right to defer its settlement for 12 months after the reporting date.

I. PROPERTY, PLANT AND EQUIPMENT

Capital work in progress is stated at cost. Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable taxes and any directly attributable cost of bringing an asset to working condition and location for its intended use.

Projects under which the property, plant and equipment is not yet ready for their intended use are carried as capital work-in-progress at cost determined as aforesaid.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the depreciable amount of assets (other than free hold land and assets under construction) over the useful lives using the straight-line method. The estimated useful lives are as follows:

Assets	Useful life
Factory Building	30 years
Residential Building	60 years
Plant and Equipment	8-15 years
Office Equipment	3-15 years
Furniture and fixtures	10 years
Vehicles	8 years

The useful life as estimated above is aligned to the prescribed useful life specified under Schedule II of the Companies Act, 2013.

Depreciation on the property, plant and equipment of the Group's foreign subsidiaries has been provided on Straight Line Method as per the estimated useful life of such assets as follows:

Assets	Useful life
Building	6-10 years
Plant and Equipment	3-10 years
Office Equipment	3-6 years
Furniture and fixtures	3-7 years
Vehicles	3-5 years
Porta Cabins	1-10 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

J. INVESTMENT PROPERTY

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The estimated useful lives are as follows:

Assets	Useful life
Residential Building	60 years

The useful life as estimated above is aligned to the prescribed useful life specified under Schedule II of the Companies Act, 2013.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in the period in which the property is derecognised.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

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

K. INTANGIBLE ASSETS

Intangible assets purchased are measured at cost as of the date of acquisition less accumulated amortisation and accumulated impairment, if any.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated useful life of intangible assets are as follows:

- Manufacturing Rights and Technical Know-how : 6 years

- Software : 5 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

L. FOREIGN CURRENCY

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

In preparing the financial statements of each individual group entity, income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss. Non-monetary items denominated in a foreign currency are measured at historical cost and translated at exchange rate prevalent at the date of transaction.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On disposal of a foreign operation, the associated exchange differences are reclassified to Statement of Profit and Loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

M. LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	99 years
Leasehold building	1-5 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section S Impairment of non-financial assets.

(b) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in Interest-bearing borrowings.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office premises and storage locations (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

N. INVENTORIES

Inventories including Work-in-Progress are valued at cost or net realisable value, whichever is lower. Cost being determined based on weighted average basis. Cost includes all charges incurred for bringing the goods to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

O. TAXES ON INCOME

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the tax are those that are enacted at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

P. PROVISIONS AND CONTINGENCIES

Provisions

Provisions are recognisedwhen there is a present obligation (legal or constructive) as a result of past event, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranties (Trade Guarantees)

The estimated liability for product warranties is recorded when products are sold / project is completed. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

The timing of outflows will vary as and when warranty claims arise being typically upto five years.

Contingencies

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Environment Liabilities

E-Waste (Management) Rules, 2016, as amended, requires the group to complete the Extended Producer Responsibility targets measured based on sales made in the preceding 10th year, if it is a participant in the market during a financial year. Accordingly, the obligation event for e-waste obligation arises only if the Group participate in the markets in those years.

Q. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

- **Initial recognition and measurement**

  All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- **Subsequent measurement**

  All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

- **Financial assets at amortised cost**

  Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of profit and loss. The losses arising from impairment are recognised in the Statement of profit and loss. This category generally applies to trade receivables, loans and other financial assets.

- **Financial assets at fair value through other comprehensive income (FVTOCI)**

  Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the asset's contractual cash flow represents SPPI.

  Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, dividend income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

- **Financial assets at fair value through profit or loss (FVTPL)**

  FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- **Equity Instruments**

  All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

For all other equity instruments, other than investment in Subsidiaries, Associates and Joint Ventures, the Group makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- **Derecognition**

  The Group derecognises a financial asset when the rights to receive cash flows from the asset have expired or it transfers the right to receive the contractual cash flow on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

Financial liabilities

- **Initial recognition and measurement**

  Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profitor loss, loans and borrowings, payables, as appropriate.

  All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- **Subsequent measurement**

  The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

- **Financial liabilities at amortised cost**

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- **Financial guarantee contracts**

  Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amount of income recognised in accordance with the principles of Ind AS 115 amortisation.

- **Derecognition**

  A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

- **Offsetting of financial instrument**

  Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

R. IMPAIRMENT

(a) Financial assets

The Group assesses the expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on the Group's past history of recovery, credit worthiness of the counter party and existing market conditions.

For all financial assets other than trade receivables, expected credit losses are measured at an amount equal to the 12-month expected credit loss (ECL) unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. For trade receivables and contract assets, the Group has applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109 which requires the expected lifetime losses from initial recognition of the receivables.

(b) Non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses including impairment on inventories are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

For contract assets, the Group has applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109 which requires the expected lifetime losses from initial recognition of the contract assets.

S. CASH & CASH EQUIVALENTS

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

T. EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

U. SEGMENT REPORTING

Segments are identified based on the manner in which the chief operating decision-maker (CODM) decides about the resource allocation and reviews performance.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/ liabilities".

V. CASH DIVIDEND

The Group recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

W. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

X. GOVERNMENT GRANTS

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

Y. OPERATING CYCLE

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. A portion of the Group's activities (primarily long-term project activities) has an operating cycle that exceeds one year. Accordingly, assets and liabilities related to these long-term contracts, which will not be realised/ paid within one year, have been classified as current. For all other activities, the operating cycle is twelve months.

Z. CURRENT V/S NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2A. RECENT ACCOUNTING PRONOUNCEMENTS ISSUED AND EFFECTIVE

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23 March, 2022 to amend the following Ind AS which are effective from 1 April, 2022.

(i) Onerous Contracts–Costs of Fulfilling a Contract –Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 April, 2022. The amendments are not expected to have a material impact on the Group.

(ii) Reference to the Conceptual Framework– Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standards" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 April, 2022. The amendments are not expected to have a material impact on the Group.

(iii) Property, Plant and Equipment: Proceeds before Intended Use–Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April, 2022. The amendments are not expected to have a material impact on the Group.

(iv) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are effective for annual reporting periods beginning on or after 1 April, 2022. The amendments are not expected to have a material impact on the Group.

3. SIGNIFICANT ACCOUNTING, JUDGEMENTS ESTIMATES AND ASSUMPTIONS

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

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

Key sources of estimation uncertainty

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

Cost to complete

The Group's Management estimates the costs to complete for each project for the purpose of revenue recognition and recognition of anticipated losses on projects, if any. In the process of calculating the cost to complete, Management conducts regular and systematic reviews of actual results and future projections with comparison against budget. This process requires monitoring controls including financial and operational controls and identifying major risks facing the Group and developing and implementing initiatives to manage those risks. The Group's Management is confident that the costs to complete the project are fairly estimated.

Percentage of completion

Management's estimate of the percentage of completion on each project for the purpose of revenue recognition is through conducting some weight analysis to assess the actual quantity of the work for each activity performed during the reporting period and estimate any future costs for comparison against the initial project budget. This process requires monitoring of financial and operational controls. Management is of the opinion that the percentage of completion of the projects is fairly estimated.

As required by Ind AS 115 in applying the percentage of completion on its long-term projects, the Group is required to recognise any anticipated losses on it contracts.

Impairment of financial assets and contract assets

The Group's Management reviews periodically items classified as receivables to assess whether a provision for impairment should be recorded in the Statement of profit and loss. Management estimates the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgement and uncertainty. Details of impairment provision on contract assets and trade receivables are given in Note 15 and Note 16.

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

Fair value measurement of financial instruments

Some of the Group's assets are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about valuation techniques and inputs used in determining the fair value of various assets is disclosed in Note 51.

Litigations

From time to time, the Group is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each Balance Sheet date and revisions made for the changes in facts and circumstances. Provision for litigations and contingent liabilities are disclosed in Note 45 (C).

Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. All assumptions are reviewed at each Balance Sheet date and disclosed in Note 46.

Useful lives of property, plant and equipment and intangible assets

The Group has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Group reviews the useful life of property, plant and equipment and intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

Warranty provisions (trade guarantees)

The Group gives warranties for its products, undertaking to repair or replace the product that fail to perform satisfactory during the warranty period. Provision made at the year-end represents the amount of expected cost of meeting such obligations of rectification / replacement which is based on the historical warranty claim information as well as recent trends that might suggest that past cost information may differ from future claims. Factors that could impact the estimated claim information include the success of the Group's productivity and quality initiatives. Provision towards warranty is disclosed in Note 33.

Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which the goodwill is allocated. The value in use calculations requires the directors to estimate the future cash flows expected to arise from the cash generating unit and suitable discount rate in order to calculate the present value. Where the actual future cash flows expected to arise are less than expected a material impairment loss may arise.

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

₹ in crores

	Freehold Land	Buildings	Plant and Equipment	Office Equipment	Furniture and fixtures	Vehicles	Transferred to / from Investment property	Total Property, Plant And Equipment
Gross carrying amount								
As at 31 March, 2020	29.51	203.61	172.63	83.94	31.09	19.30	(58.76)	481.32
Additions	-	5.50	19.27	8.56	2.91	-	-	36.24
Disposals	-	2.14	2.31	4.25	0.21	1.70	-	10.61
Transfers in / (out)	-	-	-	-	-	-	(12.02)	(12.02)
Exchange differences on consolidation	-	(0.21)	(0.41)	(0.24)	(0.06)	(0.39)	-	(1.31)
As at 31 March, 2021	**29.51**	**206.76**	**189.18**	**88.01**	**33.73**	**17.21**	**(70.78)**	**493.62**
Accumulated depreciation								
As at 31 March, 2020	-	53.82	109.05	53.35	21.08	17.21	(13.42)	241.09
Charge for the year	-	5.11	9.67	8.75	1.81	0.87	(1.14)	25.07
Disposals	-	1.09	2.23	3.92	0.17	1.69	-	9.10
Transfers in / (out)	-	-	-	-	-	-	(0.67)	(0.67)
Exchange differences on consolidation	-	(0.15)	(0.38)	(0.20)	(0.05)	(0.36)	-	(1.14)
As at 31 March, 2021	**-**	**57.69**	**116.11**	**57.98**	**22.67**	**16.03**	**(15.23)**	**255.25**
Net carrying amount as at 31 March, 2021	**29.51**	**149.07**	**73.07**	**30.03**	**11.06**	**1.18**	**(55.55)**	**238.37**
Gross carrying amount								
As at 31 March, 2021	29.51	206.76	189.18	88.01	33.73	17.21	(70.78)	493.62
Additions	-	5.56	5.09	6.48	0.98	1.12	-	19.03
Disposals	-	1.18	18.67	4.70	1.30	1.22	(2.03)	25.04
Transfers in / (out)	-	-	-	-	-	-	(0.95)	(0.95)
Exchange differences on consolidation	-	0.24	0.46	0.25	0.05	0.44	-	1.44
As at 31 March, 2022	**29.51**	**211.38**	**176.06**	**90.04**	**33.26**	**17.55**	**(69.70)**	**488.10**
Accumulated depreciation								
As at 31 March, 2021	-	57.69	116.11	57.98	22.67	16.03	(15.23)	255.25
Charge for the year	-	5.18	9.89	9.15	1.86	0.64	(1.09)	25.63
Disposals	-	0.54	17.35	4.30	1.27	0.99	(0.34)	24.11
Transfers in / (out)	-	-	-	-	-	-	(0.40)	(0.40)
Exchange differences on consolidation	-	0.19	0.42	0.20	0.04	0.43	-	1.28
As at 31 March, 2022	**-**	**62.52**	**109.07**	**63.03**	**23.30**	**16.11**	**(16.38)**	**257.65**
Net carrying amount as at 31 March, 2022	**29.51**	**148.86**	**66.99**	**27.01**	**9.96**	**1.44**	**(53.32)**	**230.45**

Footnotes :

(a) Buildings includes ₹ 0.0016 crore (31 March, 2021: ₹ 0.0016 crore) being cost of shares and bonds in Co-operative Housing Societies.

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

(b) Title deeds of Immovable Property not held in the name of the Company

₹ in crores

Relevant line item in Balance sheet	Description of item of property	Gross carrying value As at 31 March, 2022	Gross carrying value As at 31 March, 2021	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
PPE	**Building** 16 Flats in Tata Colony, Lallubhai Park, Andheri (W) Mumbai 4000063	0.06	0.06	Tata Services Limited	Group Company	31 August, 1965	These flats are constructed on land owned by Tata Services Limited in line with arrangement amongst Tata Services Limited and Tata Group of companies (incl. Voltas Limited) Pending certain procedural aspects, title to the undivided share of land relating to the flats owned by Voltas Limited has not yet been transferred in the name of Voltas Limited.
	Building Pantnagar	8.90	8.03	Universal Comfort Products Limited	Group Company	11 September, 2020	This building was acquired pursuant to a scheme of amalgamation and continued to be registered in the name of amalgamating company. However, the deed of merger has been registered by the Company.
	Land and Building Sanathnagar Hyderabad	6.32	3.82	Allwyn Metal Works Ltd	Group Company	1 April, 1994	These properties were acquired pursuant to a scheme of amalgamation and continued to be registered in the name of amalgamating Company. However, the deed of merger has been registered by the Company
Right of use assets	**Building** Voltas House, 23 J N Heredia Marg, Ballard Estate, Mumbai-400001	0.23	0.23	Bombay Port Trust	Others	15 June, 2017	The said building was taken on lease by Company from Bombay Port Trust. The Lease has expired on June 14, 2017. The Company has submitted an application for renewal (in accordance with contractual right) of lease on December 15, 2016.
	Leasehold land Pantnagar	2.56	2.56	Universal Comfort Products Limited	Group Company	11 September, 2020	This land was acquired pursuant to a scheme of amalgamation and continued to be registered in the name of amalgamating company. However, the deed of merger has been registered by the Company.

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

(c) (i) Capital Work In Progress (CWIP) Ageing Schedule

As at 31 March, 2022

₹ in crores

Particulars	<1 year	1-2 years	2-3 years	> 3 years	Total
(a) Projects in progress	57.27	1.45	0.45	0.12	59.29
(b) Projects temporarily suspended	-	-	-	-	-
	57.27	**1.45**	**0.45**	**0.12**	**59.29**

As at 31 March, 2021

₹ in crores

Particulars	<1 year	1-2 years	2-3 years	> 3 years	Total
(a) Projects in progress	3.49	2.61	2.71	-	8.81
(b) Projects temporarily suspended	-	-	-	-	-
	3.49	**2.61**	**2.71**	**-**	**8.81**

5. INVESTMENT PROPERTY

₹ in crores

	Freehold Land	Buildings	Total
Gross carrying amount			
As at 31 March, 2020	0.14	58.62	58.76
Additions	-	-	-
Transfers in / (out)	-	12.02	12.02
As at 31 March, 2021	**0.14**	**70.64**	**70.78**
Accumulated depreciation			
As at 31 March, 2020	-	13.42	13.42
Charge for the year	-	1.14	1.14
Transfers in / (out)	-	0.67	0.67
As at 31 March, 2021	**-**	**15.23**	**15.23**
Net carrying amount as at 31 March, 2021	**0.14**	**55.41**	**55.55**
Gross carrying amount			
As at 31 March, 2021	0.14	70.64	70.78
Additions	-	-	-
Disposals	-	2.03	2.03
Transfers in / (out)	-	0.95	0.95
As at 31 March, 2022	**0.14**	**69.56**	**69.70**
Accumulated depreciation			
As at 31 March, 2021	-	15.23	15.23
Charge for the year	-	1.09	1.09
Disposals	-	0.34	0.34
Transfers in / (out)	-	0.40	0.40
As at 31 March, 2022	**-**	**16.38**	**16.38**
Net carrying amount as at 31 March, 2022	**0.14**	**53.18**	**53.32**

Footnotes :

(1) The amount included in transfers in / (out) represents the assets transferred from Property, Plant and Equipment (PPE) to Investment Property when it is held for the purpose of earning rental income / capital appreciation.

5. INVESTMENT PROPERTY (Contd.)

(2) Amount recognised in consolidated Statement of Profit and Loss in relation to investment properties are as follows:

₹ in crores

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Rental income	24.40	32.31
Direct operating expenses (including repairs and maintenance) generating rental income (net of recoveries)	1.44	1.30
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income	4.87	3.16
Profit from investment properties before depreciation and indirect expenses	**18.09**	**27.85**
Depreciation	1.09	1.14
Profit arising from investment properties before indirect expenses	**17.00**	**26.71**

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

₹ in crores

Particulars	As at 31 March, 2022	As at 31 March, 2021
Land	117.66	128.36
Building	696.05	682.94
	813.71	**811.30**

The fair value of the investment properties have been derived using the market comparable approach (market value method / sale comparison technique) based on recent market prices without any significant adjustments being made to the market observable data. The valuation was carried out by an independent valuer registered and is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 . Accordingly, fair value estimates for investment properties are classified as level 3.

The Group has no restriction on the realisability of its Investment properties and no contractual obligation to construct and develop investment properties.

6. RIGHT-OF-USE ASSETS

₹ in crores

	Leasehold Land	Leasehold Buildings	Total Right-of-use assets
Gross carrying amount			
As at 31 March, 2020	5.69	13.00	18.69
Additions	-	4.74	4.74
Exchange differences on consolidation	-	(0.01)	(0.01)
As at 31 March, 2021	**5.69**	**17.73**	**23.42**
Accumulated depreciation			
As at 31 March, 2020	0.84	4.82	5.66
Charge for the year	0.06	4.43	4.49
Exchange differences on consolidation	-	(0.02)	(0.02)
As at 31 March, 2021	**0.90**	**9.23**	**10.13**
Net carrying amount as at 31 March, 2021	**4.79**	**8.50**	**13.29**
Gross carrying amount			
As at 31 March, 2021	5.69	17.73	23.42
Additions	-	15.46	15.46
Disposals	-	2.58	2.58
Exchange differences on consolidation	-	0.02	0.02
As at 31 March, 2022	**5.69**	**30.63**	**36.32**
Accumulated depreciation			
As at 31 March, 2021	0.90	9.23	10.13
Charge for the year	0.06	7.13	7.19
Disposals	-	1.43	1.43
As at 31 March, 2022	**0.96**	**14.93**	**15.89**
Net carrying amount as at 31 March, 2022	**4.73**	**15.70**	**20.43**

7. INTANGIBLE ASSETS

₹ in crores

	Manufacturing Rights & Technical Know- how	Software	Total Intangible Assets
Gross carrying amount			
As at 31 March, 2020	10.04	58.74	68.78
Additions	-	2.18	2.18
Disposals	-	0.27	0.27
Exchange differences on consolidation	-	(0.10)	(0.10)
As at 31 March, 2021	**10.04**	**60.55**	**70.59**
Amortisation			
As at 31 March, 2020	10.04	49.26	59.30
Charge for the year	-	3.19	3.19
Disposals	-	0.26	0.26
Exchange differences on consolidation	-	(0.10)	(0.10)
As at 31 March, 2021	**10.04**	**52.09**	**62.13**
Net carrying amount as at 31 March, 2021	**-**	**8.46**	**8.46**
Gross carrying amount			
As at 31 March, 2021	10.04	60.55	70.59
Additions	-	2.05	2.05
Disposals	1.16	0.16	1.32
Exchange differences on consolidation	-	0.12	0.12
As at 31 March, 2022	**8.88**	**62.56**	**71.44**
Amortisation			
As at 31 March, 2021	10.04	52.09	62.13
Charge for the year	-	3.35	3.35
Disposals	1.16	0.16	1.32
Exchange differences on consolidation	-	0.11	0.11
As at 31 March, 2022	**8.88**	**55.39**	**64.27**
Net carrying amount as at 31 March, 2022	**-**	**7.17**	**7.17**

Footnotes:

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(a)	Goodwill generated on consolidation	72.31	72.31
(b)	Movement in goodwill		
	Balance at the beginning of the year	72.31	72.31
	Balance at the end of the year	72.31	72.31

(c) Allocation of Goodwill to Cash-Generating Units (CGU)

(i) The carrying value of the Goodwill pre-dominantly relates to Goodwill that arose on the acquisition of Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited, a wholly owned subsidiary) of ₹ 71.36 crores (31 March, 2021: ₹ 71.36 crores).

(ii) The Goodwill has been allocated for impairment, testing purposes to Segment-B (Electro-mechanical Projects and Services). The Goodwill is tested annually for impairment, more frequently if there are any indications that Goodwill may be impaired.

7. INTANGIBLE ASSETS (Contd.)

(iii) The recoverable amount of Segment-B (Electro-mechanical Projects and Services) CGU has been determined using the value in use calculation. The calculation uses five years projections based on the order book position. Value in use has been determined based on future cashflows after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

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

- Discount rate in the range of 12.49% per annum (31 March, 2021: 11.20% per annum) was applied to arrive at present value of the cash flows.
- Cash flows beyond five years have been extrapolated using a steady growth rate in the range of 5% per annum (31 March, 2021: 5% per annum). This growth rate does not exceed the long-term average growth rate for this industry in India.
- Appropriate industrial beta has been applied (based on the comparative companies data) to arrive at the weighted average cost of capital.

(v) The Management believes that no reasonable change in any of the key assumptions used in the value in use calculation would cause the carrying value of the CGU to materially exceed its value in use.

8. INVESTMENTS

	Currency	Face Value	As at 31 March, 2022		As at 31 March, 2021	
			No.	₹ in crores	No.	₹ in crores
8 (i) Non- current Investments						
A Investments in Associates & Joint Ventures						
(Fully paid - Unquoted Investments; accounted as per Equity Method)						
1 Investments in Associate Companies						
Brihat Trading Private Limited	₹	10	3,352	*	3,352	*
Terrot GmbH, Germany (refer footnote 8(e))	EURO	1	-	-	2,60,900	-
Naba Diganta Water Management Limited	₹	10	47,97,000	9.38	47,97,000	9.22
				9.38		**9.22**
2 Investments in Joint Ventures :						
Voltas Water Solutions Private Limited (under liquidation) (#)	₹	10	28,41,500	0.07	28,41,500	0.07
Universal Voltas L.L.C., UAE	AED	1,000	3,430	51.82	3,430	53.03
Olayan Voltas Contracting Company Limited, Saudi Arabia	SR	100	50,000	-	50,000	0.25
(including Share application money)						
Voltbek Home Appliances Private Limited	₹	10	50,32,34,900	204.87	41,01,34,900	220.68
Gross Investments in Joint Ventures				256.76		274.03
Less : Impairment in value of Investments (#)				0.07		0.07
				256.69		**273.96**
Investments accounted as per Equity Method				**266.07**		**283.18**

8. INVESTMENTS (Contd.)

		Currency	Face Value	As at 31 March, 2022		As at 31 March, 2021	
				No.	₹ in crores	No.	₹ in crores
B	**Other Investments**						
1	**Investments in Subsidiary Companies (at cost less impairment unless otherwise stated):**						
	Agro Foods Punjab Limited (Refer footnote 8 (a))	₹	100	2,80,000	-	2,80,000	-
	(Beneficial rights transferred pending transfer of shares)						
	Westerwork Engineers Limited (Under Liquidation) (#)	₹	100	9,600	1.09	9,600	1.09
	Gross Investments in Subsidiary Companies				1.09		1.09
	Less : Impairment in value of Investments (#)				1.09		1.09
					-		-
2	**Investments in Other Companies (Investments at Fair Value through Other Comprehensive Income) (Refer footnote 8 (d))**						
(a)	**Fully Paid Unquoted Equity Instruments**						
	Lakshmi Ring Travellers (Coimbatore) Limited	₹	10	1,20,000	34.55	1,20,000	40.64
	Agrotech Industries Limited	USD	1	3,67,500	-	3,67,500	-
	Tata International Limited	₹	1,000	15,000	33.90	15,000	33.90
	Tata Services Limited (Refer footnote 8 (b))	₹	1,000	448	0.04	448	0.04
	Tata Industries Limited (Refer footnote 8 (b))	₹	100	13,05,720	20.72	13,05,720	20.72
	Tata Projects Limited (Refer footnote 8 (f))	₹	5	1,10,62,170	298.72	1,35,000	178.41
	Premium Granites Limited	₹	10	4,91,220	-	4,91,220	-
	OMC Computers Limited	₹	10	4,04,337	-	4,04,337	-
	Avco Marine S.a.S, France	EURO	10	1,910	-	1,910	-
	Voltas Employees Consumers Co-operative Society Limited	₹	10	750	*	750	*
	Saraswat Co-operative Bank Limited	₹	10	10	*	10	*
	Super Bazar Co-operative Stores Limited	₹	10	500	*	500	*
					387.93		**273.71**
(b)	**Fully Paid Quoted Equity Instruments**						
	Lakshmi Automatic Loom Works Limited	₹	10	6,15,200	-	6,15,200	-
	Tata Chemicals Limited	₹	10	2,00,440	19.54	2,00,440	15.06
	Tata Consumer Products Limited	₹	1	2,28,501	17.76	2,28,501	14.59
	Lakshmi Machine Works Limited	₹	10	5,79,672	558.20	5,79,672	393.54
	Reliance Industries Limited (Refer footnote 8 (c))	₹	10	2,640	-	2,640	-
					595.50		**423.19**
					983.43		**696.90**
3	**Investment in Preference Shares**						
	Fully Paid UNQUOTED (at amortised cost):						
	Tata Capital Limited						
	7.50% Cumulative Redeemable Preference Shares	₹	1,000	2,50,000	25.00	2,50,000	25.00
	7.10% Cumulative Redeemable Preference Shares	₹	1,000	2,50,000	20.00	2,50,000	20.00
	7.33% Cumulative Redeemable Preference Shares	₹	1,000	50,000	5.00	50,000	5.00
					50.00		**50.00**

8. INVESTMENTS (Contd.)

		Currency	Face Value	As at 31 March, 2022		As at 31 March, 2021	
				No.	₹ in crores	No.	₹ in crores
4	**Investment in Unquoted Mutual funds (at fair value through profit or loss)**				**1,700.94**		**1,531.73**
5	**(i) Investment in Debenture/Bonds (at amortised cost)**						
	Fully Paid QUOTED:						
	The Tata Power Company Limited						
	10.75% Non Convertible Debentures	₹	10,00,000	-	-	500	52.98
	Rural Electrification Corporation Limited :						
	8.01% Tax Free Bonds	₹	1,000	50,000	5.26	50,000	5.34
	7.17% Tax Free Bonds	₹	10,00,000	70	7.37	70	7.42
	5.75% Tax Free Bonds	₹	10,000	500	0.53	500	0.53
	8.18% Tax Free Bonds	₹	10,00,000	50	5.31	50	5.37
	National Housing Bank						
	8.26% Tax Free Non Convertible Debentures	₹	5,000	18,049	9.49	18,049	9.65
	Housing and Urban Development Corporation Limited						
	8.51% Tax Free Bonds	₹	1,000	1,50,000	15.84	1,50,000	16.13
	7.07% Tax Free Bonds	₹	10,00,000	50	5.30	50	5.33
	Indian Railway Finance Corporation Limited						
	8.35% Tax Free Bonds	₹	10,00,000	250	27.69	250	28.06
	Tata International Limited						
	9.85% Non Convertible Debentures	₹	10,00,000	-	-	500	49.99
	Tata Motors Finance Limited						
	11.50% Non Convertible Debentures	₹	10,00,000	500	54.50	500	54.50
					131.29		**235.30**
	(ii) Investment in Debenture/Bonds (at fair value through profit or loss)						
	TMF Holdings Limited						
	7.2962% Perpetual Non Convertible Debentures	₹	10,00,000	500	49.39	-	-
					49.39		**-**
6	**Investment in Others**						
	Government Securities	₹			*		*
					*		*
Other Investments					**2,915.05**		**2,513.93**
Total : Non-current Investments - Net					**3,181.12**		**2,797.11**
Footnotes :							
(i)	Aggregate amount of quoted investments and market value thereof				776.18		658.49
(ii)	Aggregate amount of unquoted investments				2,406.10		2,139.78
(iii)	Aggregate amount of impairment in value of investments				1.16		1.16

8. INVESTMENTS (Contd.)

Abbreviations for Currencies :

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

* value below ₹ 50,000/-

Footnotes:

8 (a) Under a loan agreement for ₹ 0.60 crore (fully drawn and outstanding) entered into between Agro Foods Punjab Limited (AFPL) and the Punjab State Industrial Development Corporation Limited (PSIDC), the Group has given an undertaking to PSIDC that it will not dispose off its shares in AFPL till the monies under the said loan agreement between PSIDC and AFPL remain due and payable by AFPL to PSIDC. During 1998-99, the Group had transferred its beneficial rights in the shares of AFPL.

8 (b) For these unquoted investments categorised under Level 3, their respective cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

8 (c) In respect of the Group's investment in 2,640 equity shares of Reliance Industries Limited, there is an Injunction Order passed by the Court in Kanpur restraining the transfer of these shares. The share certificates are, however, in the possession of the Group. Pending disposal of the case, dividend and fair value on these shares has not been recognised.

8 (d) Investments at Fair Value Through Other Comprehensive Income (FVTOCI) reflect investment in quoted and unquoted equity securities. These equity shares are designated as FVTOCI as they are not held for trading purpose and are not in similar line of business as the Group, thus disclosing their fair value change in profit and loss will not reflect the purpose of holding.

8 (e) During the year, on account of corporate actions including the announcement of fresh issue by Terrot GmbH, to which Company had not made any subscription and accordingly, the Company shareholding has reduced to Nil. Therefore, Terrot GmbH is no longer an associate of the Company.

8 (f) During the year, face value of equity shares of Tata Projects Limited was split from ₹ 100/- each to face value of ₹ 5/- each. Further, the Company has received 54,00,000 shares as bonus shares. Additionally, the Company has subsribed to the Rights issue of 29,62,170 equity shares at designated Rights issue price.

9. CURRENT INVESTMENTS

₹ in crores

		Currency	Face Value	As at 31 March, 2022		As at 31 March, 2021	
				No.	₹ in crores	No.	₹ in crores
A	**Investment in Debenture/Bonds (at amortised cost)**						
	Fully Paid QUOTED:						
	The Tata Power Company Limited	₹	10,00,000	500	52.52	-	-
	10.75% Non Convertible Debentures						
	Tata International Limited						
	9.85% Non Convertible Debentures	₹	10,00,000	500	50.57	-	-
	Tata Steel Limited						
	11.50% Perpetual Non Convertible Debentures	₹	10,00,000	-	-	292	29.21
	Tata AIG General Insurance Co. Limited						
	8.52% Non Convertible Debentures	₹	10,00,000	-	-	30	2.96
	Housing and Urban Development Corporation Limited						
	8.10% Tax Free Bonds	₹	1,000	-	-	2,53,400	25.84
					103.09		**58.01**

9. CURRENT INVESTMENTS (Contd.)

₹ in crores

	Currency	Face Value	As at 31 March, 2022		As at 31 March, 2021	
			No.	₹ in crores	No.	₹ in crores
B Investment in Unquoted Mutual funds (at fair value through profit or loss)				**291.18**		**191.31**
C Investment in Inter Corporate Deposits (at amortised cost):						
LIC Housing Finance Limited	₹		-	40.00	-	-
Total Current investments				**434.27**		**249.32**
Footnotes :						
(i) Aggregate amount of quoted investments and market value thereof				103.09		58.01
(ii) Aggregate amount of unquoted investments				331.18		191.31
(iii) Aggregate amount of impairment in value of investments				-		-

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

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Loans to Employees (Unsecured, considered good)	0.10	0.17
Total non-current loans	**0.10**	**0.17**

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

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
(a) Security deposits	6.72	11.04
(b) Deposits with customers / others	4.67	5.42
(c) Fixed deposits with remaining maturity of more than 12 months	71.82	79.44
(d) Others	15.59	15.59
Less: Impairment Allowance	15.41	15.41
Total other financial assets (Non-current)	**83.39**	**96.08**
Footnotes :		
(1) Break up of security details of other financial assets (non-current)		
(i) Unsecured, considered good	83.39	96.08
(ii) Credit impaired	15.41	15.41
	98.80	**111.49**
(2) Impairment Allowance		
(i) Unsecured, considered good	-	-
(ii) Credit impaired	15.41	15.41
	15.41	**15.41**

12. DEFERRED TAX

(a) The following is the analysis of deferred tax assets / (liabilities) presented in the consolidated balance sheet :

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
(i) **Deferred Tax Assets**		
Deferred tax assets	44.00	174.24
Deferred tax liabilities	-	(118.47)
Deferred Tax Assets (net)	**44.00**	**55.77**
(ii) **Deferred Tax Liabilities**		
Deferred tax assets	141.81	-
Deferred tax liabilities	(154.16)	-
Deferred tax liabilities (net)	**(12.35)**	**-**
Reconciliation of deferred tax assets (net):		
Opening balance	55.77	72.87
Tax income/(expense) during the period recognised in profit or loss	4.37	11.71
Tax income/(expense) during the period recognised in OCI	(0.07)	(21.68)
Adjusted against tax liability	-	(0.10)
Adjustment pursuant to amalgamation	-	(7.03)
Reclassified to deferred tax liabilities	(16.08)	-
Closing balance	**44.00**	**55.77**
Reconciliation of deferred tax liabilities (net):		
Opening balance	-	(1.42)
Tax income/(expense) during the period recognised in profit or loss	(5.27)	-
Tax income/(expense) during the period recognised in OCI	(23.16)	-
Adjustment pursuant to amalgamation	-	1.42
Reclassified from deferred tax assets	16.08	-
Closing balance	**(12.35)**	**-**

(b) The balance comprise temporary differences attributable to:

(i) Deferred Tax Assets

₹ in crores

	As at 31 March, 2021	Reclassification to deferred tax liabilities	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	Adjusted against tax liability	As at 31 March, 2022
Provision for employee benefits (including Voluntary Retirement Scheme)	35.96	(35.85)	0.09	(0.07)	-	0.13
Allowance for receivables, loans and advances	96.23	(77.92)	7.02	-	-	25.33
Provision for contingencies and claims	8.55	(8.04)	-	-	-	0.51
Unpaid statutory liabilities	3.31	(3.31)	-	-	-	-
Government Grant	1.70	(1.70)	-	-	-	-
Estimated Loss on Projects	1.15	(0.98)	0.79	-	-	0.96
Unutilised brought forward loss and unabsorbed depreciation	6.79	-	(6.41)	-	-	0.38
MAT credit entitlement	13.58	-	2.73	-	-	16.31
Free Maintenance services	6.06	(6.06)	-	-	-	-
Others	0.91	(0.86)	0.33	-	-	0.38
Deferred Tax Assets	**174.24**	**(134.72)**	**4.55**	**(0.07)**	**-**	**44.00**

12. DEFERRED TAX (Contd.)

₹ in crores

	As at 31 March, 2021	Reclassifi-cation to deferred tax liabilities	(Charged) / credited to statement of profit and loss	(Charged) / credited to other compre-hensive income	Adjusted against tax liability	As at 31 March, 2022
Property, plant and equipment and intangible assets	(30.61)	30.78	(0.17)	-	-	-
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(60.47)	60.47	-	-	-	-
Unrealised gains on fair valuation of Mutual funds	(27.39)	27.39	-	-	-	-
Deferred Tax Liabilities	**(118.47)**	**118.64**	**(0.17)**	**-**	**-**	**-**
Deferred Tax Assets (net)	**55.77**	**(16.08)**	**4.37**	**(0.07)**	**-**	**44.00**

(ii) Deferred Tax Liabilities

₹ in crores

	As at 31 March, 2021	Reclassifi-cation from deferred tax assets	(Charged) / credited to statement of profit and loss	(Charged) / credited to other compre-hensive income	Adjusted against tax liability	As at 31 March, 2022
Provision for employee benefits (including Voluntary Retirement Scheme)	-	35.85	(1.86)	4.38	-	38.37
Allowance for receivables, loans and advances	-	77.92	(0.80)	-	-	77.12
Provision for contingencies and claims	-	8.04	2.80	-	-	10.84
Unpaid statutory liabilities	-	3.31	0.46	-	-	3.77
Government Grant	-	1.70	0.13	-	-	1.83
Estimated Loss on Projects	-	0.98	(0.20)	-	-	0.78
Free Maintenance services	-	6.06	(0.33)	-	-	5.73
Others	-	0.86	2.51	-	-	3.37
Deferred Tax Assets	**-**	**134.72**	**2.71**	**4.38**	**-**	**141.81**
Property, plant and equipment and intangible assets	-	(30.78)	(1.02)	-	-	(31.80)
Unrealised gains on fair valuation of investments through Other Comprehensive Income	-	(60.47)	-	(27.54)	-	(88.01)
Unrealised gains on fair valuation of Mutual funds	-	(27.39)	(6.96)	-	-	(34.35)
Deferred Tax Liabilities	**-**	**(118.64)**	**(7.98)**	**(27.54)**	**-**	**(154.16)**
Deferred Tax Liabilities (net)	**-**	**16.08**	**(5.27)**	**(23.16)**	**-**	**(12.35)**

12. DEFERRED TAX (Contd.)

(b) The balance comprise temporary differences attributable to: (contd.)

