Notes Forming Part of the Financial Statements

for the year ended 31 March, 2020

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, 2020 were approved by the Board of Directors and approved for issue on 29 May, 2020.

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 and financial instruments below.

The accounting policies adopted for preparation and presentation of financial statement have been consistently applied except for the changes in accounting policy for amendments to the standard that were issued by MCA, effective for annual period beginning from on or after 1 April, 2019.

The 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 3A.

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.

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) Retirement 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

Property, plant and equipment are stated at cost less accumulate 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 and EDP 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.

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.

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 INR, 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 : 1-5 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section P Impairment of non-financial assets.

(b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.The Company's lease liabilities are included in Interest-bearing borrowings.

(c) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office premises and storage locations (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income arising is accounted 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.

The Company has applied Ind AS 116 "Leases" using the modified retrospective method w.e.f. 1 April, 2019 and therefore the comparative information has not been restated and continue to be reported as follows:

Company as a lessee

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Operating lease payments are recognised as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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 from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. 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 is measured at the amount expected to be paid to the tax 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 recognized in the other comprehensive income (OCI). However, the Company recognizes 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 categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognized 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 recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

  Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- **Investments in subsidiaries, joint ventures and associates**

  Investment in subsidiaries, joint ventures and associates are carried at cost in the financial statements.

- **Derecognition**

  The Company derecognises a financial asset when the rights to receive cash flows from the asset have expired or it transfers the right to receive the contractual cash flow on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

Financial liabilities

- **Initial recognition and measurement**

  Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

  All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- **Subsequent measurement**

  The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

- **Financial liabilities at amortised cost**

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- **Financial guarantee contracts**

  Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amount of income recognised in accordance with the principles of Ind AS 115.

- **Derecognition**

  A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

- **Offsetting of financial instruments**

  Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

P. IMPAIRMENT

(a) Financial assets

The Company assessed the expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on the Company's past history of recovery, credit worthiness of the counter party and existing and future market conditions.

For all financial assets other than trade receivables, expected credit losses are measured at an amount equal to the 12-month expected credit loss (ECL) unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. For trade receivables, the Company has applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109 which requires the expected lifetime losses from initial recognition of the receivables.

(b) Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses including impairment on inventories are recognised in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

For contract assets, the Company has applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109 which requires the expected lifetime losses from initial recognition of the contract assets.

Q. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

R. EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

S. SEGMENT REPORTING

Segments are identified based on the manner in which the chief operating decision-maker (CODM) decides about the resource allocation and reviews performance.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/liabilities".

Segment information has been presented in the Consolidated Financial Statements as permitted by Ind AS 108 on Operating Segments, specified under Section 133 of the Companies Act, 2013.

T. CASH DIVIDEND

The Company recognises a liability to pay dividend to equity 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.

3A. 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 recognized 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. Further, Management has assessed the impact of the ongoing economic slowdown and associated uncertainties in the business environment due to outbreak of Covid-19 in making estimates for cost to complete.

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 recognize 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. Further, Management has also evaluated the possible effect from increased uncertainties in the current economic environment due to outbreak of Covid-19 in making estimates for Impairment of trade receivables and contract assets. Details of impairment provision on contract assets and trade receivable are given in Note 13 and Note 14.

The Company reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its 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 45.

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 41 (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 42.

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 29.

3B. CHANGE IN ACCOUNTING POLICY

New and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ending 31 March, 2020, but do not have an impact on the financial statements of the Company.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 'Leases' and it sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using modified retrospective approach for transitioning by recognising right of use asset and an equal amount of lease liability on 1 April, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 April, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

The effect of adoption Ind AS 116 as at 1 April, 2019 was as follows:

a) 'Right-of-use assets' and an equal amount of lease liabilities of ₹ 11.31 crores were recognised as of 1 April, 2019.

b) Prepayments' related to previous operating lease were reclassified from other non-current assets to Right-of-use assets as at 1 April, 2019 of ₹ 2.69 crores (Gross Block: ₹ 3.13 crores and Accumulated Depreciation: ₹ 0.44 crore).

c) 'Right-of-use assets' were presented separately in balance sheet and lease liabilities were included in 'Borrowings'.

Further, the application of Ind AS 116 did not have any significant impact on the financial statements and EPS for the year ended 31 March, 2020.

4. PROPERTY, PLANT AND EQUIPMENT (OWNED, UNLESS OTHERWISE STATED)

₹ in crores

	Freehold Land	Buildings	Plant and Equipment	Office and EDP Equipment	Furniture and fixtures	Vehicles	Transferred to Investment property	Total Property, Plant And Equipment
Gross carrying amount								
As at 31 March, 2018	28.77	150.77	109.54	64.73	25.28	2.75	(56.14)	325.70
Additions	0.74	28.18	22.40	11.02	1.83	0.40	(1.30)	63.27
Disposals	-	0.22	5.00	12.42	1.23	0.85	-	19.72
Transfers in / (out)	-	-	-	-	-	-	(1.33)	(1.33)
As at 31 March, 2019	**29.51**	**178.73**	**126.94**	**63.33**	**25.88**	**2.30**	**(58.77)**	**367.92**
Accumulated depreciation								
As at 31 March, 2018	-	37.80	84.14	43.95	16.81	2.15	(11.43)	173.42
Charge for the year	-	3.20	4.59	6.73	1.62	0.16	(0.88)	15.42
Disposals	-	0.08	4.76	11.59	1.04	0.64	-	18.11
Transfers in / (out)	-	-	-	-	-	-	(0.19)	(0.19)
As at 31 March, 2019	**-**	**40.92**	**83.97**	**39.09**	**17.39**	**1.67**	**(12.50)**	**170.54**
Net carrying amount as at 31 March, 2019	**29.51**	**137.81**	**42.97**	**24.24**	**8.49**	**0.63**	**(46.27)**	**197.38**
Gross carrying amount								
As at 31 March, 2019	29.51	178.73	126.94	63.33	25.88	2.30	(58.77)	367.92
Additions	-	10.71	15.22	11.45	2.28	-	-	39.66
Disposals	-	2.28	3.97	1.97	0.60	0.22	-	9.04
Transfers in / (out)	-	-	-	-	-	-	0.01	0.01
As at 31 March, 2020	**29.51**	**187.16**	**138.19**	**72.81**	**27.56**	**2.08**	**(58.76)**	**398.55**
Accumulated depreciation								
As at 31 March, 2019	-	40.92	83.97	39.09	17.39	1.67	(12.50)	170.54
Charge for the year	-	3.87	6.68	7.48	1.43	0.11	(0.93)	18.64
Disposals	-	0.42	3.77	1.75	0.56	0.20	-	6.70
Transfers in / (out)	-	-	-	-	-	-	0.01	0.01
As at 31 March, 2020	**-**	**44.37**	**86.88**	**44.82**	**18.26**	**1.58**	**(13.42)**	**182.49**
Net carrying amount as at 31 March, 2020	**29.51**	**142.79**	**51.31**	**27.99**	**9.30**	**0.50**	**(45.34)**	**216.06**

Footnote :

Buildings includes ₹ 0.0016 crore (31 March, 2019: ₹ 0.0015 crore) being cost of shares and bonds in Co-operative Housing Societies.

5. INVESTMENT PROPERTY

₹ in crores

	Freehold Land	Buildings	Total
Gross carrying amount			
As at 31 March, 2018	0.14	56.00	56.14
Additions	-	1.30	1.30
Transfers in / (out)	-	1.33	1.33
As at 31 March, 2019	**0.14**	**58.63**	**58.77**
Accumulated depreciation			
As at 31 March, 2018	-	11.43	11.43
Charge for the year	-	0.88	0.88
Transfers in / (out)	-	0.19	0.19
As at 31 March, 2019	**-**	**12.50**	**12.50**
Net carrying amount as at 31 March, 2019	**0.14**	**46.13**	**46.27**
Gross carrying amount			
As at 31 March, 2019	0.14	58.63	58.77
Additions	-	-	-
Transfers in / (out)	-	(0.01)	(0.01)
As at 31 March, 2020	**0.14**	**58.62**	**58.76**
Accumulated depreciation			
As at 31 March, 2019	-	12.50	12.50
Charge for the year	-	0.93	0.93
Transfers in / (out)	-	(0.01)	(0.01)
As at 31 March, 2020	**-**	**13.42**	**13.42**
Net carrying amount as at 31 March, 2020	**0.14**	**45.20**	**45.34**

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

	Year ended 31 March, 2020	Year ended 31 March, 2019
Rental income	38.65	39.56
Direct operating expenses (including repairs and maintenance) generating rental income (net of recoveries)	1.77	1.93
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income	3.49	2.78
Profit from investment properties before depreciation and indirect expenses	**33.39**	**34.85**
Depreciation	0.93	0.88
Profit arising from investment properties before indirect expenses	**32.46**	**33.97**

5. INVESTMENT PROPERTY (Contd.)

(3) Fair Value of the Company's investment properties are as follows:

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
Land	137.27	137.27
Building	662.06	662.75
	799.33	**800.02**

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 with the authority which governs the valuers in India. 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.

5A RIGHT-OF-USE ASSETS

₹ in crores

	Leasehold Land	Leasehold Buildings	Total Right-of-use assets
Gross carrying amount			
As at 31 March, 2019	-	-	-
Ind AS 116 impact (Refer Note 3B)	3.13	11.31	14.44
Additions	-	1.35	1.35
Disposals	-	-	-
As at 31 March, 2020	**3.13**	**12.66**	**15.79**
Accumulated depreciation			
As at 31 March, 2019	-	-	-
Ind AS 116 impact (Refer Note 3B)	0.44	-	0.44
Charge for the year	0.03	4.55	4.58
As at 31 March, 2020	**0.47**	**4.55**	**5.02**
Net carrying amount as at 31 March, 2020	**2.66**	**8.11**	**10.77**

6. INTANGIBLE ASSETS

₹ in crores

	Manufacturing Rights & Technical Know-how	Software Cost	Total Intangible Assets
Gross carrying amount			
As at 31 March, 2018	10.31	47.67	57.98
Additions	-	3.16	3.16
Disposals	0.27	0.91	1.18
As at 31 March, 2019	**10.04**	**49.92**	**59.96**
Amortisation			
As at 31 March, 2018	10.31	39.06	49.37
Charge for the year	-	3.41	3.41
Disposals	0.27	0.86	1.13
As at 31 March, 2019	**10.04**	**41.61**	**51.65**
Net carrying amount as at 31 March, 2019	**-**	**8.31**	**8.31**

6. INTANGIBLE ASSETS (Contd.)

₹ in crores

	Manufacturing Rights & Technical Know-how	Software Cost	Total Intangible Assets
Gross carrying amount			
As at 31 March, 2019	10.04	49.92	59.96
Additions	-	3.96	3.96
Disposals	-	0.17	0.17
As at 31 March, 2020	**10.04**	**53.71**	**63.75**
Amortisation			
As at 31 March, 2019	10.04	41.61	51.65
Charge for the year	-	3.10	3.10
Disposals	-	0.17	0.17
As at 31 March, 2020	**10.04**	**44.54**	**54.58**
Net carrying amount as at 31 March, 2020	**-**	**9.17**	**9.17**

