SYMPHONOMICS. SEEING SOMETHING IN NOTHING.

Cautionary statement

This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

Since these statements reflect our beliefs and assumptions that are based on ground realities, we expect the outcomes to be close to the projections.

However, it is impossible for any person or organisation to guarantee that forward-looking statements such as these will be realised. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, projected or even guestimated. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

CONTENTS

CORPORATE INFORMATION

Board of Directors

Achal Bakeri
Chairman & Managing Director

Nrupesh Shah
Executive Director

Dipak Palkar
Independent Director

Himanshu Shah
Independent Director

Satyen Kothari
Independent Director

Jonaki Bakeri
Non-Executive Director

Chief Financial Officer

Bhadresh Mehta

Company Secretary

Chandrakant Gandhi

Auditors

Shah & Dalal
Chartered Accountants

Registered and corporate office

'Saumya', Bakeri Circle,Navrangpura,
Ahmedabad 380014, Gujarat, India.
Phone: +91-79-26424430
Fax: +91-79-26425930

Factory

703/704, Sanand Kadi Highway,
Village Thol,
Taluka Kadi, District Mehsana, Gujarat.
PIN - 382728.

SEZ Unit

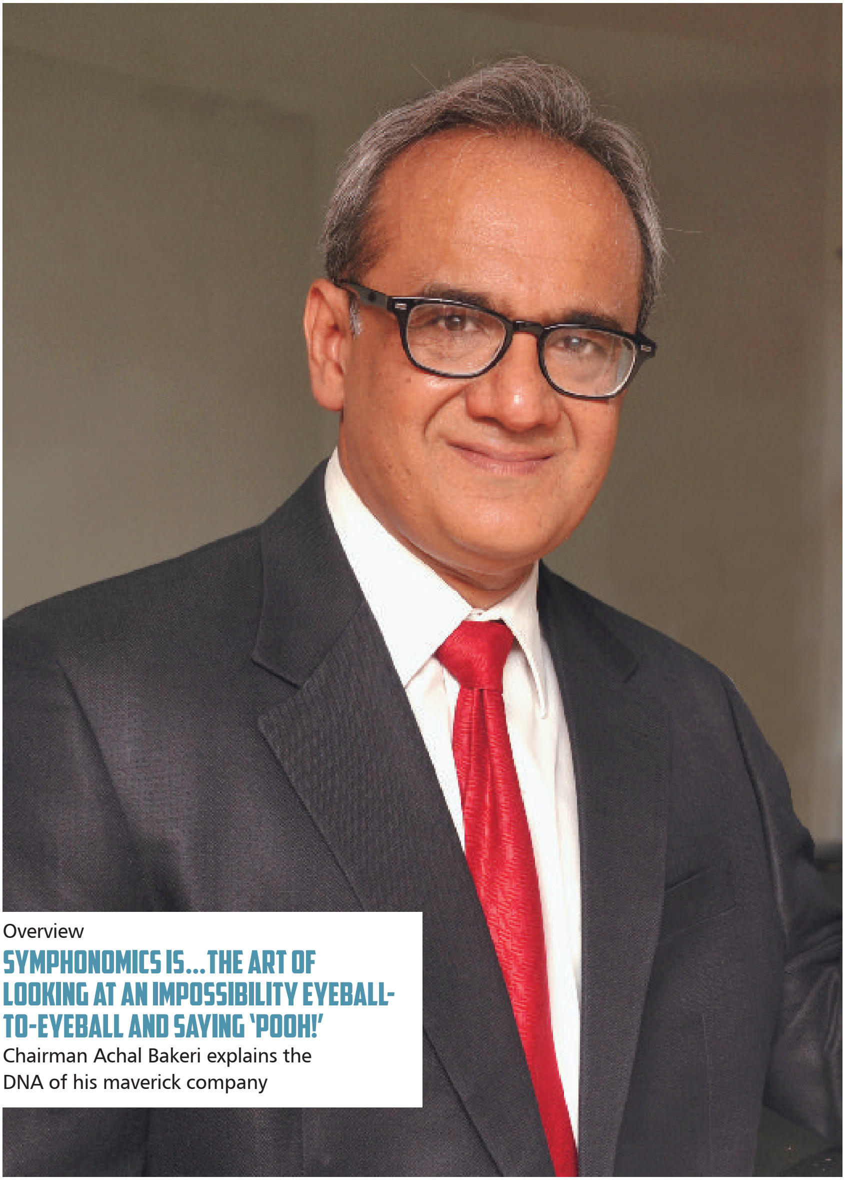
Plot no. 177, 178, 201 & 202
Surat Special Economic Zone
Sachin, District Surat, Gujarat.
PIN - 394230.