(i) Deferred Tax Assets

₹ in crores

	As at 31 March, 2020	Adjustment pursuant to amalgamation (Refer note below)	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	Adjusted against tax liability	As at 31 March, 2021
Provision for employee benefits (including Voluntary Retirement Scheme)	38.63	0.10	(0.73)	(2.04)	-	35.96
Allowance for receivables, loans and advances	75.68	-	20.65	-	(0.10)	96.23
Provision for contingencies and claims	7.82	-	0.73	-	-	8.55
Unpaid statutory liabilities	3.61	-	(0.30)	-	-	3.31
Government Grant	-	1.39	0.31	-	-	1.70
Estimated Loss on Projects	1.60	-	(0.45)	-	-	1.15
Deferred Tax on unrealised profit	5.61	(5.61)	-	-	-	-
Unutilised brought forward loss and unabsorbed depreciation	16.94	-	(10.15)	-	-	6.79
MAT credit entitlement	8.91	-	4.67	-	-	13.58
Free Maintenance services	5.17	-	0.89	-	-	6.06
Others	0.27	-	0.64	-	-	0.91
Deferred Tax Assets	**164.24**	**(4.12)**	**16.26**	**(2.04)**	**(0.10)**	**174.24**
Property, plant and equipment and intangible assets	(25.93)	(2.91)	(1.77)	-	-	(30.61)
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(40.83)	-	-	(19.64)	-	(60.47)
Unrealised gains on fair valuation of Mutual funds	(24.61)	-	(2.78)	-	-	(27.39)
Deferred Tax Liabilities	**(91.37)**	**(2.91)**	**(4.55)**	**(19.64)**	**-**	**(118.47)**
Deferred Tax Assets (net)	**72.87**	**(7.03)**	**11.71**	**(21.68)**	**(0.10)**	**55.77**

(ii) Deferred Tax Liabilities

₹ in crores

	As at 31 March, 2020	Adjustment pursuant to amalgamation (Refer note below)	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	Adjusted against tax liability	As at 31 March, 2021
Provision for employee benefits	0.10	(0.10)	-	-	-	-
Government Grant	1.39	(1.39)	-	-	-	-
Deferred Tax Assets	**1.49**	**(1.49)**	**-**	**-**	**-**	**-**
Property, plant and equipment and intangible assets	(2.91)	2.91	-	-	-	-
Deferred Tax Liabilities	**(2.91)**	**2.91**	**-**	**-**	**-**	**-**
Deferred Tax Liabilities (net)	**(1.42)**	**1.42**	**-**	**-**	**-**	**-**

Footnote :

Pursuant to amalgamation of Universal Comfort Products Limited (UCPL) with Voltas Limited, deferred tax liability (net) balances of UCPL has been transferred to Voltas Limited.

13. OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
(a) Balance with Government Authorities	78.20	78.81
(b) Capital advances	23.09	38.78
(c) Advance to suppliers	1.07	1.07
(d) Others	6.07	4.16
Less: Impairment Allowance	4.88	5.34
Total other non-current assets	**103.55**	**117.48**
Footnote :-		
Impairment Allowance :		
(a) Balance with Government Authorities	3.89	3.89
(b) Advance to suppliers	0.99	1.07
(c) Others	-	0.38
Total	**4.88**	**5.34**

14. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
(a) Raw materials and Components	567.29	363.77
(b) Work-in-progress	7.43	10.40
(c) Finished goods	597.63	365.62
(d) Stock-in-trade	488.66	539.45
(e) Stores and spares	0.38	0.36
Total Inventories	**1,661.39**	**1,279.60**
Inventories includes goods-in-transit:		
(a) Raw materials and Components	49.56	88.65
(b) Finished goods	-	2.08
(c) Stock-in-trade	144.21	9.88
Total goods-in-transit	**193.77**	**100.61**

Footnote :		
Provision / (reversal) for write-down on value of inventory recognised in statement of profit and loss	(9.72)	28.48

15. CONTRACT ASSETS (CURRENT) (UNSECURED)

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Amount due from customers under construction contracts	863.28	1,163.48
Less: Impairment Allowance	114.96	99.76
Contract assets (Current) (Net)	**748.32**	**1,063.72**
Footnotes :		
(1) Break up of security details		
(i) Unsecured, considered good	751.56	1,144.59
(ii) Contract assets - credit impaired	111.72	18.89
	863.28	**1,163.48**
Less: Impairment Allowance	114.96	99.76
	748.32	**1,063.72**

(2) Contract assets are initially recognised for revenue earned from electro mechanical projects contracts as receipt of consideration that is conditional on successful completion of project milestone. Upon completion of milestone and acceptance/certification by the customer, the amounts recognised as contract assets are reclassified to trade receivables. At 31 March, 2022, contract assets balances have decreased as compared to 31 March, 2021 on account of certification of work by the customers.

16. TRADE RECEIVABLES (CURRENT) (AT AMORTISED COST) (UNSECURED)

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Trade receivables	2,499.30	2,143.99
Less: Impairment Allowance	389.63	343.06
Trade receivables (net)	**2,109.67**	**1,800.93**
Footnotes :		
(1) Break up of security details		
(i) Unsecured, considered good	2,281.73	1,963.09
(ii) Trade Receivables - credit impaired	217.57	180.90
	2,499.30	**2,143.99**
Less: Impairment Allowance	389.63	343.06
	2,109.67	**1,800.93**

(2) Trade receivables has increased mainly on account of higher sales made in the month of March 2022 in unitary cooling for comfort and commercial use segment compared to sales made in comparative month of March 2021.

(3) Trade receivables are non interest bearing and are generally on terms of 7 to 30 days in case of sale of products and in case of long term construction contracts, payment is generally due upon completion of milestone as per terms of contract. In certain contracts, short term advances are received before the performance obligation is satisfied.

(4) The Group applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables and contract assets. The Group follows the simplified approach for recognition of impairment allowance on trade receivables and contract assets. The application of the simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment allowance based on lifetime ECLs at each reporting date. ECL impairment loss allowance (or reversal) recognised during the period is recognised in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

(5) **Movement in impairment allowance on trade receivables and contract assets.**

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Balance at the beginning of the year	442.82	328.84
Allowances / (write back) during the year	93.49	135.83
Written off against past provision	(31.72)	(21.85)
Balance at the end of the year	**504.59**	**442.82**

16. TRADE RECEIVABLES (CURRENT) (AT AMORTISED COST) (UNSECURED) (Contd.)

(6) **Trade receivables (Current) ageing :**

As at 31 March, 2022

₹ in crores

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade Receivables - Considered Good	1,135.20	711.26	200.20	123.29	49.09	29.73	2,248.77
(ii) Undisputed Trade Receivables - Considered Doubtful	-	-	-	0.87	52.08	136.52	189.47
(iii) Disputed Trade Receivables - Considered Good	-	-	-	10.31	7.64	15.01	32.96
(iv) Disputed Trade Receivables - Considered Doubtful	-	-	-	-	0.14	27.96	28.10
Total : Trade receivables (Current)	**1,135.20**	**711.26**	**200.20**	**134.47**	**108.95**	**209.22**	**2,499.30**

As at 31 March, 2021

₹ in crores

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade Receivables - Considered Good	1,041.34	546.03	77.18	54.86	101.16	126.08	1,946.65
(ii) Undisputed Trade Receivables - Considered Doubtful	-	-	-	1.70	26.69	91.67	120.06
(iii) Disputed Trade Receivables - Considered Good	-	-	-	-	-	16.44	16.44
(iv) Disputed Trade Receivables - Considered Doubtful	-	-	-	0.22	16.28	44.34	60.84
Total : Trade receivables (Current)	**1,041.34**	**546.03**	**77.18**	**56.78**	**144.13**	**278.53**	**2,143.99**

17. CASH AND CASH EQUIVALENTS

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Cash on hand	0.73	0.02
Cheques on hand	14.77	13.97
Remittance in-transit	-	0.07
Balances with banks		
- On current accounts	478.39	418.06
- Fixed deposits with maturity less than 3 months	65.01	16.03
Total Cash and cash equivalents	**558.90**	**448.15**

Footnotes :

(a) The changes in liabilities arising from financing activities.

₹ in crores

	Borrowings	Lease Liabilities
Opening balance	251.40	9.21
Cash flows	91.79	(8.70)
New leases	-	15.46
Foreign exchange management	*	-
Accretion of interest	-	1.67
Closing balance	**343.19**	**17.64**

* less than Rs.50,000/-

(b) At 31 March, 2022, the Group had available ₹ 1,130.51 crores (31 March, 2021: ₹ 756.36 crores) of undrawn committed borrowing facilities. Sanction limits of domestic operations are secured against inventories, receivables and other current assets.

18. OTHER BALANCES WITH BANKS

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Earmarked balances - unpaid dividend Accounts	7.79	7.73
Margin money	4.98	2.91
Total Other Bank balances	**12.77**	**10.64**

Footnote :

Margin money deposit is against bank guarantee given to Government authorities.

19. LOANS (CURRENT) (AT AMORTISED COST)

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Loans to employees (Unsecured, considered good)	3.09	2.13
Total loans (Current)	**3.09**	**2.13**

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

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(a)	Security deposits	20.18	19.83
(b)	Interest accrued	5.30	10.51
(c)	Fixed deposits with remaining maturity of less than12 months	0.04	38.13
(d)	Others		
	- Considered good	54.33	40.51
	- Credit impaired	6.35	4.84
	Less: Impairment Allowance	6.35	4.84
Total other financial assets (Current)		**79.85**	**108.98**

21. OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(a)	Balance with Government Authorities	133.21	112.28
(b)	Advance to suppliers	91.41	65.87
(c)	Gratuity fund (Refer Note 46)	-	9.95
(d)	Prepaid expense	34.94	22.03
(e)	Others		
	- Considered good	11.40	15.81
	- Credit impaired	0.73	0.52
	Less: Impairment Allowance	0.73	0.52
Total other current assets		**270.96**	**225.94**

22. SHARE CAPITAL

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Authorised:		
1,10,00,00,000 (31 March, 2021: 1,10,00,00,000) Equity Shares of ₹ 1/- each	110.00	110.00
40,00,000 (31 March, 2021: 40,00,000) Preference Shares of ₹ 100/- each	40.00	40.00
	150.00	150.00
Issued, Subscribed and Paid up:		
33,08,84,740 (31 March, 2021: 33,08,84,740) Equity Shares of ₹ 1/- each	33.09	33.09
Less :Calls-in-Arrears [1,22,500 shares (31 March, 2021: 1,22,500 shares) [Refer footnote 22 (d)]	0.01	0.01
Total share capital	**33.08**	**33.08**

Footnotes:

Terms / Rights attached to equity shares

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

22. SHARE CAPITAL (Contd.)

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

	Equity Share Capital			
	As at 31 March, 2022		As at 31 March, 2021	
	Numbers	₹ in crores	Numbers	₹ in crores
Shares outstanding at the beginning of the year	33,08,84,740	33.08	33,08,84,740	33.08
Shares outstanding at the end of the year	33,08,84,740	33.08	33,08,84,740	33.08

(c) Details of equity shares held by shareholders holding more than 5% shares in the Company:

Name of Shareholder	Class of Shares	Equity Share Capital			
		As at 31 March, 2022		As at 31 March, 2021	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
Tata Sons Private Limited	Equity	8,81,31,780	26.64	8,81,31,780	26.64

(d) As per the records of the Company, no calls remained unpaid by the Directors and Officers of the Company as on 31 March, 2022 (31 March, 2021 : Nil).

(e) Details of shares held by promoter / promoter group*

Description	As at 31 March, 2022					
	Name of the promoter / promoter group*	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 1 each fully paid	Tata Sons Private Limited	8,81,31,780	-	8,81,31,780	26.64%	-
	Tata Investment Corporation Limited*	99,62,330	-	99,62,330	3.01%	
	Ewart Investments Limited*	19,25,950	-	19,25,950	0.58%	
	The Tata Power Company Limited*	2,33,420	-	2,33,420	0.07%	
Total		**10,02,53,480**	**-**	**10,02,53,480**	**30.30%**	**-**

Description	As at 31 March, 2021					
	Name of the promoter / promoter group*	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 1 each fully paid	Tata Sons Private Limited	8,81,31,780	-	8,81,31,780	26.64%	-
	Tata Investment Corporation Limited*	99,62,330	-	99,62,330	3.01%	
	Ewart Investments Limited*	19,25,950	-	19,25,950	0.58%	
	The Tata Power Company Limited*	2,33,420	-	2,33,420	0.07%	
Total		**10,02,53,480**	**-**	**10,02,53,480**	**30.30%**	**-**

23. OTHER EQUITY

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(1)	Capital Reserve	13.72	14.25
(2)	Capital Redemption Reserve	1.26	1.26
(3)	Securities Premium	4.77	4.77
(4)	Capital Reserve on Consolidation	-	-
(5)	General Reserve	1,438.15	1,418.15
(6)	Staff Welfare Reserve	0.01	0.01
(7)	Exchange difference on translation of foreign operations through other comprehensive income	39.35	34.40
(8)	Legal Reserve	2.72	2.68
(9)	Equity instruments fair value through other comprehensive income	805.85	626.85
(10)	Retained Earnings	3,160.65	2,857.90
Total other equity		**5,466.48**	**4,960.27**

Movements in Other Equity

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(1)	**Capital Reserve**		
	- As per last Balance Sheet	14.25	1.56
	- Transfer from capital reserve on consolidation	-	12.69
	- (-) Transferred to retained earnings on divestment of subsidiary	0.53	-
	- Closing Balance	**13.72**	**14.25**
(2)	**Capital Redemption Reserve**		
	- As per last Balance Sheet	**1.26**	**1.26**
(3)	**Securities Premium**		
	- As per last Balance Sheet	4.77	6.28
	- Share issue expenses of a subsidiary company	-	1.51
	- Closing Balance	**4.77**	**4.77**
(4)	**Capital Reserve on Consolidation**		
	- As per last Balance Sheet	-	12.69
	- Transfer to capital reserve	-	12.69
	- Closing Balance	**-**	**-**
(5)	**General Reserve**		
	- As per last Balance Sheet	1,418.15	1,398.15
	- Transfer from retained earnings	20.00	20.00
	- Closing Balance	**1,438.15**	**1,418.15**
(6)	**Staff Welfare Reserve**		
	- As per last Balance Sheet	**0.01**	**0.01**
(7)	**Exchange difference on translation of foreign operations through other comprehensive income**		
	- As per last Balance Sheet	34.40	39.05
	- Add / (less) : Exchange gain / (loss) on translation of foreign operations	4.95	(4.65)
	- Closing Balance	**39.35**	**34.40**
(8)	**Legal Reserve**		
	- As per last Balance Sheet	2.68	2.68
	- Transfer from retained earnings	0.04	-
	- Closing Balance	**2.72**	**2.68**

23. OTHER EQUITY (Contd.)

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
(9) **Equity instruments fair value through other comprehensive income**		
- As per last Balance Sheet	626.85	304.31
- Changes during the year	179.00	322.54
- Closing Balance	**805.85**	**626.85**
(10) **Retained earnings**		
(a) As per last Balance Sheet	2,857.90	2,481.14
(b) Additions :		
- Net Profit for the year	504.09	525.14
- Transferred from capital reserve on divestment of subsidiary	0.53	-
- Transfer from other comprehensive income (Net of tax)	-	3.97
	504.62	**529.11**
(c) Deductions :		
- Dividend	166.06	132.35
- Transfer to Legal Reserve	0.04	-
- Transfer from other comprehensive income (Net of tax)	15.77	-
- Transfer to General Reserve	20.00	20.00
	201.87	**152.35**
Closing Balance	**3,160.65**	**2,857.90**
Total other equity	**5,466.48**	**4,960.27**

DISTRIBUTION MADE AND PROPOSED

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Cash Dividends on Equity Shares declared and paid:		
Dividend for the year ended 31 March, 2021: ₹ 5.00 per share	165.44	132.35
(31 March, 2020: ₹ 4.00 per share)		
	165.44	**132.35**
Proposed Dividend on Equity Shares:		
Dividend for the year ended 31 March, 2022: ₹ 5.50 per share	181.99	165.44
(31 March, 2021: ₹ 5.00 per share)		
	181.99	**165.44**

Footnotes : Nature and purpose of reserves

Capital Reserve :

Capital Reserve was created from capital surplus on sale of assets and on amalgamation of subsidiary.

Capital Redemption Reserve :

Capital Redemption Reserve is created out of profit available for distribution towards redemption of Preference shares. This reserve can be used for the purpose of issue of Bonus shares.

Securities Premium :

Securities Premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares. This reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

23. OTHER EQUITY (Contd.)

Capital Reserve on Consolidation :

Capital Reserve on Consolidation represents the additional net assets received by the Parent Company on purchase of stake in Subsidiary. Pursuant to the Scheme of Merger, as approved by the National Company Law Tribunal, Mumbai, on 11th September, 2020, Universal Comfort Products Limited ('UCPL'), a wholly owned subsidiary company, has been merged with Voltas Limited, the Parent Company, effective the appointed date of 1 April, 2019. Accordingly, capital reserve on consolidation created on consolidation of UCPL in earlier period has been transferred to capital reserve.

General Reserve :

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.

Exchange difference on translation of foreign operations through other comprehensive income :

For the purpose of consolidation of subsidiaries with the financial statement of the holding company, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. Use of such different rates for translation gives rise to exchange differences which is accumulated in Foreign Currency Translation Reserve. The movement in this reserve is due to fluctuation in exchange rates of currencies during 2021-22. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the Statement of profit and loss.

Legal Reserve :

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

Equity instruments fair value through other comprehensive income :

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Retained Earnings :

The balance in the Retained Earnings primarily represents the surplus after payment of dividend and transfer to reserves.

24. CONTRACT LIABILITIES (NON-CURRENT)

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Unexpired service contracts	3.51	0.64
Total Contract liabilities (Non-Current) :	**3.51**	**0.64**

25. LEASE LIABILITIES (NON-CURRENT)

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Unsecured		
Lease Liabilities (Refer Note 55)	12.68	5.66
Total lease liabilities	**12.68**	**5.66**

26. OTHER FINANCIAL LIABILITIES

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Non-current		
(i) Employee's payable - Voluntary Retirement Scheme	14.89	18.68
(ii) Others	-	0.73
Total other non-current financial liabilities	**14.89**	**19.41**

27. PROVISIONS (NON-CURRENT)

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Provision for employee benefits :		
(i) Provision for gratuity (Refer Note 46)	57.72	46.13
(ii) Pension obligations (Refer Note 46)	39.56	37.87
(iii) Provision for compensated absences	0.22	0.18
(iv) Post retirement medical benefits (Refer Note 46)	5.53	5.73
Total non-current provisions :	**103.03**	**89.91**

28. OTHER NON-CURRENT LIABILITIES

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Deferred Government Grant	6.32	6.32
Total other non-current liabilities	**6.32**	**6.32**

Footnote :

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants

29. CONTRACT LIABILITIES (CURRENT)

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
(a) Advances received from customers	200.27	222.48
(b) Unexpired service contracts	9.19	8.19
(c) Billing in excess of contract revenue	144.73	190.88
Total Contract liabilities (Current) :	**354.19**	**421.55**

Footnote :

Contract liabilities as at 31 March, 2022 are lower on account of execution in the projects, for which billing made in previous year was in excess of contract revenue, resulting in recognition of revenue against which these excess billing were adjusted in current year.

30. BORROWINGS (AT AMORTISED COST) (CURRENT)

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Secured		
(a) Term loans from Banks	155.43	113.69
(b) Working Capital loans from Banks	187.76	137.71
Total borrowings	**343.19**	**251.40**

Footnotes:

(i) Term loans and working capital loans are secured against assignment of Contract dues on overseas projects.

(ii) Term loans are repayable within a period of 180 days.

(iii) Term loans from banks carry an average interest rate of 4.00% to 5.25% (31 March, 2021 : 4.50% to 5.50%)

(iv) Working capital loans from banks are repayable on demand.

(v) Working capital loans from banks carry an average interest rate of 1.35% to 5.75% (31 March, 2021 : 1.60% to 9.00%).

30A LEASE LIABILITIES (CURRENT)

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Unsecured		
Lease Liabilities (Refer Note 55)	4.96	3.55
Total lease liabilities	**4.96**	**3.55**

31. TRADE PAYABLES

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Trade payables :		
(i) Total outstanding dues of micro and small enterprises	144.19	160.42
(ii) Total outstanding dues of creditors other than micro and small enterprises	2,797.86	2,304.11
Total trade payables	**2,942.05**	**2,464.53**

Footnotes :

(a) Trade payables are non interest bearing and are normally settled on 30 days to 365 days credit term.

31. TRADE PAYABLES (Contd.)

(b) Trade payables ageing :

As at 31 March, 2022

₹ in crores

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	69.47	69.21	2.37	1.45	1.69	144.19
(ii) Others	59.32	1,631.01	904.94	56.85	51.17	92.69	2,795.98
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	0.42	1.46	1.88
Total	**59.32**	**1,700.48**	**974.15**	**59.22**	**53.04**	**95.84**	**2,942.05**

As at 31 March, 2021

₹ in crores

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	95.60	57.50	3.10	1.71	2.51	160.42
(ii) Others	41.47	1,135.67	879.98	108.53	44.78	91.79	2,302.22
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	0.41	0.16	1.32	1.89
Total	**41.47**	**1,231.27**	**937.48**	**112.04**	**46.65**	**95.62**	**2,464.53**

32. OTHER FINANCIAL LIABILITIES (CURRENT) (AT AMORTISED COST)

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(a)	Deposits received from customers / others	30.47	39.44
(b)	Interest accrued but not due on borrowings	0.39	0.24
(c)	Payable for capital goods	9.95	2.05
(d)	Unpaid dividends	7.79	7.73
(e)	Rebate to customers	48.02	36.33
(f)	Employee's payable - Voluntary Retirement Scheme	5.91	6.61
(g)	Other financial liabilities	1.01	2.12
Total other financial liabilities		**103.54**	**94.52**

33. PROVISIONS

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(a)	Provision for employee benefits		
	(i) Provision for gratuity (Refer Note 46)	9.47	5.82
	(ii) Pension obligations (Refer Note 46)	3.56	3.50
	(iii) Provision for compensated absences	37.20	29.46
	(iv) Post retirement medical benefits (Refer Note 46)	0.29	0.33
(b)	Provision for Trade Guarantees	63.76	46.98
(c)	Provision for Contingencies for tax matters	44.57	33.46
	Total provision (current)	**158.85**	**119.55**

Footnotes :

A.	**Provisions for trade guarantees**		
	Opening balance	46.98	39.82
	Additional provisions recognised	53.94	51.22
	Less : Utilisation	33.47	36.06
	Less : Reversal	3.69	8.00
	Closing balance	**63.76**	**46.98**
B.	**Provision for Contingencies for tax matters**		
	Opening balance	33.46	30.56
	Addition	11.38	3.16
	Less : Utilisation	0.27	0.26
	Closing balance	**44.57**	**33.46**

34. OTHER CURRENT LIABILITIES

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(a)	Statutory obligations	87.72	71.93
(b)	Others	1.12	1.11
Total other current liabilities		**88.84**	**73.04**

35. REVENUE FROM OPERATIONS

₹ in crores

		Year ended 31 March, 2022	Year ended 31 March, 2021
Revenue from contracts with customers :			
(a)	Sale of products	4,581.41	4,029.92
(b)	Construction contract revenue	2,395.87	2,784.34
(c)	Sale of services	863.79	642.29
		7,841.07	**7,456.55**
Other operating income :			
(1)	Unclaimed credit balances / provision written back	9.79	19.65
(2)	Sale of scrap	16.15	6.72
(3)	Government grant	10.86	15.35
(4)	Business Support Services	56.49	57.42
(5)	Others	0.09	0.09
		93.38	**99.23**
Total revenue from operations		**7,934.45**	**7,555.78**

36. OTHER INCOME

₹ in crores

		Year ended 31 March, 2022	Year ended 31 March, 2021
(a)	Dividend Income		
	- From equity investments measured at FVTOCI	5.02	4.52
	- From mutual funds investments measured at FVTPL	-	0.31
(b)	Interest Income		
	- On sundry advances, deposits, customers' balances, etc.	28.68	0.03
	- On deposits with banks	2.82	4.17
	- On Income-tax refunds	1.17	8.82
	- On financial instruments measured at amortised cost	26.51	26.72
(c)	Gain on sale / fair valuation of financial assets measured at FVTPL	81.09	95.57
(d)	Gain on sale / disposal of property, plant and equipment (net)	-	0.66
(e)	Exchange differences (Net)	8.85	-
(f)	Rental income	24.40	32.31
(g)	Other non-operating income	10.65	15.75
Total other income		**189.19**	**188.86**

37. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in crores

	Year ended 31 March, 2022	Year ended 31 March, 2021
Inventories at the end of the year :		
- Finished Goods including stock-in-trade	1,086.29	905.07
- Work-in-progress	7.43	10.40
	1,093.72	**915.47**
Inventories at the beginning of the year :		
- Finished Goods including stock-in-trade	905.07	1,188.24
- Work-in-progress	10.40	6.53
	915.47	**1,194.77**
Net (increase) / decrease	**(178.25)**	**279.30**

38. EMPLOYEE BENEFITS EXPENSES

₹ in crores

	Year ended 31 March, 2022	Year ended 31 March, 2021
(a) Salaries, Wages and Bonus	568.22	553.41
(b) Contribution to Provident and other Funds	25.51	24.82
(c) Staff Welfare expenses	23.89	23.45
Total employee benefits expenses	**617.62**	**601.68**

39. FINANCE COSTS

₹ in crores

	Year ended 31 March, 2022	Year ended 31 March, 2021
Interest expense		
(a) on borrowings from banks and others	22.67	21.42
(b) on delayed payment of income tax	1.52	3.67
(c) on lease liabilities	1.68	1.06
Total finance costs	**25.87**	**26.15**

40. DEPRECIATION AND AMORTISATION EXPENSES

₹ in crores

		Year ended 31 March, 2022	Year ended 31 March, 2021
(a)	Depreciation on property, plant and equipment	25.63	25.07
(b)	Amortisation on intangible assets	3.35	3.19
(c)	Depreciation on investment property	1.09	1.14
(d)	Depreciation on Right-of-use assets	7.19	4.49
Total Depreciation and amortisation expenses		**37.26**	**33.89**

41. OTHER EXPENSES

₹ in crores

		Year ended 31 March, 2022	Year ended 31 March, 2021
(a)	Consumption of Stores and Spares	4.27	4.78
(b)	Power and Fuel	11.95	9.69
(c)	Rent	27.00	40.21
(d)	Repairs to Buildings	1.50	1.01
(e)	Repairs to Plant and Machinery	11.95	10.41
(f)	Insurance charges	14.82	14.21
(g)	Rates and Taxes	6.59	2.51
(h)	Travelling and Conveyance	39.77	37.93
(i)	Payment to Auditors	4.47	4.30
(j)	Legal and Professional fees	25.07	25.42
(k)	Bad and Doubtful Debts / Advances (Refer Note 42)	93.49	140.03
(l)	Loss on sale of property, plant and equipment	1.14	-
(m)	Exchange differences (Net)	-	15.96
(n)	Corporate Social Responsibility (CSR)	12.94	11.71
(o)	Outside service charges	115.97	119.73
(p)	Clearing charges	74.46	73.09
(q)	Freight and forwarding charges	121.65	81.05
(r)	Commission on sales	16.36	8.07
(s)	Advertising	33.05	20.88
(t)	Printing and stationery	11.63	12.10
(u)	Miscellaneous expenses	110.54	101.19
Total other expenses		**738.62**	**734.28**

42. BAD AND DOUBTFUL DEBTS / ADVANCES

₹ in crores

		Year ended 31 March, 2022	Year ended 31 March, 2021
(a)	Expected credit loss for contract assets and trade receivables	93.49	135.83
(b)	Allowance for doubtful debts and advances	-	4.20
Total		**93.49**	**140.03**

43. INCOME TAX

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31 March, 2022 and 31 March, 2021

₹ in crores

	Year ended 31 March, 2022	Year ended 31 March, 2021
Profit before tax	697.30	709.21
Indian statutory income tax rate	25.17%	25.17%
Income-tax expense at India's statutory income tax rate	175.50	178.49
Effect of adjustments to reconcile the expected tax expense to reported income tax expense:		
Effect of exempt income	(2.85)	(2.78)
Effect of unused tax losses	27.41	23.04
Effect of non-deductible expenses	5.59	3.50
Effect of income which is taxed at special rates	(11.01)	(15.27)
Adjustment of tax relating to earlier periods	(1.41)	-
Effect of different tax rates in the components	0.17	(5.24)
Others	(2.10)	(1.32)
	191.30	**180.42**

44. EARNINGS PER SHARE

₹ in crores

		Year ended 31 March, 2022	Year ended 31 March, 2021
(a)	Profit attributable to Equity shareholders - (₹ in crores)	504.09	525.14
(b)	Weighted average number of Equity Shares Outstanding	33,08,84,740	33,08,84,740
(c)	Earnings Per Share (₹) - Basic and Diluted (Face value ₹ 1/- per share)	15.23	15.87

45. COMMITMENTS AND CONTINGENCIES

(A) Commitments :

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	101.13	29.48

(ii) As per the E-Waste (Management) Rules, 2016, as amended, the Group has an obligation to complete the Extended Producer Responsibility targets, only if it is a participant in the market during a financial year. The obligation for a financial year is measured based on sales made in the preceding 10th year and the Group has fulfilled its obligation for the current financial year. In accordance with Appendix B of Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', the Group will have an e-waste obligation for future years, only if it participates in the market in those years.

(B) Financial Guarantee

The Group has issued financials guarantees to banks on behalf of and in respect of loan facility availed by its subsidiary and joint venture companies

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(i)	Limits (Fund and Non Fund based)	2,316.79	1,963.91
(ii)	Against which outstanding balance	435.25	897.22

(C) Contingent liabilities:

Claims against the Group not acknowledged as debts

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(i)	Sales tax / Vat matters	136.66	178.55
(ii)	Service tax matters	18.38	18.40
(iii)	Excise matters	19.89	19.89
(iv)	Contractual matters in the course of business	67.55	69.77
(v)	Customs duty matters	1.14	1.14
(vi)	Guarantees for terminated contract	345.61	336.78
(vii)	Income tax matters	14.78	14.76
		604.01	**639.29**

(D) There are numerous interpretative issues relating to the Supreme Court (SC) judgment on PF dated 28 February, 2019. As a matter of caution, the Group has made a provision on a prospective basis from the date of the SC order. The Group will update its provision, on receiving further clarity on the subject.

46. EMPLOYEE BENEFITS

The Company has defined benefit Gratuity, Post retirement medical benefits, Pension plans and Trust managed Provident fund plan as given below:

(i) Gratuity

Every employee who has completed five years of services, is entitled to Gratuity benefits. The Gratuity plan for Indian employees is governed by the Payment of Gratuity Act, 1972. The Gratuity plan provides lumpsum payments to vested employees at retirement, death while in employment, or termination of employment being an amount equivalent to 15 days salary for each completed year of service. The Company also provides similar Gratuity benefits to overseas employee. The Gratuity plan for Indian employees is funded and for overseas employees is unfunded.

46. EMPLOYEE BENEFITS (Contd.)

(ii) Post Retirement Medical Benefits (PRMB)

PRMB scheme is eligible for all those employees who are above management staff grade and have joined on or before 31 December, 2015.The scheme is non-funded.