7. INVESTMENTS

₹ in crores

	Currency	Face Value	As at 31 March, 2020 No.	As at 31 March, 2020 ₹ in crores	As at 31 March, 2019 No.	As at 31 March, 2019 ₹ in crores
7 (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 Ltd., UAE	USD	1	4,08,441	3.07	4,08,441	3.07
Voltas Netherlands B.V.	EURO	45	13,635	2.65	13,635	2.65
Universal Comfort Products Ltd.	₹	10	2,76,42,000	16.95	2,76,42,000	16.95
Lalbukh 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 Ltd. (Refer footnote 7 (a)) (Beneficial rights transferred pending transfer of shares)	₹	100	2,80,000	-	2,80,000	-
Auto Aircon (India) Ltd.	₹	10	1,19,50,000	6.30	1,19,50,000	6.30
Westerwork Engineers Ltd. (Under Liquidation)	₹	100	9,600	1.09	9,600	1.09
Rohini Industrial Electricals Ltd. (Refer footnote 7 (e))	₹	10	18,25,782	182.41	18,25,782	181.22
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			-	240.17	-	238.98
Less : Impairment in value of Investments (#)			-	67.58	-	67.58
			-	**172.59**	-	**171.40**
(#) Impairment in value of Investments pertains to :						

7. INVESTMENTS (Contd.)

₹ in crores

	Currency	Face Value	As at 31 March, 2020 No.	As at 31 March, 2020 ₹ in crores	As at 31 March, 2019 No.	As at 31 March, 2019 ₹ in crores
Auto Aircon (India) Ltd.				6.30		6.30
Westerwork Engineers Ltd. (Under Liquidation)				1.09		1.09
Rohini Industrial Electricals Ltd. (Refer footnote 7 (h))				32.57		32.57
Saudi Ensas Company for Engineering Services W.L.L., Saudi Arabia				27.62		27.62
				67.58		**67.58**
2 Investments in Joint Ventures : (at cost less impairment unless otherwise stated):						
Voltas Water Solutions Private Ltd.	₹	10	28,41,500	2.85	28,41,500	2.85
Olayan Voltas Contracting Company Ltd., 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 Ltd.	₹	10	33,51,64,900	335.16	19,69,84,900	196.98
Gross Investments in Joint Ventures				358.25		220.07
Less : Impairment in value of Investments (#)				21.97		19.81
				336.28		**200.26**
(#) Impairment in value of Investments pertains to :						
Voltas Water Solutions Private Ltd.				2.85		2.85
Olayan Voltas Contracting Company Ltd., Saudi Arabia				19.12		16.96
				21.97		**19.81**
3 Investments in Associate Companies: (at cost less impairment unless otherwise stated):						
Brihat Trading Private Ltd.	₹	10	3,352	*	3,352	*
Terrot GmbH, Germany	EURO	1	2,60,900	1.56	2,60,900	1.56
Naba Diganta Water Management Ltd.	₹	10	47,97,000	4.80	47,97,000	4.80
Gross Investments in Associates				6.36		6.36
Less : Impairment in value of Investments - Terrot GmbH				1.56		-
				4.80		**6.36**
B Investments in Other Companies (Investments at Fair Value through Other Comprehensive Income) (Refer footnote 7 (f))						
1 Fully Paid Unquoted Equity Instruments:						
Lakshmi Ring Travellers (Coimbatore) Ltd.	₹	10	1,20,000	28.03	1,20,000	53.74
Agrotech Industries Ltd.	USD	1	3,67,500	-	3,67,500	-
Tata International Ltd. (Refer footnote 7 (b))	₹	1,000	10,000	5.65	10,000	5.65
Tata Services Ltd. (Refer footnote 7 (b))	₹	1,000	448	0.04	448	0.04
Tata Industries Ltd. (Refer footnote 7 (b))	₹	100	13,05,720	20.72	13,05,720	20.72
Tata Projects Ltd.	₹	100	1,35,000	147.48	1,35,000	123.10

7. INVESTMENTS (Contd.)

₹ in crores

	Currency	Face Value	As at 31 March, 2020		As at 31 March, 2019	
			No.	₹ in crores	No.	₹ in crores
Premium Granites Ltd.	₹	10	4,91,220	-	4,91,220	-
OMC Computers Ltd.	₹	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 Ltd.	₹	10	750	*	750	*
Saraswat Co-operative Bank Ltd.	₹	10	10	*	10	*
Super Bazar Co-operative Stores Ltd.	₹	10	500	*	500	*
				201.92		**203.25**
2 **Fully Paid Quoted Equity Instruments :**						
Lakshmi Automatic Loom Works Ltd.	₹	10	6,15,200	-	6,15,200	-
Tata Chemicals Ltd.	₹	10	2,00,440	4.47	2,00,440	11.77
Tata Consumer Products Ltd. (Refer footnote 7 (c))	₹	1	2,28,501	6.74	-	-
Lakshmi Machine Works Ltd.	₹	10	5,79,672	133.34	5,79,672	353.20
Reliance Industries Ltd. (Refer footnote 7 (d))	₹	10	2,640	-	2,640	-
				144.55		**364.97**
C Investment in Preference Shares						
Fully Paid Unquoted:						
In Subsidiaries (at amortised cost) :						
Rohini Industrial Electricals Ltd. (Refer footnote 7 (e)) 0.01% Cumulative Redeemable Preference Shares	₹	100	1,27,00,000	79.21	1,27,00,000	72.01
In Other Companies (at amortised cost)						
Tata Capital Ltd.						
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
				129.21		**122.01**
D Investment in Unquoted Mutual funds (at fair value through profit or loss) (Refer footnote 7(g))				**903.82**		**122.68**
E Investment in Debenture/Bonds (at amortised cost)						
Fully Paid Quoted:						
Tata Steel Ltd.						
11.50% Perpetual Non Convertible Debentures	₹	10,00,000	292	29.26	292	29.31
11.80% Perpetual Non Convertible Debentures	₹	10,00,000	-	-	100	10.41
Tata Power Company Ltd.						
10.75% Non Convertible Debentures	₹	10,00,000	500	53.40	500	53.76
Rural Electrification Corporation Ltd.						
5.25% Tax Free Bonds	₹	10,000	-	-	500	0.50
8.01% Tax Free Bonds	₹	1,000	50,000	5.41	50,000	5.48
7.17% Tax Free Bonds	₹	10,00,000	70	7.46	70	7.51
5.75% Tax Free Bonds	₹	10,000	500	0.53	500	0.53
8.18% Tax Free Bonds	₹	10,00,000	50	5.44	50	5.48

7. INVESTMENTS (Contd.)

₹ in crores

	Currency	Face Value	As at 31 March, 2020		As at 31 March, 2019	
			No.	₹ in crores	No.	₹ in crores
National Housing Bank						
8.26% Tax Free Non Convertible Debentures	₹	5,000	18,049	9.80	18,049	9.93
Housing and Urban Development Corporation Ltd.						
8.51% Tax Free Bonds	₹	1,000	1,50,000	16.40	1,50,000	16.64
8.10% Tax Free Bonds	₹	1,000	2,53,400	26.19	2,53,400	26.51
7.07% Tax Free Non Convertible Debentures	₹	10,00,000	50	5.36	50	5.39
Indian Railway Finance Corporation Ltd.						
8.35% Tax Free Bonds	₹	10,00,000	250	28.40	250	27.59
Tata AIG General Insurance Co. Ltd.						
8.52% Non Convertible Debentures	₹	10,00,000	30	2.90	-	-
Tata Motors Finance Ltd.						
11.50% Non Convertible Debentures	₹	10,00,000	500	54.49	-	-
				245.04		**199.04**
F Investment in Others :						
Government Securities	₹			*		*
				*		*
Total : Non-current Investments - Net				**2,138.21**		**1,389.97**
Footnotes:						
(i) Aggregate value of Quoted Investments and market value thereof				389.59		564.01
(ii) Aggregate value of Unquoted Investments				1,839.73		913.35
(iii) Aggregate value of impairment in value of investments				91.11		87.39

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:

7 (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.

7 (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.

7 (c) Pursuant to the de-merger of the Consumer Products Business of Tata Chemicals Limited (TCL) with Tata Global Beverages Limited, now known as Tata Consumer Products Limited (TCPL), the Company has received 2,28,501 equity shares of TCPL in lieu of its existing holding of 2,00,440 equity shares held in TCL, in the ratio of 1.14 equity shares of TCPL for every 1 equity share held in TCL.

7 (d) In respect of the Company's investment in 2,640 equity shares of Reliance Industries Ltd., there is an Injunction Order passed by the Court in Kanpur restraining the transfer of these shares. The share certificates are, however, in the possession of the Company. Pending disposal of the case, dividend on these shares has not been recognised.

7. INVESTMENTS (Contd.)

7 (e) The Company had invested in 0.01% cumulative redeemable preference shares ('CRPS') of Rohini Industrial Electricals Limited (RIEL), aggregating ₹127 crores (₹ 25 crores in 2011-12, ₹ 37 crores in 2012-13 and ₹ 65 crores in 2016-17), for a period of 7 years. The investment was accounted at amortised cost and the difference between the Investment and the amortised cost amounting to ₹ 54.69 crores was included as Investment in Equity instrument of RIEL. Further in 2018-19, modification in terms of repayment of CRPS, which were due for redemption on 29 March, 2019 and 1 October, 2020 amounting ₹ 25 crores and ₹ 37 crores respectively, were made and repayment period was extended for a further period of 7 years from respective due dates. Accordingly, the difference between original amortised cost and revised amortised cost of CRPS amounting to ₹ 27.75 crores of which payment terms had been modified was included as Investment in Equity instrument of RIEL.

7 (f) 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.

7 (g) The Company has created lien against the Mutual Fund of ₹ 75 crores towards various fund and non-fund based credit facilities availed by the Company.

7 (h) The Company has conducted its annual impairment assessment of the investment in wholly owned subsidiary Rohini Industrial Electricals Limited (RIEL). The recoverable amount has been determined using the value in use method and calculated based on future cashflows for next five years after considering the order book position, current and anticipated economic conditions and trends, estimated future operating results and growth rates. The cash flows beyond five years are extrapolated using a steady growth rate of 5% per annum. Key assumptions for the value in use calculations includes discount rate of 14% per annum (PY 14% 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.

₹ in crores

	Currency	Face Value	As at 31 March, 2020		As at 31 March, 2019	
			No.	₹ in crores	No.	₹ in crores
7 (ii) Current Investments						
A Investment in Debenture/Bonds (at amortised cost)						
Fully Paid Quoted:						
Rural Electrification Corporation Ltd.						
5.25% Tax Free Bonds	₹	10,000	500	0.50	-	-
Tata Steel Ltd.						
11.80% Perpetual Non Convertible Debentures	₹	10,00,000	100	10.24	-	-
Tata International Ltd.						
9.30% Perpetual Non Convertible Debentures	₹	10,00,000	-	-	1,000	100.23
Tata Capital Ltd.						
10.25% Non Convertible Debentures	₹	5,00,000	-	-	25	1.27
				10.74		**101.50**
B Investment in Unquoted Mutual funds (at fair value through profit or loss)				**509.65**		**1,134.19**
Total Current investments				**520.39**		**1,235.69**
Footnotes:						
(i) Aggregate value of Quoted investments and market value thereof				10.74		101.50
(ii) Aggregate value of Unquoted investments				509.65		1,134.19
(iii) Aggregate value of impairment in value of investments				-		-

8. LOANS (NON-CURRENT) (AT AMORTISED COST)

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
Loans to Employees (Unsecured, considered good)	0.22	0.31
Total non-current loans	**0.22**	**0.31**

Footnote :

Loans and advances in nature of loans given to Subsidiaries in view of Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

₹ In crores

Name of the Related party	Relation	As at 31 March, 2020	As at 31 March, 2019	Maximum balance during the year	
				As at 2019-20	As at 2018-19
Auto Aircon (India) Ltd.	Subsidiary	-	-	-	0.61
Total		**-**	**-**	**-**	**0.61**

No interest is payable for above loan and there is no repayment schedule.