Connect us

Email: corporate@symphonylimited.com
Website: www.symphonylimited.com
www.symphony-usa.com
www.symphonylimited.com.mx
Connect with us on: www.facebook.com/symphonylimited
www.linkedin.com/company/symphony-limited-ahmedabad-india
www.twitter.com/symphonylimited

Registrar & Share Transfer Agent

Sharepro Services (India) Pvt. Ltd.
416-420, 4th floor, Devendra Mall,
Nr. Sanyash Ashram,
Nr. M. J. Library, Ellisbridge,
Ahmedabad - 380006.



Overview

SYMPHONOMICS IS...THE ART OF LOOKING AT AN IMPOSSIBILITY EYEBALL-TO-EYEBALL AND SAYING 'POOH!'

Chairman Achal Bakeri explains the DNA of his maverick company

Dear Shareholders

WHEN I LOOK AT THE WAY THE STOCK MARKETS HAVE VALUED OUR COMPANY, I CANNOT BUT RECOLLECT THE DAYS WHEN WE WERE A LOSS-MAKING COMPANY, JUST EIGHT YEARS AGO.

There was no cash on the books, our products were considered me-too, our dealers had virtually given up on the brand and amusingly (now that I can afford to use the word) the only constant at the Company was revenue invisibility.

We didn't know where our sales and profits were coming from.

At such a juncture, the kind of advices that we encountered were varied. Some suggested that it might be a better idea to once and for all shut this business of manufacturing lifestyle appliances and move to the more predictable (if conventional) family business of real estate development.

Which brings me to the first Rule of Symphonomics. *Trust your vision.*

At a time when most people had given up on the Company, just a small handful of individuals kept the faith. '*Achalbhai, productma kai problem nathi,*' they would say, 'It is just that we are working on the right thing in the wrong way.' So at a time when we were passing through our lowest ebb and it appeared most convenient to cut losses and exit, intellect prevailed over emotion. The result is that we just stuck right on.

We continued to believe that one of the first things that people aspired to own in life was a residential cooling product, ideal for a tropical country where harsh summer temperatures generally climbed in excess of 45^0C in most parts of the country. So even as people were writing the air cooler off as down-market, we were convinced that there was a really large consuming population that were yet to buy their first cooling product and when they possessed the resources to do so, they wouldn't leap towards

IT WAS A TRICKY WAITING GAME: WOULD OUR PATIENCE RUN OUT FASTER THAN INCOMES ROSE? WE DIDN'T KNOW; WE JUST HUNG IN THERE – AND GOT LUCKY.

the air-conditioner but would take the tentative first step towards the air cooler instead. It was a tricky waiting game: would our patience run out faster than incomes rose? We didn't know; we just hung in there – and got lucky.

Which brings me to the second Rule of Symphonomics. ***Transform your handicaps into opportunities.***

A decade ago, we had no cash, there was red on our books but we could see that a trickle-down in incomes was beginning to result in a traction for air-coolers. We had some production capacity available so we addressed the increase in demand by producing air coolers within. The first big challenge transpired when we consumed this capacity and were now required to commission additional capacity. The normal thing would have been to utilise whatever scant accruals we had generated, mobilise a loan and get some extra capacity going. It was at this point that we took another fundamental call: that we were not really a manufacturing company that also marketed air-coolers; we were principally an evangelistic air-cooler company whose principal focus was to market air-coolers. The nuance helped clarify who we were within our own minds; the result was that the next time we were required to commission an expansion, we took a fundamentally different stance. We refused. Instead, we outsourced. What was initially dismissed as a dangerous decision – *'Achalbhai*, our vendors will hold us hostage and we will have no control over product quality' – proved to be an inflection point. We began to emerge as a fiercely market-driven company instead; the conventional obsession with 'What is the maximum that we can produce?' began to be replaced with 'How much more can we sell?' What was conventionally a focus on the day's run rate ('How much did we roll off the second shift yesterday?') now evolved to 'What does the customer truly want?'