(iii) Pension plans

Pension plan benefit are provided to past Executive Directors and their specified relatives after completion of the services with the Company or Tata Group. The scheme is non- funded.

(a) The following table summaries the components of net benefit expenses recognised in statement of profit or loss, other comprehensive income, the funded status and amount recognised in the balance sheet for the respective plans as on the reporting dates:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Current service cost	3.40	3.69	7.75	9.30	-	-	0.19	0.22
Net interest expense	(0.69)	(0.83)	1.57	1.33	2.88	2.45	0.42	0.48
Components of defined benefit costs recognised in profit or loss	**2.71**	**2.86**	**9.32**	**10.63**	**2.88**	**2.45**	**0.61**	**0.70**
Remeasurement on the defined benefit plans:								
Return on plan assets	(2.13)	(1.72)	-	-	-	-	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	(0.04)	-	-	(0.16)	2.96	-	0.50	-
Actuarial (gains) / losses arising from changes in financial assumptions	9.70	(3.85)	10.15	(3.98)	(1.28)	(0.46)	(0.18)	(0.07)
Actuarial (gains) / losses arising from experience adjustments	0.52	(3.95)	(1.19)	3.38	0.71	6.73	(0.13)	(1.31)
Components of defined benefit costs recognised in other comprehensive income	**8.05**	**(9.52)**	**8.96**	**(0.76)**	**2.39**	**6.27**	**0.19**	**(1.38)**
Change in benefit obligation								
Opening defined benefit obligation	40.20	44.49	51.95	54.60	41.37	35.90	6.06	7.05
Current service cost	3.40	3.69	7.75	9.30	-	-	0.19	0.22
Interest cost	2.79	3.03	1.57	1.33	2.88	2.45	0.42	0.48
Remeasurement (gains)/losses:								
Actuarial (gains) / losses arising from changes in demographic assumptions	(0.04)	-	-	(0.16)	2.96	-	0.50	-

46. EMPLOYEE BENEFITS (Contd.)

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Actuarial (gains)/losses arising from changes in financial assumptions	9.70	(3.85)	10.15	(3.98)	(1.28)	(0.46)	(0.18)	(0.07)
Actuarial (gains)/losses arising from experience adjustments	0.52	(3.95)	(1.19)	3.38	0.71	6.73	(0.13)	(1.31)
Transfer of obligation from Gratuity unfunded to Gratuity funded (refer footnote below)	0.05	0.31	-	(0.31)	-	-	-	-
Exchange differences on foreign plans	-	-	2.19	(2.76)	-	-	-	-
Benefits paid	(5.19)	(3.52)	(10.07)	(9.45)	(3.52)	(3.25)	(1.04)	(0.31)
Closing defined benefit obligation	**51.43**	**40.20**	**62.35**	**51.95**	**43.12**	**41.37**	**5.82**	**6.06**

Footnote:

On amalgamation of UCPL with the Company, employees covered under unfunded gratuity plan of erstwhile UCPL are now covered as part of gratuity funded plan of the Company.

Change in plan assets

Opening fair value of plan assets	50.14	56.91
Interest income	3.49	3.86
Remeasurement gain / (losses):		
Return on plan assets	2.13	1.72
Contributions from the employer	(3.98)	(8.82)
Benefits paid	(5.19)	(3.53)
Closing fair value of plan assets	**46.59**	**50.14**

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans are as follows:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Present value of funded defined benefit obligation	(51.43)	(40.20)	(62.35)	(51.95)	(43.12)	.	(5.82)	(6.06)
Fair value of plan assets	46.59	50.14	-	-	-	-	-	-
Net (liability) / asset arising from defined benefit obligation	**(4.84)**	**9.94**	**(62.35)**	**(51.95)**	**(43.12)**	**-**	**(5.82)**	**(6.06)**

46. EMPLOYEE BENEFITS (Contd.)

(b) The major categories of plan assets as a percentage of total plan:

₹ in crores

Category of investments:	Gratuity funded	
	As at 31 March, 2022	As at 31 March, 2021
Government of India securities	56%	45%
Corporate bonds	33%	45%
Mutual funds	8%	6%
Others (Interest accrued, Balances with banks)	3%	4%
	100%	**100%**

(c) The principal assumptions used for the purposes of the actuarial valuations are as follows.

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	As at 31 March, 2022 %	As at 31 March, 2021 %	As at 31 March, 2022 %	As at 31 March, 2021 %	As at 31 March, 2022 %	As at 31 March, 2021 %	As at 31 March, 2022 %	As at 31 March, 2021 %
Discount rate	6.85% and 7.33%	6.49% and 6.96%	3.00% to 3.20%	2.00% to 3.10%	7.33%	6.96%	7.33%	6.96%
Attrition Rate	1.00% - 12.00%	1.00% - 12.00%	2% to 28%	2% to 25%	1.00%	1.00%	1.00%	1.00%
Mortality Rate	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality (2006-08) Ultimate**	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality (2006-08) Ultimate**	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality (2006-08) Ultimate**	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality (2006-08) Ultimate**
Expected rate of salary Increase / pension escalation / medical cost inflation	8.00%	5.00%	4.00%	0% to 3.00%	6.00%	6.00%	5.00%	5.00%

46. EMPLOYEE BENEFITS (Contd.)

(d) A quantitative sensitivity analysis for significant assumptions are as follow:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Projected benefit obligations on current assumptions	51.43	40.20	62.35	51.95	43.12	41.37	5.82	6.06
+1% increase in discount rate	(4.27)	(3.03)	(6.15)	(4.55)	(3.15)	(3.35)	(0.13)	(0.13)
-1% decrease in discount rate	4.97	3.50	7.33	5.39	3.63	3.88	0.17	0.18
+ 1% increase in salary/pension/medical cost inflation	4.79	3.33	7.19	5.39	3.64	3.85	0.13	0.14
-1% decrease in salary/pension/medical cost inflation	(1.75)	(0.91)	(6.16)	(4.61)	(3.21)	(3.38)	(0.13)	(0.14)
+1% increase in rate of employee turnover	(0.22)	0.55	(0.45)	0.40	NA	NA	(0.03)	(0.04)
-1% decrease in rate of employee turnover	0.25	(0.62)	0.51	(0.50)	NA	NA	0.03	0.03

The above sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Further, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The expected maturity analysis of undiscounted defined benefit obligation (Funded and Unfunded) is as follows:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Within 1 year	3.80	3.88	4.51	6.21	3.56	3.50	0.29	0.33
Between 1 and 2 years	2.09	1.29	2.71	2.40	3.63	3.55	0.30	0.35
Between 2 and 3 years	4.68	3.29	3.74	2.98	3.68	3.59	0.32	0.36
Between 3 and 4 years	3.47	4.27	3.54	3.69	3.71	3.62	0.33	0.38
Between 4 and 5 years	3.90	3.24	2.64	2.97	3.73	3.63	0.35	0.38
Beyond 5 years	33.49	24.22	45.22	33.68	24.81	23.49	4.23	4.26

The contribution expected to be made by the Company during the financial year 2021-22 is ₹ 6.00 crores (31 March, 2021 : ₹ 6.00 crores).

The average duration of the defined benefit plan obligation at the end of the reporting period is 11 years (31 March, 2021 : 10 years).

46. EMPLOYEE BENEFITS (Contd.)

(iv) Provident Fund

Contribution to Provident Fund is made to trusts administered by the Company. In terms of guidance note issued by the Institute of Actuaries of India, the Actuary has provided a valuation of Provident fund liability based on the assumptions listed and determined that there is no shortfall as at 31 March, 2022.

The details of the fund and plan assets position are as follows:

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Fair value of plan assets	323.55	313.38
Present value of defined obligation	316.17	307.72
Contribution during the year (Employee and Employer Contribution)	30.09	29.31

The principal assumptions used for the purposes of the actuarial valuations are as follows:

	As at 31 March, 2022 %	As at 31 March, 2021 %
Guaranteed Interest rate	8.50%	8.65%
Discount Rate for the remaining term to maturity of Interest portfolio	7.33%	6.96%

Risk Analysis

The Company is exposed to the following Risks in the defined benefits plans :

Investment Risk: The present value of the defined benefit obligation is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan assets is below this rate, it will create a plan deficit.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by increase in the return on the plan's debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary growth risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan's liability.

47. (a) SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has three reportable segments, as follows:

Segment - A (Unitary Cooling Products for Comfort and Commercial use) : (Refer footnote)

Engaged in manufacturing, selling and after sales services of cooling appliances and cold storage products.

Facilities Maintenance and Hard Services: Operations and Maintenance (O&M) contracts in various sectors, AMCs, Retrofits and Energy Management, etc.

Segment - B (Electro - Mechanical Projects and Services):

Electro-Mechanical Projects (MEP): Electricals, HVAC (Heating, Ventilation & Air Conditioning), Plumbing, Fire Fighting, Extra Low Voltage (ELV) and Specialized services.

Water Solutions: Comprises Water Treatment solutions for Industrial, Oil and Gas and Domestic Sewage Segments and last mile connectivity of water tab under various Government schemes.

Segment - C (Engineering Products and Services):

Textile Machinery : Sales and Service of capital machinery for Textile Industry and sale of spares and accessories for Textile equipment.

Mining and Construction Equipment: Engaged in selling of mining and construction equipment and providing operations and maintenance services for mining and construction industry.

47. (a) SEGMENT INFORMATION (Contd.)

1 SEGMENT REVENUE

₹ in crores

		2021-22	2020-21 (refer footnote below)
(a)	Segment - A (Unitary Cooling Products for Comfort and Commercial use)	4,881.92	4,218.46
(b)	Segment - B (Electro - Mechanical Projects and Services)	2,470.49	2,878.60
(c)	Segment - C (Engineering Products and Services)	488.66	359.49
	Segment Total	7,841.07	7,456.55
	Add : Other operating income	93.38	99.23
	Revenue from operations	**7,934.45**	**7,555.78**

Footnotes :

(i) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Group's total revenue.

(ii) The Group's reportable segments are organised based on the nature of products and services offered by these segments. Accordingly, additional disclosures for revenue information about products and services are not applicable.

2 SEGMENT RESULTS

₹ in crores

		2021-22	2020-21
(a)	Segment - A (Unitary Cooling Products for Comfort and Commercial use)	513.40	583.70
(b)	Segment - B (Electro - Mechanical Projects and Services)	125.77	27.01
(c)	Segment - C (Engineering Products and Services)	157.90	114.31
	Segment Total	797.07	725.02
	Less : (i) Finance costs	25.87	26.15
	(ii) Other unallocable expenditure net of unallocable income	73.90	(10.34)
	Profit before Tax	**697.30**	**709.21**

3 SEGMENT ASSETS AND LIABILITIES

₹ in crores

		Segment Assets		Segment Liabilities	
		As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
(a)	Segment - A (Unitary Cooling Products for Comfort and Commercial use)	2,723.07	2,155.02	2,149.77	1,362.93
(b)	Segment - B (Electro - Mechanical Projects and Services)	2,424.82	2,540.36	1,362.75	1,662.58
(c)	Segment - C (Engineering Products and Services)	142.24	127.12	87.81	82.30
	Segment Total	5,290.13	4,822.50	3,600.33	3,107.81
	Unallocated	4,456.20	3,832.98	608.36	518.22
		9,746.33	**8,655.48**	**4,208.69**	**3,626.03**

47. (a) SEGMENT INFORMATION (Contd.)

4 INVESTMENTS AND SHARE OF PROFIT / (LOSS) IN JOINT VENTURES AND ASSOCIATES

₹ in crores

Segment	Company	Investments		Share of Profit/(Loss)	
		As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
B	Universal Voltas L.L.C.	51.82	53.03	(2.64)	2.99
B	Voltas Water Solutions Private Ltd.	-	-	-	-
B	Olayan Voltas Contracting Company Ltd.	-	0.25	(0.26)	(0.85)
B	Naba Diganta Water Management Ltd.	9.38	9.22	1.50	1.14
Unallocated	Voltbek Home Appliances Private Ltd.	204.87	220.68	(108.91)	(64.25)
Unallocated	Terrot GmbH Germany (upto 12 November, 2021)	-	-	-	-
Unallocated	Brihat Trading Private Ltd.	*	*	-	-
		266.07	**283.18**	**(110.31)**	**(60.97)**

* value below ₹ 50,000/-

5 OTHER INFORMATION FOR SEGMENTS

₹ in crores

		Capital Expenditure		Depreciation and amortisation		Non-Cash Expenses Other than Depreciation and amortisation	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
(a)	Segment - A (Unitary Cooling Products for Comfort and Commercial use)	83.66	12.54	15.32	12.60	10.57	12.35
(b)	Segment - B (Electro - Mechanical Projects and Services)	5.21	1.07	6.59	7.43	84.32	128.52
(c)	Segment - C (Engineering Products and Services)	0.25	0.09	0.54	0.64	0.34	0.26
	Segment Total	89.12	13.70	22.45	20.67	95.23	141.13
	Unallocated	16.82	12.03	14.81	13.22	0.21	0.13
		105.94	**25.73**	**37.26**	**33.89**	**95.44**	**141.26**

47. (b) INFORMATION OF GEOGRAPHICAL AREAS OF REPORTABLE BUSINESS SEGMENTS

₹ in crores

	2021-22	2020-21
Revenue by Geographical Market		
India	6,459.85	5,702.07
Middle East	1,255.79	1,619.62
Singapore	8.53	19.57
Others	116.90	115.29
	7,841.07	**7,456.55**
Non Current Assets		
India	530.65	497.73
Middle East	15.82	16.47
Singapore	0.05	0.06
	546.52	**514.26**

Footnote :

Effective 1 April, 2021, the Company has re-organised Commercial Air-conditioner (CAC) and Customer Care business from Segment - B (Electro - Mechanical Projects and Services) to Segment - A (Unitary Cooling Products for Comfort and Commercial use) to align with business objectives and accordingly, segment information for previous year have been restated.

48. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013

Name of the Entity	Country of Incorporation	Ownership in %	Net assets (total assets minus total liabilities)		Share of profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or loss	Amount ₹ in crores	As % of consolidated other comprehensive income	Amount ₹ in crores	As % of consolidated total comprehensive income	Amount ₹ in crores
			As at 31 March, 2022		Year ended 31 March, 2022		Year ended 31 March, 2022		Year ended 31 March, 2022	
I Voltas Limited (Parent Company)			101.26	5,568.70	115.31	583.47	97.73	165.97	110.89	749.44
II Subsidiaries										
(a) **Indian**										
(1) Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited)	India	100.00	2.78	153.10	1.52	7.70	0.08	0.13	1.16	7.83
(2) HI-Volt Enterprises Private Limited (w.e.f. 13 September, 2021)	India	100.00	*	0.01	*	*	-	-	*	*
(b) **Foreign**										
(1) Lalbuksh Voltas Engineering Services and Trading L.L.C.	Sultanate of Oman	60.00	1.68	92.16	0.95	4.79	2.32	3.94	1.29	8.73
(2) Saudi Ensas Company for Engineering Services W.L.L.	Saudi Arabia	100.00	(0.02)	(1.32)	(0.15)	(0.76)	0.85	1.44	0.10	0.68
(3) Voltas Netherlands B.V.	The Netherlands	100.00	1.33	73.24	4.03	20.39	(0.66)	(1.12)	2.85	19.27
(4) Voltas Oman SPC (formerly known as Voltas Oman L.L.C.) (subsidiary through Voltas Netherlands B.V. w.e.f. 25 November, 2021)	Sultanate of Oman	100.00	(0.76)	(41.96)	0.63	3.17	(1.19)	(2.01)	0.17	1.16
(5) Weathermaker FZE (formerly known as Weathermaker Limited	Dubai, United Arab Emirates (Re-domiciliation from earlier Isle of Man)	100.00	0.53	28.96	(1.06)	(5.37)	0.45	0.77	(0.68)	(4.60)
(6) Voltas Qatar W.L.L.	Qatar	97.00	3.09	170.19	5.75	29.11	(0.17)	(0.28)	4.27	28.83
(7) Universal MEP Projects Pte Limited (w.e.f. 4 August, 2021)	Singapore	100.00	*	(0.05)	(0.01)	(0.05)	*	*	(0.01)	(0.05)
(c) Non-controlling interests in all subsidiaries			(0.69)	(38.08)	0.38	1.91	0.97	1.64	0.53	3.55

48. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013 (Contd.)

Name of the Entity			Net assets (total assets minus total liabilities)		Share of profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	Country of Incorporation	Ownership in %	As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or loss	Amount ₹ in crores	As % of consolidated other comprehensive income	Amount ₹ in crores	As % of consolidated total comprehensive income	Amount ₹ in crores
			As at 31 March, 2022		Year ended 31 March, 2022		Year ended 31 March, 2022		Year ended 31 March, 2022	
III Joint Ventures										
(a) **Indian**										
(1) Voltas Water Solutions Private Limited	India	50.00	-	-	-	-	-	-	-	-
(2) Voltbek Home Appliances Private Limited	India	49.00	3.73	204.87	(21.52)	(108.91)	-	-	(16.12)	(108.91)
(b) **Foreign**										
(1) Olayan Voltas Contracting Company Limited	Saudi Arabia	50.00	-	-	(0.05)	(0.25)	-	-	-	-
(2) Universal Voltas L.L.C.	United Arab Emirates	49.00	0.94	51.82	(0.52)	(2.64)	-	-	(0.39)	(2.64)
IV Adjustments arising out of consolidation			(14.03)	(771.46)	(5.54)	(28.06)	(0.38)	(0.66)	(4.29)	(28.97)
V Associates										
(a) **Indian**										
Naba Diganta Water Management Limited	India	26.00	0.17	9.38	0.30	1.50	-	-	0.22	1.50
			100.00	5,499.56	100.00	506.00	100.00	169.82	100.00	675.82

*Value below ₹ 50,000/-

48. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013 (Contd.)

Name of the Entity			Net assets (total assets minus total liabilities)		Share of profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	Country of Incorporation	Ownership in %	As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or loss	Amount ₹ in crores	As % of consolidated other comprehensive income	Amount ₹ in crores	As % of consolidated total comprehensive income	Amount ₹ in crores
			As at 31 March, 2021		Year ended 31 March, 2021		Year ended 31 March, 2021		Year ended 31 March, 2021	
I Voltas Limited (Parent Company)			99.11	4,984.70	107.85	570.30	102.23	328.43	105.73	898.73
II Subsidiaries										
(a) **Indian**										
(1) Auto Aircon (India) Limited (Under liquidation)	India	100.00	-	-	-	-	-	-	-	-
(2) Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited)	India	100.00	2.89	145.27	1.84	9.72	0.04	0.13	1.16	9.86
(b) **Foreign**										
(1) Lalbuksh Voltas Engineering Services and Trading L.L.C.	Sultanate of Oman	60.00	1.74	87.30	1.73	9.13	(0.41)	(1.32)	0.92	7.81
(2) Saudi Ensas Company for Engineering Services W.L.L.	Saudi Arabia	100.00	(0.04)	(1.95)	0.82	4.31	(0.51)	(1.64)	0.31	2.67
(3) Voltas Netherlands B.V.	The Netherlands	100.00	1.07	53.97	1.46	7.70	0.71	2.27	1.17	9.97
(4) "Voltas Oman L.L.C. (Increase in Ownership from 65% to 99% .w.e.f. 19 May, 2020)"	Sultanate of Oman	99.00	(1.25)	(62.78)	(8.67)	(45.83)	0.48	1.53	(5.21)	(44.31)
(5) Weathermaker Limited	Isle of Man	100.00	0.67	33.57	0.01	0.06	(0.22)	(0.71)	(0.08)	(0.64)
(6) Voltas Qatar W.L.L.	Qatar	97.00	3.22	162.09	12.51	66.13	(1.77)	(5.68)	7.11	60.44
(c) Non-controlling interests in all subsidiaries			(0.72)	(36.10)	0.69	3.65	(0.19)	(0.61)	0.36	3.04

48. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013 (Contd.)

Name of the Entity			Net assets (total assets minus total liabilities)		Share of profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	Country of Incorporation	Ownership in %	As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or loss	Amount ₹ in crores	As % of consolidated other comprehensive income	Amount ₹ in crores	As % of consolidated total comprehensive income	Amount ₹ in crores
			As at 31 March, 2021		Year ended 31 March, 2021		Year ended 31 March, 2021		Year ended 31 March, 2021	
III Joint Ventures										
(a) **Indian**										
(1) Voltas Water Solutions Private Limited	India	50.00	-	-	-	-	-	-	-	-
(2) Voltbek Home Appliances Private Limited	India	49.00	4.39	220.68	(12.15)	(64.25)	-	-	(7.56)	(64.25)
(b) **Foreign**							-	-		
(1) Olayan Voltas Contracting Company Limited	Saudi Arabia	50.00	0.00	0.25	(0.16)	(0.85)	-	-	(0.03)	(0.85)
(2) Universal Voltas L.L.C.	United Arab Emirates	49.00	1.05	53.03	0.57	2.99	-	-	0.25	2.99
IV Adjustments arising out of consolidation			(12.32)	(619.80)	(6.70)	(35.43)	(0.35)	(1.14)	(4.27)	(36.26)
V Associates										
(a) **Indian**										
Naba Diganta Water Management Limited	India	26.00	0.18	9.22	0.22	1.14	-	-	0.13	1.14
(b) **Foreign**										
Terrot Gmbh	Germany	20.07	-	-	-	-	-	-	-	-
			100.00	5,029.45	100.00	528.79	100.00	321.25	100.00	850.04

49. RELATED PARTY DISCLOSURES

(a) List of Related Parties and Relationships

Party		Relation
Related Parties (Where transactions have taken place during the year and previous year / balance outstanding)		
1	Brihat Trading Private Limited	Associates
	Naba Diganta Water Management Limited	
	Terrot GmbH (upto 12 November, 2021)	
2	Universal Voltas L.L.C.	Joint Ventures
	Olayan Voltas Contracting Company Limited	
	Voltas Water Solutions Private Limited (under strike off)	
	Voltbek Home Appliances Private Limited	
3	Mr. Pradeep Bakshi - Managing Director & CEO	Key Management Personnel
	Mr. Jitender P. Verma - Executive Vice President and Chief Financial Officer (w.e.f.19 July, 2021)	
	Mr. Anil George - Chief Financial Officer (upto 18 July, 2021)	
	Mr. V. P. Malhotra - Vice President - Taxation, Legal & Company Secretary	
4	Non-Executive Directors	Directors
	Mr. Noel Tata - Chairman	
	Mr. Vinayak Deshpande	
	Mr. Hemant Bhargava (upto 29 September, 2021)	
	Mr. Saurabh Agrawal (w.e.f. 21 January, 2021)	
	Independent Directors	
	Mr. Debendranath Sarangi	
	Mr. Bahram N. Vakil	
	Ms. Anjali Bansal	
	Mr. Arunkumar Adhikari	
	Mr. Zubin Dubash	
5	Voltas Limited Provident Fund	Employee Benefit Funds
	Voltas Managerial Staff Provident Fund	
	Voltas Limited Employees' Gratuity Fund	
	Voltas Limited Managerial Staff Gratuity Fund	
	Voltas Limited Employees' Superannuation Scheme	
6	Tata Sons Private Limited	Promoter
7	Air India Limited (w.e.f. 27 January, 2022)	Subsidiaries and Joint Ventures of Promoter
	Air India SATS Airport Services Private Limited (w.e.f. 27 January, 2022)	
	Ardent Properties Private Limited	
	Automotive Stampings and Assemblies Limited	
	C-Edge Technologies Limited	
	Ewart Investments Limited	
	Gurgaon Realtech Limited	
	Infiniti Retail Limited	
	Innovative Retail Concepts Private Limited	
	MahaOnline Limited	
	Mikado Realtors Private Limited	
	Sir Dorabji Tata Trust	
	Sir Ratan Tata Trust	
	Supermarket Grocery Supplies Private Limited	

49. RELATED PARTY DISCLOSURES (Contd.)

Party		Relation
	TAL Manufacturing Solutions Limited	
	TATA Advanced Materials Limited	
	Tata Advanced Systems Limited	
	TATA Africa Holdings (Kenya) Limited	
	Tata AIA Life Insurance Company Limited	
	Tata AIG General Insurance Company Limited	
	Tata Asset Management Limited	
	Tata Autocomp Hendrickson Suspensions Private Limited (formerly known as Taco Hendrickson Suspensions Private Limited)	
	Tata Autocomp Katcon Exhaust Systems Private Limited (formerly known as Katcon India Private Limited)	
	Tata Autocomp Systems Limited	
	Tata Boeing Aerospace Limited (formerly known as Tata Aerospace Limited)	
	Tata Capital Financial Services Limited	
	Tata Capital Housing Finance Limited	
	Tata Capital Limited	
	Tata Communications Limited	
	Tata Communications Payment Solutions Limited	
	Tata Communications Transformation Services Limited	
	Tata Consultancy Services Limited	
	Tata Consulting Engineers Limited	
	Tata De Mocambique, Limitada	
	Tata Digital Limited	
	Tata Elxsi Limited (ceased to be an associate and became a subsidiary w.e.f. 1 December, 2020)	
	Tata Ficosa Automotive Systems Private Limited (formerly known as Tata Ficosa Automotive Systems Limited)	
	Tata Housing Development Company Limited	
	Tata Industries Limited	
	Tata International DLT Private Limited	
	Tata International Limited	
	Tata International Metals (UK) Limited (formerly known as Tata Steel International (UK) Limited)	
	Tata Investment Corporation Limited	
	Tata Lockheed Martin Aerostructures Limited	
	Tata Medical and Diagnostics Limited (w.e.f. 23 July, 2020)	
	Tata Realty and Infrastructure Limited	
	Tata Sikorsky Aerospace Limited (formerly known as Tara Aerospace Systems Limited)	
	Tata Sky Broadband Private Limited (formerly known as Quickest Broadband Private Limited)	
	Tata Sky Limited	
	Tata Teleservices (Maharashtra) Limited	
	Tata Teleservices Limited	
	Tata Toyo Radiator Limited	
	TCS Foundation	
	TM Automotive Seating Systems Private Limited	
	TP Central Odisha Distribution Limited (w.e.f. 1 June, 2020)	
	TRIL Infopark Limited	
	TRIL IT4 Private Limited (formerly known as Albrecht Builder Private Limited)	
	TRIL Urban Transport Private Limited	

49. RELATED PARTY DISCLOSURES (Contd.)

(b) Related Party Transactions

Sr. No.	Year	Transactions	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoter	Key Management Personnel	Directors	Employee Benefit Funds	Total
1	**2021-22**	**Purchases of stock-in-trade**	**-**	**9.74**	**-**	**-**	**-**	**-**	**-**	**9.74**
	2020-21		-	-	-	-	-	-	-	-
2	**2021-22**	**Sale of Products**	**-**	**0.10**	**-**	**57.25**	**-**	**-**	**-**	**57.35**
	2020-21		-	0.89	0.01	28.12	-	-	-	29.02
3	**2021-22**	**Service Income - Other than Management fees**	**1.66**	**1.05**	**0.04**	**120.06**	**-**	**-**	**-**	**122.81**
	2020-21		0.11	5.13	0.07	104.03	-	-	-	109.34
4	**2021-22**	**Service Income - Management fees on vendor bill discounting**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2020-21		-	-	-	0.58	-	-	-	0.58
5	**2021-22**	**Construction contract revenue** (Includes billed and unbilled revenue)	**-**	**-**	**-**	**6.37**	**-**	**-**	**-**	**6.37**
	2020-21		-	-	-	12.77	-	-	-	12.77
6	**2021-22**	**Interest Income**	**-**	**-**	**-**	**5.18**	**-**	**-**	**-**	**5.18**
	2020-21		-	-	-	5.18	-	-	-	5.18
7	**2021-22**	**Rental Income**	**-**	**0.75**	**-**	**5.82**	**-**	**-**	**-**	**6.57**
	2020-21		-	0.56	-	7.59	-	-	-	8.15
8	**2021-22**	**Dividend Income**	**-**	**-**	**-**	**3.85**	**-**	**-**	**-**	**3.85**
	2020-21		-	-	-	3.66	-	-	-	3.66
9	**2021-22**	**Services received for execution of contracts**	**-**	**-**	**-**	**0.11**	**-**	**-**	**-**	**0.11**
	2020-21		-	-	-	0.09	-	-	-	0.09
10	**2021-22**	**Commission Received / Receivable**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2020-21		0.27	-	-	-	-	-	-	0.27
11	**2021-22**	**Income from Business support services**	**-**	**5.16**	**-**	**-**	**-**	**-**	**-**	**5.16**
	2020-21		-	7.42	-	-	-	-	-	7.42
12	**2021-22**	**Remuneration Paid / Payable** (including commission)	**-**	**-**	**-**	**-**	**11.29**	**2.65**	**-**	**13.94**
	2020-21		-	-	-	-	9.17	2.15	-	11.32

49. RELATED PARTY DISCLOSURES (Contd.)

Sr. No.	Year	Transactions	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoter	Key Management Personnel	Directors	Employee Benefit Funds	Total
13	**2021-22**	**Sitting Fees**	**-**	**-**	**-**	**-**	**-**	**0.62**	**-**	**0.62**
	2020-21		-	-	-	-	-	0.44	-	0.44
14	**2021-22**	**Dividend Paid**	**-**	**-**	**44.07**	**5.94**	**-**	**-**	**-**	**50.01**
	2020-21		-	-	35.25	4.76	-	-	-	40.01
15	**2021-22**	**Consulting Expenses**	**-**	**-**	**-**	**1.97**	**-**	**-**	**-**	**1.97**
	2020-21		-	-	-	-	-	-	-	-
16	**2021-22**	**Tata Brand Equity**	**-**	**-**	**12.70**	**-**	**-**	**-**	**-**	**12.70**
	2020-21		-	-	9.69	-	-	-	-	9.69
17	**2021-22**	**Purchase of goods / services for execution of contracts**	**-**	**19.59**	**-**	**-**	**-**	**-**	**-**	**19.59**
	2020-21		-	53.12	-	-	-	-	-	53.12
18	**2021-22**	**Impairment in value of Investment**	**-**	**0.25**	**-**	**-**	**-**	**-**	**-**	**0.25**
	2020-21		-	-	-	-	-	-	-	-
19	**2021-22**	**Other Expenses- Recovery of expenses**	**-**	**36.30**	**0.15**	**1.13**	**-**	**-**	**-**	**37.58**
	2020-21		-	15.54	0.16	0.10	-	-	-	15.80
20	**2021-22**	**Other Expenses- Reimbursement of expenses**	**-**	**0.20**	**-**	**14.82**	**-**	**-**	**-**	**15.02**
	2020-21		-	8.62	0.03	15.15	-	-	-	23.80
21	**2021-22**	**Purchase of property, plant and equipment**	**-**	**0.00**	**-**	**0.95**	**-**	**-**	**-**	**0.95**
	2020-21		-	0.11	-	1.69	-	-	-	1.80
22	**2021-22**	**Investments in Bonds / Debentures**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2020-21		-	-	-	48.46	-	-	-	48.46
23	**2021-22**	**Redemption of Investments in Bonds / Debentures**	**-**	**-**	**-**	**3.00**	**-**	**-**	**-**	**3.00**
	2020-21		-	-	-	-	-	-	-	-
24	**2021-22**	**Investments in Equity shares**	**-**	**93.10**	**-**	**-**	**-**	**-**	**-**	**93.10**
	2020-21		-	74.97	-	8.25	-	-	-	83.22
25	**2021-22**	**Security deposit received**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2020-21		-	-	-	0.53	-	-	-	0.53
26	**2021-22**	**Security deposit at the end of the year**	**-**	**-**	**-**	**3.02**	**-**	**-**	**-**	**3.02**
	2020-21		-	-	-	7.50	-	-	-	7.50

49. RELATED PARTY DISCLOSURES (Contd.)

Sr. No.	Year	Transactions	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoter	Key Management Personnel	Directors	Employee Benefit Funds	Total
27	**2021-22**	**Security Deposit Refunded**	**-**	**-**	**-**	**4.48**	**-**	**-**	**-**	**4.48**
	2020-21		-	-	-	0.78	-	-	-	0.78
28	**2021-22**	**Provision for Debts and Advances at year end**	**-**	*****	*****	**0.72**	**-**	**-**	**-**	**0.72**
	2020-21		-	*	*	0.93	-	-	-	0.93
29	**2021-22**	**Advance Outstanding at year end**	**-**	**-**	**0.04**	**0.12**	**-**	**-**	**-**	**0.16**
	2020-21		-	-	0.08	0.12	-	-	-	0.20
30	**2021-22**	**Outstanding Share Application Money at year end**	**-**	**13.13**	**-**	**-**	**-**	**-**	**-**	**13.13**
	2020-21		-	13.13	-	-	-	-	-	13.13
31	**2021-22**	**Debit Balance Outstanding at year end**	**0.51**	**33.44**	**-**	**71.51**	**-**	**-**	**-**	**105.46**
	2020-21		0.03	16.31	-	73.19	-	-	0.64	90.17
32	**2021-22**	**Credit Balance Outstanding at year end**	**-**	**-**	**8.74**	**0.08**	**3.08**	**2.30**	**4.38**	**18.58**
	2020-21		0.44	7.41	8.76	0.22	3.77	2.15	-	22.75
33	**2021-22**	**Guarantees Outstanding at year end**	**-**	**75.75**	**-**	**-**	**-**	**-**	**-**	**75.75**
	2020-21		-	73.54	-	-	-	-	-	73.54
34	**2021-22**	**Impairment in value of Investment at year end**	**1.56**	**23.08**	**-**	**-**	**-**	**-**	**-**	**24.64**
	2020-21		-	-	-	-	-	-	-	-
35	**2021-22**	**Contract Revenue in excess of Billing**	**-**	*****	**-**	**2.88**	**-**	**-**	**-**	**2.88**
	2020-21		-	-	-	3.00	-	-	-	3.00
36	**2021-22**	**Billing in excess of Contract Revenue**	**-**	**0.04**	**-**	**1.60**	**-**	**-**	**-**	**1.64**
	2020-21		-	-	-	4.15	-	-	-	4.15
37	**2021-22**	**Contribution to Employee benefit fund**	**-**	**-**	**-**	**-**	**-**	**-**	**11.59**	**11.59**
	2020-21		-	-	-	-	-	-	8.44	8.44

* Value below ₹ 50,000/-

50. RESEARCH AND DEVELOPMENT EXPENDITURE

₹ in crores

	2021-22	2020-21
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centers		
(1) **Revenue expenditure**	**2.58**	**5.18**
UPBG, Pantnagar	1.34	3.02
EM&RBG, Thane	1.24	2.16
(2) **Capital expenditure**	**0.97**	**0.01**
UPBG, Pantnagar	0.97	0.01
Expenditure at other R&D centers (UPBG at Faridabad, Waghodia and Pantnagar)		
(1) Revenue expenditure	10.19	7.63
(2) Capital expenditure	0.51	3.94
Total R&D expenditure	**14.25**	**16.76**
(1) **Revenue expenditure**	**12.77**	**12.81**
UPBG	11.53	10.65
EM&RBG	1.24	2.16
(2) **Capital expenditure**	**1.48**	**3.95**
UPBG	1.48	3.95
EM&RBG	-	-

Business Segments :

UPBG : Unitary Cooling Products for Comfort and Commercial use.