9. OTHER FINANCIAL ASSETS (NON-CURRENT) (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED) (AT AMORTISED COST)

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
(a) Security deposits	13.68	8.65
(b) Deposits with customers / others	5.37	5.57
(c) Fixed deposits with remaining maturity of more than 12 months	64.03	52.38
(d) Others	12.01	12.01
Less: Impairment Allowance	12.01	12.01
Total other financial assets (Non-current)	**83.08**	**66.60**
Footnotes :		
(1) Break up of security details of other financial assets (non-current)		
(i) Unsecured, considered good	83.08	66.60
(ii) Credit impaired	12.01	12.01
	95.09	**78.61**
(2) Impairment Allowance		
(i) Unsecured, considered good	-	-
(ii) Credit impaired	12.01	12.01
	12.01	**12.01**

10. DEFERRED TAX

(a) The following is the analysis of deferred tax assets / (liabilities) presented in the Balance Sheet :

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
Deferred tax assets	117.31	149.85
Deferred tax liabilities	(91.55)	(94.00)
Deferred Tax Assets (net)	**25.76**	**55.85**
Reconciliation of deferred tax assets (net):		
Opening balance	55.85	13.87
Tax income/(expense) during the period recognised in profit or loss	(27.75)	15.10
Deferred tax on Ind AS 115 transition adjustment	-	29.34
Tax income/(expense) during the period recognised in OCI	(2.34)	(2.46)
Closing balance	**25.76**	**55.85**

(b) The balance comprise temporary differences attributable to:

₹ in crores

	As at 31 March, 2019	(Charged) / credited to reserves	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	As at 31 March, 2020
Provision for employee benefits (including Voluntary Retirement Scheme)	37.52	-	4.13	(3.20)	38.45
Allowance for receivables, loans and advances	81.18	-	(20.20)	-	60.98
Provision for contingencies and claims	8.94	-	(1.60)	-	7.34
Unpaid statutory liabilities	4.54	-	(0.93)	-	3.61
Estimated loss on projects	10.29	-	(8.71)	-	1.58
Free Maintenance services	7.38	-	(2.21)	-	5.17
Others	-	-	0.18	-	0.18
Deferred Tax Assets	**149.85**	**-**	**(29.34)**	**(3.20)**	**117.31**
Property, plant and equipment and intangible assets	(35.57)	-	9.46	-	(26.11)
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(41.69)	-	-	0.86	(40.83)
Unrealised gains on fair valuation of Mutual funds	(16.74)	-	(7.87)	-	(24.61)
Others	-	-	-	-	-
Deferred Tax Liabilities	**(94.00)**	**-**	**1.59**	**0.86**	**(91.55)**
Deferred Tax Assets (net)	**55.85**	**-**	**(27.75)**	**(2.34)**	**25.76**

10. DEFERRED TAX (Contd.)

₹ in crores

	As at 31 March, 2018	(Charged) / credited to reserves	(Charged) / credited to statement of profit and loss	(Charged) / credited to other comprehensive income	As at 31 March, 2019
Provision for employee benefits	35.87	-	1.68	(0.03)	37.52
Allowance for receivables, loans and advances	42.15	29.34	9.69	-	81.18
Provision for contingencies and claims	8.81	-	0.13	-	8.94
Unpaid statutory liabilities	4.54	-	*	-	4.54
Estimated loss on projects	9.44	-	0.85	-	10.29
Free Maintenance services	-	-	7.38	-	7.38
Others	0.55	-	(0.55)	-	-
Deferred Tax Assets	**101.36**	**29.34**	**19.18**	**(0.03)**	**149.85**
Property, plant and equipment and intangible assets	(35.09)	-	(0.48)	-	(35.57)
Unrealised gains on fair valuation of investments through Other Comprehensive Income	(39.26)	-	-	(2.43)	(41.69)
Unrealised gains on fair valuation of Mutual funds	(13.14)	-	(3.60)	-	(16.74)
Deferred Tax Liabilities	**(87.49)**	**-**	**(4.08)**	**(2.43)**	**(94.00)**
Deferred Tax Assets (net)	**13.87**	**29.34**	**15.10**	**(2.46)**	**55.85**

* value below ₹ 50,000/-

11. OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
(a) Balance with Government Authorities	70.26	71.64
(b) Capital advances	38.74	13.57
(c) Advance to suppliers	1.07	1.34
(d) Lease prepayments (Refer Note 3B)	-	2.69
(e) Others	1.78	1.78
Less: Impairment Allowance	5.33	5.71
Total other non-current assets	**106.52**	**85.31**
Footnote:		
Impairment Allowance pertains to :		
(a) Balance with Government Authorities	3.89	3.89
(b) Advance to suppliers	1.07	1.34
(c) Others	0.37	0.48
Total	**5.33**	**5.71**

12. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
(a) Raw materials and Components	210.69	141.97
(b) Work-in-progress	6.53	12.55
(c) Finished goods	161.05	191.89
(d) Stock-in-trade	991.77	656.54
(e) Stores and spares	0.02	0.04
Total Inventories	**1,370.06**	**1,002.99**
Inventories includes goods-in-transit:		
(a) Raw materials and Components	105.55	56.99
(b) Finished goods	-	4.34
(c) Stock-in-trade	117.96	116.23
Total goods-in-transit	**223.51**	**177.56**
Footnote :		
Provision for write-down on value of inventory	26.09	14.61

13. CONTRACT ASSETS (CURRENT) (UNSECURED)

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
Amount due from customers under construction contracts	815.26	703.42
Less: Impairment Allowance	47.29	27.07
Contract assets (Current) (net)	**767.97**	**676.35**
Footnotes :		
(1) Break up of security details		
(i) Unsecured, considered good	802.93	696.42
(ii) Contract assets - credit impaired	12.33	7.00
	815.26	**703.42**
Less: Impairment Allowance	47.29	27.07
	767.97	**676.35**

(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, 2020, contract assets balances have increased as compared to 31 March, 2019 on account of delay in certification of work by the customers.

14. TRADE RECEIVABLES (CURRENT) (AT AMORTISED COST) (UNSECURED)

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
Trade receivables	1,603.58	1,579.17
Less: Impairment Allowance	174.33	184.33
Trade receivables (net)	**1,429.25**	**1,394.84**
Footnotes :		
(1) Break up of security details		
(i) Unsecured, considered good	1,521.64	1,523.10
(ii) Trade Receivables - credit impaired	81.94	56.07
	1,603.58	**1,579.17**
Less: Impairment Allowance	174.33	184.33
	1,429.25	**1,394.84**

14. TRADE RECEIVABLES (CURRENT) (AT AMORTISED COST) (UNSECURED) (Contd.)

(2) There is no significant movement in trade receivable balances as compared to 31 March, 2019.

(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 recognizes 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.

₹ In crores

(5) **Movement in impairment allowance on trade receivables and contract assets.**	As at 31 March, 2020	As at 31 March, 2019
Balance at the beginning of the year	211.40	102.93
Transition impact of Ind AS 115	-	83.97
Allowances / (write back) during the year	46.47	28.38
Written off against past provision	(36.25)	(3.88)
Balance at the end of the year	**221.62**	**211.40**

15. CASH AND CASH EQUIVALENTS

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
Cash on hand	*	0.60
Cheques on hand	1.44	43.92
Remittance in-transit	0.07	0.20
Balances with banks		
- On current accounts	169.89	182.11
- Fixed deposits with maturity less than 3 months	10.29	0.02
Total Cash and cash equivalents	**181.69**	**226.85**

Footnotes :

(a) The changes in liabilities arising from financing activities is on account of cash flow changes only except for lease liabilities. For details of change in lease liabilities arising from financing activities refer Note 48 (a).

(b) At 31 March, 2020, the Company had available ₹ 696.96 crores (31 March, 2019: ₹ 195.57 crores) of undrawn committed borrowing facilities.

* value below ₹ 50,000/-

16. OTHER BALANCES WITH BANKS

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
Fixed deposits with maturity greater than 3 months but less than 12 months	7.71	-
Earmarked balances - unpaid dividend accounts	7.46	7.18
Margin money	2.93	2.84
Total Other Bank balances	**18.10**	**10.02**

Footnote :

Margin money deposit is against bank guarantee given to Government authorities.

17. LOANS (CURRENT) (AT AMORTISED COST)

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
Loans to employees (Unsecured, considered good)	1.05	10.86
Total loans (Current)	**1.05**	**10.86**

18. OTHER FINANCIAL ASSETS (CURRENT) (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED) (AT AMORTISED COST)

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
(a) Security deposits	15.82	16.02
(b) Due from related parties	40.79	54.25
(c) Interest accrued	17.57	12.79
(d) Fixed deposits with remaining maturity of less than12 months	22.58	2.59
(e) Others		
- Considered good	44.91	35.08
-Credit impaired	3.13	3.03
Less: Impairment Allowance	3.13	3.03
Total other financial assets (Current)	**141.67**	**120.73**

19. OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
(a) Balance with Government Authorities	230.50	159.56
(b) Advance to suppliers	70.02	30.53
(c) Gratuity fund (Refer Note 42)	12.42	-
(d) Prepaid expense	38.69	23.25
(e) Others		
- Considered good	24.64	12.91
-Credit impaired	0.28	0.36
Less: Impairment Allowance	0.28	0.36
Total other current assets	**376.27**	**226.25**

20. SHARE CAPITAL

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
Authorised:		
60,00,00,000 (31 March, 2019: 60,00,00,000) Equity Shares of ₹ 1/- each	60.00	60.00
40,00,000 (31 March, 2019: 40,00,000) Preference Shares of ₹ 100/- each	40.00	40.00
	100.00	**100.00**

20. SHARE CAPITAL (Contd.)

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
Issued, Subscribed and Paid up:		
33,08,84,740 (31 March, 2019: 33,08,84,740) Equity Shares of ₹ 1/- each	33.09	33.09
Less : Calls-in-Arrears [1,22,500 shares (31 March, 2019: 1,25,900 shares)] [Refer footnote 20 (d)]	0.01	0.01
Total share capital	**33.08**	**33.08**

Footnotes:

Terms / Rights attached to equity shares

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

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

	Equity Shares			
	As at 31 March, 2020		As at 31 March, 2019	
	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 shareholders holding more than 5 percent shares in the Company:

Name of Shareholder	Equity Shares				
	Class of Shares	As at 31 March, 2020		As at 31 March, 2019	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
Tata Sons Private Ltd.	Equity	8,81,31,780	26.64	8,81,31,780	26.64
HDFC Trustee Company Ltd. (Various Accounts)	Equity	1,13,09,000	3.42	1,66,73,000	5.04

(d) As per the records of the Company, no calls remained unpaid by the Directors and Officers of the Company as on 31 March, 2020 (31 March, 2019 : Nil).

