

**VOLTAS CONSOLIDATED FINANCIAL RESULTS FOR 2012-13**

May 20, 2013 Mumbai: The Board of Directors of Voltas Limited, a global air conditioning and engineering services provider of the Tata Group have today announced the Consolidated Audited Financial Results and Segment Report for the year ended March 31, 2013.

Quarter ended 31st March, 2013:

The consolidated Sales/Income from operations for the quarter ended 31st March, 2013 was Rs.1592 crores as compared to Rs.1573 crores in the corresponding quarter last year. Operating Profit for the quarter was Rs.78 crores as compared to Rs.138 crores in the corresponding quarter last year. The Profit before tax (after exceptional items and additional charge of Rs 96 crores towards the Onerous contract) was Rs. 14 crores for the current quarter as compared to Rs.141 crores in the corresponding quarter last year. As a result, Net Profit after Minority interest for the current quarter was lower at Rs.9 crores as compared to Rs.104 crores in the corresponding quarter last year.

Year Ended 31st March, 2013:

The consolidated Sales/Income from operations for the year 2012-13 was higher at Rs 5514 crores as compared to Rs 5175 crores in the previous year. However, due to difficult global economic conditions and uncertainties, coupled with high interest rates, inflation, increase in input costs, most of the businesses were adversely impacted and the Operating Profit was at Rs 268 crores for the year under review as compared to Rs 370 crores last year. After exceptional items including additional charge of Rs 96 crores on the Onerous contract, Profit before tax was Rs 280 crores and Net Profit (after Minority Interest) was Rs 208 crores as compared to Rs 219 crores and Rs 162 crores, respectively in the previous year.

The Board has recommended dividend of Rs 1.60 per share of Re. 1/- each (160%) for the year ended 31st March, 2013.



VOLTAS LIMITED

Electro - Mechanical Projects and Services:

Segment's revenue was higher at Rs 3200 crores as compared to Rs 3183 crores last year. However, profitability of this segment, especially on account of overseas projects, was significantly impacted and lower at Rs 51 crores as compared to Rs 172 crores last year.

As earlier reported, execution of Sidra Medical and Research Centre hospital project in Qatar (Onerous contract) has been facing several impediments and constraints arising from delay in designs, frequent changes in architectural/interior layouts, ceiling height restrictions and abortive engineering/rework. The Company had, in line with the requirements of Accounting Standard (AS) 7, accounted for Rs 277 crores in the previous year, based on a techno-commercial review by the Management taking cognizance of cost incurred and to be incurred, to complete this project based on information available at that time. However, considering the further elongated schedule of completion recently intimated by the Main Contractor, including certain subsequent developments, additional net cost overruns of Rs 96 crores have been accounted for on this Onerous contract in 2012-13. Nevertheless, the risk of uncertainties continue to exist on variations/ additional revenue claims and costs to come till the completion of the project due to the complex nature of the 'design and build' project.

Domestic Project Business:

The Domestic projects business also had its share of challenges primarily on account of external factors which has impacted both, turnover and profitability of this business. Despite the subdued investment climate, the domestic electro-mechanical projects business was able to secure orders at reasonable gross margins/profitability.

The Order Book of the Electro - Mechanical Projects and Services Segment stood at Rs.3719 crores as at 31st March, 2013 as compared to Rs. 4292 crores as at the end of the previous year.

Engineering Products and Services:

Both Textile Machinery and Mining & Construction businesses have performed well on the strength of fresh orders, new offerings and their customer-centric approach. The fate of this business is intertwined, and gets impacted, by changes in interest rates, availability of electricity and government policies. Revenues and Results of this segment were at Rs. 431 crores and Rs. 84 crores



VOLTAS LIMITED

respectively as compared to Rs. 412 crores and Rs. 69 crores, respectively, last year.

Unitary Cooling Products for Comfort and Commercial use:

Despite intense competition / new players entering the market, unfavourable climatic conditions and subdued consumer sentiments, Voltas sustained its No.1 market position in the Unitary Cooling Products business for most part of the year. Though the AC industry witnessed de-growth in sales volumes in 2012-13, the Segment's Revenue increased by 19% and was Rs.1836 crores for the year under review as compared to Rs.1539 crores last year. Profit was also higher at Rs.173 crores as compared to Rs.130 crores last year.

Issued by:

B.N. Garudachar
General Manager
Corporate Communications & IR
Mumbai
Tel: 66656280/1

Rediffusion / Edelman
Ms. Neha Khatter (Delhi) 91-8826416555
Mr. Lennon D'Souza,(Mumbai) 91-9619763172