EM&RBG : Electro - Mechanical Projects and Services.

51. FINANCIAL INSTRUMENTS

(A) Financial instruments by category :

The accounting classification of each category of financial instruments, their carrying value and fair value are as below:

₹ in crores

	As at 31 March, 2022					As at 31 March, 2021				
	FVTPL	FVTOCI	Amortised cost	Total Carrying value	Total Fair value	FVTPL	FVTOCI	Amortised cost	Total Carrying value	Total Fair value
Financial assets										
Investments*	2,041.51	983.43	324.38	3,349.32	3,349.32	1,723.04	696.90	343.31	2,763.25	2,763.25
Loans	-	-	3.19	3.19	3.19	-	-	2.30	2.30	2.30
Trade receivables	-	-	2,109.67	2,109.67	2,109.67	-	-	1,800.93	1,800.93	1,800.93
Other financial assets	-	-	163.24	163.24	163.24	0.19	-	204.87	205.06	205.06
Cash and cash equivalents	-	-	558.90	558.90	558.90	-	-	448.15	448.15	448.15
Other balances with banks	-	-	12.77	12.77	12.77	-	-	10.64	10.64	10.64
	2,041.51	**983.43**	**3,172.15**	**6,197.09**	**6,197.09**	**1,723.23**	**696.90**	**2,810.20**	**5,230.33**	**5,230.33**
Financial liabilities										
Borrowings	-	-	343.19	343.19	343.19	-	-	251.40	251.40	251.40
Lease Liabilities	-	-	17.64	17.64	17.64	-	-	9.21	9.21	9.21
Trade payables	-	-	2,942.05	2,942.05	2,942.05	-	-	2,464.53	2,464.53	2,464.53
Other financial liabilities	0.33	-	118.10	118.43	118.43	-	-	113.93	113.93	113.93
	0.33	**-**	**3,420.98**	**3,421.31**	**3,421.31**	**-**	**-**	**2,839.07**	**2,839.07**	**2,839.07**

* The above Investments does not include equity investments in associates and joint ventures which are accounted as per equity method and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures".

Management has assessed that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, Other financial assets, Trade payables, Borrowings, Lease liabilities and Other financial liabilities carried at amortised cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

Abbreviations :

FVTPL - Fair Value Through Profit or Loss.

FVTOCI - Fair Value Through Other Comprehensive Income.

51. FINANCIAL INSTRUMENTS (Contd.)

(B) Fair value hierarchy :

The fair value measurement hierarchy of the Group's assets and liabilities are as follows:

₹ in crores

	Level 1		Level 2		Level 3	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Financial assets						
At fair value through profit or loss						
- Investment	1,992.12	1,723.04	49.39	-	-	-
- Derivative financial assets	-	-	-	0.19	-	-
At fair value through Other Comprehensive Income						
- Investment	595.50	423.19	-	-	387.93	273.71
TOTAL	**2,587.62**	**2,146.23**	**49.39**	**0.19**	**387.93**	**273.71**

₹ in crores

	Level 1		Level 2		Level 3	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Financial liabilities						
At fair value through profit or loss						
- Derivative financial liabilities	-	-	0.33	-	-	-
TOTAL	**-**	**-**	**0.33**	**-**	**-**	**-**

The Group uses the following hierarchy for determining and/or disclosing the fair value of financial instrument by valuation techniques:

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

(ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

(iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- The fair value of quoted equity investment and mutual funds are based on price quotations at the reporting date.
- The fair value of unquoted equity investments are based on Market multiple approach. Market multiple of EV/EBITDA are considered after applying suitable discounts for size, liquidity and other company specific discounts.
- The Group enters into derivative financial instruments with various counterparties, principally with banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The model incorporates various inputs including the credit quality of counter parties, foreign exchange spot and forward rates.

There were no transfers between Level 1 and 2 during the period.

51. FINANCIAL INSTRUMENTS (Contd.)

(C) Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets :

	₹ in crores
As at 1 April, 2020	**201.92**
Add: Fair valuation gain/(loss) recognised in OCI	63.54
Add: Investments made during the year	8.25
Closing balance as at 31 March, 2021	273.71
Add: Fair valuation gain/(loss) recognised in OCI	34.23
Add: Investments made during the year	79.99
Closing balance as at 31 March, 2022	**387.93**

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial liabilities include borrowings, lease liabilities, trade and other payables. The Group's financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances. The Group also holds FVTPL and FVTOCI investments.

The Group is exposed to market risk, credit risk and liquidity risk. The Board of Directors of the Group oversee the management of these financial risks through its Risk Management Committee as per Group's existing policy.

(i) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate change does not affect the short term borrowing significantly, therefore the Group's exposure to the risk of changes in market interest rates relates primarily to the investment in debt mutual funds.

Given the portfolio of investments in debt mutual funds, the Group has exposure to interest rate risk with respect to returns realised. It is estimated that an increase in 25 bps change in 10 year Govt. bond yield would result in a loss of approximately ₹ 4.98 crores (31 March, 2021: ₹ 4.31 crores) whereas a decrease in 25 bps change in 10 year Govt. bond yield would result in a profit of approximately ₹ 4.98 crores (31 March, 2021: ₹ 4.31 crores). This estimate is based on key assumption with respect to seamless transition of rates across debt instruments in the market and also basis the duration of debt instruments in turn held by mutual funds that the Group has invested in.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). Foreign currency risks are managed within the approved policy parameters utilising foreign exchange forward contracts.

As at the end of the reporting period, the carrying amounts of the material foreign currency denominated monetary assets and liabilities are as follows:

₹ in crores

Currency	Liabilities		Assets	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
United States Dollar (USD)	445.78	298.96	156.34	52.66
United Arab Emirates Dirham (AED)	400.01	265.46	572.35	372.24
Qatari Riyal (QAR)	355.93	409.33	458.32	303.36
Singapore Dollar (SGD)	54.20	60.75	5.17	5.89
Omani Rial (OMR)	94.64	163.89	97.31	124.39

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Foreign currency sensitivity

The following tables demonstrate the sensitivity of outstanding foreign currency denominated monetary items to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of financial assets and liabilities:

₹ in crores

Particulars	Effect on Profit before tax		Effect on Equity	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
USD +5%	(11.62)	(9.64)	(8.69)	(7.21)
USD -5%	11.62	9.64	8.69	7.21
AED +5%	8.62	5.34	6.45	4.00
AED -5%	(8.62)	(5.34)	(6.45)	(4.00)
QAR +5%	5.12	(5.30)	3.83	(3.96)
QAR -5%	(5.12)	5.30	(3.83)	3.96
SGD +5%	(2.45)	(2.74)	(1.83)	(2.05)
SGD -5%	2.45	2.74	1.83	2.05
OMR +5%	0.13	(1.97)	0.10	(1.48)
OMR -5%	(0.13)	1.97	(0.10)	1.48

Details of notional value of derivative contracts entered by the Group and outstanding as at Balance Sheet date

₹ in crores

Particulars	As at 31 March, 2022	As at 31 March, 2021
Forward contracts - Buy (USD/₹)	57.14	53.58

The fair value of the Group's derivatives position recorded under financial assets and financial liabilities are as follows:

₹ in crores

Particulars	Liabilities		Assets	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Forex Forward Cover	0.33	-	-	0.19

(c) Equity price risk

The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's Board of Directors reviews and approves all equity investment decisions.

The following table summarises the sensitivity to change in the price of equity securities held by the Group on the Group's Equity and OCI. These changes would not have an effect on profit or loss.

₹ in crores

	Impact on other components of equity (OCI)	
	As at 31 March, 2022	As at 31 March, 2021
NSE Nifty 50 - increase 5%	29.78	21.16
NSE Nifty 50 - decrease 5%	(29.78)	(21.16)

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk for trade receivables, contract assets, cash and cash equivalents, investments, other bank balances, loans and other financial assets. The Group only deals with parties which have good credit rating/ worthiness given by external rating agencies or based on Group's internal assessment.

Credit risk on trade receivables and contract assets are managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with this assessment. Moreover, given the diverse nature of the Group's businesses, trade receivables and contract assets are spread over a number of customers with no significant concentration of credit risk. The Group has a total recoverable of ₹ 471.77 crores from Redco Construction-Almana (Qatar) as at 31 March, 2022 which is more than 10% the total trade receivables and contract assets balances. The Group had a total recoverable of ₹ 315.99 crores from Redco Construction-Almana (Qatar) as at 31 March, 2021 which is more than 10% the total trade receivables and contract assets balances.

For trade receivables and contract assets, as a practical expedient, the Group computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and contract assets and is adjusted for forward-looking estimates.

For Mutual Fund Investments, counterparty risk are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for Group's mutual fund investments.

Credit risk from cash and cash equivalents and balances with banks is managed by the Group's treasury department in accordance with the Group's treasury policy.

The Credit risk on mutual fund investments, cash and cash equivalents, and other bank balances are limited as the counterparties are banks and fund houses with high-credit ratings assigned by credit rating agencies.

The carrying value of the financial assets represents the maximum credit exposure. The Group's maximum exposure to Credit risk is disclosed in Note 51 "Financial Instruments". The maximum credit exposure on financial guarantees given by the Group for various financial facilities is disclosed in Note 45 "Commitments and Contingencies."

(iii) Liquidity risk management:

Liquidity risk refers to the risk that the Group cannot meets its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that the funds are available for use as per the requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall due.

Maturities of financial liabilities: The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

₹ in crores

Contractual maturities of financial liabilities (31 March, 2022)	Less than 1 year	More than1 year	Total
Non-derivatives			
Borrowings (*)	349.88	-	349.88
Lease Liabilities	4.96	16.67	21.63
Trade payables	2,942.05	-	2,942.05
Other financial liabilities	103.21	20.59	123.80
Total Non-derivative liabilities	**3,400.10**	**37.26**	**3,437.36**
Derivatives (net settled)	**0.33**	**-**	**0.33**

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

₹ in crores

Contractual maturities of financial liabilities (31 March, 2021)	Less than 1 year	More than1 year	Total
Non-derivatives			
Borrowings (*)	255.33	0.75	256.08
Lease Liabilities	3.55	7.65	11.20
Trade payables	2,464.53	-	2,464.53
Other financial liabilities	94.52	25.80	120.32
Total Non-derivative liabilities	**2,817.93**	**34.20**	**2,852.13**
Derivatives (net settled)	**-**	**-**	**-**

The amount included in Note 45(B) for financial guarantee contracts are the maximum amounts that the Group may be liable to settle under the respective arrangements for the full guaranteed amount if that amount is claimed by the counterparty for the guarantee. Based on the expectations as at the end of reporting period, the Group considers that it is more likely than not that such amount shall not be payable under the respective arrangements. However, this estimate is subject to change depending upon the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

* Maturity amount of borrowings is including the interest that will be paid on these borrowings.

53. INTEREST IN OTHER ENTITIES

(a) Subsidiaries (Direct and Indirect) :

The details of Group's subsidiaries are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business (unless otherwise stated).

Name of entity	Place of business / country of incorporation	Beneficial Ownership interest held by the Group		Principal activities
		As at 31 March, 2022	As at 31 March, 2021	
Indian Subsidiaries :				
Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited)	India	100%	100%	Turnkey electrical, Solar and instrumentation projects.
HI-Volt Enterprises Private Limited (w.e.f. 13 September, 2021)	India	100%	NA	To engage in business of sourcing, design, development, manufacturing, marketing, sale and service of Inverter Compressors, Motors and Controllers for the Room Air Conditioners, all their spare parts and any other components.
Agro Foods Punjab Limited	India			
(under liquidation. Refer footnote)				
Westerwork Engineers Limited	India			
(under liquidation)				

53. INTEREST IN OTHER ENTITIES (Contd.)

Name of entity	Place of business / country of incorporation	Beneficial Ownership interest held by the Group		Principal activities
		As at 31 March, 2022	As at 31 March, 2021	
Foreign Subsidiaries :				
Voltas Netherlands B.V. (VNBV)	The Netherlands	100%	100%	Investment in overseas ventures undertaking turnkey projects and trading activities.
Weathermaker FZE (formerly known as Weathermaker Limited)	Dubai, United Arab Emirates	100%	100%	Manufacturing of ducts and duct accessories.
Saudi Ensas Company for Engineering Services W.L.L. (*Voltas Limited - 92% and VNBV - 8%)	Kingdom of Saudi Arabia	100%*	100%*	Undertake EPC (Engineering, Procurement and Construction) contracts of MEP (Mechanical, Electrical and Plumbing) projects.
Lalbuksh Voltas Engineering Services and Trading L.L.C. (*Voltas Limited - 20% and VNBV - 40%)	Sultanate of Oman	60%*	60%*	Drilling, irrigation and landscaping activities and construction of water treatment plants.
Voltas Oman SPC (formerly known as Voltas Oman L.L.C.) (100% through VNBV)	Sultanate of Oman	100%	99%	Undertake EPC (Engineering, Procurement and Construction) contracts of MEP (Mechanical, Electrical and Plumbing) projects.
Voltas Qatar W.L.L. (Holds 50% interest in VAFE Joint Venture)	State of Qatar	97%	97%	Undertake EPC (Engineering, Procurement and Construction) contracts of MEP (Mechanical, Electrical and Plumbing) projects.
Universal MEP Projects Pte Limited (w.e.f. 4 August, 2021) (100% through VNBV)	Singapore	100%	-	Undertake Plumbing, Heating (Non-Electric) and Air-conditioning

Footnote :

Under a loan agreement for ₹ 0.6 crore (fully drawn and outstanding) entered into between Agro Foods Punjab Ltd. (AFPL) and the Punjab State Industrial Development Corporation Ltd. (PSIDC), the Company has given an undertaking to PSIDC that it will not dispose off its shares in AFPL till the monies under the said loan agreement between PSIDC and AFPL remain due and payable by AFPL to PSIDC. During 1998-99, the Company had transferred its beneficial rights in the shares of AFPL.

53. INTEREST IN OTHER ENTITIES (Contd.)

(b) Material Non-controlling interests (NCI):

Financial information of subsidiaries that have material non-controlling interests are as below. The amounts disclosed below are before inter-company eliminations.

Name of Subsidiary : Lalbuksh Voltas Engineering Services & Trading L.L.C.

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Summarised balance sheet		
Current assets	117.30	120.51
Current liabilities	28.43	36.86
Net current assets	**88.87**	**83.65**
Non-current assets	6.80	7.50
Non-current liabilities	3.51	3.85
Net non-current assets	**3.29**	**3.65**
Net assets	**92.16**	**87.30**
Accumulated NCI	**36.86**	**34.92**

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Summarised statement of profit and loss		
Revenue	72.15	88.27
Profit for the year	4.79	9.13
Other comprehensive income	3.94	(1.32)
Total comprehensive income	**8.73**	**7.81**
Profit allocated to NCI	**1.92**	**3.65**
Dividend paid to NCI	**1.58**	**3.43**

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Summarised cash flows		
Cash flow from operating activities	3.99	2.80
Cash flow from investing activities	0.32	1.34
Cash flow from financing activities	(3.94)	(8.59)
	0.37	**(4.45)**

53. INTEREST IN OTHER ENTITIES (Contd.)

(c) Interest in associates and joint ventures:

(i) Details of interests in associates and joint ventures of the Group are as below. The entities listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business and the proportion of ownership interest is the same as the proportion of voting rights held.

₹ in crores

Name of entity	Place of business	Principal activities	% of ownership interest	Relationship	Accounting method	Carrying amount	
						As at 31 March, 2022	As at 31 March, 2021
Universal Voltas L.L.C.	United Arab Emirates	Building maintenance, Onshore and off shore oil and gas fields and facilities services.	49%	Joint venture	Equity method	51.82	53.03
Olayan Voltas Contracting Company Limited	Kingdom of Saudi Arabia	Execution of maintenance and construction contracts, Water and sewage installation	50%	Joint venture	Equity method	-	0.25
Voltbek Home Appliances Private Limited	India	Engaged in the business of trading & manufacturing of Home Appliances	49%	Joint venture	Equity method	204.87	220.68
Immaterial joint ventures * (refer (iv) below)				Joint venture	Equity method	-	-
Immaterial associates (refer (iv) below)				Associates	Equity method	9.38	9.22
Total equity accounted investments						**266.07**	**283.18**

* Carrying value is Nil, since immaterial joint ventures are under liquidation.

53. INTEREST IN OTHER ENTITIES (Contd.)

(ii) Summarised financial information for material joint ventures :

The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and not the Voltas's share in those amounts.

₹ in crores

Summarised balance sheet	Universal Voltas L.L.C.		Olayan Voltas Contracting Company Limited		Voltbek Home Appliances Private Limited	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Current assets						
- Cash and cash equivalents	4.87	5.20	1.48	2.91	6.07	86.86
- Other assets	213.68	226.64	-	0.46	859.94	601.56
Current liabilities						
- Trade payables	125.11	121.06	2.34	2.30	361.84	293.02
- Other liabilities	(26.15)	(7.13)	0.28	0.32	528.45	399.48
Net current assets	**119.59**	**117.91**	**(1.14)**	**0.75**	**(24.28)**	**(4.08)**
Non-current assets	0.55	0.73	-	-	584.54	521.87
Non-current liabilities	14.07	10.44	-	0.24	142.20	67.35
Net non-current assets / liabilities	**(13.52)**	**(9.71)**	**-**	**(0.24)**	**442.34**	**454.52**
Net assets / liabilities	**106.07**	**108.20**	**(1.14)**	**0.51**	**418.06**	**450.44**

53. INTEREST IN OTHER ENTITIES (Contd.)

₹ in crores

Reconciliation to the carrying amounts:	Universal Voltas L.L.C.		Olayan Voltas Contracting Company Limited		Voltbek Home Appliances Private Limited	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Opening net assets	108.20	118.73	0.50	2.24	450.44	428.49
Profit / (Loss) for the year	(5.39)	6.11	(1.65)	(1.69)	(222.26)	(131.12)
Other comprehensive income	0.01	(0.86)	(0.72)	0.56	(0.23)	0.06
Consolidation adjustment - foreign currency translation adjustment	3.25	(1.70)	1.87	(0.61)	0.11	0.01
Issue of equity shares during the year	-	-	-	-	190.00	153.00
Dividend paid	-	(14.08)	-	-	-	-
Closing net assets	106.07	108.20	-	0.50	418.06	450.44
Group's share in %	49.00	49.00	50.00	50.00	49.00	49.00
Group's share in closing net assets	51.82	53.03	-	0.25	204.87	220.68
Goodwill / (Capital Reserve)	-	-	-	-	-	-
Carrying amount (Gross)	51.82	53.03	-	0.25	204.87	220.68
Less : Impairment in value of Investments	-	-	-	-	-	-
Carrying amount (Net)	**51.82**	**53.03**	**-**	**0.25**	**204.87**	**220.68**

₹ in crores

Summarised statement of profit and loss:	Universal Voltas L.L.C.		Olayan Voltas Contracting Company Limited		Voltbek Home Appliances Private Limited	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Revenue	281.20	352.48	-	-	944.49	636.93
Interest income	0.04	0.21	-	-	0.44	0.38
Depreciation and amortisation	0.37	0.59	-	-	46.44	27.78
Interest expense	-	-	-	-	22.59	5.02
Profit / (Loss) for the year	(5.39)	6.11	(1.65)	(1.69)	(222.26)	(131.12)
Other comprehensive income	0.01	(0.86)	(0.72)	0.56	(0.12)	0.06
Total comprehensive income	**(5.38)**	**5.25**	**(2.37)**	**(1.13)**	**(222.38)**	**(131.06)**

53. INTEREST IN OTHER ENTITIES (Contd.)

(iii) Commitments and Contingent liabilities in respect of associates and joint ventures:

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Group's share in Commitments	**124.26**	**150.50**
Group's share in Contingent liabilities	-	-

(iv) Individually immaterial associates and joint ventures:

In addition to the interests in joint ventures disclosed above, the Group also has interests in a number of individually immaterial joint ventures and associates that are accounted using the equity method.

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Aggregate carrying amount of individually immaterial associates (Net)	9.38	9.22
Aggregate amount of the group's share of:		
Profit / (loss) for the year	1.50	1.14
Other comprehensive income	-	-
Total comprehensive income	1.50	1.14
Aggregate carrying amount of individually immaterial joint ventures (Net) *	-	-
Share of profits from associates for the year	1.50	1.14
Share of profits from joint ventures for the year	(111.81)	(62.11)
Total share of profits from associates and joint ventures for the year	**(110.31)**	**(60.97)**

* Carrying value is Nil, since immaterial joint ventures are under liquidation.

54. AGGREGATION OF EXPENSES DISCLOSED IN CONSUMPTION OF MATERIALS, COST OF JOBS AND SERVICES AND OTHER EXPENSES IN RESPECT OF SPECIFIC ITEMS ARE AS FOLLOWS (REFER NOTE 41)

₹ in crores

Nature of expenses		2021-22		
		Grouped Under		
		Consumption of materials, cost of jobs and services	Other expenses	Total
(1)	Rent	2.03	27.00	29.03
(2)	Power and Fuel	0.81	11.95	12.76
(3)	Insurance charges	7.29	14.82	22.11
(4)	Travelling and Conveyance	2.27	39.77	42.04
(5)	Printing and Stationery	0.71	11.63	12.34
(6)	Legal and Professional charges	0.12	25.07	25.19
(7)	Clearing charges	1.50	74.46	75.96
(8)	Outside Service charges	52.63	115.97	168.60
(9)	Repairs to Plant and Machinery	0.39	11.95	12.34
(10)	Other miscellaneous expenses	30.10	110.54	140.64

₹ in crores

Nature of expenses		2020-21		
		Grouped Under		
		Consumption of materials, cost of jobs and services	Other expenses	Total
(1)	Rent	1.21	40.21	41.42
(2)	Power and Fuel	0.80	9.69	10.49
(3)	Insurance charges	7.58	14.21	21.79
(4)	Travelling and Conveyance	0.99	37.93	38.92
(5)	Printing and Stationery	0.35	12.10	12.45
(6)	Legal and Professional charges	0.53	25.42	25.95
(7)	Clearing charges	0.36	73.09	73.45
(8)	Outside Service charges	336.17	119.73	455.90
(9)	Repairs to Plant and Machinery	0.02	10.41	10.43
(10)	Other miscellaneous expenses	16.08	101.19	117.27

55. LEASES

Group as a lessee

The Group has lease contracts for its office premises and storage locations with lease term between 1 year to 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of office premises and storage locations with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

55. LEASES (Contd.)

(a) The movement in lease liabilities during the year ended 31 March, 2022 and 31 March, 2021 is as follows:

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Balance at the beginning	9.21	8.89
Additions	15.46	4.74
Accretion of interest	1.67	1.06
Payment of lease liabilities	8.70	5.48
Balance at the end	**17.64**	**9.21**
Non-current	12.68	5.66
Current	4.96	3.55

(b) The following are the amounts recognised in profit or loss:

₹ in crores

	Year ended 31 March, 2022	Year ended 31 March, 2021
Depreciation on right-of-use assets	7.19	4.49
Interest expense on lease liabilities	1.67	1.06
Expense relating to short-term leases (Refer footnote c)	101.46	113.30
Total amount recognised in statement of profit and loss	**110.32**	**118.85**

(c) Details of carrying amount of right-of-use assets and movement during the period is disclosed under Note 6

Footnotes:

(a) The maturity analysis of lease liabilities are disclosed in Note 52 (iii) 'Liquidity Risk Management'

(b) The effective interest rate for lease liabilities is 9%, with maturity between 2022-2027

(c) Expense relating to short-term leases are disclosed under the head rent and clearing charges in other expenses (Refer Note 41)

(d) The Group had total cash flows for leases of ₹ 8.70 crores on 31 March, 2022 (31 March, 2021 : ₹ 5.48 crores).

Group as a lessor

The Group has entered into operating leases on its investment property portfolio consisting of land and office premises. These leases have lease terms between 1 year to 5 years. The Company has the option under some of its leases to lease the assets for additional periods. An amount of ₹ 24.40 crores is recognised as lease income in the statement of profit and loss account for the year ended 31 March, 2022 (31 March, 2021 : ₹ 32.31 crores).

Minimum lease income for non-cancelable operating lease

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
(a) Not later than one year	2.77	5.59
(b) Later than one year but not later than five years	3.03	0.24
(c) Later than five years	-	-

56. REVENUE FROM CONTRACTS WITH CUSTOMERS

(A) Disaggregated revenue information

Disaggregation of the Company's revenue from contracts with customers are as follows:

₹ in crores

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021 (refer footnote below)
Segment - A (Unitary Cooling Products for Comfort and Commercial use)		
(a) Sale of products	4,215.12	3,738.07
(b) Sale of services	666.80	480.39
Sub-total :	**4,881.92**	**4,218.46**
Segment - B (Electro - Mechanical Projects and Services)		
(a) Sale of products	24.29	58.88
(b) Construction contract revenue	2,395.87	2,784.34
(c) Sale of services	50.33	35.38
Sub-total :	**2,470.49**	**2,878.60**
Segment - C (Engineering Products and Services)		
(a) Sale of products	341.99	232.97
(b) Sale of services	146.67	126.52
Sub-total :	**488.66**	**359.49**
Total revenue from contracts with customers	**7,841.07**	**7,456.55**

(B) Set out below is the amount of revenue recognised from:

₹ in crores

Particulars	As at 31 March, 2022	As at 31 March, 2021
(a) Amounts included in contract liabilities at the beginning of the year	311.71	455.58
(b) Performance obligations satisfied in previous years	0.35	(0.80)

(C) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

₹ in crores

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021 (refer footnote below)
Revenue as per contracted price	7,234.24	6,502.84
Adjustments		
Add: (a) Unbilled on account of work under certification	751.56	1,144.59
Less: (b) Billing in excess of contract revenue	(144.73)	(190.88)
Revenue from contract with customers	**7,841.07**	**7,456.55**

(D) Performance obligation

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March, 2022 is of ₹ 3,771.82 crores (31 March, 2021: ₹ 5,266.08 crores), out of which, majority is expected to be recognised as revenue within a period of one year.

Footnote :

Effective 1 April, 2021, the Company has re-organised Commercial Air-conditioner (CAC) and Customer Care business from Segment - B (Electro - Mechanical Projects and Services) to Segment - A (Unitary Cooling Products for Comfort and Commercial use) to align with business objectives and accordingly, segment information for previous year have been restated.

57. CAPITAL MANAGEMENT :

The capital structure of the Group consists of net debt and total equity of the Group. The Group manages its capital to ensure that the Group will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Group's Risk Management Committee reviews the capital structure of the Group considering the cost of capital and the risks associated with each class of capital.

58. OTHER STATUTORY INFORMATION :

(i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group do not have any transactions with companies struck off.

(iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Group have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

59. The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette in September 2020 which could impact the contribution by the Group towards certain employment benefits. The effective date from which the changes and rules would become applicable is yet to be notified. Impact of the changes will be assessed and accounted in the relevant period of notification of relevant provisions.

60. The Board of Directors of Voltas Limited ('Parent Company') at its meeting held on 12 February, 2021, have approved the transfer of domestic B2B businesses of the Parent Company relating to Projects business comprising Mechanical, Electrical and Plumbing (MEP)/ Heating, Ventilation and Air-Conditioning (HVAC) and Water projects, Mining and Construction Equipment (M&CE) business and Textile Machinery Division (TMD) business to its wholly owned subsidiary viz. Universal MEP Projects & Engineering Services Limited ('UMPESL') (formerly Rohini Industrial Electricals Limited) by slump sale through a Business Transfer Agreement ('BTA'). The Parent Company has executed the BTA on 24 March, 2021 and the transaction is expected to be consummated by such date as mutually agreed between the Parent Company and UMPESL.

61. EVENTS OCCURRING AFTER BALANCE SHEET :

(i) The Board of Directors have proposed dividend of ₹ 5.50 per share after the balance sheet date which is subject to approval by the shareholders at the annual general meeting.

(ii) The Board of Directors have approved an amount of ₹ 20.00 crores to be transferred to General Reserve from Retained Earnings after the balance sheet date.

62. RATIO ANALYSIS

₹ in crores

Sr. No	Ratio	Numerator	Denominator	As at 31 March, 2022	As at 31 March, 2021	% change	Reason for variance
1	Current ratio	Current Assets	Current Liabilities	1.45	1.48	(2.12%)	-
2	Debt- Equity ratio	Borrowings	Total equity	0.06	0.05	23.98%	
3	Debt Service Coverage ratio	Earnings for debt service = Net Profit before tax+ Non-cash operating expenses (depreciation and amortisation)+ Finance Cost+ other adjustments like Loss on sale of property, plant and equipment	Debt service = Interest payable & Lease Payments + Principal Repayments of long term borrowings	22.03	24.32	(9.42%)	
4	Return on Equity ratio	Net Profit after taxes	Average total equity	0.10	0.11	(15.37%)	-
5	Inventory Turnover ratio	Cost of goods sold excluding cost of jobs and services of Segment - B (Electro - Mechanical Projects and Services)	Average Inventory	2.77	2.47	12.04%	-
6	Trade Receivable Turnover ratio	Revenue from Operations	Average Trade Receivable	2.74	2.66	2.86%	-
7	Trade Payable Turnover ratio	Cost of goods sold and other expenses	Average Trade Payables	2.41	2.39	1.06%	-
8	Net Capital Turnover ratio	Revenue from Operations	Working capital = Current assets – Current liabilities	4.30	4.42	(2.80%)	-
9	Net Profit ratio	Net Profit	Revenue from operations	0.06	0.07	(8.88%)	-
10	Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net worth + Total long term borrowings + Deferred Tax Liability	0.13	0.15	(10.88%)	-

62. RATIO ANALYSIS (Contd.)

₹ in crores

Sr. No	Ratio	Numerator	Denominator	As at 31 March, 2022	As at 31 March, 2021	% change	Reason for variance
11	Return on Investment						
(a)	Mutual Funds Investments	Gain on sale / fair valuation of Mutual Fund	Monthly average investment in Mutual Funds	0.05	0.07	(35.20%)	Decrease in return on investment from Mutual funds are on account of fluctuation in market yields.
(b)	Fixed Income Investments	Interest Income	Monthly average investment in Fixed Income investments	0.06	0.07	(2.43%)	
(c)	Quoted Equity Instruments Investments	Fair valuation of quoted investment + Dividend Income	Quarterly average investment in Quoted Equity Instruments	0.43	1.42	(69.67%)	Decrease in return on investment from quoted equity instruments are on account of fluctuation in market prices.

