

28<sup>th</sup> August, 2019

BSE Limited  
Listing Compliance  
P J Towers  
Dalal Street  
Mumbai 400 001

Dear Sir,

Sub: News clarification: Voltas bags Metro 3 contract for tunnel ventilation system

We take reference to your e-mail dated 28<sup>th</sup> August, 2019 seeking clarification in regard to media report – ‘Voltas bags Metro 3 contract for tunnel ventilation systems’ which had appeared in Free Press Journal on 28<sup>th</sup> August, 2019. In this connection, we wish to state as under:

1. Voltas is a premier air conditioning and engineering solutions provider and a Projects specialist and offers engineering solutions for wide spectrum of industries in areas such as heating, ventilation and air conditioning, refrigeration, electro-mechanical projects, electrification, cold chain solutions, building management systems and indoor air quality amongst other business activities. Over the past six decades, Voltas has executed various projects for Build Infrastructure, HVAC solutions, Industrial electrical projects, Rural electrification projects, Metro Rails, Airports and Ports. The HVAC solutions also include tunnel ventilation for Metros and underground stations. As part of this business activity, the Company submits bids for various tenders including for Metro Stations.
2. The proposed Mumbai Metro Line 3 corridor is 33.5 km long with 27 stations. Mumbai Metro Line 3 will connect Cuffe Parade in South Mumbai with SEEPZ and Aarey Road in the North Mumbai. Voltas has on 27<sup>th</sup> August, 2019 received a Letter of Award (LOA) from Mumbai Metro Rail Corporation Limited (MMRCL) for Environmental Control System (ECS) and Tunnel Ventilation System (TVS) works for Phase 2, Lot 2 Package comprising 8 out of total 27 stations, i.e. from Cuffe Parade to Grant Road station and tunnel upto Mumbai Central station. Mumbai Central ECS is not covered under Voltas scope and is part of the other package. The ECS and TVS works for the entire Line 3 has been divided into 3 packages and Voltas has received LOA for 1 package (value: Rs. 233 crores approx.). The total value of 3 packages is over Rs.800 crores. Bid was submitted by Voltas in February 2019 and was subject to various post-bid clarifications on technical aspects.

**VOLTAS LIMITED**

Corporate Management Office

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3. As stated aforesaid, Voltas is in Projects business and bidding for HVAC tenders is an ongoing process. While some bids are won, others are lost. The Company has a healthy order book position and receipt of LOA for Mumbai Metro Line 3 corridor is one such award received by the Company. The receipt of aforesaid LOA would not have any material impact on the performance of the Company as Mumbai Metro Line 3 corridor is a long duration project and the revenues/profit would get spread over the years, based on completion progress. Additionally, and as is well known, the nature of Project business is such that the profitability or otherwise remains indeterminate till the project is actually completed and cash received.
4. Revenue from operations (stand-alone) of Voltas Limited for the year ended 31<sup>st</sup> March, 2019 was around Rs.6700 crores with PBT of Rs.630 crores. The Company is of the opinion that the LOA for Mumbai Metro Line 3 corridor did not require any disclosure under Regulation 30 of SEBI (LODR) Regulations, 2015 as bidding for such type/value of projects is an ongoing business activity. The Company has therefore not given any Press Release about receipt of the aforesaid LOA.

We hope and trust, the above clarifies the position in the matter.

Thanking you,

Yours faithfully,  
VOLTAS LIMITED  
  
(V. P. MALHOTRA)  
Vice President - Taxation,  
Legal & Company Secretary