

16th March, 2022

BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

National Stock Exchange of India Limited
Listing Department
Exchange Plaza
Bandra-Kurla Complex
Bandra (East), Mumbai 400 051

Dear Sir,

Sub: Joint Venture with Highly International (Hong Kong) Limited

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform that at the Board Meeting of the Company held today, the Directors have approved a proposal to enter into a Joint Venture arrangement with Highly International (Hong Kong) Limited, a wholly-owned subsidiary of Shanghai Highly (Group) Company Limited to engage in the business of design, development, manufacture, marketing, sale and service of inverter compressors for room air-conditioners, motors for inverter compressors, and their associated parts including sourcing of raw materials & components required for manufacturing these products, on such terms and conditions as may be mutually agreed between the parties. The incorporation of the Joint Venture Company is subject to fulfillment / satisfaction of certain conditions precedent to 'Closing' of the transaction and obtaining necessary approvals, including under Press Note No.3 (2020 series) dated 17th April, 2020 issued by the Ministry of Commerce, Department for Promotion of Industry and Internal Trade.

2. The relevant information required under the aforesaid Regulation 30 is given below:

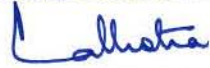
1. Name of the parties with whom the agreement is entered.	(i) Voltas Limited (ii) Highly International (Hong Kong) Limited [hereinafter referred to as 'Highly'] (iii) Shanghai Highly (Group) Company Limited (as Guarantor of Highly)
2. Purpose of entering into the agreement.	For establishing a Joint Venture company (JVC) in India for engaging in business of design, development, manufacture, marketing, sale and service of inverter compressors for room air-conditioners, motors for inverter compressors, and their associated parts including sourcing of raw materials & components required for manufacturing these products.

<p>3. Shareholding, if any, in the entity with whom the agreement is executed.</p>	<p>The proposed JVC would have equity capital of Rs. 250 Crores to be contributed in tranches by the aforesaid JV partners as under, subject to Highly obtaining necessary approvals, including under Press Note No.3 (2020 series) dated 17th April, 2020 issued by the Ministry of Commerce, Department for Promotion of Industry and Internal Trade:</p>						
<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Name of JV Partners</th> <th style="text-align: center;">Percentage of shareholding</th> </tr> </thead> <tbody> <tr> <td>Highly International (Hong Kong) Limited</td> <td style="text-align: center;">60</td> </tr> <tr> <td>Voltas Limited</td> <td style="text-align: center;">40</td> </tr> </tbody> </table>	Name of JV Partners	Percentage of shareholding	Highly International (Hong Kong) Limited	60	Voltas Limited	40	
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Highly International (Hong Kong) Limited	60						
Voltas Limited	40						
<p>4. Significant terms of the agreement (in brief), special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure, etc.</p>	<p>The JV Agreement provides for certain rights in regard to appointment of Directors and Management team, technology licence, off-take commitments, non-compete, etc.</p>						
<p>5. Whether the said parties are related to promoter/promoter group/group companies in any manner. If yes, nature of relationship.</p>	<p>Voltas Limited is an affiliate of Tata Sons Private Limited. Highly International (Hong Kong) Limited is a wholly-owned subsidiary of Shanghai Highly (Group) Company Limited.</p>						
<p>6. Whether the transaction would fall within the related party transactions? If yes, whether same is done at 'arms length'.</p>	<p>Transactions by Voltas and Highly Electrical Appliances India Private Limited [a group company in India of Shanghai Highly (Group) Company Limited] with the proposed JVC would fall under the ambit of related party transactions and would be at arms length.</p>						
<p>7. In case of issue of shares to the parties, details of issue price, class of shares issued.</p>	<p>The proposed JVC would have one class – Equity shares of Rs.10 each. The proposed equity contribution in tranches, as and when issued to Non-Resident shareholder (Highly) would be at a price not less than the price at which the same are offered to the Resident shareholder (Voltas Limited). The issue of shares would be subject to approval of the Board of Directors of the proposed JVC.</p>						

VOLTAS

8. Any other disclosures related to such agreements, viz., details of nominee on the Board of Directors of listed entity, potential conflict of interest arising out of such agreements, etc.	The Board of proposed JVC would comprise seven directors, four to be nominated by Highly and balance three to be nominated by Voltas. The appointment would be subject to approval by the Board of Directors of the proposed JVC.
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Thanking you,

Yours faithfully,
VOLTAS LIMITED

(V. P. MALHOTRA)
Vice President - Taxation,
Legal & Company Secretary