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

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number: 38730
Place: Mumbai
Date: 5 May, 2022

For and on behalf of the Board

Noel Tata
Chairman
Place: Mumbai

Pradeep Bakshi
Managing Director & CEO
Place: Mumbai

Jitender P. Verma
Executive Vice President and Chief Financial Officer
Place: Mumbai

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

Place: Mumbai
Date: 5 May, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Voltas Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Voltas Limited ("the Company"), which comprise the Balance sheet as at 31 March, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended 31 March, 2022. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition for long term Mechanical, Electrical and Plumbing (MEP) contracts	
The Company's revenues include revenue from long-term Mechanical, Electrical and Plumbing (MEP) contracts amounting to INR 1,591.51 crores, disclosed under Note 34 'revenue from contracts with customers' as construction contract revenue, which are recognized over a period of time in accordance with the requirements of Ind AS 115, 'Revenue from Contracts with Customers'. Due to the nature of the contracts, revenue is recognized based on percentage of completion method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs, which involves significant judgments including estimate of future costs, revision to original estimates based on new knowledge such as delay in timelines, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/ onerous obligations. Accuracy of revenues, onerous obligations and profits may deviate significantly on account of change in judgements and estimates. Considering the variability of assumptions involved in estimation of revenues, the same has been considered as a key audit matter.	Our audit procedures included the following: ▶ Read the Company's revenue recognition accounting policies and assessed compliance of the policies with Ind AS 115. ▶ We assessed the design and tested the operating effectiveness of controls over revenue recognition through inspection of evidence of performance of these controls with specific focus on determination of progress of completion, recording of costs incurred, estimation of costs to complete and the remaining contract obligations. ▶ We performed test of details, on a sample basis and evaluated management estimates and assumptions. ▶ We assessed management's estimates by comparing estimated cost with actual costs and discussion on the project specific considerations with the relevant project managers including on our project site visits. We assessed that, fluctuations in commodity and currency prices, delays, cost overruns related to the performance of work are appropriately taken into consideration while estimating costs to come and also assessed the accounting treatment of expected loss on projects including variable consideration which is recognized in accordance with the Company's accounting policy of revenue recognition. ▶ We tested on sample basis contracts with low or negative margins, loss making contracts, contracts with significant changes in planned cost estimates and probable penalties due to delay in contract execution ▶ We assessed that the disclosure of revenue in accordance with IND AS 115 'Revenue from contracts with customers' are appropriately presented and disclosed in Note 52 to the standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Recoverability of and Impairment Allowance of receivables and contract assets of Electro - Mechanical projects and services segment	
As at 31 March, 2022, trade receivable and contract assets of Electro- mechanical projects and service segment amount to INR 1,382.94 crores. Out of the total trade receivables and contract assets of Electro-mechanical projects and service segment, INR 646.90 crores represent trade receivable and contract assets of international business operation. Recoverability of certain receivables and contract assets are impacted due to several factors like the customer profile, delays in obtaining completion certification in certain projects due to long project tenure, project disputes resulting in future claims against the Company and financial ability of the customers etc. As regards the receivable of this segment, the Company follows 'simplified approach' in accordance with Ind AS 109- 'Financial Instruments', for recognition of impairment loss allowance on trade receivables and contract assets. In calculating the impairment loss allowance, the Company has considered its credit assessment for its customers. Owing to the long settlement period involved in a few of the government projects, management also considers the likely delays involved in the settlement process as part of the impairment allowance calculation. The assessment of the impairment of such trade receivables and contract assets requires significant management judgment and hence same is considered as Key Audit Matter.	Our audit procedures included the following : ▶ We evaluated the Company's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers. ▶ We assessed the design and tested the operating effectiveness of relevant controls in relation to the process adopted by management for testing the impairment of these receivables and the contract assets. ▶ In respect of impairment allowance on receivable of this segment and recovery of certain trade receivable and contract assets of international business operation we tested the ageing of trade receivable and contract assets. We tested the management's assessment of the customer's financial circumstances, ability to repay the dues based on historical payment trends, assumption used for determining likely losses and delays in collection of trade receivables including any project disputes which may result in future claims against the Company. ▶ We evaluated the assumptions used by management in calculation of the expected credit loss impairment including the impact of the future uncertainties in the economic environment. ▶ We assessed the disclosures on the contract assets and trade receivables in Note 14 and Note 15 respectively and the related risks such as credit risk and liquidity risk in Note 50 of the standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of Investments in Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited)	
The Company has an investment of INR 294.20 crores in its wholly owned subsidiary Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited) (UMPESL) and Impairment allowance of INR 32.57 crores as of 31 March, 2022 (after considering reversal of Impairment amounting to INR 32.57 crores in March 2019). The Company performs an annual impairment assessment by comparing the carrying value to their recoverable amounts in order to determine whether any additional impairment provision/ reversal is required. For the purposes of above impairment assessment, the Company engages specialists to determine value in use by discounting forecasted cash flows and considering the inherent nature of these calculations being subject to sensitivity to the inputs used for forecasting the cash flows and judgements used by management in such forecasts, the assessment of impairment of investment in UMPESL was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.	Our audit procedures included the following: ▶ We assessed the design and tested the operating effectiveness of relevant controls in relation to the process adopted by management for testing the impairment of Investment in UMPESL. ▶ We assessed the Company's valuation methodology applied in determining the recoverable amount. In making this assessment, we also evaluated the objectivity and independence of Company's specialists involved in the process. ▶ We assessed the assumptions around the key drivers of the cash flow forecasts including projected order value and margins, discount rates, expected growth rates and terminal growth rates used. Further, assessed the recoverable value headroom by performing sensitivity testing of key assumptions used. ▶ We discussed potential changes in key drivers as compared to previous year / actual performance with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable and same are approved by UMPESL Board of Directors. ▶ We tested the arithmetical accuracy of the models. ▶ We evaluated the accounting and disclosure of investments in the standalone Ind AS financial statements of the Company.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the

audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 44 to the standalone Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note no 54(v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in Note no. 54(vi) to the Standalone financial statement, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend .

As stated in note 57 to the standalone Ind AS financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
UDIN: 22038730AILDJS6952
Place of Signature: Mumbai
Date: May 05, 2022

ANNEXURE '1' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Voltas Limited ("the company")

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 4 & 6 to the financial statements are held in the name of the Company except for the following: -

Description of Property	Gross Carrying value (in INR crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held (since)	Reason for not being held in name of company also indicate if in dispute and period for which it has been held
16 Flats in Tata Colony, Lallubhai Park, Andheri (W), Mumbai 400063	0.06	Tata Services Ltd	Group Company	August, 1965	These flats are constructed on land owned by Tata Services Limited in line with arrangement amongst Tata Services Limited and Tata Group of companies (incl. Voltas Limited) Pending certain procedural aspects, title to the undivided share of land relating to the flats owned by Voltas Limited has not yet been transferred in the name of Voltas Limited.
Voltas House, 23 J N Heredia Marg, Ballard Estate, Mumbai 400001	0.23	Bombay Port Trust	Others	June, 2017	The said building was taken on lease by the Company that expired in June'17. The Company has submitted an application for renewal (in accordance with contractual right) of lease on December 15, 2016.
Sanathnagar land & building, Hyderabad	6.32	Allwyn Metal Works Ltd.	Group Company	April, 1994	These properties were acquired pursuant to a scheme of amalgamation and continued to be registered in the name of amalgamating company. However, the deed of merger has been registered by the Company
Building & Leasehold land-Pantnagar	11.46	Universal Comfort Products Limited	Group company	September, 2020	These properties were acquired pursuant to a scheme of amalgamation and continued to be registered in the name of amalgamating company. However, the deed of merger has been registered by the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2022 and discrepancies were not noticed in respect of such confirmations.

(b) As disclosed in note 16 to the financial statements, the Company has been sanctioned working capital limits in excess of INR five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, or provided security to companies, firms, Limited Liability Partnerships or any other parties. Further, during the year the Company has stood guarantee to companies as follows:

Particulars	Amount (INR Crore)
Aggregate amount of guarantee provided during the year	
- Subsidiaries	1,468.56
- Joint Ventures	--
- Associates	--
- Others	--
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiaries	2,115.59
- Joint Ventures	75.75
- Associates	--
- Others	--

(b) During the year the Company has not provided security, granted loan and advances in the nature of loan to companies, firms, Limited Liabilities Partnership or any other parties. Further, during the year the investments made and guarantees provided to companies are not prejudicial to the Company's interest.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), (d), (e) and (f) of the Order are not applicable to the Company.

(iv) There are no loans and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable. Further, investments made and guarantees provided in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of engineering machinery, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, service tax, custom duty, excise duty, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Forum where case is pending	Period to which the Amount Relates	Amount (INR in crores)
The Central Excise Act, 1944	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2002, 2009-10 to 2014-15	14.07
		Commissionerate	1981-82, 1983-84, 1985-86 to 1990-91, 1992-93 to 1993-94, 1999-00 to 2000-01, 2004-05, 2009-10, 2011-12, 2012-13	4.70
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	1999-00 to 2002-03, 2004-05 to 2009-10, 2017-18	12.03
		Commissionerate	2003-04 to 2015-16	5.10
Custom Act, 1962	Custom duty	Commissionerate	2019-20	0.99
Sales Tax Act	(1) Value Added Tax (2) Central Sales Tax (3) Entry Tax (including penalty and interest)	Supreme Court	1993-94	0.40
		High Court	1987-88 to 1991-92, 1996-97 to 1998-99, 2001-02 to 2005-06, 2008-09, 2010-11, 2018-19	13.53
		Appellate Tribunal	1986-87, 1999 to 2001, 2002 to 2014-15	11.04
		Appellate Revisional Board	2007-08, 2012-14, 2015-16	2.63
		Commissioner (Assessment)	1988-89 to 1992-93, 1994-95, 1996-97, 1999-00 to 2000-01, 2002-03	1.08
		Commissioner of Appeals	1989-90 to 1990-91, 1994-95 to 2001-02, 2003-04, 2005-06 to 2017-18	75.66
Goods and Service Tax Act, 2017	Goods and Service Tax	High Court	2018-19	0.01
		Commissioner of Appeals	2018-19 to 2020-21	3.23

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a)(b)(c) of the Order are not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) According to the information and explanation given to us by the management, the Group has five CICs which are registered with the Reserve Bank of India and 1 CIC which is not required to be registered with the Reserve Bank of India.

(xvii) The Company has not incurred cash losses in the current and immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 58 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 41 to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 41 to the financial statements.

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
UDIN: 22038730AILDJS6952
Place of Signature: Mumbai
Date: May 05, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF VOLTAS LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone Ind AS financial statements of Voltas Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013, as amended ("the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls with Reference to these Standalone Ind AS Financial Statements

A Company's internal financial controls with reference to standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per **Dolphy D'Souza**
Partner
Membership Number: 038730
UDIN: 22038730AILDJS6952
Place of Signature: Mumbai
Date: May 05, 2022

STANDALONE BALANCE SHEET

AS AT 31 MARCH, 2022

₹ in crores

		Note No.	As at 31 March, 2022	As at 31 March, 2021
I	**ASSETS**			
	Non-current assets			
	(a) Property, plant and equipment	4	225.89	231.79
	(b) Capital work-in-progress	4	59.29	8.81
	(c) Investment property	5	53.32	55.55
	(d) Right-of-use assets	6	16.65	10.84
	(e) Other intangible assets	7	7.01	8.23
	(f) Financial assets			
	(i) Investments	8	3,690.53	3,193.97
	(ii) Loans	9	0.10	0.17
	(iii) Other financial assets	10	75.58	88.56
	(g) Income tax assets (net)		9.19	2.67
	(h) Deferred tax assets (net)	11	-	16.08
	(i) Other non-current assets	12	95.10	109.25
	Total non-current assets		**4,232.66**	**3,725.92**
	Current assets			
	(a) Inventories	13	1,655.39	1,273.90
	(b) Contract assets	14	576.43	648.11
	(c) Financial assets			
	(i) Investments	8	434.27	249.32
	(ii) Trade receivables	15	1,520.23	1,452.28
	(iii) Cash and cash equivalents	16	451.12	313.71
	(iv) Other balances with banks	17	12.77	10.64
	(v) Loans	18	1.91	1.30
	(vi) Other financial assets	19	110.39	137.16
	(d) Other current assets	20	221.55	164.46
	Total current assets		**4,984.06**	**4,250.88**
	TOTAL ASSETS		**9,216.72**	**7,976.80**
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity share capital	21	33.08	33.08
	(b) Other equity	22	5,535.62	4,951.62
	Total Equity		**5,568.70**	**4,984.70**
	Liabilities			
	Non-current liabilities			
	(a) Contract liabilities	23	3.51	0.64
	(b) Financial liabilities			
	(i) Lease liabilities	24	8.97	4.00
	(ii) Other financial liabilities	25	14.89	19.41
	(c) Provisions	26	82.75	73.72
	(d) Deferred tax liabilities (net)	11	12.35	-
	(e) Other non-current liabilities	27	6.32	6.32
	Total non-current liabilities		**128.79**	**104.09**
	Current liabilities			
	(a) Contract liabilities	28	325.43	391.76
	(b) Financial liabilities			
	(i) Borrowings	29	126.04	101.84
	(ii) Lease liabilities	29A	4.78	2.62
	(iii) Trade payables	30		
	- Total outstanding dues of micro and small enterprises		143.46	150.99
	- Total outstanding dues of creditors other than micro and small enterprises		2,538.56	1,906.85
	(iv) Other financial liabilities	31	103.23	94.37
	(c) Provisions	32	148.33	108.89
	(d) Income tax liabilities (net)		43.42	63.17
	(e) Other current liabilities	33	85.98	67.52
	Total current liabilities		**3,519.23**	**2,888.01**
	Total Liabilities		**3,648.02**	**2,992.10**
	TOTAL EQUITY AND LIABILITIES		**9,216.72**	**7,976.80**
	Summary of significant accounting policies	2		

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

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number: 38730
Place: Mumbai
Date: 5 May, 2022

For and on behalf of the Board

Noel Tata
Chairman
Place: Mumbai

Jitender P. Verma
Executive Vice President and Chief Financial Officer
Place: Mumbai

Pradeep Bakshi
Managing Director & CEO
Place: Mumbai

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

Place: Mumbai
Date: 5 May, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2022

₹ in crores

		Note No.	Year ended 31 March, 2022	Year ended 31 March, 2021
	Income			
I	Revenue from operations	34	7,098.60	6,377.97
II	Other income	35	167.89	219.96
III	**Total income (I + II)**		**7,266.49**	**6,597.93**
	Expenses			
	(a) Consumption of materials, cost of jobs and services		3,506.82	2,617.72
	(b) Purchases of stock-in-trade		2,042.75	1,862.26
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	36	(178.27)	279.25
	(d) Employee benefits expenses	37	488.54	465.44
	(e) Finance costs	38	14.55	19.10
	(f) Depreciation and amortisation expenses	39	33.13	29.83
	(g) Other expenses	40	595.81	590.91
IV	**Total expenses**		**6,503.33**	**5,864.51**
V	**Profit before tax (III - IV)**		**763.16**	**733.42**
	Tax Expense			
	(a) Current tax		178.00	176.48
	(b) Adjustment of tax relating to earlier periods		(3.58)	-
	(c) Deferred tax charge / (credit)	11	5.27	(13.36)
VI	**Total tax expense**	42	**179.69**	**163.12**
VII	**Net Profit for the year (V-VI)**		**583.47**	**570.30**
	Other Comprehensive Income			
	Items that not to be reclassified to profit or loss			
	(a) Changes in fair value of equity instruments through other comprehensive income		206.54	342.18
	(b) Income tax effect on (a) above	11	(27.54)	(19.64)
	(c) Remeasurement gain / (loss) on defined benefit plans		(17.41)	7.87
	(d) Income tax effect on (c) above	11	4.38	(1.98)
VIII	**Other Comprehensive Income [net of tax]**		**165.97**	**328.43**
IX	**Total Comprehensive Income [net of tax] (VII + VIII)**		**749.44**	**898.73**
X	**Earnings per share:**			
	Basic and Diluted (₹) (Face value ₹ 1/- per share)	43	17.63	17.24
Summary of significant accounting policies		2		

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

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number: 38730
Place: Mumbai
Date: 5 May, 2022

For and on behalf of the Board

Noel Tata
Chairman
Place: Mumbai

Pradeep Bakshi
Managing Director & CEO
Place: Mumbai

Jitender P. Verma
Executive Vice President and Chief Financial Officer
Place: Mumbai

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

Place: Mumbai
Date: 5 May, 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2022

A. EQUITY SHARE CAPITAL

₹ in crores

Balance as at 31 March, 2020	33.08
Changes in equity share capital	-
Balance as at 31 March, 2021	33.08
Changes in equity share capital	-
Balance as at 31 March, 2022	**33.08**

B. OTHER EQUITY:

₹ in crores

	Reserves and Surplus (Refer Note 22)						Items of Other Comprehensive income (Refer Note 22)	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Staff Welfare Reserve	Retained earnings	Equity instruments fair value through Other Comprehensive income	
Balance as at 31 March, 2020	**12.25**	**1.26**	**6.28**	**1,366.83**	**0.01**	**2,474.30**	**304.31**	**4,165.24**
Net profit for the year	-	-	-	-	-	570.30	-	570.30
Other comprehensive income for the year (net of tax)	-	-	-	-	-	5.89	322.54	328.43
Total comprehensive income for the year (net of tax)	-	-	-	-	-	**576.19**	**322.54**	**898.73**
Payment of dividends	-	-	-	-	-	(132.35)	-	(132.35)
Transfer to General Reserve	-	-	-	20.00	-	(20.00)	-	-
Balance as at 31 March, 2021	**12.25**	**1.26**	**6.28**	**1,406.83**	**0.01**	**2,898.14**	**626.85**	**4,951.62**

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2022

₹ in crores

	Reserves and Surplus (Refer Note 22)						Items of Other Comprehensive income (Refer Note 22)	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Staff Welfare Reserve	Retained earnings	Equity instruments fair value through Other Comprehensive income	
Net profit for the year	-	-	-	-	-	583.47	-	583.47
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(13.03)	179.00	165.97
Total comprehensive income for the year (net of tax)	-	-	-	-	-	570.44	179.00	749.44
Payment of dividends	-	-	-	-	-	(165.44)	-	(165.44)
Transfer to General Reserve	-	-	-	20.00	-	(20.00)	-	-
Balance as at 31 March, 2022	**12.25**	**1.26**	**6.28**	**1,426.83**	**0.01**	**3,283.14**	**805.85**	**5,535.62**

Summary of significant accounting policies Note 2

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

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number: 38730
Place: Mumbai
Date: 5 May, 2022

For and on behalf of the Board

Noel Tata
Chairman
Place: Mumbai

Jitender P. Verma
Executive Vice President and Chief Financial Officer
Place: Mumbai

Pradeep Bakshi
Managing Director & CEO
Place: Mumbai

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

Place: Mumbai
Date: 5 May, 2022

STANDALONE CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

₹ in crores

	Year ended 31 March, 2022		Year ended 31 March, 2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax		763.16		733.42
Adjustments for :				
Depreciation and amortisation expenses	33.13		29.83	
Allowance for doubtful debts and advances	32.02		81.37	
Unrealised foreign exchange (gain) / loss (net)	3.88		(20.84)	
Provision for diminution in value of investments (net)	0.25		0.86	
Loss on disposal of property, plant and equipment	1.28		0.11	
Finance costs	14.55		19.10	
Interest income	(3.65)		(11.96)	
Dividend income	(7.15)		(26.18)	
Gain arising on financial assets measured at Fair Value through Profit or Loss (FVTPL) (net)	(81.09)		(101.46)	
Financial guarantee contract income	(2.58)		(1.12)	
Unclaimed credit balances written back	(9.70)		(19.03)	
Rental income	(24.70)		(32.81)	
		(43.76)		(82.13)
Operating profit before working capital changes		**719.40**		**651.29**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(381.49)		186.55	
Trade receivables	(83.67)		(77.74)	
Contract assets	54.14		99.12	
Other financial assets	(4.88)		9.79	
Other non-financial assets	(58.35)		214.04	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	631.84		(478.63)	
Contract liabilities	(63.47)		(20.60)	
Other financial liabilities	7.66		4.42	
Other non-financial liabilities	18.44		33.68	
Provisions	31.08		9.97	
		151.30		(19.40)
Cash generated from operations		870.70		631.89
Income tax paid (net of refunds)		(202.20)		(60.88)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**668.50**		**571.01**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment and intangible assets (including capital advances and capital work-in-progress)	(47.32)		(19.05)	
Proceeds from disposal of property, plant and equipment	1.31		1.41	
Investment in fixed deposits	36.27		(8.45)	
Purchase of investments	(1,103.85)		(1,323.89)	
Proceeds from sale of investments	712.82		966.42	
Interest received	8.84		19.47	

STANDALONE CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

₹ in crores

	Year ended 31 March, 2022		Year ended 31 March, 2021	
Dividend received				
– Subsidiaries, associates and joint ventures	2.13		21.35	
– Others	5.02		4.52	
Rent received	25.72		32.33	
Rental Deposits repaid	(11.35)		(5.11)	
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)		**(370.41)**		**(311.00)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of borrowings	(11.00)		(361.00)	
Proceeds from borrowings	35.19		383.26	
Interest paid	(11.51)		(14.67)	
Payment of lease liability	(6.16)		(4.73)	
Dividend paid	(165.39)		(132.35)	
NET CASH FLOW USED IN FINANCING ACTIVITIES (C)		**(158.87)**		**(129.49)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**139.22**		**130.52**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**313.53**		**183.01**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**452.75**		**313.53**
Non-Cash Investing and Financing transaction				
Net gain arising on financial assets measured at FVTPL	71.37		95.57	
Impairment of Investment (net)	0.25		0.86	
Lease liabilities	13.29		5.53	
	84.91		**101.96**	
Cash and cash equivalents at the end of the year consist of:				
Cash and cash equivalents at the end of the year (Refer Note 16)		451.12		313.71
Effect of exchange difference on restatement of foreign currency cash and cash equivalents		1.63		(0.18)
		452.75		**313.53**

Summary of significant accounting policies Note 2

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

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number: 38730
Place: Mumbai
Date: 5 May, 2022

For and on behalf of the Board

Noel Tata
Chairman
Place: Mumbai

Jitender P. Verma
Executive Vice President and Chief Financial Officer
Place: Mumbai

Pradeep Bakshi
Managing Director & CEO
Place: Mumbai

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

Place: Mumbai
Date: 5 May, 2022

NOTES FORMING PART OF THE IND AS STANDALONE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2022

1. CORPORATE INFORMATION

Voltas Limited (the "Company") is a public limited company domiciled in India. The address of its registered office is Voltas House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai 400033.

The Company belongs to the Tata Group of companies and was established in the year 1954. The Company is engaged in the business of air conditioning, refrigeration, electro - mechanical projects as an EPC contractor both in domestic and international geographies (Middle East and Singapore) and engineering product services for mining, water management and treatment, construction equipments and textile industry.

The financial statements for the year ended 31 March, 2022 were approved by the Board of Directors and approved for issue on 5 May, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value as explained in accounting policy of fair value measurement (Note 2(E)) and financial instruments (Note 2 (O)) below.

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

The financial statements are presented in ₹ and all values are rounded to the nearest crores, except when otherwise indicated.

B. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in Note 3.

C. REVENUE

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for certain specific services mentioned below, as it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, which generally coincides with transfer of goods to the transporters. The normal credit term is 7 to 30 days.

The Company provides preventive maintenance services on its certain products at the time of sale. These maintenance services are sold together with the sale of product. Contracts for such sales of product and preventive maintenance services comprise two performance obligations because the promises to transfer the product and to provide the preventive maintenance services are capable of being distinct. Accordingly, a portion of the transaction price is allocated to the preventive maintenance services and recognised as a contract liability. Revenue is recognised over the period in which the preventive maintenance services are provided based on the time elapsed.

Warranty obligation

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section N 'Provisions and Contingencies'.

Revenue from Services

Revenue from services are recognised at the point in time when the services are rendered. Revenue from maintenance contracts are recognised over the period of contract on time elapsed.

In case of mining equipment's long-term maintenance contracts, revenue is recognised over the period of time based on input method where the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of performance obligation.

Agency Commission

The Company procures textile machinery on behalf of its customers. Accordingly, in these arrangements the Company is acting as an agent and record the revenue on net basis.

Revenue from Construction contract

Performance obligation in case of long - term construction contracts is satisfied over a period of time, since the Company creates an asset that the customer controls as the asset is created and the Company has an enforceable right to payment for performance completed to date if it meets the agreed specifications. Revenue from long term construction contracts, where the outcome can be estimated reliably and 20% of the project cost is incurred, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity.

The stage of completion is measured by input method i.e. the proportion that costs incurred to date bear to the estimated total costs of a contract. The total costs of contracts are estimated based on technical and other estimates. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

Contract revenue earned in excess of billing is reflected under as "contract asset" and billing in excess of contract revenue is reflected under "contract liabilities". Retention money receivable from project customers does not contain any significant financing element and are retained for satisfactory performance of contract.

In case of long - term construction contracts payment is generally due upon completion of milestone as per terms of contract. In certain contracts, short-term advances are received before the performance obligation is satisfied.

Dividend and Interest income

Dividend income is recognised when the right to receive payment is established. Interest income is recognised using the effective interest method.

D. CONTRACT BALANCES

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

The amount recognised as contract assets is reclassified to trade receivables once the amounts are billed to the customer as per the terms of the contract. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section P Impairment.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section O Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

E. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

F. EMPLOYEE BENEFITS

(a) Post-employment benefits costs and termination benefits

(i) Defined Contribution Plans

Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions. The Company operates following defined contribution plans:

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

(ii) Defined Benefit Plans

The Company's liabilities towards gratuity, pension and post-retirement medical benefit schemes are determined using the projected unit credit method, with actuarial valuation being carried out at the end of each annual reporting period.

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

Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item "Employee Benefits Expenses". Curtailment gains and losses are accounted for as past service costs.

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans.

(b) Short term and other long term employee benefits

Benefits accruing to employees in respect of wages, salaries and compensated absences and which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employee performs the service that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit expected to be paid in exchange of related service. Where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method at the present value of the estimated future cash flow expected to be made by the Company in respect of services provided by employees up to the reporting date. The Company presents the leave as a current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

G. PROPERTY, PLANT AND EQUIPMENT

Capital work in progress is stated at cost. Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable taxes and any directly attributable cost of bringing an asset to working condition and location for its intended use.

Projects under which the property, plant and equipment is not yet ready for their intended use are carried as capital work in progress at cost determined as aforesaid.

Depreciable amount for assets is the cost of an asset, less its estimated residual value. Depreciation is recognised so as to write off the depreciable amount of assets (other than freehold land and assets under construction) over the useful lives using the straight-line method. The estimated useful lives are as follows:

Assets	Useful life
Factory Building	30 years
Residential Building	60 years
Plant and Equipment	8-15 years
Office Equipment	3-15 years
Furniture and fixtures	10 years
Vehicles	8 years

The useful life as estimated above is aligned to the prescribed useful life specified under Schedule II of the Companies Act, 2013.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

H. INVESTMENT PROPERTY

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The estimated useful lives are as follows:

Assets	Useful life
Residential Building	60 years

The useful life as estimated above is aligned to the prescribed useful life specified under Schedule II of the Companies Act, 2013.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in the period in which the property is derecognised.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

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

I. INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss, if any.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated useful life of intangible assets are as follows:

- Manufacturing Rights and Technical Know-how	: 6 years
- Software	: 5 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

J. FOREIGN CURRENCY

The Company's financial statements are presented in ₹, which is also the Company's functional currency.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

Non-monetary items denominated in a foreign currency are measured at historical cost and translated at exchange rate prevalent at the date of transaction.

K. LEASES

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	99 years
Leasehold building	1-6 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section P Impairment of non-financial assets.

(b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in Interest-bearing borrowings.

(c) Short-term lease s and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office premises and storage locations (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income arising is accounted for a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

L. INVENTORIES

Inventories including Work-in-Progress are valued at cost or net realisable value, whichever is lower, cost being determined on weighted average basis. Cost includes all charges for bringing the goods to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

M. TAXES ON INCOME

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the tax are those that are enacted at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax

Deferred Tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

N. PROVISIONS AND CONTINGENCIES

Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of past event, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranties (Trade Guarantees)

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

Contingencies

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Environment Liabilities

E-Waste (Management) Rules 2016, as amended, requires the Company to complete the Extended Producer Responsibility targets measured based on sales made in the preceding 10th year, if it is a participant in the market during a financial year. Accordingly, the obligation event for e-Waste obligation arises only if Company participate in the markets in those years.

O. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

- **Initial recognition and measurement**

  All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- **Subsequent measurement**

  All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

- **Financial assets at amortised cost**

  Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, loans and other financial assets.

- **Financial assets at fair value through other comprehensive income (FVTOCI)**

  Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the asset's contractual cash flow represents SPPI.

  Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, dividend income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

- **Financial assets at fair value through profit or loss (FVTPL)**

  FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- **Equity Instruments**

  All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, other than investment in Subsidiary, Associates and Joint Ventures, the Company makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

  If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

  Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- **Investments in subsidiaries, joint ventures and associates**

  Investment in subsidiaries, joint ventures and associates are carried at cost in the financial statements.

- **Derecognition**

  The Company derecognises a financial asset when the rights to receive cash flows from the asset have expired or it transfers the right to receive the contractual cash flow on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

Financial liabilities

- **Initial recognition and measurement**

  Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

  All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- **Subsequent measurement**

  The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

- **Financial liabilities at amortised cost**

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- **Financial guarantee contracts**

  Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amount of income recognised in accordance with the principles of Ind AS 115.

- **Derecognition**

  A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

- **Offsetting of financial instruments**

  Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

P. IMPAIRMENT

(a) Financial assets

The Company assessed the expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on the Company's past history of recovery, credit worthiness of the counter party and existing and future market conditions.

For all financial assets other than trade receivables, expected credit losses are measured at an amount equal to the 12-month expected credit loss (ECL) unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. For trade receivables, the Company has applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109 which requires the expected lifetime losses from initial recognition of the receivables.

(b) Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses including impairment on inventories are recognised in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

For contract assets, the Company has applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109 which requires the expected lifetime losses from initial recognition of the contract assets.

Q. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

R. EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

S. SEGMENT REPORTING

Segments are identified based on the manner in which the chief operating decision-maker (CODM) decides about the resource allocation and reviews performance.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/liabilities".

Segment information has been presented in the Consolidated Financial Statements as permitted by Ind AS 108 on Operating Segments, specified under Section 133 of the Companies Act, 2013.

T. CASH DIVIDEND

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

U. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

V. GOVERNMENT GRANTS

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

W. OPERATING CYCLE

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. A portion of the Company's activities (primarily long-term project activities) has an operating cycle that exceeds one year. Accordingly, assets and liabilities related to these long-term contracts, which will not be realised/ paid within one year, have been classified as current. For all other activities, the operating cycle is twelve months.

X. CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2A. RECENT ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23 March, 2022 to amend the following Ind AS which are effective from 01 April, 2022.

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 April, 2022. The amendments are not expected to have a material impact on the Company.

(ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 April, 2022. The amendments are not expected to have a material impact on the Company.

(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April, 2022. The amendments are not expected to have a material impact on the Company.

(iv) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are effective for annual reporting periods beginning on or after 1 April, 2022. The amendments are not expected to have a material impact on the Company.

3. SIGNIFICANT ACCOUNTING, JUDGEMENTS ESTIMATES AND ASSUMPTIONS

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

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

Key sources of estimation uncertainty

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

Cost to complete

Management estimates the costs to complete for each project for the purpose of revenue recognition and recognition of anticipated losses on projects, if any. In the process of calculating the cost to complete, Management conducts regular and systematic reviews of actual results and future projections with comparison against budget. This process requires monitoring controls including financial and operational controls and identifying major risks facing the Company and developing and implementing initiatives to manage those risks. The Company's Management is confident that the costs to complete the projects are fairly estimated.

Percentage of completion

Management's estimate of the percentage of completion on each project for the purpose of revenue recognition is through conducting some weight analysis to assess the actual quantity of the work for each activity performed during the reporting period and estimate any future costs for comparison against the initial project budget. This process requires monitoring of financial and operational controls. Management is of the opinion that the percentage of completion of the projects is fairly estimated.

As required by Ind AS 115, in applying the percentage of completion on its long-term projects, the Company is required to recognise any anticipated losses on it contracts.

Impairment of financial assets and contract assets

The Company's Management reviews periodically items classified as receivables and contract assets to assess whether a provision for impairment should be recorded in the statement of profit and loss. Management estimates the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgement and uncertainty. Details of impairment provision on contract assets and trade receivables are given in Note 14 and Note 15.

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

Fair value measurement of financial instruments

Some of the Company's assets are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about valuation techniques and inputs used in determining the fair value of various assets is disclosed in Note 48.

Litigations

From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made, and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each Balance Sheet date and revisions made for the changes in facts and circumstances. Provision for litigations and contingent liabilities are disclosed in Note 44 (c).

Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. All assumptions are reviewed at each Balance Sheet date and disclosed in Note 45.

Useful lives of property, plant and equipment and intangible assets

The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

Warranty provisions (trade guarantees)

The Company gives warranties for its products, undertaking to repair or replace the product that fail to perform satisfactory during the warranty period. Provision made at the year-end represents the amount of expected cost of meeting such obligations of rectification / replacement which is based on the historical warranty claim information as well as recent trends that might suggest that past cost information may differ from future claims. Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives. Provision towards warranty is disclosed in Note 32.

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

₹ in crores

	Freehold Land	Buildings	Plant and Equipment	Office Equipment	Furniture and fixtures	Vehicles	Transferred to / from Investment property	Total Property, Plant And Equipment
Gross carrying amount								
As at 31 March, 2020	29.51	195.17	156.19	73.56	28.54	2.40	(58.76)	426.61
Additions	-	5.34	18.85	7.38	2.74	-	-	34.31
Disposals	-	1.76	1.69	4.25	0.22	0.20	-	8.12
Transfers in / (out)	-	-	-	-	-	-	(12.02)	(12.02)
As at 31 March, 2021	**29.51**	**198.75**	**173.35**	**76.69**	**31.06**	**2.20**	**(70.78)**	**440.78**
Accumulated depreciation								
As at 31 March, 2020	-	48.08	93.59	45.50	18.93	1.78	(13.42)	194.46
Charge for the year	-	4.24	9.26	7.60	1.73	0.11	(1.14)	21.80
Disposals	-	0.71	1.61	3.92	0.17	0.19	-	6.60
Transfers in / (out)	-	-	-	-	-	-	(0.67)	(0.67)
As at 31 March, 2021	**-**	**51.61**	**101.24**	**49.18**	**20.49**	**1.70**	**(15.23)**	**208.99**
Net carrying amount as at 31 March, 2021	**29.51**	**147.14**	**72.11**	**27.51**	**10.57**	**0.50**	**(55.55)**	**231.79**
Gross carrying amount								
As at 31 March, 2021	29.51	198.75	173.35	76.69	31.06	2.20	(70.78)	440.78
Additions	-	5.44	4.95	6.15	0.71	1.12	-	18.37
Disposals	-	0.79	17.61	2.96	0.55	0.40	(2.03)	20.28
Transfers in / (out)	-	-	-	-	-	-	(0.95)	(0.95)
As at 31 March, 2022	**29.51**	**203.40**	**160.69**	**79.88**	**31.22**	**2.92**	**(69.70)**	**437.92**
Accumulated depreciation								
As at 31 March, 2021	-	51.61	101.24	49.18	20.49	1.70	(15.23)	208.99
Charge for the year	-	4.40	9.58	8.06	1.78	0.08	(1.09)	22.81
Disposals	-	0.15	16.31	2.56	0.53	0.16	(0.34)	19.37
Transfers in / (out)	-	-	-	-	-	-	(0.40)	(0.40)
As at 31 March, 2022	**-**	**55.86**	**94.51**	**54.68**	**21.74**	**1.62**	**(16.38)**	**212.03**
Net carrying amount as at 31 March, 2022	**29.51**	**147.54**	**66.18**	**25.20**	**9.48**	**1.30**	**(53.32)**	**225.89**

Footnotes :

(a) Buildings includes ₹ 0.0016 crore (31 March, 2021: ₹ 0.0016 crore) being cost of shares and bonds in Co-operative Housing Societies.