21. OTHER EQUITY

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
(1) Capital Reserve	1.56	1.56
(2) Capital Redemption Reserve	1.26	1.26
(3) Securities Premium	6.28	6.27
(4) General Reserve	1,351.83	1,331.83
(5) Staff Welfare Reserve	0.01	0.01
(6) Equity instruments fair value through other comprehensive income	304.31	525.20
(7) Retained Earnings	2,257.48	1,843.94
Total other equity	**3,922.73**	**3,710.07**

₹ In crores

MOVEMENTS IN OTHER EQUITY	As at 31 March, 2020	As at 31 March, 2019
(1) Capital Reserve		
- As per last Balance Sheet	**1.56**	**1.56**
(2) Capital Redemption Reserve		
- As per last Balance Sheet	**1.26**	**1.26**
(3) Securities Premium		
- As per last Balance Sheet	6.27	6.27
- Received during the year	0.01	*
- Closing Balance	**6.28**	**6.27**
(4) General Reserve		
- As per last Balance Sheet	1,331.83	1,311.83
- Transfer from retained earnings	20.00	20.00
- Closing Balance	**1,351.83**	**1,331.83**
(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	525.20	560.70
- Changes during the year	(220.89)	(35.50)
- Closing Balance	**304.31**	**525.20**
(7) Retained Earnings		
(a) As per last Balance Sheet	1,843.94	1,599.25
(b) Additions :		
- Net Profit for the year	569.90	464.47
- Transfer from other comprehensive income (Net of tax)	10.87	0.06
	580.77	**464.53**
(c) Deductions :		
- Dividend	132.35	132.35
- Dividend Distribution tax	14.88	12.86
- Transfer to General Reserve	20.00	20.00
- Transition impact of Ind AS 115 (Net of tax)	-	54.63
	167.23	**219.84**
Closing Balance	**2,257.48**	**1,843.94**
Total other equity	**3,922.73**	**3,710.07**

* value below ₹ 50,000/-

21. OTHER EQUITY (Contd.)

₹ In crores

DISTRIBUTION MADE AND PROPOSED	As at 31 March, 2020	As at 31 March, 2019
Cash Dividends on Equity Shares declared and paid:		
Dividend for the year ended 31 March, 2019: ₹ 4.00 per share	132.35	132.35
(31 March, 2018: ₹ 4.00 per share)		
Dividend Distribution Tax	14.88	12.86
	147.23	**145.21**
Proposed Dividend on Equity Shares:		
Dividend for the year ended 31 March, 2020: ₹ 4.00 per share	132.25	132.35
(31 March, 2019: ₹ 4.00 per share)		
Dividend Distribution Tax on proposed dividend *	-	27.21
	132.25	**159.56**

* Dividend Distribution Tax (DDT) before availment of any DDT credit available.

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 or 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 (including tax on dividend) and transfer to reserves.

22. CONTRACT LIABILITIES (NON-CURRENT)

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
Unexpired service contracts	0.74	0.70
Total Contract liabilities (Non-Current)	**0.74**	**0.70**

23. BORROWINGS (AT AMORTISED COST) (NON-CURRENT)

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
Unsecured		
Lease Liabilities (Refer Note 48)	5.41	-
Total non-current borrowings	**5.41**	**-**

24. PROVISIONS (NON-CURRENT)

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
Provision for employee benefits :		
(i) Provision for gratuity (Refer Note 42)	34.30	31.79
(ii) Pension obligations (Refer Note 42)	32.87	34.36
(iii) Post retirement medical benefits (Refer Note 42)	6.62	6.77
(iv) Provision for Voluntary Retirement Scheme (Refer Note 29)	5.78	-
(v) Provision for employee separation compensation	0.18	0.34
Total provisions (Non-Current)	**79.75**	**73.26**

25. CONTRACT LIABILITIES (CURRENT)

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
(a) Advances received from customers	233.35	212.95
(b) Unexpired service contracts	8.41	11.08
(c) Billing in excess of contract revenue	170.51	64.96
Total Contract liabilities (Current)	**412.27**	**288.99**

Footnote :

The outstanding balances of the contract liabilities as at 31 March, 2020 are higher on account of billing done in excess of revenue recognised as per the terms of contracts .

26. BORROWINGS (AT AMORTISED COST) (CURRENT)

₹ In Crores

	As at 31 March, 2020	As at 31 March, 2019
Secured		
(a) Term loans from Banks	-	9.51
(b) Working Capital loans from Banks	79.58	104.13
Unsecured		
(a) Lease Liabilities (Refer Note 48)	3.41	-
Total borrowings	**82.99**	**113.64**

Footnotes :

(i) Borrowings are secured against assignment of Contract dues on overseas projects.

(ii) Term Loans outstanding in the previous year have been repaid in the current year. The Term loans from banks outstanding as on 31 March, 2019 carried an average interest rate of 4.40% and were repayable within a period of 90 days.

(iii) Working capital loans from banks are repayable on demand.

(iv) Working capital loans from banks carry an average interest rate of 2.70% to 4% (31 March, 2019 : 3% to 6.50%).

27. TRADE PAYABLES

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
Trade payables :		
(i) Total outstanding dues of micro and small enterprises	211.95	266.24
(ii) Total outstanding dues of creditors other than micro and small enterprises	2,523.50	2,107.72
Total trade payables	**2,735.45**	**2,373.96**

Footnotes :

Trade payables are non interest bearing and are normally settled on 30 days to 365 days credit term.

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

(i)	(a) Principal amount remaining unpaid to any supplier	210.81	265.36
	(b) Interest on (i)(a) above	0.23	0.21
(ii)	The amount of interest paid along with the principal payment made to the supplier	0.33	0.49
(iii)	Amount of interest due and payable on delayed payments	0.28	0.30
(iv)	Amount of further interest remaining due and payable for the earlier years	0.63	0.37
(v)	Total outstanding dues of Micro and Small Enterprises		
	- Principal	210.81	265.36
	- Interest	1.14	0.88

28. OTHER FINANCIAL LIABILITIES (CURRENT) (AT AMORTISED COST)

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
(a) Deposits received from customers / others	44.66	41.24
(b) Interest accrued but not due on borrowings	-	0.03
(c) Payable for capital goods	2.05	2.05
(d) Unpaid dividends	7.46	7.18
(e) Other financial liabilities (*)	28.96	31.68
Total other financial liabilities	**83.13**	**82.18**

(*) Includes Rebate to customers, etc.

29. PROVISIONS

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
(a) Provision for Employee Benefits		
(i) Provision for gratuity (Refer Note 42)	2.68	3.32
(ii) Pension obligations (Refer Note 42)	3.03	2.77
(iii) Provision for compensated absences	31.70	35.12
(iv) Post retirement medical benefits (Refer Note 42)	0.43	0.47
(v) Provision for Voluntary Retirement Scheme	23.72	-
(vi) Provision for employee separation compensation	0.19	0.24

29. PROVISIONS (Contd.)

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
(b) Provision for Trade Guarantees	39.32	51.04
(c) Provision for Contingencies for tax matters	29.17	25.60
Total provision (current)	**130.24**	**118.56**

Footnotes :

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
A. Provisions for trade guarantees		
Opening balance	51.04	114.78
Additional provisions recognised	36.74	29.29
Less : Utilisation	46.00	66.24
Less : Reversal	2.46	26.79
Closing balance	**39.32**	**51.04**
B. Provision for Contingencies for tax matters		
Opening balance	25.60	25.22
Additional provisions recognised	3.57	2.84
Less : Utilisation	-	0.02
Less : Reversal	-	2.44
Closing balance	**29.17**	**25.60**
C. Provision for Voluntary Retirement Scheme		
Opening balance	-	-
Additional provisions recognised	51.19	-
Accretion of Interest	1.20	-
Less : Payment made during the period	22.89	-
Closing balance	**29.50**	**-**
Non - current liability	5.78	-
Current liability	23.72	-

30. OTHER CURRENT LIABILITIES

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
(a) Statutory obligations	28.16	20.84
(b) Others	0.30	0.40
Total other current liabilities	**28.46**	**21.24**

31. REVENUE FROM OPERATIONS

₹ In crores

	Year ended 31 March, 2020	Year ended 31 March, 2019
Revenue from contracts with customers :		
(a) Sale of products	4,700.70	3,631.08
(b) Construction contract revenue	2,017.58	2,483.72
(c) Sale of services	605.62	543.48
	7,323.90	**6,658.28**

31. REVENUE FROM OPERATIONS (Contd.)

₹ In crores

	Year ended 31 March, 2020	Year ended 31 March, 2019
Other operating income :		
(a) Unclaimed credit balances written back	9.00	9.19
(b) Sale of scrap	6.54	5.65
(c) Others	18.07	20.07
	33.61	**34.91**
Total revenue from operations	**7,357.51**	**6,693.19**

32. OTHER INCOME

₹ In crores

	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Dividend Income		
From investment in subsidiaries, associates and joint ventures	62.73	73.40
From equity investments measured at FVTOCI	8.32	8.31
From mutual funds investments measured at FVTPL	10.24	2.24
(b) Interest Income		
On sundry advances, deposits, customers' balances etc.	0.04	0.39
On deposits with banks	3.46	2.55
On Income-tax refunds	0.16	1.42
On fair valuation of financial assets	7.20	9.07
On financial instruments measured at amortized cost	29.41	15.95
(c) Gain on sale / fair valuation of financial assets measured at FVTPL	96.52	96.17
(d) Gain on sale / disposal of property, plant and equipment (net)	0.54	-
(e) Exchange differences (net)	14.86	-
(f) Rental income	38.65	39.56
(g) Other non-operating income	26.62	13.49
Total other income	**298.75**	**262.55**

33. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ In crores

	Year ended 31 March, 2020	Year ended 31 March, 2019
Inventories at the end of the year :		
- Finished Goods including stock-in-trade	1,152.82	848.43
- Work-in-progress	6.53	12.55
	1,159.35	**860.98**
Inventories at the beginning of the year :		
- Finished Goods including stock-in-trade	848.43	581.32
- Work-in-progress	12.55	6.30
	860.98	**587.62**
Net (increase) / decrease	**(298.37)**	**(273.36)**

34. EMPLOYEE BENEFITS EXPENSES

₹ In crores

	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Salaries, Wages and Bonus	466.52	443.14
(b) Contribution to Provident and other Funds	28.04	25.23
(c) Staff Welfare expenses	20.99	20.38
Total employee benefits expenses	**515.55**	**488.75**

35. FINANCE COSTS

₹ In crores

	Year ended 31 March, 2020	Year ended 31 March, 2019
Interest expense		
(a) on borrowings from banks and others	7.75	22.90
(b) on delayed payment of income tax	-	0.03
(c) on lease liabilities	1.09	-
Total finance costs	**8.84**	**22.93**

36. DEPRECIATION AND AMORTISATION EXPENSES

₹ In crores

	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Depreciation on property, plant and equipment	18.64	15.42
(b) Amortisation on intangible assets	3.10	3.41
(c) Depreciation on investment property	0.93	0.88
(d) Depreciation on Right-of-use assets	4.58	-
Total depreciation and amortisation expenses	**27.25**	**19.71**