Which brings me to the third Rule of Symphonomics. *The only rule is to break all rules.* Once we had seen through the worst, the quiet optimism at Symphony was that we could achieve virtually anything. No cockiness, no arrogance, no complacence. Just a simple recognition that if we could have returned from the brink, then there was nothing that could faze us any longer. They say that when someone has had a near-death experience, the person can be transformed for life. This happened to us. We became more daring. We trusted our instinct. We scoffed at pessimism. We distrusted the conventional. The result is that a new code was written into our DNA. We would push the envelope, we would explore the lateral. So over the years, we introduced a wider range of air-coolers, we created large AC-like air-coolers, we launched premium air-coolers, we put air-coolers on castors and then extended from the tried and tested residential air cooling space to central air cooling solutions through an acquisition in Mexico. Just about everything the purists had warned us against we implemented – and succeeded.

The result is that our convention-disregarding company consistently reports annual revenue growth that is higher than the sectoral average. We did this in 2013-14 and, in doing so, reported a profit after tax that was ₹106 crore on a consolidated basis and ₹99 crore on a standalone basis, the highest in our existence. What gives me the biggest satisfaction is that we achieved this without any external borrowing or banking funds, an indication of our terms of trade and a validation of our precious Symphony brand.

Someone looking at our market capitalisation of ₹3,492 crore will scarcely believe that we were just a ₹3 crore company a decade ago. The kind of value that the market has been willing to place on our capacity to sustain our growth has been far higher 33 times our 2013-14 consolidated profit after tax – than the kind of value that we have created on our Balance Sheet.

Vindicating the argument that in the eventual run of things, our capacity to think different, lateral and contrarian in a consistent way will prove to be the biggest value-driver in a world where people find comfort in the safe, tried and tested.

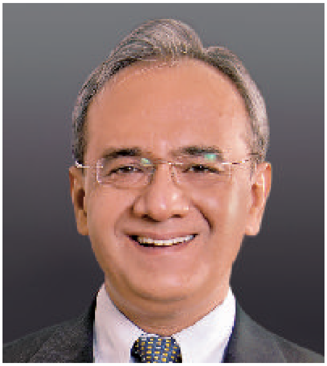
There is just one word to sum it all up.

Symphonomics.

Sincerely,

Achal Bakeri
Chairman and Managing Director

BOARD OF DIRECTORS



Achal Bakeri

Chairman and Managing Director and founder

Architect, MBA (University of Southern California)

He has 28 years of experience in varied functions of the Company. He contributes to policy formation, strategy and provides overall direction to the Board and the management team in achieving aggressive corporate objectives.

Nrupesh Shah

Executive Director

B.Com., FCA and CS

He looks after overall corporate affairs, strategy, finance, M.I.S., treasury etc. He has around 26 years of experience in varied corporate functions. He has been with the Company since 1993.

Dipak Palkar

Independent Director

B.Com., DTP and DBM

He has about 34 years of experience in HR, marketing, business promotion and international sales.

Himanshu Shah

Independent Director

B.Com. and MBA (Marketing)

He has about 26 years of experience in sales, marketing and business promotion.

Satyen Kothari

Independent Director

Masters in Engineering

He has a working experience of 18 years in the field of strategy and user experience with several leading global companies like Apple, First Data Corp., Frog Design in the Silicon Valley.

Jonaki Bakeri

Non-Executive Director

B.A.

She has an experience spanning 9 years in various business functions namely marketing, service, accounts, finance, legal and product development.