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

(b) Title deeds of Immovable Property not held in the name of the Company

₹ in crores

Relevant line item in Balance sheet	Description of item of property	Gross carrying value		Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
		As at 31 March, 2022	As at 31 March, 2021				
PPE	**Building** 16 Flats in Tata Colony, Lallubhai Park, Andheri (W), Mumbai 400063	0.06	0.06	Tata Services Limited	Group Company	31 August, 1965	These flats are constructed on land owned by Tata Services Limited in line with arrangement amongst Tata Services Limited and Tata Group of companies (incl. Voltas Limited) Pending certain procedural aspects, title to the undivided share of land relating to the flats owned by Voltas Limited has not yet been transferred in the name of Voltas Limited.
	Building Pantnagar	8.90	8.03	Universal Comfort Products Limited	Group Company	11 September, 2020	This building was acquired pursuant to a scheme of amalgamation and continued to be registered in the name of amalgamating company. However, the deed of merger has been registered by the Company.
	Land and Building Sanathnagar Hyderabad	6.32	3.82	Allwyn Metal Works Ltd	Group Company	1 April, 1994	These properties were acquired pursuant to a scheme of amalgamation and continued to be registered in the name of amalgamating Company. However, the deed of merger has been registered by the Company.

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

₹ in crores

Relevant line item in Balance sheet	Description of item of property	Gross carrying value As at 31 March, 2022	Gross carrying value As at 31 March, 2021	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Right of use assets	**Building** Voltas House, 23 J N Heredia Marg, Ballard Estate, Mumbai -400001	0.23	0.23	Bombay Port Trust	Others	15 June, 2017	The said building was taken on lease by the Company from Bombay Port Trust. The Lease has expired on 14 June, 2017. The Company has submitted an application for renewal (in accordance with contractual right) of lease on 15 December, 2016.
	Leasehold land Pantnagar	2.56	2.56	Universal Comfort Products Limited	Group Company	11 September, 2020	This land was acquired pursuant to a scheme of amalgamation and continued to be registered in the name of amalgamating company. However, the deed of merger has been registered by the Company.

(c) (i) Capital Work-In-Progress (CWIP) Ageing Schedule

As at 31 March, 2022

₹ in crores

Particulars	<1 year	1-2 years	2-3 years	> 3 years	Total
(a) Projects in progress	57.27	1.45	0.45	0.12	59.29
(b) Projects temporarily suspended	-	-	-	-	-
	57.27	**1.45**	**0.45**	**0.12**	**59.29**

As at 31 March, 2021

₹ in crores

Particulars	<1 year	1-2 years	2-3 years	> 3 years	Total ₹ in crores
(a) Projects in progress	3.49	2.61	2.71	-	8.81
(b) Projects temporarily suspended	-	-	-	-	-
	3.49	**2.61**	**2.71**	**-**	**8.81**

5. INVESTMENT PROPERTY

₹ in crores

	Freehold Land	Buildings	Total
Gross carrying amount			
As at 31 March, 2020	0.14	58.62	58.76
Additions	-	-	-
Transfers in / (out)	-	12.02	12.02
As at 31 March, 2021	**0.14**	**70.64**	**70.78**

5. INVESTMENT PROPERTY (Contd.)

₹ in crores

	Freehold Land	Buildings	Total
Accumulated depreciation			
As at 31 March, 2020	-	13.42	13.42
Charge for the year	-	1.14	1.14
Transfers in / (out)	-	0.67	0.67
As at 31 March, 2021	**-**	**15.23**	**15.23**
Net carrying amount as at 31 March, 2021	**0.14**	**55.41**	**55.55**
Gross carrying amount			
As at 31 March, 2021	0.14	70.64	70.78
Additions	-	-	-
Disposals	-	2.03	2.03
Transfers in / (out)	-	0.95	0.95
As at 31 March, 2022	**0.14**	**69.56**	**69.70**
Accumulated depreciation			
As at 31 March, 2021	-	15.23	15.23
Charge for the year	-	1.09	1.09
Disposals	-	0.34	0.34
Transfers in / (out)	-	0.40	0.40
As at 31 March, 2022	**-**	**16.38**	**16.38**
Net carrying amount as at 31 March, 2022	**0.14**	**53.18**	**53.32**

Footnotes :

(1) The amount included in transfers in / (out) represents the assets transferred from Property, Plant and Equipment (PPE) to Investment Property when it is held for the purpose of earning rental income / capital appreciation.

(2) Amount recognised in Statement of profit and loss in relation to investment properties are as follows:

₹ in crores

Particulars	**Year ended 31 March, 2022**	**Year ended 31 March, 2021**
Rental income	24.70	32.81
Direct operating expenses (including repairs and maintenance) generating rental income (net of recoveries)	1.44	1.30
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income	4.87	3.16
Profit from investment properties before depreciation and indirect expenses	**18.39**	**28.35**
Depreciation	1.09	1.14
Profit arising from investment properties before indirect expenses	**17.30**	**27.21**

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

₹ in crores

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Land	117.66	128.36
Building	696.05	682.94
	813.71	**811.30**

The fair value of the investment properties have been derived using the market comparable approach (market value method / sale comparison technique) based on recent market prices without any significant adjustments being made to the market observable data. The valuation was carried out by an independent valuer registered and is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 . Accordingly, fair value estimates for investment properties are classified as level 3.

The Company has no restriction on the realisability of its Investment properties and no contractual obligation to construct and develop investment properties.

6. RIGHT-OF-USE ASSETS

₹ in crores

	Leasehold Land	Leasehold Buildings	Total Right-of-use assets
Gross carrying amount			
As at 31 March, 2020	5.69	12.66	18.35
Additions	-	1.66	1.66
As at 31 March, 2021	**5.69**	**14.32**	**20.01**
Accumulated depreciation			
As at 31 March, 2020	0.83	4.55	5.38
Charge for the year	0.06	3.73	3.79
As at 31 March, 2021	**0.89**	**8.28**	**9.17**
Net carrying amount as at 31 March, 2021	**4.80**	**6.04**	**10.84**
Gross carrying amount			
As at 31 March, 2021	5.69	14.32	20.01
Additions	-	11.77	11.77
As at 31 March, 2022	**5.69**	**26.09**	**31.78**
Accumulated depreciation			
As at 31 March, 2021	0.89	8.28	9.17
Charge for the year	0.06	5.90	5.96
As at 31 March, 2022	**0.95**	**14.18**	**15.13**
Net carrying amount as at 31 March, 2022	**4.74**	**11.91**	**16.65**

7. INTANGIBLE ASSETS

₹ in crores

	Manufacturing Rights & Technical Know-how	Software	Total Intangible Assets
Gross carrying amount			
As at 31 March, 2020	10.04	54.15	64.19
Additions	-	2.17	2.17
Disposals	-	0.27	0.27
As at 31 March, 2021	**10.04**	**56.05**	**66.09**
Amortisation			
As at 31 March, 2020	10.04	44.98	55.02
Charge for the year	-	3.10	3.10
Disposals	-	0.26	0.26
As at 31 March, 2021	**10.04**	**47.82**	**57.86**
Net carrying amount as at 31 March, 2021	**-**	**8.23**	**8.23**

7. INTANGIBLE ASSETS (Contd.)

₹ in crores

	Manufacturing Rights & Technical Know-how	Software	Total Intangible Assets
Gross carrying amount			
As at 31 March, 2021	10.04	56.05	66.09
Additions	-	2.05	2.05
Disposals	1.16	0.16	1.32
As at 31 March, 2022	**8.88**	**57.94**	**66.82**
Amortisation			
As at 31 March, 2021	10.04	47.82	57.86
Charge for the year	-	3.27	3.27
Disposals	1.16	0.16	1.32
As at 31 March, 2022	**8.88**	**50.93**	**59.81**
Net carrying amount as at 31 March, 2022	**-**	**7.01**	**7.01**

8. INVESTMENTS

₹ in crores

	Currency	Face Value	As at 31 March, 2022		As at 31 March, 2021	
			No.	₹ in crores	No.	₹ in crores
8 (i) Non-current Investments						
A Investments in Subsidiaries, Joint Ventures & Associates						
(Fully paid Unquoted Equity Instruments)						
1 Investments in Subsidiary Companies (at cost less impairment unless otherwise stated):						
Weathermaker FZE, UAE (formerly known as Weathermaker Limited) (previous year currency : USD)	AED	15,00,000	1	3.07	4,08,441	3.07
Voltas Netherlands B.V.	EURO	45	13,635	2.65	13,635	2.65
Lalbuksh Voltas Engineering Services and Trading L.L.C, Muscat, Sultanate of Oman	RO	1	50,000	0.08	50,000	0.08
Agro Foods Punjab Limited (Refer footnote 8 (a)) (Beneficial rights transferred pending transfer of shares)	₹	100	2,80,000	-	2,80,000	-
Auto Aircon (India) Limited (Refer footnote 8 (g))	₹	10	-	-	1,19,50,000	6.30
Westerwork Engineers Limited (Under Liquidation)	₹	100	9,600	1.09	9,600	1.09
Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited) (Refer footnote 8 (f))	₹	10	15,18,25,782	294.20	15,18,25,782	291.62
Hi-Volt Enterprises Private Limited	₹	10	10,000	0.01	-	-
Saudi Ensas Company for Engineering Services W.L.L., Saudi Arabia	SR	100	2,41,360	27.62	2,41,360	27.62
Gross Investments in Subsidiary Companies				328.72		332.43
Less : Impairment in value of Investments (#)				61.28		67.58
				267.44		**264.85**
(#) Impairment in value of Investments pertains to :						
Auto Aircon (India) Limited				-		6.30

8. INVESTMENTS (Contd.)

₹ in crores

		Currency	Face Value	As at 31 March, 2022		As at 31 March, 2021	
				No.	₹ in crores	No.	₹ in crores
	Westerwork Engineers Limited (Under Liquidation)				1.09		1.09
	Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited)				32.57		32.57
	Saudi Ensas Company for Engineering Services W.L.L., Saudi Arabia				27.62		27.62
					61.28		**67.58**
2	**Investments in Joint Ventures:**						
	(at cost less impairment unless otherwise stated):						
	Voltas Water Solutions Private Limited (Under Liquidation)	₹	10	28,41,500	2.85	28,41,500	2.85
	Olayan Voltas Contracting Company Limited, Saudi Arabia	SR	100	50,000	7.11	50,000	7.11
	Share Application Money - Olayan Voltas				13.13		13.13
	Voltbek Home Appliances Private Limited	₹	10	50,32,34,900	503.23	41,01,34,900	410.13
	Gross Investments in Joint Ventures				526.32		433.22
	Less : Impairment in value of Investments (#)				23.08		22.83
					503.24		**410.39**
	(#) Impairment in value of Investments pertains to :						
	Voltas Water Solutions Private Limited				2.85		2.85
	Olayan Voltas Contracting Company Limited, Saudi Arabia				20.23		19.98
					23.08		**22.83**
3	**Investments in Associate Companies:**						
	(at cost less impairment unless otherwise stated):						
	Brihat Trading Private Limited	₹	10	3,352	*	3,352	*
	Terrot GmbH, Germany (Refer footnote 8 (e))	EURO	1	-	-	2,60,900	1.56
	Naba Diganta Water Management Limited	₹	10	47,97,000	4.80	47,97,000	4.80
	Gross Investments in Associates				4.80		6.36
	Less : Impairment in value of Investments - Terrot GmbH				-		1.56
					4.80		**4.80**
B	**Investments in Other Companies (Investments at Fair Value through Other Comprehensive Income) (Refer footnote 8 (d))**						
1	**Fully Paid Unquoted Equity Instruments:**						
	Lakshmi Ring Travellers (Coimbatore) Limited	₹	10	1,20,000	34.55	1,20,000	40.64
	Agrotech Industries Limited	USD	1	3,67,500	-	3,67,500	-
	Tata International Limited	₹	1,000	15,000	33.90	15,000	33.90
	Tata Services Limited (Refer footnote 8 (b))	₹	1,000	448	0.04	448	0.04
	Tata Industries Limited (Refer footnote 8 (b))	₹	100	13,05,720	20.72	13,05,720	20.72
	Tata Projects Limited (Refer footnote 8 (h))	₹	5	1,10,62,170	298.72	1,35,000	178.41
	Premium Granites Limited	₹	10	4,91,220	-	4,91,220	-

8. INVESTMENTS (Contd.)

₹ in crores

	Currency	Face Value	As at 31 March, 2022		As at 31 March, 2021	
			No.	₹ in crores	No.	₹ in crores
OMC Computers Limited	₹	10	4,04,337	-	4,04,337	-
Avco Marine S.a.S, France	EURO	10	1,910	-	1,910	-
Voltas Employees Consumers Co-operative Society Limited	₹	10	750	*	750	*
Saraswat Co-operative Bank Limited	₹	10	10	*	10	*
Super Bazar Co-operative Stores Limited	₹	10	500	*	500	*
				387.93		**273.71**
2 Fully Paid Quoted Equity Instruments :						
Lakshmi Automatic Loom Works Limited	₹	10	6,15,200	-	6,15,200	-
Tata Chemicals Limited	₹	10	2,00,440	19.54	2,00,440	15.06
Tata Consumer Products Limited	₹	1	2,28,501	17.76	2,28,501	14.59
Lakshmi Machine Works Limited	₹	10	5,79,672	558.20	5,79,672	393.54
Reliance Industries Limited (Refer footnote 8 (c))	₹	10	2,640	-	2,640	-
				595.50		**423.19**
C Investment in Preference Shares						
Fully Paid UNQUOTED:						
In Other Companies (at amortised cost)						
Tata Capital Limited						
7.50% Cumulative Redeemable Preference Shares	₹	1,000	2,50,000	25.00	2,50,000	25.00
7.10% Cumulative Redeemable Preference Shares	₹	1,000	2,00,000	20.00	2,00,000	20.00
7.33% Cumulative Redeemable Preference Shares	₹	1,000	50,000	5.00	50,000	5.00
				50.00		**50.00**
D Investment in Unquoted Mutual funds (at fair value through profit or loss)				**1,700.94**		**1,531.73**
E (i) Investment in Debenture/Bonds (at amortised cost)						
Fully Paid QUOTED:						
The Tata Power Company Limited						
10.75% Non Convertible Debentures	₹	10,00,000	-	-	500	52.98
Rural Electrification Corporation Limited :						
8.01% Tax Free Bonds	₹	1,000	50,000	5.26	50,000	5.34
7.17% Tax Free Bonds	₹	10,00,000	70	7.37	70	7.42
5.75% Tax Free Bonds	₹	10,000	500	0.53	500	0.53
8.18% Tax Free Bonds	₹	10,00,000	50	5.31	50	5.37
National Housing Bank						
8.26% Tax Free Non Convertible Debentures	₹	5,000	18,049	9.49	18,049	9.65
Housing and Urban Development Corporation Limited						
8.51% Tax Free Bonds	₹	1,000	1,50,000	15.84	1,50,000	16.13
7.07% Tax Free Non Convertible Debentures	₹	10,00,000	50	5.30	50	5.33
Indian Railway Finance Corporation Limited						
8.35% Tax Free Bonds	₹	10,00,000	250	27.69	250	28.06
Tata International Limited						
9.85% Non Convertible Debentures	₹	10,00,000	-	-	500	49.99
Tata Motors Finance Limited						

8. INVESTMENTS (Contd.)

₹ in crores

	Currency	Face Value	As at 31 March, 2022		As at 31 March, 2021	
			No.	₹ in crores	No.	₹ in crores
11.50% Non Convertible Debentures	₹	10,00,000	500	54.50	500	54.50
				131.29		**235.30**
(ii) Investment in Debenture/Bonds (at fair value through profit or loss)						
TMF Holdings Limited						
7.2962% Perpetual Non Convertible Debentures	₹	10,00,000	500	49.39	-	-
				49.39		-
F Investment in Others :						
Government Securities	₹			*		*
				*		*
Total : Non-current Investments - Net				**3,690.53**		**3,193.97**
Footnotes :						
(i) Aggregate value of Quoted Investments and market value thereof				776.18		658.49
(ii) Aggregate value of Unquoted Investments				2,998.71		2,627.45
(iii) Aggregate value of impairment in value of investments				84.36		91.97

Abbreviations for Currencies :

₹ : Indian Rupees — SR : Saudi Riyal — AED : United Arab Emirates Dirhams

RO : Omani Rial — USD : United States Dollar — EURO : European Union Currency

* value below ₹ 50,000/-

Footnotes:

8 (a) Under a loan agreement for ₹ 0.60 crore (fully drawn and outstanding) entered into between Agro Foods Punjab Ltd. (AFPL) and the Punjab State Industrial Development (PSIDC), the Company has given an undertaking to PSIDC that it will not dispose off its shares in AFPL till the monies under the said loan agreement between PSIDC and AFPL remain due and payable by AFPL to PSIDC. During 1998-99, the Company had transferred its beneficial rights in the shares of AFPL.

8 (b) For these unquoted investments categorised under Level 3, their respective cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

8 (c) In respect of the Company's investment in 2,640 equity shares of Reliance Industries Ltd., there is an Injunction Order passed by the Court in Kanpur restraining the transfer of these shares. The share certificates are, however, in the possession of the Company. Pending disposal of the case, dividend and fair value of these shares have not been recognised.

8 (d) Investments at Fair Value Through Other Comprehensive Income (FVTOCI) reflect investment in quoted and unquoted equity securities. These equity shares are designated as FVTOCI as they are not held for trading purpose and are not in similar line of business as the Company, thus disclosing their fair value change in profit and loss will not reflect the purpose of holding.

8 (e) During the year, on account of corporate actions including the announcement of fresh issue by Terrot GmbH, to which Company had not made any subscription and accordingly, the Company shareholding has reduced to Nil. Therefore, Terrot GmbH is no longer an associate of the Company.

8 (f) The Company has conducted its annual impairment assessment of the investment in wholly owned subsidiary Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited). The recoverable amount has been determined using the value in use method and calculated based on future cashflows for next five years after considering

8. INVESTMENTS (Contd.)

the order book position, current and anticipated economic conditions and trends, estimated future operating results and growth rates. The cash flows beyond five years are extrapolated using a steady growth rate of 5% per annum. Key assumptions for the value in use calculations includes discount rate of 12.49% per annum (PY : 11.20% per annum) applied to arrive at present value of the cash flows. The discount rate represents the weighted average cost of capital adjusted for the risk specific to the Investment and appropriate industrial beta has been applied (based on the comparative companies data) to arrive at the discount rate.

8 (g) During the curent year, Auto Aircon (India) Limited, a dormant wholly-owned subsidiary of the Company, has been struck off from Registrar of Companies records w.e.f. 8 September, 2021 and accordingly investment has been written off by utilising impairment allowance.

8 (h) During the year, Tata Projects Limited has split the face value of equity shares from ₹100/- each to face value of ₹ 5/- each. Further, the Company has received 54,00,000 shares as bonus shares. Additionally, the Company has subsribed to the Rights issue of 29,62,170 equity shares at designated Rights issue price.

₹ in crores

	Currency	Face Value	As at 31 March, 2022		As at 31 March, 2021	
			No.	₹ in crores	No.	₹ in crores
8 (ii) Current Investments						
A Investment in Debenture/Bonds (at amortised cost)						
Fully Paid QUOTED:						
The Tata Power Company Limited					-	-
10.75% Non Convertible Debentures	₹	10,00,000	500	52.52		
Tata International Limited						
9.85% Non Convertible Debentures	₹	10,00,000	500	50.57		
Tata Steel Limited						
11.50% Perpetual Non Convertible Debentures	₹	10,00,000	-	-	292	29.21
Tata AIG General Insurance Co. Limited						
8.52% Non Convertible Debentures	₹	10,00,000	-	-	30	2.96
Housing and Urban Development Corporation Limited						
8.10% Tax Free Bonds	₹	1,000	-	-	2,53,400	25.84
				103.09		**58.01**
B Investment in Unquoted Mutual funds (at fair value through profit or loss)				**291.18**		**191.31**
C Investment in Inter Corporate Deposits (at amortised cost) :						
LIC Housing Finance Limited	₹		-	40.00	-	-
Total Current investments				**434.27**		**249.32**
Footnotes :						
(i) Aggregate value of Quoted investments and market value thereof				103.09		58.01
(ii) Aggregate value of Unquoted investments				331.18		191.31
(iii) Aggregate value of impairment in value of investments				-		-

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

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Loans to Employees (Unsecured, considered good)	0.10	0.17
Total non-current loans	**0.10**	**0.17**

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

₹ in crores

			As at 31 March, 2022	As at 31 March, 2021
(a)	Security deposits		6.36	10.71
(b)	Deposits with customers / others		4.67	5.42
(c)	Fixed deposits with remaining maturity of more than 12 months		64.55	72.43
(d)	Others		15.41	15.41
	Less: Impairment Allowance		15.41	15.41
Total other financial assets (Non-current)			**75.58**	**88.56**
Footnotes :				
(1)	Break up of security details of other financial assets (non-current)			
	(i)	Unsecured, considered good	75.58	88.56
	(ii)	Credit impaired	15.41	15.41
			90.99	**103.97**
(2)	Impairment Allowance			
	(i)	Unsecured, considered good	-	-
	(ii)	Credit impaired	15.41	15.41
			15.41	**15.41**

11. DEFERRED TAX

(a) The following is the analysis of deferred tax assets / (liabilities) presented in the Balance Sheet.

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Deferred tax assets	141.81	134.72
Deferred tax liabilities	(154.16)	(118.64)
Deferred Tax Assets / (Liabilites) (net)	**(12.35)**	**16.08**
Reconciliation of deferred tax assets / (liabilites) (net):		
Opening balance	16.08	24.34
Tax income/(expense) during the period recognised in profit or loss	(5.27)	13.36
Tax income/(expense) during the period recognised in OCI	(23.16)	(21.62)
Closing balance	**(12.35)**	**16.08**

11. DEFERRED TAX (Contd.)

(b) The balance comprise temporary differences attributable to:

₹ in crores

	As at 31 March, 2021	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	As at 31 March, 2022
Provision for employee benefits (including Voluntary Retirement Scheme)	35.85	(1.86)	4.38	38.37
Allowance for receivables, loans and advances	77.92	(0.80)	-	77.12
Provision for contingencies and claims	8.04	2.80	-	10.84
Unpaid statutory liabilities	3.31	0.46	-	3.77
Government Grants	1.70	0.13	-	1.83
Estimated loss on projects	0.98	(0.20)	-	0.78
Free Maintenance services	6.06	(0.33)	-	5.73
Others	0.86	2.51	-	3.37
Deferred Tax Assets	**134.72**	**2.71**	**4.38**	**141.81**
Property, plant and equipment and intangible assets	(30.78)	(1.02)	-	(31.80)
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(60.47)	-	(27.54)	(88.01)
Unrealised gains on fair valuation of Mutual funds	(27.39)	(6.96)	-	(34.35)
Deferred Tax Liabilities	**(118.64)**	**(7.98)**	**(27.54)**	**(154.16)**
Deferred Tax Assets / (Liabilities) (net)	**16.08**	**(5.27)**	**(23.16)**	**(12.35)**

₹ in crores

	As at 31 March, 2020	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	As at 31 March, 2021
Provision for employee benefits (including Voluntary Retirement Scheme)	38.55	(0.72)	(1.98)	35.85
Allowance for receivables, loans and advances	60.98	16.94	-	77.92
Provision for contingencies and claims	7.34	0.70	-	8.04
Unpaid statutory liabilities	3.61	(0.30)	-	3.31
Government Grants	1.39	0.31	-	1.70
Estimated loss on projects	1.58	(0.60)	-	0.98
Free Maintenance services	5.17	0.89	-	6.06
Others	0.18	0.68	-	0.86
Deferred Tax Assets	**118.80**	**17.90**	**(1.98)**	**134.72**
Property, plant and equipment and intangible assets	(29.02)	(1.76)	-	(30.78)
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(40.83)	-	(19.64)	(60.47)
Unrealised gains on fair valuation of Mutual funds	(24.61)	(2.78)	-	(27.39)
Deferred Tax Liabilities	**(94.46)**	**(4.54)**	**(19.64)**	**(118.64)**
Deferred Tax Assets (net)	**24.34**	**13.36**	**(21.62)**	**16.08**

12. OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(a)	Balance with Government Authorities	70.00	70.58
(b)	Capital advances	23.09	38.78
(c)	Advance to suppliers	1.07	1.07
(d)	Others	5.82	4.16
	Less: Impairment Allowance	4.88	5.34
Total other non-current assets		**95.10**	**109.25**
Footnote :			
Impairment Allowance pertains to :			
(a)	Balance with Government Authorities	3.89	3.89
(b)	Advance to suppliers	0.99	1.07
(c)	Others	-	0.38
	Total	**4.88**	**5.34**

13. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(a)	Raw materials and Components	561.89	358.65
(b)	Work-in-progress	7.43	10.40
(c)	Finished goods	597.41	365.38
(d)	Stock-in-trade	488.66	539.45
(e)	Stores and spares	-	0.02
Total Inventories		**1,655.39**	**1,273.90**
Inventories includes goods-in-transit:			
(a)	Raw materials and Components	49.56	88.65
(b)	Finished goods	-	2.08
(c)	Stock-in-trade	144.21	9.88
Total goods-in-transit		**193.77**	**100.61**

Footnote :		
Provision / (reversal) for write-down on value of inventory recognised in statement of profit and loss	(10.83)	27.52

14. CONTRACT ASSETS (CURRENT) (UNSECURED)

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Amount due from customers under construction contracts	658.19	712.33
Less: Impairment Allowance	81.76	64.22
Contract assets (Current) (net)	**576.43**	**648.11**
Footnotes :		
(1) Break up of security details		
(i) Unsecured, considered good	639.23	700.28
(ii) Contract assets - credit impaired	18.96	12.05
	658.19	**712.33**
Less: Impairment Allowance	81.76	64.22
	576.43	**648.11**

(2) Contract assets are initially recognised for revenue earned from electro mechanical projects contracts as receipt of consideration that is conditional on successful completion of project milestone. Upon completion of milestone and acceptance/certification by the customer, the amounts recognised as contract assets are reclassified to trade receivables. At 31 March, 2022, contract assets balances have decreased as compared to 31 March, 2021 on account of certification of work by the customers.

15. TRADE RECEIVABLES (CURRENT) (AT AMORTISED COST) (UNSECURED)

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Trade receivables	1,720.22	1,672.80
Less: Impairment Allowance	199.99	220.52
Trade receivables (net)	**1,520.23**	**1,452.28**
Footnotes :		
(1) Break up of security details		
(i) Unsecured, considered good	1,601.21	1,565.37
(ii) Trade Receivables - credit impaired	119.01	107.43
	1,720.22	**1,672.80**
Less: Impairment Allowance	199.99	220.52
	1,520.23	**1,452.28**

(2) Trade receivables has increased mainly on account of higher sales made in the month of March 2022 in unitary cooling for comfort and commercial use segment compared to sales made in comparative month of March 2021.

(3) Trade receivables are non interest bearing and are generally on terms of 7 to 30 days in case of sale of products and in case of long term construction contracts, payment is generally due upon completion of milestone as per terms of contract. In certain contracts, short term advances are received before the performance obligation is satisfied.

(4) The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables and contract assets. The Company follows the simplified approach for recognition of impairment allowance on trade receivables and contract assets. The application of the simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment allowance based on lifetime ECLs at each reporting date. ECL impairment loss allowance (or reversal) recognised during the period is recognised in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

(5) **Movement in impairment allowance on trade receivables and contract assets**

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Balance at the beginning of the year	284.74	221.62
Allowances / (write back) during the year	32.02	77.17
Written off against past provision	(35.01)	(14.05)
Balance at the end of the year	**281.75**	**284.74**

15. TRADE RECEIVABLES (CURRENT) (AT AMORTISED COST) (UNSECURED) (Contd.)

(6) **Trade receivables (current) ageing :**

As at 31 March, 2022

₹ in crores

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade Receivables - Considered Good	805.36	488.35	148.33	52.77	53.62	19.83	1,568.26
(ii) Undisputed Trade Receivables - Considered Doubtful	-	-	-	0.12	3.14	87.64	90.90
(iii) Disputed Trade Receivables - Considered Good	-	-	-	10.31	7.64	15.01	32.96
(iv) Disputed Trade Receivables - Considered Doubtful	-	-	-	-	0.14	27.96	28.10
Total : Trade receivables (Current)	**805.36**	**488.35**	**148.33**	**63.20**	**64.54**	**150.44**	**1,720.22**

As at 31 March, 2021

₹ in crores

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade Receivables - Considered Good	747.86	528.65	67.44	46.82	71.46	86.70	1,548.93
(ii) Undisputed Trade Receivables - Considered Doubtful	-	-	-	1.70	4.83	66.47	73.00
(iii) Disputed Trade Receivables - Considered Good	-	-	-	-	-	16.44	16.44
(iv) Disputed Trade Receivables - Considered Doubtful	-	-	-	0.22	0.14	34.07	34.43
Total : Trade receivables (Current)	**747.86**	**528.65**	**67.44**	**48.74**	**76.43**	**203.68**	**1,672.80**

16. CASH AND CASH EQUIVALENTS

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Cash on hand	0.03	-
Cheques on hand	14.77	13.97
Remittance in-transit	-	0.07
Balances with banks		
- On current accounts	436.32	289.64
- Fixed deposits with maturity less than 3 months	-	10.03
Total Cash and cash equivalents	**451.12**	**313.71**

Footnotes :

(a) At 31 March, 2022, the Company had available ₹ 499.76 crores (31 March, 2021: ₹ 342.96 crores) of undrawn committed borrowing facilities. Sanction limits of domestic operations are secured against inventories, receivables and other current assets.

(b) The changes in liabilities arising from financing activities :

₹ in crores

	Borrowings	Lease liabilities
Opening balance	101.84	6.62
Cash flows	24.19	(6.16)
New leases	-	11.77
Foreign exchange management	0.01	-
Accretion of interest	-	1.52
Closing balance	**126.04**	**13.75**

(c) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts .

17. OTHER BALANCES WITH BANKS

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Earmarked balances - unpaid dividend Accounts	7.79	7.73
Margin money	4.98	2.91
Total Other Bank balances	**12.77**	**10.64**

Footnote :

Margin money deposit is against bank guarantee given to Government authorities.

18. LOANS (CURRENT) (AT AMORTISED COST)

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Loans to employees (Unsecured, considered good)	1.91	1.30
Total loans (Current)	**1.91**	**1.30**

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

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(a)	Security deposits	17.92	18.37
(b)	Due from related parties	29.42	35.60
(c)	Interest accrued	4.87	10.06
(d)	Fixed deposits with remaining maturity of less than12 months	0.04	30.49
(e)	Others		
	- Considered good	58.14	42.64
	- Credit impaired	4.00	3.92
	Less: Impairment Allowance	4.00	3.92
Total other financial assets (Current)		**110.39**	**137.16**

20. OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(a)	Balance with Government Authorities	83.08	74.23
(b)	Advance to suppliers	97.29	46.72
(c)	Gratuity fund (Refer Note 45)	-	9.95
(d)	Prepaid expense	29.99	18.46
(e)	Others		
	- Considered good	11.19	15.10
	- Credit impaired	0.46	0.27
	Less: Impairment Allowance	0.46	0.27
Total other current assets		**221.55**	**164.46**

21. SHARE CAPITAL

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Authorised:		
1,10,00,00,000 (31 March, 2021: 1,10,00,00,000) Equity Shares of ₹ 1/- each	110.00	110.00
40,00,000 (31 March, 2021: 40,00,000) Preference Shares of ₹ 100/- each	40.00	40.00
	150.00	**150.00**
Issued, Subscribed and Paid up:		
33,08,84,740 (31 March, 2021: 33,08,84,740) Equity Shares of ₹ 1/- each	33.09	33.09
Less : Calls-in-Arrears [1,22,500 shares (31 March, 2021: 1,22,500 shares) [Refer footnote 21 (d)]	0.01	0.01
Total share capital	**33.08**	**33.08**

Footnotes:

Terms / Rights attached to equity shares

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

21. SHARE CAPITAL (Contd.)

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

	Equity Share Capital			
	As at 31 March, 2022		As at 31 March, 2021	
	Numbers	₹ in crores	Numbers	₹ in crores
Shares outstanding at the beginning of the year	33,08,84,740	33.08	33,08,84,740	33.08
Shares outstanding at the end of the year	33,08,84,740	33.08	33,08,84,740	33.08

(c) Details of equity shares held by shareholders holding more than 5% shares in the Company:

Name of Shareholder	Class of Shares	Equity Share Capital			
		As at 31 March, 2022		As at 31 March, 2021	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
Tata Sons Private Limited	Equity	8,81,31,780	26.64	8,81,31,780	26.64

(d) As per the records of the Company, no calls remained unpaid by the Directors and Officers of the Company as on 31 March, 2022 (31 March, 2021 : Nil).