37. OTHER EXPENSES

₹ In crores

	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Consumption of Stores and Spares	2.47	2.59
(b) Power and Fuel	10.06	9.20
(c) Rent	33.00	42.75
(d) Repairs to Buildings	1.69	1.32
(e) Repairs to Plant and Machinery	8.46	7.09
(f) Insurance charges	7.60	6.59
(g) Rates and Taxes	2.16	2.08
(h) Travelling and Conveyance	43.10	48.67
(i) Payment to Auditors [Refer Note 37(A)]	2.67	2.34
(j) Legal and Professional fees	22.24	31.94
(k) Bad and Doubtful Debts / Advances [Refer footnote below]	46.11	30.66
(l) Loss on sale of property, plant and equipment	-	0.71
(m) Exchange differences (Net)	-	24.99

37. OTHER EXPENSES (Contd.)

₹ In crores

	Year ended 31 March, 2020	Year ended 31 March, 2019
(n) Corporate Social Responsibility (CSR) [Refer Note (37(B)]	10.10	10.15
(o) Outside Service charges	86.13	64.95
(p) Clearing charges	75.66	62.97
(q) Freight and forwarding charges	92.95	56.84
(r) Commission on sales	7.45	8.09
(s) Advertising	71.92	77.46
(t) Printing and stationery	10.27	13.41
(u) Donations	-	0.15
(v) Miscellaneous expenses	89.61	74.39
Total other expenses	**623.65**	**579.34**
Footnote :		
Bad and Doubtful Debts / Advances includes :-		
(a) Expected credit loss for contract assets and trade receivables	46.47	28.38
(b) Allowance for doubtful debts and advances	(0.36)	2.28
Total	**46.11**	**30.66**

37.(A) AUDITOR'S REMUNERATION

₹ In crores

	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) To Statutory Auditor for		
(1) Audit Fees	2.19	1.76
(2) Tax Audit Fees	0.06	0.12
(3) Other Services	0.24	0.22
(4) Reimbursement of Expenses	0.12	0.17
(b) To Secretarial Auditor for secretarial audit	0.02	0.02
(c) To Cost Auditor for cost audit	0.04	0.05
Total	**2.67**	**2.34**

37.(B) CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENSES

₹ In crores

	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Gross amount required to be spent by the Company during the year	9.94	10.00
(b) Amount spent in cash during the year on		
- Construction / acquisition of any asset	-	-
- Others	10.10	10.15
Total	**10.10**	**10.15**
(c) Amount to be spent in cash during the year on		
- Construction / acquisition of any asset	-	-
- Others	-	-
Total	**-**	**-**

38. EXCEPTIONAL ITEMS

₹ In crores

	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Reversal of provision / (provision) for diminution in value of investments	(3.72)	25.57
(b) Voluntary Retirement Scheme	(51.19)	-
Exceptional Items	**(54.91)**	**25.57**

Footnotes :

(i) During the current year, the Company has announced a Voluntary Retirement Scheme ('the scheme') for all permanent employees of the Company in the general cadre category and accordingly, the related impact of the scheme of ₹ 51.19 crores is disclosed as an exceptional item.

(ii) The Company has recognised an impairment provision of ₹ 2.16 crores (31 March, 2019: ₹ 6.35 crores) towards investment in Olayan Voltas Contracting Company, a Joint Venture (JV) of the Company and ₹ 1.56 crores (31 March, 2019: Nil) towards investment in Terrot GmbH, an associate company considering losses incurred by respective entities.

(iii) During the previous year, the Company had reversed impairment provision of ₹ 32.58 crores recognised in earlier periods on investment in its wholly owned subsidiary Rohini Industrial Electricals Limited based on the annual impairment assessment carried out by the Company.

(iv) During the previous year, the Company had recognised an Impairment provision of ₹ 0.65 crore towards investment in Auto Aircon (India) Limited as the same is under strike-off from the Register of Companies by the Registrar of Companies, Pune, Maharashtra.

39. INCOME TAX

RECONCILIATION OF TAX EXPENSE AND THE ACCOUNTING PROFIT MULTIPLIED BY INDIA'S DOMESTIC TAX RATE FOR THE YEAR ENDED 31 MARCH, 2019 AND 31 MARCH, 2020

₹ In crores

	Year ended 31 March, 2020	Year ended 31 March, 2019
Profit before tax	760.64	630.80
Indian statutory income tax rate	25.17%	34.94%
Income-tax expense at India's statutory income tax rate	191.44	220.40
Effect of adjustments to reconcile the expected tax expense to reported income tax expense:		
Effect of exempt income	(18.55)	(22.01)
Effect of non-deductible expenses	5.85	7.57
Effect of income which is taxed at special rates	(12.32)	(20.82)
Adjustment of tax relating to earlier periods	(4.51)	(7.57)
Change in tax rate (Refer Note below)	32.29	-
Effect of impairment / reversal of impairment provision on investments	0.94	(8.80)
Others	(4.40)	(2.44)
	190.74	**166.33**

Note :

The Company exercised the option of lower tax rate under section 115BAA of Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 to pay corporate tax at reduced rate effective 1 April, 2019. The change in tax rate has resulted in a reversal of deferred tax assets of ₹ 32.29 crores on account of remeasurement of deferred tax balances as at 31 March, 2019 and was recognised in the financial statements for the year ended 31 March, 2020.

40. EARNINGS PER SHARE

	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Profit attributable to Equity Shareholders - (₹ in crores)	569.90	464.47
(b) Weighted average number of Equity Shares Outstanding	33,08,84,740	33,08,84,740
(c) Earnings Per Share (₹) - Basic and Diluted (Face value ₹ 1/- per share)	17.22	14.04

41. COMMITMENTS AND CONTINGENCIES

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
(A) Commitments:		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	12.56	22.09
(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		
(i) Limits (Fund and Non Fund based)	1,190.91	866.47
(ii) Against which outstanding balance	376.45	564.74
(C) Contingent liabilities:		
Claims against the Company not acknowledged as debts		
(i) Sales tax / VAT matters	223.75	157.25
(ii) Service tax matters	15.66	17.99
(iii) Excise matters	18.78	18.84
(iv) Contractual matters in the course of business	36.06	35.86
(v) Guarantees for terminated contract	345.78	317.10
(vi) Income tax matters	10.04	9.97
	650.07	**557.01**

(D) There are numerous interpretative issues relating to the Supreme Court (SC) judgement 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.

42. 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.

42. EMPLOYEE BENEFITS (Contd.)

The Company has defined benefit Gratuity, Post retirement medical benefits, Pension plans and Trust managed Provident fund plan as given below:

(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	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Current service cost	4.21	3.79	6.61	5.58	-	-	0.25	0.24
Net interest expense	0.05	(0.24)	1.29	1.40	2.89	3.01	0.56	0.58
Past Service Cost	-	-	-	-	1.74	-	-	-
Components of defined benefit costs recognised in profit or loss	**4.26**	**3.55**	**7.90**	**6.98**	**4.63**	**3.01**	**0.81**	**0.82**
Remeasurement on the defined benefit plans:								
Return on plan assets	0.14	(0.39)	-	-	-	-	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(4.12)	0.26	(2.98)	2.24	(2.89)	0.18	0.47	0.03
Actuarial (gains) / losses arising from experience adjustments	(1.32)	(1.16)	(2.55)	0.71	0.10	(1.48)	(0.92)	(0.48)
Components of defined benefit costs recognised in other comprehensive income	**(5.30)**	**(1.29)**	**(5.53)**	**2.95**	**(2.79)**	**(1.30)**	**(0.45)**	**(0.45)**
Change in benefit obligation								
Opening defined benefit obligation	57.59	57.49	34.57	29.97	37.13	40.82	7.24	7.39
Current service cost	4.21	3.79	6.61	5.58	-	-	0.25	0.24
Interest cost	4.49	4.51	1.29	1.40	2.89	3.01	0.56	0.58
Actuarial (gains)/losses arising from changes in financial assumptions	(4.12)	0.26	(2.98)	2.24	(2.89)	0.18	0.47	0.03
Actuarial (gains)/losses arising from experience adjustments	(1.32)	(1.16)	(2.55)	0.71	0.10	(1.48)	(0.92)	(0.48)
Past service cost	-	-	-	-	1.74	-	-	-
(Gains)/ Losses on Curtailment	-	-	-	-	-	(2.51)	-	-
Liabilities assumed on account of transfer in	-	0.01	-	-	-	-	-	-
Exchange differences on foreign plans	-	-	3.20	1.94	-	-	-	-
Benefits paid	(16.83)	(7.31)	(3.16)	(7.27)	(3.07)	(2.89)	(0.55)	(0.52)
Closing defined benefit obligation	**44.02**	**57.59**	**36.98**	**34.57**	**35.90**	**37.13**	**7.05**	**7.24**

Change in plan assets

₹ in crores

	2019-20	2018-19
Opening fair value of plan assets	57.05	60.58
Interest income	4.45	4.75
Return on plan assets	(0.14)	0.39
Contributions from the employer	11.92	(1.36)
Benefits paid	(16.84)	(7.31)
Closing fair value of plan assets	**56.44**	**57.05**

42. 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	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Present value of funded defined benefit obligation	(44.02)	(57.59)	(36.98)	(34.57)	(35.90)	(37.13)	(7.05)	(7.24)
Fair value of plan assets	56.44	57.05	-	-	-	-	-	-
Net (liability) / asset arising from defined benefit obligation	**12.42**	**(0.54)**	**(36.98)**	**(34.57)**	**(35.90)**	**(37.13)**	**(7.05)**	**(7.24)**

(b) The major categories of plan assets as a percentage of total plan:

Category of investments:	Gratuity funded	
	As at 31 March, 2020	As at 31 March, 2019
Government of India securities	39%	37%
Corporate bonds	54%	57%
Mutual funds	3%	3%
Others (Interest accrued, Balances with banks)	4%	3%
	100%	**100%**

(c) The principal assumptions used for the purposes of the actuarial valuations are as follows.

	Gratuity funded		Gratuity unfunded		Pension		Post retirement medical benefits	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Discount rate	6.82%	7.79%	2.50%	3.80% and 3.78%	6.82%	7.79%	6.82%	7.79%
Attrition Rate	1.00%	1.00%	2.00%	2.00%	1.00%	1.00%	1.00%	1.00%
Mortality Rate	**Indian Assured Lives Mortality (2006-08)**		**Indian Assured Lives Mortality (2006-08)**		**Indian Assured Lives Mortality (2006-08)**		**Indian Assured Lives Mortality (2006-08)**	
Expected rate of salary Increase / pension escalation / medical cost inflation	6.00%	8.00%	2.00%	4.00%	6.00%	8.00%	5.00%	5.00%

42. 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, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Projected benefit obligations on current assumptions	44.00	57.59	36.98	34.57	35.90	37.13	7.05	7.24
+1% increase in discount rate	(3.07)	(4.01)	(3.97)	(3.54)	(2.90)	(3.00)	(0.15)	(0.16)
-1% decrease in discount rate	3.50	4.58	4.76	4.20	3.37	3.59	0.20	0.21
+1% increase in salary/pension/medical cost inflation	3.47	4.54	4.73	4.15	3.34	3.45	0.16	0.17
-1% decrease in salary/pension/medical cost inflation	(3.10)	(4.05)	(4.03)	(3.56)	(2.93)	(3.03)	(0.16)	(0.17)
+1% increase in rate of employee turnover	(0.01)	(0.02)	(0.20)	(0.07)	NA	NA	(0.04)	(0.04)
-1% decrease in rate of employee turnover	0.01	0.02	0.23	0.08	NA	NA	0.04	0.04

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, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Within 1 year	2.75	5.31	2.50	2.78	3.03	2.77	0.43	0.47
Between 1 and 2 years	1.62	1.42	0.96	0.83	3.01	2.76	0.45	0.49
Between 2 and 3 years	2.79	4.77	1.33	1.08	3.00	2.74	0.47	0.52
Between 3 and 4 years	3.06	5.94	1.23	1.82	2.98	2.73	0.49	0.54
Between 4 and 5 years	4.51	4.70	1.90	1.69	2.97	2.71	0.51	0.57
Beyond 5 years	29.26	35.45	29.06	26.37	20.91	23.42	4.70	4.65

The contribution expected to be made by the Company during the financial year 2019-20 is ₹ 6.00 crores (31 March, 2019 ₹ 7.00 crores).