MANAGEMENT TEAM - INDIA

Falgun Shah

Chief Innovation Officer

BE (Mech), M. Tech, and MBA (Finance)

He has a varied work experience of over 28 years across diverse functions. He is responsible for technical and product development initiatives for coolers.

Vijay R. Joshi

Sr. Vice President-Operations

BE (Mech), Diploma in Business Management

He has over 27 years of experience and holds overall responsibility for operations including development of new products, materials management and production.

Pallab Bhattacharya

Sr. Vice President-Research & Development

BE (ELEC.), PG Diploma in Statistical Quality Control & Operations Research and Diploma in Materials Management

He has over 32 years of experience in the field of quality assurance. His responsibilities include setting up and maintenance of quality systems and global certifications.

Bhadresh Mehta

Sr. Vice President-Finance & Accounts

B.Com., ACA, ACS, AICWA, IFRS and DISA

He is a finance and audit professional with 31 years of experience. He is responsible for finance, audit, accounts, costing, taxation and infotech functions.

Chandrakant Gandhi

Company Secretary and Head - Legal

M.Com., LLB, FCS

He has more than 32 years of experience and looks after secretarial and legal functions.

Ramendra Sahai

Vice President – Central Air Cooling Solutions

BE (Mechanical), MBA (Marketing)

He has over 23 years of experience in the field of sales and marketing. He is responsible for Industrial & Commercial Air Coolers Sales division of the organisation.

Jayesh Gupta

Associate Vice President – Sales

B.Com.

He has over 31 years of experience in the field of sales. He is responsible for all India domestic sales, logistics and commercial functions.

Rajesh Mishra

Associate Vice President – Marketing – Domestic & International Markets

BE (Mechanical)

He has over 19 years of experience in the field of sales and marketing. He is responsible for all marketing functions in the Company's domestic and international business.

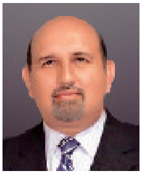
Madhu Mohan

Associate Vice President – International Markets

BE (Mech.), MBA (International Business)

He has over 21 years of experience in international business.

MANAGEMENT TEAM - MEXICO (IMPCO S. de. R. L de C.V)



Juan Bendeck
General Director

BS Industrial Engineering, MBA

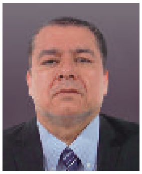
He has over 27 years of experience in Sales, Marketing, Quality, Manufacturing and General Management. He oversees Finance, Sales and Marketing, Operations, Engineering, Industrial Relations and Procurement.

Javier Reza
Residential Sales Director

Associate Degree in Business

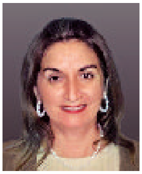
Edgar Moneta
Industrial Sales Director

BS in Mechanical Engineering, Master in Manufacturing and Management



Arturo Silva
Head – Finance and Accounts

BS in Business Administration



Nelda O. Jauregui
Human Resource Manager

BA in Teaching, MBA

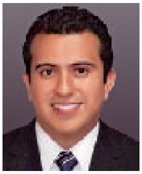
Jose Carmen Contreras
Supply Procurement Director

BS Industrial Engineering

Alvaro Trevino

Engineering Manager

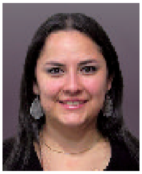
BS in Mechanical and Administrative Engineering, Master in Material Sciences



Alejandro de la Cerda

Operations Manager

BS in Mechanical and Administrative Engineering, MBA

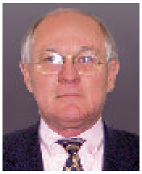


Lilia Chávez

Head – Marketing

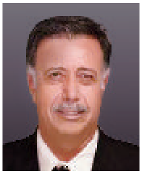
BS in Marketing, MBA

MANAGEMENT TEAM - USA (Symphony USA Inc.)