(e) Details of shares held by promoter / promoter group*

Description	As at 31 March, 2022					
	Name of the promoter / promoter group*	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 1 each fully paid	Tata Sons Private Limited	8,81,31,780	-	8,81,31,780	26.64%	-
	Tata Investment Corporation Limited*	99,62,330	-	99,62,330	3.01%	
	Ewart Investments Limited*	19,25,950	-	19,25,950	0.58%	
	The Tata Power Company Limited*	2,33,420	-	2,33,420	0.07%	
Total		**10,02,53,480**	**-**	**10,02,53,480**	**30.30%**	**-**

Description	As at 31 March, 2021					
	Name of the promoter / promoter group*	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 1 each fully paid	Tata Sons Private Limited	8,81,31,780	-	8,81,31,780	26.64%	-
	Tata Investment Corporation Limited*	99,62,330	-	99,62,330	3.01%	
	Ewart Investments Limited*	19,25,950	-	19,25,950	0.58%	
	The Tata Power Company Limited*	2,33,420	-	2,33,420	0.07%	
Total		**10,02,53,480**	**-**	**10,02,53,480**	**30.30%**	**-**

22. OTHER EQUITY

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(1)	Capital Reserve	12.25	12.25
(2)	Capital Redemption Reserve	1.26	1.26
(3)	Securities Premium	6.28	6.28
(4)	General Reserve	1,426.83	1,406.83
(5)	Staff Welfare Reserve	0.01	0.01
(6)	Equity instruments fair value through other comprehensive income	805.85	626.85
(7)	Retained Earnings	3,283.14	2,898.14
Total other equity		**5,535.62**	**4,951.62**

Movements in Other Equity

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(1)	**Capital Reserve**		
	- As per last Balance Sheet	**12.25**	**12.25**
(2)	**Capital Redemption Reserve**		
	- As per last Balance Sheet	**1.26**	**1.26**
(3)	**Securities Premium**		
	- As per last Balance Sheet	6.28	6.28
	- Received during the year	-	-
	- Closing Balance	**6.28**	**6.28**
(4)	**General Reserve**		
	- As per last Balance Sheet	1,406.83	1,386.83
	- Transfer from retained earnings	20.00	20.00
	- Closing Balance	**1,426.83**	**1,406.83**
(5)	**Staff Welfare Reserve**		
	- As per last Balance Sheet	**0.01**	**0.01**
(6)	**Equity instruments fair value through other comprehensive income**		
	- As per last Balance Sheet	626.85	304.31
	- Changes during the year	179.00	322.54
	- Closing Balance	**805.85**	**626.85**
(7)	**Retained Earnings**		
	(a) As per last Balance Sheet	2,898.14	2,474.30
	(b) Additions :		
	- Net Profit for the year	583.47	570.30
	- Transfer from other comprehensive income (Net of tax)	-	5.89
		583.47	**576.19**
	(c) Deductions :		
	- Dividend	165.44	132.35
	- Transfer from other comprehensive income (Net of tax)	13.03	-
	- Transfer to General Reserve	20.00	20.00
		198.47	**152.35**
	Closing Balance	**3,283.14**	**2,898.14**
Total other equity		**5,535.62**	**4,951.62**

22. OTHER EQUITY (Contd.)

DISTRIBUTION MADE AND PROPOSED

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Cash Dividends on Equity Shares declared and paid:		
Dividend for the year ended 31 March, 2021: ₹ 5.00 per share	165.44	132.35
(31 March, 2020: ₹ 4.00 per share)		
	165.44	**132.35**
Proposed Dividend on Equity Shares:		
Dividend for the year ended 31 March, 2022: ₹ 5.50 per share	181.99	165.44
(31 March, 2021: ₹ 5.00 per share)		
	181.99	**165.44**

Footnotes : Nature and purpose of reserves

Capital Reserve :

Capital Reserve was created from capital surplus on sale of assets and on amalgamation of subsidiary.

Capital Redemption Reserve :

Capital Redemption Reserve is created out of profit available for distribution towards redemption of Preference shares. This reserve can be used for the purpose of issue of Bonus shares.

Securities Premium :

Securities Premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares.This reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General Reserve :

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.

Equity instruments fair value through other comprehensive income :

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Retained Earnings :

The balance in the Retained Earnings primarily represents the surplus after payment of dividend and transfer to reserves.

23. CONTRACT LIABILITIES (NON-CURRENT)

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Unexpired service contracts	3.51	0.64
Total Contract liabilities (Non-Current)	**3.51**	**0.64**

24. LEASE LIABILITIES (NON-CURRENT)

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Unsecured		
Lease Liabilities (Refer Note 51)	8.97	4.00
Total lease liabilities	**8.97**	**4.00**

25. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
(a) Employee's payable - Voluntary Retirement Scheme	14.89	18.68
(b) Others	-	0.73
Total other non-current financial liabilities	**14.89**	**19.41**

26. PROVISIONS (NON-CURRENT)

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Provision for employee benefits :		
(i) Provision for gratuity (Refer Note 45)	37.66	30.12
(ii) Pension obligations (Refer Note 45)	39.56	37.87
(iii) Post retirement medical benefits (Refer Note 45)	5.53	5.73
Total provisions (Non-Current)	**82.75**	**73.72**

27. OTHER NON-CURRENT LIABILITIES

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Deferred Government Grant	6.32	6.32
Total other non-current liabilities	**6.32**	**6.32**

Footnote :

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

28. CONTRACT LIABILITIES (CURRENT)

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
(a) Advances received from customers	197.87	214.12
(b) Unexpired service contracts	9.21	8.19
(c) Billing in excess of contract revenue	118.35	169.45
Total Contract liabilities (Current) :	**325.43**	**391.76**

Footnote :

Contract liabilities as at 31 March, 2022 are lower on account of execution in the projects, for which billing made in previous year was in excess of contract revenue, resulting in recognition of revenue against which these excess billing were adjusted in current year.

29. BORROWINGS (AT AMORTISED COST) (CURRENT)

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Secured		
Working capital loans from banks	126.04	101.84
Total borrowings	**126.04**	**101.84**

Footnotes :

(i) Working capital loans are secured against assignment of Contract dues on overseas projects.

(ii) Working capital loans from banks are repayable on demand.

(iii) Working capital loans from banks carry an average interest rate of 1.35% to 4.50% (31 March, 2021: 1.6% to 3.75%).

29A LEASE LIABILITIES (CURRENT)

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Unsecured		
Lease Liabilities (Refer Note 51)	4.78	2.62
Total lease liabilities	**4.78**	**2.62**

30. TRADE PAYABLES

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Trade payables :		
(i) Total outstanding dues of micro and small enterprises	143.46	150.99
(ii) Total outstanding dues of creditors other than micro and small enterprises	2,538.56	1,906.85
Total trade payables	**2,682.02**	**2,057.84**

Footnotes :

(i) Trade payables are non interest bearing and are normally settled on 30 days to 365 days credit term

(ii) Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (as amended)

(i) (a) Principal amount remaining unpaid to any supplier	142.57	150.63
(b) Interest on (i)(a) above	-	-
(ii) The amount of interest paid along with the principal payment made to the supplier	-	0.01
(iii) Amount of interest due and payable on delayed payments	-	-
(iv) Amount of further interest remaining due and payable for the earlier years	1.02	1.14
(v) Total outstanding dues of Micro and Small Enterprises		
- Principal	142.44	149.84
- Interest	1.02	1.14

30. TRADE PAYABLES (Contd.)

(iii) Trade payables ageing :

As at 31 March, 2022

₹ in crores

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	69.47	68.83	2.30	1.28	1.58	143.46
(ii) Others	136.68	1,528.97	732.74	45.69	28.64	63.96	2,536.68
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	0.42	1.46	1.88
Total	**136.68**	**1,598.44**	**801.57**	**47.99**	**30.34**	**67.00**	**2,682.02**

As at 31 March, 2021

₹ in crores

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	95.60	48.94	2.87	1.10	2.48	150.99
(ii) Others	136.88	986.95	617.38	75.09	19.35	69.31	1,904.96
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	0.41	0.16	1.32	1.89
Total	**136.88**	**1,082.55**	**666.32**	**78.37**	**20.61**	**73.11**	**2,057.84**

31. OTHER FINANCIAL LIABILITIES (CURRENT) (AT AMORTISED COST)

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(a)	Deposits received from customers / others	30.60	39.57
(b)	Payable for capital goods	9.95	2.05
(c)	Unpaid dividends	7.79	7.73
(d)	Rebate to customers	48.02	36.33
(e)	Employee's payable - Voluntary Retirement Scheme	5.91	6.61
(f)	Other financial liabilities	0.96	2.08
Total other financial liabilities		**103.23**	**94.37**

32. PROVISIONS

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(a)	Provision for Employee Benefits		
	(i) Provision for gratuity (Refer Note 45)	7.18	2.41
	(ii) Pension obligations (Refer Note 45)	3.56	3.50
	(iii) Provision for compensated absences	30.52	24.24
	(iv) Post retirement medical benefits (Refer Note 45)	0.29	0.33
(b)	Provision for Trade Guarantees	63.70	46.44
(c)	Provision for Contingencies for tax matters	43.08	31.97
	Total provision (current)	**148.33**	**108.89**
Footnotes :			
A.	**Provisions for Trade Guarantees :**		
	Opening balance	46.44	39.32
	Additional provisions recognised	53.88	51.17
	Less : Utilisation	32.93	36.06
	Less : Reversal	3.69	7.99
	Closing balance	**63.70**	**46.44**
B.	**Provision for Contingencies for tax matters**		
	Opening balance	31.97	29.17
	Additional provisions recognised	11.38	3.06
	Less : Utilisation	0.27	0.26
	Closing balance	**43.08**	**31.97**

33. OTHER CURRENT LIABILITIES

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(a)	Statutory obligations	84.87	66.40
(b)	Others	1.11	1.12
Total other current liabilities		**85.98**	**67.52**

34. REVENUE FROM OPERATIONS

₹ in crores

		Year ended 31 March, 2022	Year ended 31 March, 2021
Revenue from contracts with customers :			
(a)	Sale of products	4,563.97	4,009.04
(b)	Construction contract revenue	1,591.51	1,617.61
(c)	Sale of services	834.35	625.00
		6,989.83	**6,251.65**
Other operating income :			
(1)	Unclaimed credit balances written back	9.70	19.03
(2)	Sale of scrap	10.59	4.25
(3)	Government Grant	10.86	15.35
(4)	Business Support Services	77.45	87.51
(5)	Others	0.17	0.18
		108.77	**126.32**
Total revenue from operations		**7,098.60**	**6,377.97**

35. OTHER INCOME

₹ in crores

		Year ended 31 March, 2022	Year ended 31 March, 2021
(a)	Dividend Income :		
	From investment in subsidiaries, associates and joint ventures	2.13	21.35
	From equity investments measured at FVTOCI	5.02	4.52
	From mutual funds investments measured at FVTPL	-	0.31
(b)	Interest Income :		
	On sundry advances, deposits, customers' balances etc.	0.02	0.03
	On deposits with banks	2.46	3.30
	On Income-tax refunds	1.17	8.63
	On fair valuation of financial assets	-	5.89
	On financial instruments measured at amortised cost	26.51	26.72
(c)	Gain on sale / fair valuation of financial assets measured at FVTPL	81.09	95.57
(d)	Exchange differences (Net)	9.00	-
(e)	Rental income	24.70	32.81
(f)	Other non-operating income	15.79	20.83
Total other income		**167.89**	**219.96**

36. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in crores

	Year ended 31 March, 2022	Year ended 31 March, 2021
Inventories at the end of the year :		
- Finished Goods including stock-in-trade	1,086.07	904.83
- Work-in-progress	7.43	10.40
	1,093.50	**915.23**
Inventories at the beginning of the year :		
- Finished Goods including stock-in-trade	904.83	1,187.95
- Work-in-progress	10.40	6.53
	915.23	**1,194.48**
Net (increase) / decrease	**(178.27)**	**279.25**

37. EMPLOYEE BENEFITS EXPENSES

₹ in crores

	Year ended 31 March, 2022	Year ended 31 March, 2021
(a) Salaries, Wages and Bonus	449.95	426.02
(b) Contribution to Provident and other Funds	23.49	23.84
(c) Staff Welfare expenses	15.10	15.58
Total employee benefits expenses	**488.54**	**465.44**

38. FINANCE COSTS

₹ in crores

	Year ended 31 March, 2022	Year ended 31 March, 2021
Interest expense :		
(a) on borrowings from banks and others	11.51	14.66
(b) on delayed payment of income tax	1.52	3.57
(c) on lease liabilities	1.52	0.87
Total finance costs	**14.55**	**19.10**

39. DEPRECIATION AND AMORTISATION EXPENSES

₹ in crores

	Year ended 31 March, 2022	Year ended 31 March, 2021
(a) Depreciation on property, plant and equipment	22.81	21.80
(b) Amortisation on intangible assets	3.27	3.10
(c) Depreciation on investment property	1.09	1.14
(d) Depreciation on Right-of-use assets	5.96	3.79
Total depreciation and amortisation expenses	**33.13**	**29.83**

40. OTHER EXPENSES

₹ in crores

		Year ended 31 March, 2022	Year ended 31 March, 2021
(a)	Consumption of Stores and Spares	2.90	3.42
(b)	Power and Fuel	10.26	8.38
(c)	Rent	16.85	29.60
(d)	Repairs to Buildings	1.50	1.01
(e)	Repairs to Plant and Machinery	10.87	9.76
(f)	Insurance charges	10.47	10.13
(g)	Rates and Taxes	5.98	2.03
(h)	Travelling and Conveyance	27.75	26.37
(i)	Payment to Auditors [Refer Note 40(A)]	3.00	2.70
(j)	Legal and Professional fees	21.57	23.24
(k)	Bad and Doubtful Debts / Advances [Refer footnote below]	32.02	81.37
(l)	Loss on sale of property, plant and equipment	1.28	0.11
(m)	Exchange differences (Net)	-	13.68
(n)	Corporate Social Responsibility (CSR) [Refer Note 41]	12.94	11.71
(o)	Outside service charges	99.45	98.47
(p)	Clearing charges	74.46	73.09
(q)	Freight and forwarding charges	120.66	79.87
(r)	Commission on sales	9.59	4.95
(s)	Advertising	33.04	20.85
(t)	Printing and stationery	8.05	8.25
(u)	Miscellaneous expenses	93.17	81.92
Total other expenses		**595.81**	**590.91**
Footnote :			
Bad and Doubtful Debts / Advances includes :-			
(a)	Expected credit loss for contract assets and trade receivables	32.02	77.17
(b)	Allowance for doubtful debts and advances	-	4.20
Total		**32.02**	**81.37**

40(A) AUDITOR'S REMUNERATION

₹ in crores

			Year ended 31 March, 2022	Year ended 31 March, 2021
(a)	To Statutory Auditor for			
	(1)	Audit Fees	2.63	2.28
	(2)	Tax Audit Fees	0.06	0.06
	(3)	Other Services	0.14	0.25
	(4)	Reimbursement of Expenses	0.08	0.05
(b)	To Secretarial Auditor for secretarial audit		0.02	0.02
(c)	To Cost Auditor for cost audit		0.07	0.04
Total			**3.00**	**2.70**

41. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENSES

₹ in crores

		Year ended 31 March, 2022	Year ended 31 March, 2021
(a) Gross amount required to be spent by the Company during the year			
Construction / acquisition of any asset		-	-
On purposes other than above		13.10	11.50
Total		**13.10**	**11.50**
(b) Amount approved by the Board to be spent during the year			
Construction / acquisition of any asset		-	-
On purposes other than above		13.14	11.71
Total		**13.14**	**11.71**
(c) Amount spent during the year			
Construction / acquisition of any asset		-	-
On purposes other than above		12.94	11.71
Total		**12.94**	**11.71**
(d) Details of ongoing project and other than ongoing project			
(d) (i) In case of S. 135(6) (Ongoing Project)			
Opening Balance	- With Company	-	-
	- In Separate CSR Unspent A/c	-	-
Amount required to be spent during the year		-	-
Amount spent during the year	- From Company's bank A/c'	-	-
	- From Separate CSR Unspent A/c	-	-
Closing Balance	- With Company	-	-
	- In Separate CSR Unspent A/c	-	-
(d) (ii) In case of S.135(5) (Other than ongoing project) Opening Balance		(0.21)	-
Amount deposited in Specified Fund of Sch. VII within 6 months		-	-
Amount required to be spent during the year		13.10	11.50
Amount spent during the year		12.94	11.71
Closing balance (Excess spent)		(0.05)	(0.21)
(e) Details related to spent / unspent obligations :			
i) Contribution to Public Trust		4.35	5.24
ii) Contribution to Charitable Trust		1.41	0.81
iii) Others (Contribution to Section 8 companies, non-profit organisation, proprietorship and private limited companies)		7.18	5.66
iv) Unspent amount in relation to:			
- Ongoing projects		-	-
- Other than ongoing projects		-	-
Total		**12.94**	**11.71**

42. INCOME TAX

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31 March, 2022 and 31 March, 2021

₹ in crores

	Year ended 31 March, 2022	Year ended 31 March, 2021
Profit before tax	763.16	733.42
Indian statutory income tax rate	25.17%	25.17%
Income-tax expense at India's statutory income tax rate	192.07	184.59
Effect of adjustments to reconcile the expected tax expense to reported income tax expense:		
Effect of exempt income	(3.38)	(8.15)
Effect of non-deductible expenses	5.59	3.50
Effect of income which is taxed at special rates	(11.01)	(15.27)
Adjustment of tax relating to earlier periods	(3.58)	-
Effect of impairment / reversal of impairment provision on investments	0.06	0.22
Others	(0.06)	(1.77)
	179.69	**163.12**

43. EARNINGS PER SHARE

₹ in crores

		Year ended 31 March, 2022	Year ended 31 March, 2021
(a)	Profit attributable to Equity Shareholders - (₹ in crores)	583.47	570.30
(b)	Weighted average number of Equity Shares Outstanding	33,08,84,740	33,08,84,740
(c)	Earnings Per Share (₹) - Basic and Diluted (Face value ₹ 1/- per share)	17.63	17.24

44. COMMITMENTS AND CONTINGENCIES

(A) Commitments :

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	101.13	29.48

(ii) As per the E-Waste (Management) Rules, 2016, as amended, the Company has an obligation to complete the Extended Producer Responsibility targets, only if it is a participant in the market during a financial year. The obligation for a financial year is measured based on sales made in the preceding 10th year and the Company has fulfilled its obligation for the current financial year. In accordance with Appendix B of Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', the Company will have an e-waste obligation for future years, only if it participates in the market in those years.

(B) Financial Guarantee

The Company has issued financial guarantees to banks on behalf of and in respect of credit facilities availed by its subsidiary and joint venture companies

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(i)	Limits (Fund and Non Fund based)	2,191.34	1,202.03
(ii)	Against which outstanding balance	636.78	713.91

(C) Contingent liabilities:

Claims against the Company not acknowledged as debts

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(i)	Sales tax / Vat matters	125.64	164.49
(ii)	Service tax matters	18.38	18.40
(iii)	Excise matters	19.89	19.89
(iv)	Contractual matters in the course of business	65.43	67.69
(v)	Customs duty matters	1.14	1.14
(vi)	Guarantees for terminated contract	345.61	336.78
(vii)	Income tax matters	14.77	14.75
		590.86	**623.14**

(D) There are numerous interpretative issues relating to the Supreme Court (SC) judgment on PF dated 28 February, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

45. EMPLOYEE BENEFITS

The Company has defined benefit Gratuity, Post retirement medical benefits, Pension plans and Trust managed Provident fund plan as given below:

(i) Gratuity

Every employee who has completed five years of services, is entitled to Gratuity benefits. The Gratuity plan for Indian employees is governed by the Payment of Gratuity Act, 1972. The Gratuity plan provides lumpsum payments to vested employees at retirement, death while in employment, or termination of employment being an amount equivalent to 15 days salary for each completed year of service. The Company also provides similar Gratuity benefits to overseas employee. The Gratuity plan for Indian employees is funded and for overseas employees is unfunded.

(ii) Post Retirement Medical Benefits (PRMB)

PRMB scheme is eligible for all those employees who are above management staff grade and have joined on or before 31 December, 2015. The scheme is non-funded.

(iii) Pension plans

Pension plan benefit are provided to past Executive Directors and their specified relatives after completion of the services with the Company or Tata Group. The scheme is non- funded.

(a) The following table summaries the components of net benefit expenses recognised in statement of profit or loss, other comprehensive income, the funded status and amount recognised in the balance sheet for the respective plans as on the reporting dates:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	2021-22	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Current service cost	3.27	3.51	4.55	5.88	-	-	0.19	0.22
Net interest expense	(0.69)	(0.85)	1.02	0.91	2.88	2.45	0.42	0.48
Components of defined benefit costs recognised in profit or loss	**2.58**	**2.66**	**5.57**	**6.79**	**2.88**	**2.45**	**0.61**	**0.70**
Remeasurement on the defined benefit plans:								
Return on plan assets	(2.12)	(1.71)	-	-	-	-	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	9.64	(3.82)	7.45	(2.27)	(1.28)	(0.46)	(0.18)	(0.07)
Actuarial (gains) / losses arising from experience adjustments	0.80	(3.79)	(0.88)	(1.17)	0.71	6.73	(0.13)	(1.31)
Actuarial (gains) / losses arising from Demograhic Assumption	(0.04)	-	(0.02)	-	2.96	-	0.50	-
Components of defined benefit costs recognised in other comprehensive income	**8.28**	**(9.32)**	**6.55**	**(3.44)**	**2.39**	**6.27**	**0.19**	**(1.38)**

45. EMPLOYEE BENEFITS (Contd.)

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Change in benefit obligation								
Opening defined benefit obligation	39.73	44.02	32.53	37.29	41.37	35.90	6.06	7.05
Current service cost	3.27	3.51	4.55	5.88	-	-	0.19	0.22
Interest cost	2.76	3.00	1.02	0.91	2.88	2.45	0.42	0.48
Remeasurement (gains)/losses:								
Actuarial (gains)/losses arising from changes in financial assumptions	9.64	(3.82)	7.45	(2.27)	(1.28)	(0.46)	(0.18)	(0.07)
Actuarial (gains)/losses arising from experience adjustments	0.80	(3.79)	(0.88)	(1.17)	0.71	6.73	(0.13)	(1.31)
Actuarial (gains) / losses arising from Demograhic Assumption	(0.04)	-	(0.02)	-	2.96	-	0.50	-
Transfer of obligation from Gratuity unfunded to Gratuity funded	0.05	0.31	-	(0.31)	-	-	-	-
Exchange differences on foreign plans	-	-	1.09	(1.05)	-	-	-	-
Benefits paid	(5.17)	(3.50)	(5.85)	(6.75)	(3.52)	(3.25)	(1.04)	(0.31)
Closing defined benefit obligation	**51.04**	**39.73**	**39.89**	**32.53**	**43.12**	**41.37**	**5.82**	**6.06**

Footnote:

On amalgamation of Universal Comforts Products Limited (100% Subsidiary) (UCPL) with the Company, employees covered under unfunded gratuity plan of erstwhile UCPL are now covered as part of gratuity funded plan of the Company.

Change in plan assets

Opening fair value of plan assets	49.68	56.44
Interest income	3.46	3.85
Remeasurement gain / (losses):		
Return on plan assets	2.12	1.71
Contributions from the employer	(4.00)	(8.82)
Benefits paid	(5.17)	(3.50)
Closing fair value of plan assets	**46.09**	**49.68**

45. EMPLOYEE BENEFITS (Contd.)

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans are as follows:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Present value of funded defined benefit obligation	(51.04)	(39.73)	(39.89)	(32.53)	(43.12)	(41.37)	(5.82)	(6.06)
Fair value of plan assets	46.09	49.68	-	-	-	-	-	-
Net (liability) / asset arising from defined benefit obligation	**(4.95)**	**9.95**	**(39.89)**	**(32.53)**	**(43.12)**	**(41.37)**	**(5.82)**	**(6.06)**

(b) The major categories of plan assets as a percentage of total plan:

Category of investments:	Gratuity funded	
	As at 31 March, 2022	As at 31 March, 2021
Government of India securities	56%	45%
Corporate bonds	33%	45%
Mutual funds	8%	6%
Others (Interest accrued, Balances with banks)	3%	4%
	100%	**100%**

(c) The principal assumptions used for the purposes of the actuarial valuations are as follows.

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Discount rate	7.33%	6.96%	3.20%	3.10%	7.33%	6.96%	7.33%	6.96%
Attrition Rate	1.00%	1.00%	2% & 2.33%	2% & 2.33%	1.00%	1.00%	1.00%	1.00%
Mortality Rate	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality (2006-08) Ultimate**	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality (2006-08) Ultimate**	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality (2006-08) Ultimate**	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality (2006-08) Ultimate**
Expected rate of salary Increase / pension escalation / medical cost inflation	8.00%	5.00%	4.00%	2.00%	6.00%	6.00%	5.00%	5.00%

45. EMPLOYEE BENEFITS (Contd.)

(d) A quantitative sensitivity analysis for significant assumptions are as follow:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Projected benefit obligations on current assumptions	51.04	39.73	39.89	32.53	43.12	41.37	5.82	6.06
+1% increase in discount rate	(4.24)	(3.00)	(4.27)	(3.28)	(3.15)	(3.35)	(0.13)	(0.13)
-1% decrease in discount rate	4.94	3.47	5.10	3.90	3.63	3.88	0.17	0.18
+ 1% increase in salary/pension/medical cost inflation	4.76	3.30	5.00	3.90	3.64	3.85	0.13	0.14
-1% decrease in salary/pension/medical cost inflation	(1.73)	(0.88)	(4.27)	(3.34)	(3.21)	(3.38)	(0.13)	(0.14)
+1% increase in rate of employee turnover	(0.22)	0.56	(0.31)	0.36	NA	NA	(0.03)	(0.04)
-1% decrease in rate of employee turnover	0.25	(0.62)	0.35	(0.41)	NA	NA	0.03	0.03

The above sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Further, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The expected maturity analysis of undiscounted defined benefit obligation (Funded and Unfunded) is as follows:

₹ in crores

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Within 1 year	3.78	3.85	2.23	2.41	3.56	3.50	0.29	0.33
Between 1 and 2 years	2.05	1.26	1.25	0.93	3.63	3.55	0.30	0.35
Between 2 and 3 years	4.64	3.24	1.82	1.23	3.68	3.59	0.32	0.36
Between 3 and 4 years	3.43	4.21	1.91	1.87	3.71	3.62	0.33	0.38
Between 4 and 5 years	3.85	3.19	1.43	1.71	3.73	3.63	0.35	0.40
Beyond 5 years	33.28	23.98	31.25	24.39	24.81	23.49	4.23	4.24

The contribution expected to be made by the Company during the financial year 2021-22 is ₹ 6.00 crores (31 March, 2021 : ₹ 6.00 crores).

The average duration of the defined benefit plan obligation at the end of the reporting period is 11 years (31 March 2021 : 10 years).

45. EMPLOYEE BENEFITS (Contd.)

(iv) Provident Fund

Contribution to Provident Fund is made to trusts administered by the Company. In terms of guidance note issued by the Institute of Actuaries of India, the Actuary has provided a valuation of Provident fund liability based on the assumptions listed and determined that there is no shortfall as at 31 March, 2022.

The details of the fund and plan assets position are as follows:

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Fair value of plan assets	323.55	313.38
Present value of defined obligation	316.17	307.72
Contribution during the year (Employee and Employer Contribution)	30.09	29.31

The principal assumptions used for the purposes of the actuarial valuations are as follows:

	As at 31 March, 2022 %	As at 31 March, 2021 %
Guaranteed Interest rate	8.50%	8.65%
Discount Rate for the remaining term to maturity of Interest portfolio	7.33%	6.96%

Risk Analysis

The Company is exposed to the following Risks in the defined benefits plans :

Investment Risk: The present value of the defined benefit obligation is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan assets is below this rate, it will create a plan deficit.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by increase in the return on the plan's debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary growth risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan's liability.

46. RELATED PARTY DISCLOSURES

(a) List of Related Parties and Relationships

Party		Relation
A	**Related parties where control exists**	Subsidiaries
	Auto Aircon (India) Ltd. (name strike off w.e.f. 8 September, 2021)	
	Voltas Netherlands B.V.	
	Lalbuksh Voltas Engineering Services & Trading L.L.C. *	
	Weathermaker FZE (formerly known as Weathermaker Limited)	
	Saudi Ensas Company for Engineering Services W.L.L.	
	Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited)	
	Voltas Qatar W.L.L. *	
	Voltas Oman SPC * (formerly known as Voltas Oman L.L.C.)	
	Hi-Volt Enterprises Private Limited (w.e.f. 13 September, 2021)	
	Universal MEP Projects Pte Limited* (w.e.f. 4 August, 2021)	
	Agro Foods Punjab Limited (Under liquidation)	
	Westerwork Engineers Limited (Under liquidation)	
B	**Other Related Parties (Where transactions have taken place during the year and previous year / balance outstanding)**	
1	Brihat Trading Private Limited	Associates
	Naba Diganta Water Management Limited	
	Terrot GmbH (upto 12 November, 2021)	
2	Universal Voltas L.L.C. *	Joint Ventures
	Olayan Voltas Contracting Company Limited	
	Voltas Water Solutions Private Limited (under strike off)	
	Voltbek Home Appliances Private Limited	
3	Mr. Pradeep Bakshi - Managing Director & CEO	Key Management Personnel
	Mr. Jitender P. Verma - Executive Vice President and Chief Financial Officer (w.e.f.19 July, 2021)	
	Mr. Anil George - Chief Financial Officer (upto 18 July, 2021)	
	Mr. V. P. Malhotra - Vice President - Taxation, Legal & Company Secretary	
4	Non-Executive Directors	Directors
	Mr. Noel Tata - Chairman	
	Mr. Vinayak Deshpande	
	Mr. Hemant Bhargava (upto 29 September, 2021)	
	Mr. Saurabh Agrawal (w.e.f. 21 January, 2021)	
	Independent Directors	
	Mr. Debendranath Sarangi	
	Mr. Bahram N. Vakil	
	Ms. Anjali Bansal	
	Mr. Arunkumar Adhikari	
	Mr. Zubin Dubash	
5	Voltas Limited Provident Fund	Employee Benefit Funds
	Voltas Managerial Staff Provident Fund	
	Voltas Limited Employees' Gratuity Fund	
	Voltas Limited Managerial Staff Gratuity Fund	
	Voltas Limited Employees' Superannuation Scheme	
6	Tata Sons Private Limited	Promoter
7	Air India Limited (w.e.f. 27 January, 2022)	Subsidiaries and Joint Ventures of Promoter
	Air India SATS Airport Services Private Limited (w.e.f. 27 January, 2022)	
	Ardent Properties Private Limited	
	Automotive Stampings and Assemblies Limited	
	C-Edge Technologies Limited	
	Ewart Investments Limited	

46. RELATED PARTY DISCLOSURES (Contd.)

Party		Relation
7	Gurgaon Realtech Limited	
	Infiniti Retail Limited	
	Infiniti Innovative Retail Concepts Private Limited	
	MahaOnline Limited	
	Mikado Realtors Private Limited	
	Sir Dorabji Tata Trust	
	Sir Ratan Tata Trust	
	Supermarket Grocery Supplies Private Limited	
	TAL Manufacturing Solutions Limited	
	TATA Advanced Materials Limited	
	Tata Advanced Systems Limited	
	TATA Africa Holdings (Kenya) Limited	
	Tata AIA Life Insurance Company Limited	
	Tata AIG General Insurance Company Limited	
	Tata Asset Management Limited	
	Tata Autocomp Hendrickson Suspensions Private Limited (formerly known as Taco Hendrickson Suspensions Private Limited)	
	Tata Autocomp Katcon Exhaust Systems Private Limited (formerly known as Katcon India Private Limited)	
	Tata Autocomp Systems Limited	
	Tata Boeing Aerospace Limited (formerly known as Tata Aerospace Limited)	
	Tata Capital Financial Services Limited	
	Tata Capital Housing Finance Limited	
	Tata Capital Limited	
	Tata Communications Limited	
	Tata Communications Payment Solutions Limited	
	Tata Communications Transformation Services Limited	
	Tata Consultancy Services Limited	
	Tata Consulting Engineers Limited	
	Tata De Mocambique, Limitada	
	Tata Digital Limited	
	Tata Elxsi Limited (ceased to be an associate and became a subsidiary w.e.f. 1 December, 2020)	
	Tata Ficosa Automotive Systems Private Limited (formerly known as Tata Ficosa Automotive Systems Limited)	
	Tata Housing Development Company Limited	
	Tata Industries Limited	
	Tata International DLT Private Limited	
	Tata International Limited	
	Tata International Metals (UK) Limited (formerly known as Tata Steel International (UK) Limited)	
	Tata Investment Corporation Limited	
	Tata Lockheed Martin Aerostructures Limited	
	Tata Medical and Diagnostics Limited (w.e.f. 23 July, 2020)	
	Tata Realty and Infrastructure Limited	
	Tata Sikorsky Aerospace Limited (formerly known as Tara Aerospace Systems Limited)	
	Tata Sky Broadband Private Limited (formerly known as Quickest Broadband Private Limited)	
	Tata Sky Limited	
	Tata Teleservices (Maharashtra) Limited	
	Tata Teleservices Limited	
	Tata Toyo Radiator Limited	
	TCS Foundation	
	TM Automotive Seating Systems Private Limited	
	TP Central Odisha Distribution Limited (w.e.f. 1 June, 2020)	
	TRIL Infopark Limited	
	TRIL IT4 Private Limited (formerly known as Albrecht Builder Private Limited)	
	TRIL Urban Transport Private Limited	

* Through subsidiary companies

46. RELATED PARTY DISCLOSURES (Contd.)

(b) Related Party Transactions

₹ in crores

Sr. No.	Year	Transactions	Subsi-diaries	Associates	Joint Ventures	Promoter	Subsi-diaries and Joint Ventures of Promoter	Key Manage-ment Personnel	Directors	Employee Benefit Funds	Total
1	**2021-22**	**Purchases of stock-in-trade**	**-**	**-**	**9.74**	**-**	**-**	**-**	**-**	**-**	**9.74**
	2020-21		-	-	-	-	-	-	-	-	-
2	**2021-22**	**Sale of Products**	**0.13**	**-**	**0.10**	**-**	**57.25**	**-**	**-**	**-**	**57.48**
	2020-21		-	-	0.89	0.01	28.12	-	-	-	29.02
3	**2021-22**	**Service Income - Other than Management fees**	**4.93**	**1.66**	**1.05**	**0.04**	**120.06**	**-**	**-**	**-**	**127.74**
	2020-21		6.44	0.11	5.13	0.07	104.03	-	-	-	115.78
4	**2021-22**	**Service Income - Management fees on vendor bill discounting**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2020-21		-	-	-	-	0.58	-	-	-	0.58
5	**2021-22**	**Construction contract revenue** (Includes billed and unbilled revenue)	**-**	**-**	**-**	**-**	**6.37**	**-**	**-**	**-**	**6.37**
	2020-21		-	-	-	-	12.77	-	-	-	12.77
6	**2021-22**	**Sale of property, plant and equipment**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2020-21		0.01	-	-	-	-	-	-	-	0.01
7	**2021-22**	**Interest Income**	**-**	**-**	**-**	**-**	**5.18**	**-**	**-**	**-**	**5.18**
	2020-21		5.89	-	-	-	5.18	-	-	-	11.07
8	**2021-22**	**Rental Income**	**0.30**	**-**	**0.75**	**-**	**5.82**	**-**	**-**	**-**	**6.87**
	2020-21		0.50	-	0.56	-	7.59	-	-	-	8.65
9	**2021-22**	**Dividend Income**	**0.78**	**1.34**	**-**	**-**	**3.85**	**-**	**-**	**-**	**5.97**
	2020-21		21.13	0.21	-	-	3.66	-	-	-	25.00
10	**2021-22**	**Income from Business support services**	**28.35**	**-**	**5.16**	**-**	**-**	**-**	**-**	**-**	**33.51**
	2020-21		40.09	-	7.42	-	-	-	-	-	47.51
11	**2021-22**	**Commission Received / Receivable**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2020-21		-	0.27	-	-	-	-	-	-	0.27
12	**2021-22**	**Remuneration Paid / Payable** (including commission)	**-**	**-**	**-**	**-**	**-**	**11.29**	**2.30**	**-**	**13.59**
	2020-21		-	-	-	-	-	9.17	2.15	-	11.32
13	**2021-22**	**Sitting Fees**	**-**	**-**	**-**	**-**	**-**	**-**	**0.53**	**-**	**0.53**
	2020-21		-	-	-	-	-	-	0.42	-	0.42