42. EMPLOYEE BENEFITS (Contd.)

The Company has defined benefit Gratuity, Post retirement medical benefits, Pension plans and Trust managed Provident fund plan as given below:

(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, 2020.

The details of the fund and plan assets position are as follows:

₹ In crores

	As at 31 March, 2020	As at 31 March, 2019
Fair value of plan assets	281.69	295.07
Present value of defined obligation	277.89	288.50
Contribution during the year (Employee and Employer Contribution)	31.23	29.34

The principal assumptions used for the purposes of the actuarial valuations are as follows:

	As at 31 March, 2020	As at 31 March, 2019
Guaranteed Interest rate	8.50%	8.65%
Discount Rate for the remaining term to maturity of Interest portfolio	6.82%	7.79%

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.

43. RELATED PARTY DISCLOSURES

(a) List of Related Parties and Relationships

	Party	Relation
A	**Related parties where control exists**	
	Auto Aircon (India) Limited	Subsidiary
	Voltas Netherlands B.V.	
	Lalbuksh Voltas Engineering Services & Trading L.L.C. *	
	Weathermaker Limited	
	Saudi Ensas Company for Engineering Services W.L.L.	
	Rohini Industrial Electricals Limited	
	Universal Comfort Products Limited	
	Voltas Qatar W.L.L. *	
	Voltas Oman L.L.C. *	
	Agro Foods Punjab Limited (Under liquidation)	
	Westerwork Engineers Limited (Under liquidation)	

43. RELATED PARTY DISCLOSURES (Contd.)

	Party	Relation
B	**Other Related Parties (Where transactions have taken place during the year and previous year / balance outstanding)**	
1	Brihat Trading Private Limited	Associate
	Naba Diganta Water Management Limited	
	Terrot GmbH	
2	Universal Voltas L.L.C.	Joint Venture
	Olayan Voltas Contracting Company Limited	
	Voltas Water Solutions Private Limited	
	Voltbek Home Appliances Private Limited	
C.	Whole -Time Directors	Key Management Personnel
	Mr. Pradeep Bakshi - Managing Director & CEO	
	Mr. Anil George - Deputy Managing Director and CFO (CFO w.e.f. 1 July, 2019)	
	Executive Vice President - Finance & CFO	
	Abhijit Gajendragadkar (upto 30 June, 2019)	
	Vice President - Taxation, Legal & Company Secretary	
	V. P. Malhotra	
D.	Non-Executive Directors	Directors
	Mr. Noel N. Tata - Chairman	
	Mr. Vinayak Deshpande	
	Mr. Hemant Bhargava	
	Independent Directors	
	Mr. Nani Javeri (upto 31 August, 2019)	
	Mr. R. N. Mukhija (upto 4 February, 2019)	
	Mr. Debendranath Sarangi	
	Mr. Bahram N. Vakil	
	Ms. Anjali Bansal	
	Mr. Arunkumar Adhikari	
	Mr. Zubin Dubash (w.e.f. 9 August, 2019)	
E.	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	
F.	Tata Sons Private Limited	Promoter
G.	Automotive Stampings and Assemblies Limited	Subsidiaries and Joint Ventures of Promoter
	C-Edge Technologies Limited	
	Ewart Investments Limited	
	Gurgaon Realtech Limited	
	Infiniti Retail Limited	
	MahaOnline Limited	
	Mikado Realtors Private Limited	
	TAL Manufacturing Solutions Limited	
	TASEC Limited (formerly TAS-AGT Systems Limited)	
	Tata Advanced Materials Limited	
	Tata Advanced Systems Limited	
	Tata Africa Holdings (Kenya) Limited	

43. RELATED PARTY DISCLOSURES (Contd.)

Party	Relation
Tata AIA Life Insurance Company Limited	
Tata AIG General Insurance Company Limited	
Tata Asset Management Limited	
Tata Autocomp Hendrickson Suspensions Private Limited (formerly Taco Hendrickson Suspensions Private Limited)	
Tata Autocomp Katcon Exhaust Systems Private Limited (formerly Katcon India Private Limited)	
Tata Autocomp Systems 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 Ficosa Automotive Systems Private Limited (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 Tata Steel International (UK) Limited)	
Tata Investment Corporation Limited	
Tata Lockheed Martin Aerostructures Limited	
Tata Petrodyne Limited	
Tata Realty and Infrastructure Limited	
Tata Sikorsky Aerospace Limited (formerly Tara Aerospace Systems Limited)	
Tata Sky Limited	
Tata Sky Broadband Private Limited (formerly Quickest Broadband Private Limited)	
Tata Teleservices (Maharashtra) Limited	
Tata Teleservices Limited	
Tata Toyo Radiator Limited	
Tata Unistore Limited (formerly Tata Industrial Services Limited)	
TCS Foundation	
THDC Management Services Limited (formerly THDC Facility Management Limited)	
TM Automotive Seating Systems Private Limited	
TRIF Real Estate And Development Limited	
TRIL Amritsar Projects Limited (formerly TRIF Amritsar Projects Limited)	
TRIL Infopark Limited	
TRIL IT4 Private Limited (formerly Albrecht Builder Private Limited)	
TRIL Urban Transport Private Limited	

* Through subsidiary companies

43. (b) Related Party Transactions

₹ in crores

Sr. No.	Year	Transactions	Subsidiaries	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoters	Key Management Personnel	Directors	Employee Benefit Funds	Total
1	2019-20	**Purchases of stock-in-trade**	**921.49**	-	**2.66**	-	-	-	-	-	**924.15**
	2018-19		697.56	-	3.57	-	0.02	-	-	-	701.15
2	2019-20	**Sale of Products**	**457.95**	-	**0.62**	**0.02**	**42.14**	-	-	-	**500.73**
	2018-19		262.05	-	1.74	-	61.77	*	-	-	325.56
3	2019-20	**Service Income - Other than Management fees**	**6.59**	**0.15**	**0.16**	**0.07**	**95.23**	-	-	-	**102.20**
	2018-19		4.52	0.19	0.10	0.06	85.71	*	-	-	90.58
4	2019-20	**Service Income - Management fees on vendor bill discounting**	-	-	-	-	**0.26**	-	-	-	**0.26**
	2018-19		-	-	-	-	0.58	-	-	-	0.58
5	2019-20	**Construction contract revenue** (Includes billed and unbilled revenue)	-	-	-	-	**68.28**	-	-	-	**68.28**
	2018-19		-	-	-	0.06	223.87	-	-	-	223.93
6	2019-20	**Sale of property, plant and equipment**	-	-	**0.01**	-	-	-	-	-	**0.01**
	2018-19		-	-	-	-	-	-	-	-	-
7	2019-20	**Interest Income**	**7.20**	-	-	-	**8.66**	-	-	-	**15.86**
	2018-19		-	-	-	-	5.62	-	-	-	5.62
8	2019-20	**Rental Income**	**0.47**	-	**0.28**	-	**11.56**	-	-	-	**12.31**
	2018-19		0.39	-	1.22	-	10.73	-	-	-	12.34
9	2019-20	**Dividend Income**	**62.55**	**0.18**	-	-	**3.79**	-	-	-	**66.52**
	2018-19		71.07	0.36	2.33	-	3.49	-	-	-	77.25
10	2019-20	**Deputation Charges received**	**4.88**	-	**9.14**	-	-	-	-	-	**14.02**
	2018-19		-	-	-	-	-	-	-	-	-
11	2019-20	**Commission Received / Receivable**	**14.10**	**0.41**	-	-	-	-	-	-	**14.51**
	2018-19		17.47	0.79	-	-	-	-	-	-	18.26
12	2019-20	**Bad and Doubtful Debts / Advances - Reversal (P&L)**	-	-	-	-	-	-	-	-	-
	2018-19		0.61	-	0.01	-	-	-	-	-	0.62
13	2019-20	**Remuneration Paid / Payable**	-	-	-	-	-	**11.76**	**2.25**	-	**14.01**
	2018-19		-	-	-	-	-	12.66	1.70	-	14.36
14	2019-20	**Sitting Fees**	-	-	-	-	-	-	**0.36**	-	**0.36**
	2018-19		-	-	-	-	-	-	0.36	-	0.36
15	2019-20	**Dividend Paid**	-	-	-	**35.25**	**4.76**	-	-	-	**40.01**
	2018-19		-	-	-	35.25	4.76	-	-	-	40.01

43. (b) Related Party Transactions (Contd.)

₹ in crores

Sr. No.	Year	Transactions	Subsidiaries	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoters	Key Management Personnel	Directors	Employee Benefit Funds	Total
16	**2019-20**	**Tata Brand Equity**	-	-	-	**11.20**	-	-	-	-	**11.20**
	2018-19		-	-	-	9.92	-	-	-	-	9.92
17	**2019-20**	**Training Expenses Paid / Payable**	-	-	-	-	-	-	-	-	-
	2018-19		-	-	-	0.03	-	-	-	-	0.03
18	**2019-20**	**Purchase of goods / services for execution of contracts**	**424.34**	-	**11.22**	-	**0.46**	-	-	-	**436.02**
	2018-19		560.28	-	-	-	1.31	-	-	-	561.59
19	**2019-20**	**Impairment in value of investment**	-	**1.56**	**2.16**	-	-	-	-	-	**3.72**
	2018-19		0.65	-	6.72	-	-	-	-	-	7.37
20	**2019-20**	**Reversal of provision for impairment in value of investment**	-	-	-	-	-	-	-	-	-
	2018-19		32.56	-	-	-	-	-	-	-	32.56
21	**2019-20**	**Security Deposit Refunded**	-	-	-	-	**0.38**	-	-	-	**0.38**
	2018-19		-	-	-	-	5.02	-	-	-	5.02
22	**2019-20**	**Other Expenses- Received/Receivable**	**71.93**	-	**75.46**	**0.14**	**0.29**	-	-	-	**147.82**
	2018-19		92.92	-	79.78	0.20	0.55	-	-	-	173.45
23	**2019-20**	**Other Expenses- Paid/Payable**	**8.39**	-	**3.71**	**0.27**	**15.15**	-	-	-	**27.52**
	2018-19		16.48	-	1.73	0.12	20.07	-	-	-	38.40
24	**2019-20**	**Purchase of property, plant and equipment**	-	-	**0.01**	-	**3.39**	-	-	-	**3.40**
	2018-19		-	-	-	-	3.23	-	-	-	3.23
25	**2019-20**	**Investments in Equity shares**	-	-	**138.18**	-	-	-	-	-	**138.18**
	2018-19		0.65	-	118.09	-	-	-	-	-	118.74
26	**2019-20**	**Investments in Preference Shares**	-	-	-	-	-	-	-	-	-
	2018-19		-	-	-	-	20.00	-	-	-	20.00
27	**2019-20**	**Investments in Bonds/Debentures**	-	-	-	-	**2.86**	-	-	-	**2.86**
	2018-19		-	-	-	-	50.95	-	-	-	50.95
28	**2019-20**	**Refund of Investments in Bonds/ Debentures**	-	-	-	-	**101.25**	-	-	-	**101.25**
	2018-19		-	-	-	-	-	-	-	-	-
29	**2019-20**	**Security deposit received**	-	-	-	-	**0.01**	-	-	-	**0.01**
	2018-19		-	-	-	-	7.36	-	-	-	7.36
30	**2019-20**	**Security deposit at the end of the year**	-	-	-	-	**8.25**	-	-	-	**8.25**
	2018-19		-	-	-	-	13.76	-	-	-	13.76

43. (b) Related Party Transactions (Contd.)