Bill Hobson

Vice President



Jaime Enriquez

Finance and Administration Director

Iram Galvan

Head – Operations

Dianna Olivas

Head – Sales

SYMPHONY LIMITED. THE LARGEST GLOBAL AIR COOLER BRAND. ENJOYS OVER A 50% ORGANISED MARKET SHARE FOR RESIDENTIAL AIR COOLERS IN INDIA.

MISSION

- Design, quality and service
- Always the foremost
- Innovation and improvement
- Always the endeavour
- Customer comfort
- Always the inspiration

CORPORATE PHILOSOPHY

Constant innovation is the core mantra at Symphony.

- Promoted by Achal Bakeri of Bakeri Group.
- Product offerings include residential air coolers and central air cooling solutions across various capacities.
- Headquartered in Ahmedabad, Gujarat; manufacturing unit for residential air coolers in India and for central air cooling solutions in Mexico; shares listed on the National Stock Exchange, Bombay Stock Exchange and Ahmedabad Stock Exchange.
- Markets residential coolers in the Americas, Europe, Asia and Africa covering 60 countries; sales teams present in 15 countries.
- Products endorsed by a number of corporate giants, namely General Electric (Illinois, US), Wal-Mart Stores Inc. (Nevada, US), Lear Corporation (US), etc. and more than 100 supermarkets in Mexico.

June 30, 2014

75%
Promoter holding

6%
Institutional holding

₹34.92 BN
Market capitalisation

₹0.38 BN
Capital employed – Home Appliances

400+
Team size

GLOBAL CERTIFICATIONS

European Conformity

Electrical Testing Laboratories

Norma Oficial Mexicana

Certificate of Conformity for Germany

International Organization for Standardization

Saudi Arabian Standards Organization

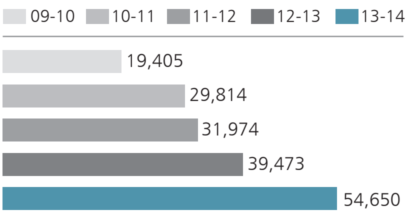
Certificate of Conformity for Russia

Certificate of Conformity for Nigeria

SYMPHONOMICS.
CATALYSES PERFORMANCE.

CONSOLIDATED PERFORMANCE

Gross revenue (₹ lac)

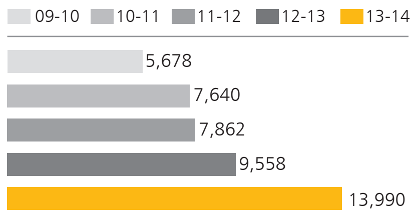


Gross revenue growth

38% over 2012-13

34% 5-year CAGR

EBIDTA (₹ lac)

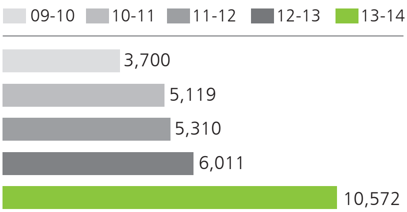


EBIDTA growth

46% over 2012-13

29% 5-year CAGR

Post-tax profit (₹ lac)
(Excluding extra ordinary items)

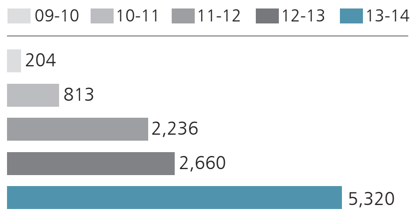


Post-tax profit growth

76% over 2012-13

30% 5-year CAGR

Dividend payout (₹ lac)
(Including dividend distribution tax)

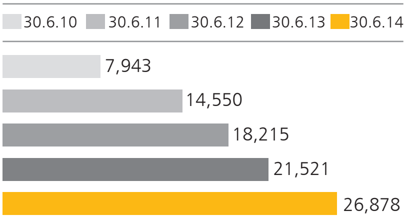


Dividend payout growth

100% over 2012-13

130% 5-year CAGR

Reserves and surplus (₹ lac)