46. RELATED PARTY DISCLOSURES (Contd.)

₹ in crores

Sr. No.	Year	Transactions	Subsi-diaries	Associates	Joint Ventures	Promoter	Subsi-diaries and Joint Ventures of Promoter	Key Manage-ment Personnel	Directors	Employee Benefit Funds	Total
14	**2021-22**	**Dividend Paid**	**-**	**-**	**-**	**44.07**	**5.94**	**-**	**-**	**-**	**50.01**
	2020-21		-	-	-	35.25	4.76	-	-	-	40.01
15	**2021-22**	**Consulting expenses**	**-**	**-**	**-**	**-**	**1.97**	**-**	**-**	**-**	**1.97**
	2020-21		-	-	-	-	-	-		-	-
16	**2021-22**	**Tata Brand Equity**	**-**	**-**	**-**	**12.70**	**-**	**-**	**-**	**-**	**12.70**
	2020-21		-	-	-	9.69	-	-	-	-	9.69
17	**2021-22**	**Purchase of goods / services for execution of contracts**	**113.32**	**-**	**19.59**	**-**	**-**	**-**	**-**	**-**	**132.91**
	2020-21		168.98	-	53.12	-	-	-	-	-	222.10
18	**2021-22**	**Impairment in value of investment**	**-**	**-**	**0.25**	**-**	**-**	**-**	**-**	**-**	**0.25**
	2020-21		-	-	0.86	-	-	-	-	-	0.86
19	**2021-22**	**Security Deposit Refunded**	**-**	**-**	**-**	**-**	**4.48**	**-**	**-**	**-**	**4.48**
	2020-21		-	-	-	-	0.78	-	-	-	0.78
20	**2021-22**	**Other Expenses-Recovery of expenses**	**13.11**	**-**	**36.30**	**0.15**	**1.13**	**-**	**-**	**-**	**50.69**
	2020-21		14.31	-	15.54	0.16	0.10	-	-	-	30.11
21	**2021-22**	**Other Expenses-Reimbursement of expenses**	**1.84**	**-**	**0.20**	**-**	**14.82**	**-**	**-**	**-**	**16.86**
	2020-21		10.39	-	8.62	0.03	15.15	-	-	-	34.19
22	**2021-22**	**Purchase of property, plant and equipment**	**-**	**-**	*****	**-**	**0.95**	**-**	**-**	**-**	**0.95**
	2020-21		-	-	0.11	-	1.67	-	-	-	1.78
23	**2021-22**	**Investments in Equity shares**	**-**	**-**	**93.10**	**-**	**-**	**-**	**-**	**-**	**93.10**
	2020-21		150.00	-	74.97	-	8.25	-	-	-	233.22
24	**2021-22**	**Investments in Bonds / Debentures**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2020-21		-	-	-	-	48.46	-	-	-	48.46
25	**2021-22**	**Redemption of Investments in Preference shares/ Bonds / Debentures**	**-**	**-**	**-**	**-**	**3.00**	**-**	**-**	**-**	**3.00**
	2020-21		127.00	-	-	-	-	-	-	-	127.00
26	**2021-22**	**Security deposit received**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2020-21		0.15	-	-	-	0.53	-	-	-	0.68
27	**2021-22**	**Security deposit at the end of the year**	**0.15**	**-**	**-**	**-**	**3.02**	**-**	**-**	**-**	**3.17**
	2020-21		0.15	-	-	-	7.50	-	-	-	7.65

46. RELATED PARTY DISCLOSURES (Contd.)

₹ in crores

Sr. No.	Year	Transactions	Subsi-diaries	Associates	Joint Ventures	Promoter	Subsi-diaries and Joint Ventures of Promoter	Key Manage-ment Personnel	Directors	Employee Benefit Funds	Total
28	**2021-22**	**Provision for Debts and Advances at year end**	*****	**-**	*****	*****	**0.72**	**-**	**-**	**-**	**0.72**
	2020-21		-	-	*	*	0.93	-	-	-	0.93
29	**2021-22**	**Advance Outstanding at year end**	**-**	**-**	**-**	**0.04**	**0.12**	**-**	**-**	**-**	**0.16**
	2020-21		36.00	-	-	0.08	0.12	-	-	-	36.20
30	**2021-22**	**Outstanding Share Application Money at year end**	**-**	**-**	**13.13**	**-**	**-**	**-**	**-**	**-**	**13.13**
	2020-21		-	-	13.13	-	-	-	-	-	13.13
31	**2021-22**	**Debit Balance Outstanding at year end**	**40.63**	**0.51**	**33.44**	**-**	**71.51**	**-**	**-**	**-**	**146.09**
	2020-21		1.00	0.03	16.31	-	73.19	-	-	0.64	91.17
32	**2021-22**	**Credit Balance Outstanding at year end**	**67.93**	**-**	**-**	**8.74**	**0.08**	**3.08**	**2.30**	**4.38**	**86.51**
	2020-21		136.87	0.44	7.41	8.76	0.17	3.77	2.15	-	159.57
33	**2021-22**	**Guarantees Outstanding at year end**	**2,115.59**	**-**	**75.75**	**-**	**-**	**-**	**-**	**-**	**2,191.34**
	2020-21		1,128.49	-	73.54	-	-	-	-	-	1,202.03
34	**2021-22**	**Impairment in value of Investments at year end**	**61.28**	**1.56**	**23.08**	**-**	**-**	**-**	**-**	**-**	**85.92**
	2020-21		67.58	1.56	22.83	-	-	-	-	-	91.97
35	**2021-22**	**Contract Revenue in excess of Billing**	**-**	**-**	*****	**-**	**2.88**	**-**	**-**	**-**	**2.88**
	2020-21		-	-	-	-	3.00	-	-	-	3.00
36	**2021-22**	**Billing in excess of Contract Revenue**	**-**	**-**	**0.04**	**-**	**1.60**	**-**	**-**	**-**	**1.64**
	2020-21		-	-	-	-	4.15	-	-	-	4.15
37	**2021-22**	**Contribution to Employee Benefit Funds**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11.59**	**11.59**
	2020-21		-	-	-	-	-	-	-	8.44	8.44

* Value below ₹ 50,000/-

47. RESEARCH AND DEVELOPMENT EXPENDITURE

₹ in crores

		2021-22	2020-21
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centers			
(1)	**Revenue expenditure**	**2.58**	**5.18**
	UPBG, Pantnagar	1.34	3.02
	EM&RBG, Thane	1.24	2.16
(2)	**Capital expenditure**	**0.97**	**0.01**
	UPBG, Pantnagar	0.97	0.01
Expenditure at other R&D centers (UPBG at Faridabad, Waghodia and Pantnagar)			
(1)	Revenue expenditure	10.19	7.63
(2)	Capital expenditure	0.51	3.94
Total R&D expenditure		**14.25**	**16.76**
(1)	**Revenue expenditure**	**12.77**	**12.81**
	UPBG	11.53	10.65
	EM&RBG	1.24	2.16
(2)	**Capital expenditure**	**1.48**	**3.95**
	UPBG	1.48	3.95
	EM&RBG	-	-

Business Segments :

UPBG : Unitary Cooling Products for Comfort and Commercial use.

EM&RBG : Electro - Mechanical Projects and Services.

48. FINANCIAL INSTRUMENTS

(A) Financial instruments by category:

The accounting classification of each category of financial instruments, their carrying value and fair value are as below:

₹ in crores

	As at 31 March, 2022					As at 31 March, 2021				
	FVTPL	FVTOCI	Amortised cost	Total Carrying value	Total Fair value	FVTPL	FVTOCI	Amortised cost	Total Carrying value	Total Fair value
Financial assets										
Investments (*)	2,041.51	983.43	324.38	3,349.32	3,349.32	1,723.04	696.90	343.31	2,763.25	2,763.25
Loans	-	-	2.01	2.01	2.01	-	-	1.47	1.47	1.47
Trade receivables	-	-	1,520.23	1,520.23	1,520.23	-	-	1,452.28	1,452.28	1,452.28
Other financial assets		-	185.97	185.97	185.97	0.19	-	225.53	225.72	225.72
Cash and cash equivalents	-	-	451.12	451.12	451.12	-	-	313.71	313.71	313.71
Other balances with banks	-	-	12.77	12.77	12.77	-	-	10.64	10.64	10.64
	2,041.51	**983.43**	**2,496.48**	**5,521.42**	**5,521.42**	**1,723.23**	**696.90**	**2,346.94**	**4,767.07**	**4,767.07**
Financial liabilities										
Borrowings	-	-	126.04	126.04	126.04	-	-	101.84	101.84	101.84
Lease Liabilities	-	-	13.75	13.75	13.75	-	-	6.62	6.62	6.62
Trade payables	-	-	2,682.02	2,682.02	2,682.02	-	-	2,057.84	2,057.84	2,057.84
Other financial liabilities	0.33	-	117.79	118.12	118.12	-	-	113.78	113.78	113.78
	0.33	**-**	**2,939.60**	**2,939.93**	**2,939.93**	**-**	**-**	**2,280.08**	**2,280.08**	**2,280.08**

*The above Investments does not include equity investments in subsidiaries, associates and joint ventures which are carried at costs and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures".

Management has assessed that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, Other financial assets, Borrowings, Lease liabilities, Trade payables and Other financial liabilities carried at amortised cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

Abbreviations :

FVTPL - Fair Value Through Profit or Loss. FVTOCI - Fair Value Through Other Comprehensive Income.

48. FINANCIAL INSTRUMENTS (Contd.)

(B) Fair value hierarchy :

The fair value measurement hierarchy of the Company's assets and liabilities are as follows:

₹ in crores

	Level 1		Level 2		Level 3	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Financial assets						
At fair value through profit or loss						
- Investment	1,992.12	1,723.04	49.39	-	-	-
- Derivative financial assets	-	-	-	0.19	-	-
At fair value through Other Comprehensive Income						
- Investment	595.50	423.19	-	-	387.93	273.71
TOTAL	**2,587.62**	**2,146.23**	**49.39**	**0.19**	**387.93**	**273.71**

₹ in crores

	Level 1		Level 2		Level 3	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Financial liabilities						
At fair value through profit or loss						
- Derivative financial liabilities	-	-	0.33	-	-	-
TOTAL	**-**	**-**	**0.33**	**-**	**-**	**-**

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instrument by valuation techniques:

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

(ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

(iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

- The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties.

The following methods and assumptions were used to estimate the fair values:

- The fair value of quoted equity investment and mutual funds are based on price quotations at the reporting date.
- The fair value of unquoted equity investments are based on Market multiple approach. Market multiple of EV/EBITDA are considered after applying suitable discounts for size, liquidity and other company specific discounts.
- The Company enters into derivative financial instruments with various counterparties, principally with banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The model incorporates various inputs including the credit quality of counter parties, foreign exchange spot and forward rates.

There were no transfers between Level 1 and 2 during the period.

48. FINANCIAL INSTRUMENTS (Contd.)

(C) Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets :

	₹ in crores
As at 1 April, 2020	201.92
Add: Fair valuation gain/(loss) recognised in OCI	63.54
Add: Investments made during the year	8.25
Closing balance as at 31 March, 2021	273.71
Add: Fair valuation gain/(loss) recognised in OCI	34.23
Add: Investments made during the year	79.99
Closing balance as at 31 March, 2022	**387.93**

49. AGGREGATION OF EXPENSES DISCLOSED IN CONSUMPTION OF MATERIALS, COST OF JOBS AND SERVICES AND OTHER EXPENSES IN RESPECT OF SPECIFIC ITEMS ARE AS FOLLOWS (REFER NOTE 40):

₹ in crores

Nature of expenses		2021-22		
		Grouped under		
		Consumption of materials, cost of jobs and services	Other expenses	Total
(1)	Rent	0.52	16.85	17.37
(2)	Power and Fuel	0.46	10.26	10.72
(3)	Insurance charges	7.21	10.47	17.68
(4)	Travelling and Conveyance	1.37	27.75	29.12
(5)	Printing and Stationery	0.32	8.05	8.37
(6)	Legal and Professional charges	0.06	21.57	21.63
(7)	Clearing charges	0.21	74.46	74.67
(8)	Outside Service charges	35.72	99.45	135.17
(9)	Repairs to Plant and Machinery	0.02	10.87	10.89
(10)	Other miscellaneous expenses	15.14	93.17	108.31

₹ in crores

Nature of expenses		2020-21		
		Grouped under		
		Consumption of materials, cost of jobs and services	Other expenses	Total
(1)	Rent	1.21	29.60	30.81
(2)	Power and Fuel	0.80	8.38	9.18
(3)	Insurance charges	7.58	10.13	17.71
(4)	Travelling and Conveyance	0.99	26.37	27.36
(5)	Printing and Stationery	0.35	8.25	8.60
(6)	Legal and Professional charges	0.53	23.24	23.77
(7)	Clearing charges	0.36	73.09	73.45
(8)	Outside Service charges	31.69	98.47	130.16
(9)	Repairs to Plant and Machinery	0.02	9.76	9.78
(10)	Other miscellaneous expenses	16.06	81.92	97.98

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial liabilities include borrowings, lease liabilities, trade and other payables. The Company's financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances. The Company also holds FVTPL and FVTOCI investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors of the Company oversee the management of these financial risks through its Risk Management Committee as per Company's existing policy.

(i) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include borrowings, lease liabilities, investments, trade payables and other payables, trade receivables and other receivables, loans and derivative financial instruments.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate change does not affect the short term borrowing significantly, therefore the Company's exposure to the risk of changes in market interest rates relates primarily to the investment in debt mutual funds.

Given the portfolio of investments in debt mutual funds. the Company has exposure to interest rate risk with respect to returns realised. It is estimated that an increase in 25 bps change in 10 year Govt. bond yield would result in a loss of approximately ₹ 4.98 crores (31 March, 2021: ₹ 4.31 crores) whereas a decrease in 25 bps change in 10 year Govt. bond yield would result in a profit of approximately ₹ 4.98 crores (31 March, 2021: ₹ 4.31 crores). This estimate is based on key assumption with respect to seamless transition of rates across debt instruments in the market and also basis the duration of debt instruments in turn held by mutual funds that the Company has invested in.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). Foreign currency risks are managed by utilising foreign exchange forward contracts within the approved policy parameters.

As at the end of the reporting period, the carrying amounts of the material foreign currency denominated monetary assets and liabilities are as follows:

₹ in crores

Currency	Liabilities		Assets	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
United States Dollar (USD)	445.78	298.96	156.34	52.66
United Arab Emirates Dirham (AED)	421.66	276.22	575.23	357.91
Qatari Riyal (QAR)	32.79	45.10	26.12	45.94
Singapore Dollar (SGD)	54.20	60.75	5.17	5.89

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Foreign currency sensitivity

The following tables demonstrate the sensitivity of outstanding foreign currency denominated monetary items to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of financial assets and liabilities:

₹ in crores

Particulars	Effect on Profit before tax		Effect on Equity	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
USD +5%	(11.62)	(9.64)	(8.69)	(7.21)
USD -5%	11.62	9.64	8.69	7.21
AED +5%	7.68	4.08	5.75	3.06
AED -5%	(7.68)	(4.08)	(5.75)	(3.06)
QAR +5%	(0.33)	0.04	(0.25)	0.03
QAR -5%	0.33	(0.04)	0.25	(0.03)
SGD +5%	(2.45)	(2.74)	(1.83)	(2.05)
SGD -5%	2.45	2.74	1.83	2.05

Details of notional value of derivative contracts entered by the Company and outstanding as at Balance Sheet date

₹ in crores

Particulars	As at 31 March, 2022	As at 31 March, 2021
Forward contracts - Buy (USD/₹)	57.14	53.58

The fair value of the Company's derivatives position recorded under financial assets and financial liabilities are as follows:

₹ in crores

Particulars	Liabilities		Assets	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Forex Forward Cover	0.33	-	-	0.19

(c) Equity price risk

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's Board of Directors reviews and approves all equity investment decisions.

The following table summarises the sensitivity to change in the NSE index on the Company's Equity and OCI. These changes would not have an effect on profit or loss.

₹ in crores

	Impact on other components of equity (OCI)	
	As at 31 March, 2022	As at 31 March, 2021
NSE Nifty 50 - increase 5%	29.78	21.16
NSE Nifty 50 - decrease 5%	(29.78)	(21.16)

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk for trade receivables, contract asset, cash and cash equivalents, investments, other bank balances, loans and other financial assets. The Company only deals with parties which have good credit rating/ worthiness given by external rating agencies or based on Company's internal assessment.

Credit risk on trade receivables and contract assets are managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with this assessment. Moreover, given the diverse nature of the Company's businesses, trade receivables and contract assets are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10% or more of the trade receivables and contracted assets in any of the years presented.

For trade receivables and contract assets, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and contract assets and is adjusted for forward-looking estimates.

For Mutual Fund Investments, counterparty risk are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for Company's mutual fund investments.

Credit risk from cash and cash equivalents and balances with banks is managed by the Company's treasury department in accordance with the Company's treasury policy.

The Credit risk on mutual fund investments, cash and cash equivalents, and other bank balances are limited as the counterparties are banks and fund houses with high-credit ratings assigned by credit rating agencies.

The carrying value of the financial assets represents the maximum credit exposure. The Company's maximum exposure to Credit risk is disclosed in Note 48 "Financial Instruments". The maximum credit exposure on financial guarantees given by the Company for various financial facilities is disclosed in Note 44 "Commitments and Contingencies."

(iii) Liquidity risk management:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that the funds are available for use as per the requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall due.

Maturities of financial liabilities: The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

₹ in crores

Contractual maturities of financial liabilities (31 March, 2022)	Less than 1 year	More than1 year	Total
Non-derivatives			
Borrowings (*)	127.23	-	127.23
Lease Liabilities	4.78	10.66	15.44
Trade payables	2,682.02	-	2,682.02
Other financial liabilities	102.90	20.59	123.49
Total Non-derivative liabilities	**2,916.93**	**31.25**	**2,948.17**
Derivatives (net settled)	**0.33**	**-**	**0.33**

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

₹ in crores

Contractual maturities of financial liabilities (31 March, 2021)	Less than 1 year	More than1 year	Total
Non-derivatives			
Borrowings (*)	102.97	-	102.97
Lease Liabilities	2.62	4.87	7.49
Trade payables	2,057.84	-	2,057.84
Other financial liabilities	94.37	25.80	120.17
Total Non-derivative liabilities	**2,257.80**	**30.67**	**2,288.47**
Derivatives (net settled)	**-**	**-**	**-**

The amount included in Note 44(B) for financial guarantee contracts are the maximum amounts that the Company may be liable to settle under the respective arrangements for the full guaranteed amount if that amount is claimed by the counterparty for the guarantee. Based on the expectations as at the end of reporting period, the Company considers that it is more likely than not that such amount shall not be payable under the respective arrangements. However, this estimate is subject to change depending upon the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

* Maturity amount of borrowings is including the interest that will be paid on these borrowings.

51. LEASES

Company as a lessee

The Company has lease contracts for its office premises and storage locations with lease term between 1 year to 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company also has certain leases of office premises and storage locations with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

(a) The movement in lease liabilities during the year ended 31 March, 2022 and 31 March, 2021 is as follows:

₹ in crores

	As at 31 March, 2022	As at 31 March, 2021
Balance at the beginning	6.62	8.82
Additions	11.77	1.66
Accretion of interest	1.52	0.87
Payment of lease liabilities	6.16	4.73
Balance at the end	**13.75**	**6.62**
Non-current	8.97	4.00
Current	4.78	2.62

(b) The following are the amounts recognised in profit or loss:

₹ in crores

	Year ended 31 March, 2022	Year ended 31 March, 2021
Depreciation on right-of-use assets	5.96	3.79
Interest expense on lease liabilities	1.52	0.87
Expense relating to short-term leases (Refer footnote c)	91.31	102.69
Total amount recognised in statement of profit and loss	**98.79**	**107.35**

51. LEASES (Contd.)

(c) Details of carrying amount of right-of-use assets and movement during the period is disclosed under Note 6

Footnotes:

(a) The maturity analysis of lease liabilities are disclosed in Note 50 (iii) 'Liquidity Risk Management'

(b) The effective interest rate for lease liabilities is 9%, with maturity between 2022-2027

(c) Expense relating to short-term leases are disclosed under the head rent and clearing charges in other expenses (Refer Note 40)

(d) The Company had total cash flows for leases of ₹ 6.16 crores as on 31 March, 2022 (31 March, 2021 : ₹ 4.73 crores)

Company as a lessor

The Company has entered into operating leases on its investment property portfolio consisting of land and office premises. These leases have lease terms between 1 year to 5 years, The Company has the option under some of its leases to lease the assets for additional periods. An amount of ₹ 24.70 crores is recognised as lease income in the statement of profit and loss account for the year ended 31 March, 2022 (31 March, 2021: ₹ 32.81 crores).

Minimum lease income for non-cancelable operating lease

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(a)	Not later than one year	2.77	5.59
(b)	Later than one year but not later than five years	3.03	0.24
(c)	Later than five years	-	-

52. REVENUE FROM CONTRACTS WITH CUSTOMERS

(A) Disaggregated revenue information

Disaggregation of the Company's revenue from contracts with customers are as follows:

₹ in crores

		Year ended 31 March, 2022	Year ended 31 March, 2021 (refer footnote below)
Segment - A (Unitary Cooling Products for Comfort and Commercial use)			
(a)	Sale of products	4,215.12	3,738.07
(b)	Sale of services	666.80	480.39
	Sub-total :	**4,881.92**	**4,218.46**
Segment - B (Electro - Mechanical Projects and Services)			
(a)	Sale of products	6.85	38.00
(b)	Construction contract revenue	1,591.51	1,617.61
(c)	Sale of services	20.89	18.09
	Sub-total :	**1,619.25**	**1,673.70**
Segment - C (Engineering Products and Services)			
(a)	Sale of products	341.99	232.97
(b)	Sale of services	146.67	126.52
	Sub-total :	**488.66**	**359.49**
Total revenue from contracts with customers		**6,989.83**	**6,251.65**

(B) Set out below is the amount of revenue recognised from:

₹ in crores

		As at 31 March, 2022	As at 31 March, 2021
(a)	Amounts included in contract liabilities at the beginning of the year	284.57	313.59
(b)	Performance obligations satisfied in previous years	0.32	(0.54)

52. REVENUE FROM CONTRACTS WITH CUSTOMERS (Contd.)

(C) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

₹ in crores

	Year ended 31 March, 2022	Year ended 31 March, 2021
Revenue as per contracted price	**6,468.95**	**5,720.82**
Adjustments		
Add: (a) Unbilled on account of work under certification	639.23	700.28
Less: (b) Billing in excess of contract revenue	(118.35)	(169.45)
Revenue from contract with customers	**6,989.83**	**6,251.65**

(D) Performance obligation

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March, 2022 is of ₹ 2,988.14 crores (31 March, 2021: ₹ 4,363.81 crores), out of which, majority is expected to be recognised as revenue within a period of one year.

Footnote :

Effective 1 April, 2021, the Company has re-organised Commercial Air-conditioner (CAC) and Customer Care business from Segment - B (Electro - Mechanical Projects and Services) to Segment - A (Unitary Cooling Products for Comfort and Commercial use) to align with business objectives and accordingly, segment information for previous year have been restated.

53. CAPITAL MANAGEMENT :

The capital structure of the Company consists of net debt and total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Company's Risk Management Committee reviews the capital structure of the Company considering the cost of capital and the risks associated with each class of capital.

54. OTHER STATUTORY INFORMATION :

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any transactions with companies struck off.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

55. The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette in September 2020 which could impact the contribution by the Company towards certain employment benefits. The effective date from which the changes and rules would become applicable is yet to be notified. Impact of the changes will be assessed and accounted in the relevant period of notification of relevant provisions.

56. The Board of Directors of the Company at its meeting held on 12 February, 2021, have approved the transfer of domestic B2B businesses of the Company relating to Projects business comprising Mechanical, Electrical and Plumbing (MEP)/ Heating, Ventilation and Air-Conditioning (HVAC) and Water projects, Mining and Construction Equipment (M&CE) business and Textile Machinery Division (TMD) business to its wholly owned subsidiary viz. Universal MEP Projects & Engineering Services Limited ('UMPESL') (formerly Rohini Industrial Electricals Limited) by slump sale through a Business Transfer Agreement ('BTA'). The Company has executed the BTA on 24 March, 2021 and the transaction is expected to be consummated by such date as mutually agreed between the Company and UMPESL.

57. EVENTS OCCURRING AFTER BALANCE SHEET :

(i) The Board of Directors have proposed dividend of ₹ 5.50 per share after the balance sheet date which is subject to approval by the shareholders at the annual general meeting.

(ii) The Board of Directors have approved an amount of ₹ 20.00 crores to be transferred to General Reserve from Retained Earnings after the balance sheet date.

58. RATIO ANALYSIS

₹ in crores

Sr. No	Ratio	Numerator	Denominator	As at 31 March, 2022	As at 31 March, 2021	% change	Reason for variance
1	Current ratio	Current Assets	Current Liabilities	1.42	1.47	(3.78%)	-
2	Debt- Equity ratio	Borrowings	Total Equity	0.02	0.02	10.78%	-
3	Debt Service Coverage ratio	Earnings for debt service = Net Profit before tax+ Non-cash operating expenses (depreciation and amortisation)+ Finance Cost+ other adjustments like Loss on sale of property, plant and equipment	Debt service = Interest payable & Lease Payments + Principal Repayments of long term borrowings	39.21	32.84	19.43%	-
4	Return on Equity ratio	Net Profit after taxes	Average total equity	0.11	0.12	(10.78%)	-
5	Inventory Turnover ratio	Cost of goods sold exduding cost of jobs and services of Segment - B (Electro - Mechanical Projects and Services)	Average Inventory	2.78	2.48	11.90%	-
6	Trade Receivable Tumover ratio	Revenue from Operations	Average Trade Receivable	3.33	2.91	14.56%	-
7	Trade Payable Turnover ratio	Cost of goods sold and other expenses	Average Trade Payables	2.50	2.26	10.21%	-
8	Net Capital Turnover ratio	Revenue from Operations	Working capital = Current assets - Current liabilities	4.77	4.59	4.03%	-
9	Net Profit ratio	Net Profit	Revenue from operations	0.08	0.09	(8.08%)	-
10	Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net worth + Total long term borrowings + Deferred Tax Liability	0.14	0.15	(7.70%)	-

58. RATIO ANALYSIS (Contd.)

₹ in crores

Sr. No	Ratio	Numerator	Denominator	As at 31 March, 2022	As at 31 March, 2021	% change	Reason for variance
11	Return on Investment						
(a)	Mutual Funds Investments	Gain on sale/ fair valuation of Mutual Fund	Monthly average investment in Mutual Funds	0.05	0.07	(35.20%)	Decrease in return on investment from Mutual funds are on account of fluctuation in market yields
(b)	Fixed Income Investments	Interest Income	Monthly average investment in Fixed Income investments	0.06	0.06	(0.83%)	
(c)	Quoted Equity Instruments Investments	Fair valuation of quoted investment + Dividend Income	Quarterly average investment in Quoted Equity Instruments	0.43	1.42	(69.67%)	Decrease in return on investment from quoted equity instruments are on account of fluctuation in market prices

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

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Dolphy D'Souza**
Partner
Membership Number: 38730
Place: Mumbai
Date: 5 May, 2022

For and on behalf of the Board

Noel Tata
Chairman
Place: Mumbai

Jitender P. Verma
Executive Vice President and Chief Financial Officer
Place: Mumbai

Pradeep Bakshi
Managing Director & CEO
Place: Mumbai

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

Place: Mumbai
Date: 5 May, 2022

FORM No. AOC-1

Statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]

PART "A": SUBSIDIARIES

	Name of the company	Hi-Volt Enterprises Private Limited	Universal MEP Projects Pte Limited	Universal MEP Projects & Engineering Services Limited (formerly known as Rohini Industrial Electricals Limited)	Weathermaker FZE (WMF)	Saudi Ensas Company for Engineering Services & Trading W.L.L. (Saudi Ensas)	Lalbuksh Voltas Engineering Services & Trading L.L.C. (LALVOL)	Voltas Oman SPC (VOSPC)	Voltas Qatar W.L.L. (VQWLL)	Voltas Netherlands B.V. (VNBV)
1	Date since when subsidiary was acquired	13-09-2021	04-08-2021	04-09-2008	20-01-2006	28-01-2009	31-03-2011	27-03-2011	03-05-2016	31-12-1999
2	Reporting Period	31-03-2022	31-03-2022	31-03-2022	31-03-2022	31-03-2022	31-03-2022	31-03-2022	31-03-2022	31-03-2022
3	(i) Reporting currency	₹	SGD	₹	AED	SR	RO	RO	QAR	EURO
	(ii) Exchange rate as on the last date of the relevant financial year	–	55.97	–	₹ 20.64	₹ 20.20	₹ 196.99	₹ 196.99	₹ 20.73	₹ 84.54
		₹ in crores	₹ in crores	₹ in crores	₹ in crores	₹ in crores	₹ in crores	₹ in crores	₹ in crores	₹ in crores
4	Capital	0.01	0.00	151.83	3.07	32.29	2.81	28.49	1.91	2.65
5	Reserves & Surplus (Other Equity)	#	(0.05)	1.27	25.89	(33.61)	89.35	(70.45)	168.28	70.59
6	Total Assets	0.01	0.00	333.71	45.05	18.41	124.10	61.94	570.60	73.64
7	Total Liabilities	#	0.05	180.61	16.09	19.73	31.94	103.90	400.41	0.40
8	Investments	-	-	-	-	-	-	-	-	67.34
9	Turnover (Revenue from Operations)	-	-	394.87	34.52	31.91	69.78	41.18	406.81	-
10	Profit / (loss) before Taxation	#	(0.05)	11.98	(5.37)	0.02	6.01	3.14	34.46	20.39
11	Provision for Taxation	-	-	4.27	-	0.78	1.23	(0.03)	5.35	-
12	Profit / (loss) after Taxation	#	(0.05)	7.70	(5.37)	(0.76)	4.79	3.17	29.11	20.39
13	(a) Interim Dividend	-	-	-	-	-	3.94	-	-	-
	(b) Proposed Dividend	-	-	-	-	-	-	-	20.73	-
	Total Dividend (a + b)	-	-	-	-	-	3.94	-	20.73	-
14	% of Shareholding	100%	100%***	100%	100%	100%*	60%**	100%***	49%****	100%

* 8% shares held by VNBV ** 40% shares held by VNBV *** 100% shares held by VNBV **** 49% shares held by VNBV

Notes :

1. Foreign currency figures of WMF, Saudi Ensas, LALVOL, VOSPC, VQWLL and VNBV have been converted into Indian Rupees on the basis of appropriate exchange rates as on reporting period.
2. Abbreviation for foreign currencies - AED: United Arab Emirates Dirhams; SR: Saudi Riyal; RO: Omani Rial; QAR: Qatari Rial and Euro: European Union Currency.
3. As Voltas Limited controls the composition of the Board of Directors of VQWLL, it is a subsidiary of Voltas.
4. # value below ₹ 50,000/-

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Setion 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

₹ in crores

	Name of the company	Universal Voltas L.L.C.	Olayan Voltas Contracting Company Limited	Naba Diganta Water Management Limited	Voltas Water Solutions Private Limited (VWS)	Voltbek Home Appliances Private Limited	Brihat Trading Private Limited
1	Date on which the Associate/Joint Venture was associated or acquired	26-08-1981	08-02-2012	17-03-2008	26-04-2014	18-08-2017	21-08-2012
2	Latest Audited Balance Sheet Date	31-03-2022	31-03-2022	31-03-2022	31-03-2022	31-03-2022	31-03-2022
3	Shares of Associate/Joint Ventures held by the Company on the year end						
	(i) Number	–	50,000	47,97,000	28,41,500	50,32,34,900	3,352
	(ii) Amount of Investment in Associates/ Joint Ventures (₹ in crores)	–	20.24#	4.80	2.85	503.23	***
	(iii) Extent of Holding %	49%*	50%	26%	50%	49%	33.33%
4	Description of how there is significant influence	Equity Investment more than 20%					
5	Reason why the Associate/Joint Venture is not consolidated	Not applicable					Dormant Company
6	Networth attributable to Shareholding as per latest Audited Balance Sheet (₹ in crores)	51.82	-	9.38	-	204.87	Not Material
7	Profit / (loss) for the year						
	(i) Considered in Consolidation (₹ in crores)	(2.64)	(0.25)	1.50	-	(108.91)	Not Material
	(ii) Not considered in consolidation (₹ in crores)	–	–	–	**	–	Not Material

*Share Capital is held by Voltas Netherlands B.V., a wholly owned subsidiary.

** Investment made by the Company in VWS has been fully provided. Hence, loss of VWS is not considered in consolidated accounts.

*** Value below ₹ 50,000/-.

Includes ₹ 13.13 crores share application money.

For and on behalf of the Board

Noel Tata
Chairman
Place: Mumbai

Pradeep Bakshi
Managing Director & CEO
Place: Mumbai

Jitender P. Verma
Executive Vice President and Chief Financial Officer
Place: Mumbai
Date: 5 May, 2022

V. P. Malhotra
Vice President - Taxation, Legal & Company Secretary
Place: Mumbai
Date:5 May, 2022

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VOLTAS
A TATA Enterprise