₹ in crores

Sr. No.	Year	Transactions	Subsidiaries	Associates	Joint Ventures	Promoter	Subsidiaries and Joint Ventures of Promoters	Key Management Personnel	Directors	Employee Benefit Funds	Total
31	**2019-20**	**Provision for Debts and Advances at year end**	-	-	*	-	**1.02**	-	-	-	**1.02**
	2018-19		-	-	-	-	-	-	-	-	-
32	**2019-20**	**Advance Outstanding at year end**	**40.81**	-	**0.08**	**0.14**	**0.12**	-	-	-	**41.15**
	2018-19		54.28	-	0.12	0.08	0.13	-	-	-	54.61
33	**2019-20**	**Outstanding Share Application Money at year end**	-	-	**13.13**	-	-	-	-	-	**13.13**
	2018-19		-	-	13.13	-	-	-	-	-	13.13
34	**2019-20**	**Debit Balance Outstanding at year end**	**7.88**	**0.03**	**21.98**	-	**126.92**	-	-	-	**156.81**
	2018-19		4.33	0.22	-	-	201.33	-	-	-	205.88
35	**2019-20**	**Credit Balance Outstanding at year end**	**573.83**	**0.24**	**2.30**	**10.04**	**0.98**	-	-	-	**587.39**
	2018-19		566.67	-	4.43	8.92	4.72	-	-	-	584.74
36	**2019-20**	**Guarantees Outstanding at year end**	**1,115.53**	-	**75.38**	-	-	-	-	-	**1,190.91**
	2018-19		797.21	-	69.26	-	-	-	-	-	866.47
37	**2019-20**	**Impairment in value of Investments at year end**	**67.58**	**1.56**	**21.97**	-	-	-	-	-	**91.11**
	2018-19		67.58	-	19.81	-	-	-	-	-	87.39
38	**2019-20**	**Contract Revenue in excess of Billing**	-	-	-	**0.15**	**60.62**	-	**0.02**	-	**60.79**
	2018-19		-	-	-	-	40.21	-	-	-	40.21
39	**2019-20**	**Billing in excess of Contract Revenue**	-	-	-	-	-	-	-	-	-
	2018-19		-	-	-	-	3.63	-	-	-	3.63
40	**2019-20**	**Contribution to Employee Benefit Funds**	-	-	-	-	-	-	-	**21.13**	**21.13**
	2018-19		-	-	-	-	-	-	-	7.58	7.58

* Value below ₹ 50,000/-

44. RESEARCH AND DEVELOPMENT EXPENDITURE

₹ In crores

	2019-20	2018-19
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centers		
(1) Revenue expenditure	**4.53**	**5.00**
UPBG, Pantnagar	1.36	1.47
EM&RBG, Thane	3.17	3.53
(2) Capital expenditure	**0.25**	**0.06**
UPBG, Pantnagar	0.07	0.04
EM&RBG, Thane	0.18	0.02
Expenditure at other R&D centers		
(1) Revenue expenditure	**3.38**	**-**
UPBG, Faridabad	2.22	-
EM&RBG, Waghodia	1.16	-
(2) Capital expenditure	**11.36**	**-**
UPBG, Faridabad	4.21	-
EM&RBG, Waghodia	7.15	-
Total R&D expenditure	**19.52**	**5.06**
(1) Revenue expenditure	**7.91**	**5.00**
UPBG	3.58	1.47
EM&RBG	4.33	3.53
(2) Capital expenditure	**11.61**	**0.06**
UPBG	4.28	0.04
EM&RBG	7.33	0.02

Business Segments :

UPBG : Unitary Cooling Products for Comfort and Commercial use.

EM&RBG : Electro - Mechanical Projects and Services.

45. 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, 2020					As at 31 March, 2019				
	FVTPL	FVTOCI	Amortised cost	Total Carrying value	Total Fair value	FVTPL	FVTOCI	Amortised cost	Total Carrying value	Total Fair value
Financial assets										
Investments *	1,413.47	346.47	384.99	2,144.93	2,144.93	1,256.87	568.22	422.55	2,247.64	2,247.64
Loans	-	-	1.27	1.27	1.27	-	-	11.17	11.17	11.17
Trade receivables	-	-	1,429.25	1,429.25	1,429.25	-	-	1,394.84	1,394.84	1,394.84
Other financial assets	7.18	-	217.57	224.75	224.75	-	-	187.33	187.33	187.33
Cash and cash equivalents	-	-	181.69	181.69	181.69	-	-	226.85	226.85	226.85
Other balances with banks	-	-	18.10	18.10	18.10	-	-	10.02	10.02	10.02
	1,420.65	**346.47**	**2,232.87**	**3,999.99**	**3,999.99**	**1,256.87**	**568.22**	**2,252.76**	**4,077.85**	**4,077.85**
Financial liabilities										
Borrowings	-	-	88.40	88.40	88.40	-	-	113.64	113.64	113.64
Trade payables	-	-	2,735.45	2,735.45	2,735.45	-	-	2,373.96	2,373.96	2,373.96
Other financial liabilities	-	-	83.13	83.13	83.13	2.18	-	80.00	82.18	82.18
	-	**-**	**2,906.98**	**2,906.98**	**2,906.98**	**2.18**	**-**	**2,567.60**	**2,569.78**	**2,569.78**

* Investment also includes 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". Accordingly, these investments not considered for above disclosures.

The management assess that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, Trade payables, Other financial liabilities and other financial assets carried at amortized 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.

45. 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, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Financial assets						
At fair value through profit or loss						
- Investment	1,413.47	1,256.87	-	-	-	-
- Derivative financial assets	-	-	7.18	-	-	-
At fair value through Other Comprehensive Income						
- Investment	144.55	364.97	-	-	201.92	203.25
TOTAL	**1,558.02**	**1,621.84**	**7.18**	**-**	**201.92**	**203.25**

₹ In crores

	Level 1		Level 2		Level 3	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Financial liabilities						
At fair value through profit or loss						
- Derivative financial liabilities	-	-	-	2.18	-	-
TOTAL	**-**	**-**	**-**	**2.18**	**-**	**-**

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.

45. FINANCIAL INSTRUMENTS (Contd.)

C. Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets :

	₹ In crores
As at 1 April, 2018	189.32
Add: Fair valuation gain/(loss) recognised in OCI	13.93
Closing balance as at 31 March, 2019	203.25
Add: Fair valuation gain/(loss) recognised in OCI	(1.33)
Closing balance as at 31 March, 2020	**201.92**

46. 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 37) :

₹ In crores

Nature of expenses	2019-20		
	Grouped Under		
	Consumption of materials, cost of jobs and services	Other expenses	Total
(1) Rent	0.40	33.00	33.40
(2) Power and Fuel	0.66	10.06	10.72
(3) Insurance charges	5.47	7.60	13.07
(4) Travelling and Conveyance	0.99	43.10	44.09
(5) Printing and Stationery	0.26	10.27	10.53
(6) Legal and Professional charges	1.72	22.24	23.96
(7) Clearing charges	0.26	75.66	75.92
(8) Outside Service charges	79.69	86.13	165.82
(9) Repairs to Plant and Machinery	0.16	8.46	8.62
(10) Other General expenses	21.70	89.61	111.31

₹ In crores

Nature of expenses	2018-19		
	Grouped Under		
	Consumption of materials, cost of jobs and services	Other expenses	Total
(1) Rent	0.50	42.75	43.25
(2) Power and Fuel	0.04	9.20	9.24
(3) Insurance charges	0.80	6.59	7.39
(4) Travelling and Conveyance	0.55	48.67	49.22
(5) Printing and Stationery	0.34	13.41	13.75
(6) Legal and Professional charges	0.44	31.94	32.38
(7) Clearing charges	1.02	62.97	63.99
(8) Outside Service charges	114.97	64.95	179.92
(9) Repairs to Plant and Machinery	0.16	7.09	7.25
(10) Other General expenses	7.10	74.39	81.49

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial liabilities comprise borrowings, trade and other payables. The Company's financial assets include 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, 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 significantly short term borrowing, 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 ₹ 3.53 crores (31 March, 2019: ₹ 3.14 crores) whereas a decrease in 25 bps change in 10 year Govt. bond yield would result in a profit of approximately ₹ 3.53 crores (31 March, 2019: ₹ 3.14 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 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, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
United States Dollar (USD)	543.39	187.78	82.33	48.11
United Arab Emirates Dirham (AED)	294.08	360.54	401.72	390.77
Chinese Yuan (CNY)	-	222.67	1.10	-

47. 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, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
USD +5%	(6.10)	2.41	(4.57)	1.58
USD -5%	6.10	(2.41)	4.57	(1.58)
AED +5%	5.38	1.51	4.03	0.99
AED -5%	(5.38)	(1.51)	(4.03)	(0.99)
CNY +5%	0.05	(6.83)	0.04	(4.47)
CNY -5%	(0.05)	6.83	(0.04)	4.47

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, 2020	As at 31 March, 2019
Forward contracts - Buy (USD/₹)	338.96	319.60
Forward contracts - Buy (CNY/₹)	-	86.03

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, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Forex Forward Cover	-	2.18	7.18	-

(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, 2020	As at 31 March, 2019
NSE Nifty 50 - increase 5%	7.23	18.25
NSE Nifty 50 - decrease 5%	(7.23)	(18.25)

47. 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 contract 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 45 "Financial Instruments". The maximum credit exposure on financial guarantees given by the Company for various financial facilities is disclosed in Note 41 "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 generated 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, 2020)	Less than 1 year	More than 1 year	Total
Non-derivatives			
Borrowings (*)	81.19	-	81.19
Lease liabilities	3.41	6.68	10.09
Trade payables	2,735.45	-	2,735.45
Other financial liabilities	83.13	-	83.13
Total Non-derivative liabilities	**2,903.18**	**6.68**	**2,909.86**
Derivatives (net settled)			
Foreign exchange forward contracts	-	-	-
Total derivative liabilities	**-**	**-**	**-**

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

₹ in crores

Contractual maturities of financial liabilities (31 March, 2019)	Less than 1 year	More than 1 year	Total
Non-derivatives			
Borrowings (*)	115.67	-	115.67
Trade payables	2,373.96	-	2,373.96
Other financial liabilities	80.00	-	80.00
Total Non-derivative liabilities	**2,569.63**	**-**	**2,569.63**
Derivatives (net settled)			
Foreign exchange forward contracts	2.18	-	2.18
Total derivative liabilities	**2.18**	**-**	**2.18**

The amount included in Note 41(B) for financial guarantee contracts are the maximum amounts the Company could be forced to settle under respective arrangements for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such amount will not be payable under the arrangement. However, this estimate is subject to change depending on 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.