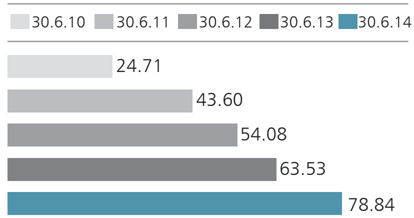


Reserves and surplus growth

25%	43%
over 2012-13	5-year CAGR

Book value per share (₹)

(on face value of ₹ 2 each)

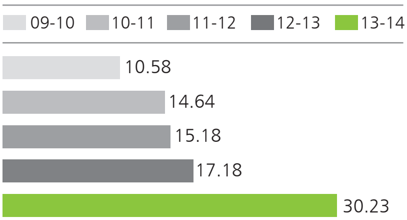


Book value per share growth

24%	40%
over 2012-13	5-year CAGR

Earning per share (₹)

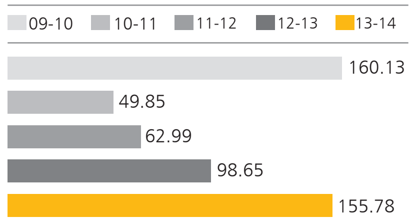
(On face value of ₹ 2 each)



Earning per share growth

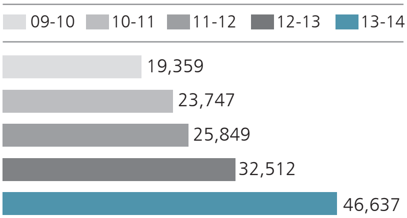
76%	30%
over 2012-13	5-year CAGR

PBIT % on capital employed - home appliances



STANDALONE PERFORMANCE

Gross revenue (₹ lac)

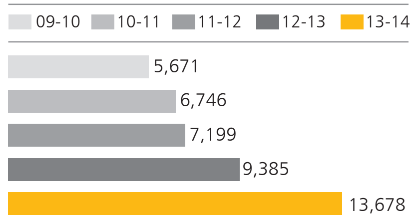


Gross revenue growth

43%
over 2012-13

30%
5-year CAGR

EBITDA (₹ lac)



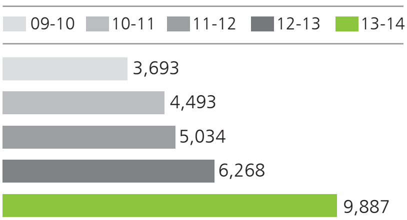
EBITDA growth

46%
over 2012-13

29%
5-year CAGR

Post-tax profit (₹ lac)

(Excluding extra ordinary items)



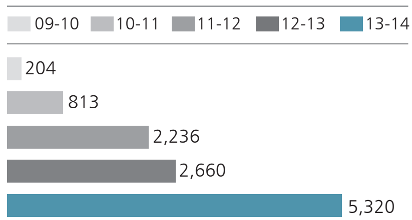
Post-tax profit growth

58%
over 2012-13

28%
5-year CAGR

Dividend payout (₹ lac)

(Including dividend distribution tax)

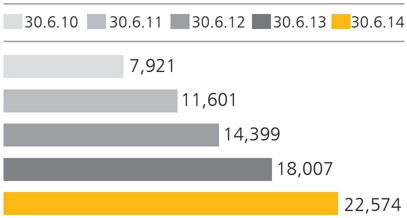


Dividend payout growth

100%
over 2012-13

130%
5-year CAGR

Reserves and surplus (₹ lac)



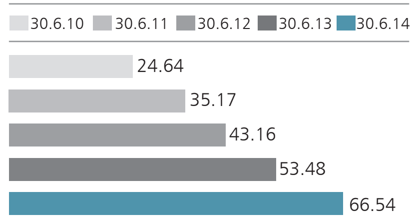
Reserves and surplus growth

25% over 2012-13

38% 5-year CAGR

Book value per share (₹)

(on face value of ₹ 2 each)



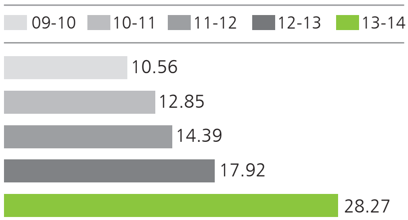
Book value per share growth

24% over 2012-13

35% 5-year CAGR

Earning per share (₹)