48. LEASES

The Company has applied Ind AS 116 "Leases" using the modified retrospective method w.e.f. 1 April, 2019. Accordingly, the lease related disclosure for comparative period is disclosed as per Ind AS 17 "Leases"

Disclosure for the year ended 31 March, 2020 as per Ind AS 116:

Company as a lessee

The Company has lease contracts for its office premises and storage locations with lease term between 1 year to 9 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, 2020 is as follows:

₹ In crores

	As at 31 March, 2020
Balance at the beginning	-
Ind AS 116 impact (Refer Note 3B)	11.31
Additions	1.35
Accretion of interest	1.09
Deletions	-
Payment of lease liabilities	4.93
Balance at the end	**8.82**

48. LEASES (Contd.)

(b) The following are the amounts recognised in profit or loss:

₹ In crores

	Year ended 31 March, 2020
Depreciation on right-of-use assets	4.58
Interest expense on lease liabilities	1.09
Expense relating to short-term leases (Refer footnote c)	108.66
Total amount recognised in statement of profit and loss	**114.33**

(c) Details of carrying amount of right-of-use assets and movement during the period is disclosed under Note 5A

Footnotes:

(a) The maturity analysis of lease liabilities are disclosed in Note 47 (iii) 'Liquidity risk management'

(b) The effective interest rate for lease liabilities is 9%, with maturity between 2020-2027

(c) Expense relating to short-term leases are disclosed under the head rent and clearing charges in other expenses (Refer Note 37)

(d) The Company had total cash flows for leases of ₹ 4.93 crores on 31 March, 2020

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 9 years. The Company has the option under some of its leases to lease the assets for additional periods. An amount of ₹ 38.65 crores is recognised as lease income in the statement of profit and loss account for the year ended 31 March, 2020.

Minimum lease income for non-cancelable operating lease

₹ In crores

	As at 31 March, 2020
(a) Not later than one year	7.01
(b) Later than one year but not later than five years	4.77
(c) Later than five years	-

Disclosure for the year ended 31 March, 2019 as per Ind AS 17:

Company as a lessee

The Company has entered into operating lease agreements for its office premises and storage locations with lease term between 1 year to 30 years. The Company has the option under some of its leases to lease the assets for additional periods. There are no exceptional/ restrictive covenants in the lease agreements. Lease rental expenses debited to Statement of Profit and Loss is ₹ 42.75 crores.

Minimum lease payments for non-cancelable operating lease

₹ In crores

	As at 31 March, 2019
(a) Not later than one year	7.45
(b) Later than one year but not later than five years	0.41
(c) Later than five years	0.02

48. LEASES (Contd.)

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 9 years. The Company has the option under some of its leases to lease the assets for additional periods. An amount of ₹ 39.56 crores is recognised as lease income in the statement of profit and loss account for the year ended 31 March, 2019.

Minimum lease income for non-cancelable operating lease

₹ In crores

	As at 31 March, 2019
(a) Not later than one year	5.25
(b) Later than one year but not later than five years	8.43
(c) Later than five years	-

49. 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, 2020	Year ended 31 March, 2019
Segment - A (Unitary Cooling Products for Comfort and Commercial use)		
(a) Sale of products	4,187.37	3,170.63
(b) Sale of services	38.05	38.07
Sub-total :	**4,225.42**	**3,208.70**
Segment - B (Electro - Mechanical Projects and Services)		
(a) Sale of products	314.73	244.15
(b) Construction contract revenue	2,017.58	2,483.72
(c) Sale of services	458.86	411.76
Sub-total :	**2,791.17**	**3,139.63**
Segment - C (Engineering Products and Services)		
(a) Sale of products	222.95	218.00
(b) Sale of services	108.71	93.65
Sub-total :	**331.66**	**311.65**
Less : Inter segment revenue	24.35	1.70
Total revenue from contracts with customers	**7,323.90**	**6,658.28**

(B) Set out below is the amount of revenue recognised from:

₹ In crores

Particulars	As at 31 March, 2020	As at 31 March, 2019
(a) Amounts included in contract liabilities at the beginning of the year	208.46	335.24
(b) Performance obligations satisfied in previous years	7.32	(1.89)

49. 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

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Revenue as per contracted price	**6,691.48**	**6,026.82**
Adjustments		
Add: (a) Unbilled on account of work under certification	802.93	696.42
Less: (b) Billing in excess of contract revenue	(170.51)	(64.96)
Revenue from contract with customers	**7,323.90**	**6,658.28**

(D) Performance obligation

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March, 2020 is of ₹ 5,205.06 crores (31 March, 2019: ₹ 3,631.24 crores), out of which, majority is expected to be recognised as revenue within a period of one year.

50. 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.

51. IMPACT OF COVID-19

The spread of Covid 19 has affected the business from Mid-March 2020, which culminated into scaling down of the Company's operations, post the national lock down. The Company has taken various measures in consonance with Central and State Government advisories to contain the pandemic, which includes closing of manufacturing facilities, warehouses and adopting work from Home policy for employees across locations. The international operations of the Company were not impacted significantly considering construction activity has been considered as an essential service by the respective government authorities. Keeping the consumer's interest in mind, the Company has continued its engagement by leveraging on technology and is providing customer care solutions remotely.

Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Company does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure.

Pursuant to the relaxed guidelines, the Company has now resumed its manufacturing operations and project based activities as allowed in strict keeping with Government advisories. Supply chain and product sale activities are being resumed with warehouses becoming functional for material movement; however, most of the staff continues to operate from home. Since the situations are continuously evolving, the impact assessed may be different from the estimates made as at the date of approval of these financial statements and management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

52. EVENTS OCCURRING AFTER BALANCE SHEET:

(i) The Directors have recommended final dividend of ₹ 132.35 crores at ₹ 4.00 per share on equity shares which is subject to the approval of shareholders at the ensuing Annual General Meeting. This dividend payable has not been recognised as a liability.

(ii) Further, an amount of ₹ 20.00 crores is proposed to be transferred to General Reserve which is approved in the Board Meeting held subsequent to the year end and thus has not been recognised as transferred during the year.

53. The Board of Directors have approved amalgamation of Universal Comfort Products Limited, a wholly owned subsidiary company, with the Company with appointed date of 1 April, 2019. The proposed amalgamation is subject to the approval of the statutory and regulatory authorities.

54. 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 : 29 May, 2020

For and on behalf of the Board

Pradeep Bakshi
Managing Director & CEO
Place : Delhi

Anil George
Deputy Managing Director & CFO
Place : Mumbai

Date : 29 May, 2020

V. P. Malhotra
Vice President - Taxation, Legal & Company Secretary
Place : Mumbai

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

₹ In crores

	Name of Subsidiary	Universal Comfort Products Limited (UCPL)	Rohini Industrial Electricals Limited (RIEL)	Auto Aircon (India) Limited (AAIL)	Weathermaker Limited (WML)	Saudi Ensas Company for Engineering Services & Trading W.L.L. (Saudi Ensas)	Lalbuksh Voltas Engineering Services & Trading L.L.C. (LALVOL)	Voltas Oman L.L.C. (VOLLC)	Voltas Qatar W.L.L. (VQWLL)	Voltas Netherlands B.V. (VNBV)
1	Date since when subsidiary was acquired	17-06-2008	04-09-2008	06-12-2002	20-01-2006	28-01-2009	31-03-2011	27-03-2011	03-05-2016	31-12-1999
2	Reporting Period	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020
3	(i) Reporting currency	₹	₹	₹	AED	SR	RO	RO	QAR	EURO
	(ii) Exchange rate as on the last date of the relevant financial year	–	–	–	₹ 20.56	₹ 20.10	₹ 195.98	₹195.98	₹ 20.74	₹ 83.20
4	Capital	27.64	1.83	11.95	3.07	32.24	2.80	8.73	1.90	2.65
5	Reserves & Surplus (Other Equity)	268.72	27.00	(11.95)	31.14	(36.96)	85.35	(27.30)	99.74	59.93
6	Total Assets	546.82	296.75	-	47.72	19.32	134.74	182.96	330.27	62.83
7	Total Liabilities	250.46	267.92	-	13.51	24.03	46.60	201.53	228.63	0.24
8	Investments	-	-	-	-	-	-	-	-	47.10
9	Turnover (Revenue from Operations)	1,242.63	452.99	-	42.40	45.95	119.17	131.21	104.84	-
10	Profit / (loss) before Taxation	105.01	11.67	(0.04)	3.07	(1.01)	16.03	(21.51)	4.69	10.69
11	Provision for Taxation	26.40	3.53	-	-	-	2.51	0.53	0.45	-
12	Profit / (loss) after Taxation	78.62	8.14	(0.04)	3.07	(1.01)	13.52	(22.04)	4.24	10.69
13	(a) Interim Dividend					-	4.90			
	(b) Proposed Dividend	48.37	-	-	1.54	-	8.82	-	-	10.82
	Total Dividend (a + b)	48.37	-	-	1.54	-	13.72	-	-	10.82
14	% of Shareholding	100%	100%	100%	100%	100%*	60%**	65%***	49%****	100%

* 8% shares held by VNBV ** 40% shares held by VNBV *** 65% shares held by VNBV **** 49% shares held by VNBV

Notes :

1. Foreign currency figures of WML, Saudi Ensas, LALVOL, VOLLC, VQWLL and VNBV have been converted into Indian Rupees on the basis of appropriate exchange rates as on reporting period.
2. Abbreviation for foreign currencies - 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.

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Setion 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Name of Subsidiary	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	Terrot GmbH	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	13-05-2014	21-08-2012
2	Latest Audited Balance Sheet Date	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-12-2019	31-03-2020
3	Shares of Associate/Joint Ventures held by the Company on the year end							
	(i) Number	–	50,000	47,97,000	28,41,500	33,51,64,900	2,60,900	3,352
	(ii) Amount of Investment in Associates/ Joint Ventures (₹ in crores)	–	20.24#	4.80	2.85	335.16	1.56	***
	(iii) Extent of Holding %	49%*	50%	26%	50%	49%	20.07%	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)	58.18	1.12	8.31	-	209.96	-	Not Material
7	Profit / (loss) for the year							
	(i) Considered in Consolidation (₹ in crores)	8.85	(2.35)	2.54	0.00	(71.79)	(5.95)	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

Pradeep Bakshi
Managing Director & CEO
Place : Delhi

Anil George
Deputy Managing Director & CFO
Place : Mumbai

Date : 29 May, 2020

V. P. Malhotra
Vice President - Taxation, Legal & Company Secretary
Place : Mumbai