(On face value of ₹ 2 each)

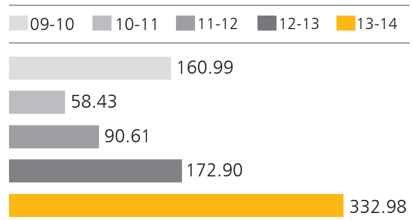


Earning per share growth

58% over 2012-13

28% 5-year CAGR

PBIT % on capital employed - home appliances

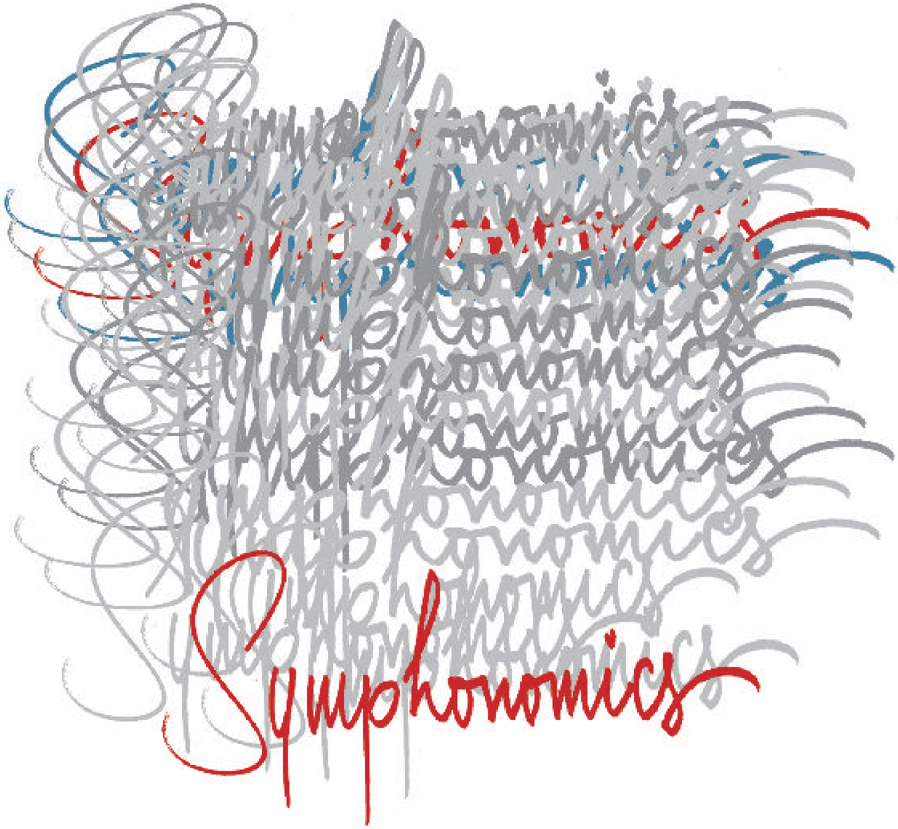


SURPRISE!

THE INDIAN ECONOMY GREW 4.7% IN 2013-14. SYMPHONY GROSS REVENUES INCREASED 38% CONSOLIDATED. INDIA'S CONSUMER DURABLES INDUSTRY GREW 3.2% IN 2013-14. SYMPHONY PROFITS GREW 76% CONSOLIDATED.

WHEREVER WE GO, THERE IS JUST ONE QUESTION EVERYBODY IS ASKING.

HOW?


Symphonomics

SYMPHONOMICS.
THE ART OF DOING IMPOSSIBLE THINGS IN A 'NO BIG DEAL' KIND OF WAY.

How else do you explain that...

...even as everybody said that the consumer was spending less, we achieved in our first nine months the aggregate of what we had achieved in the previous 12?

...even as the consolidated cooler industry in India grew at about 15%, we sold 33% more coolers in 2013-14, outperforming the sectoral average yet again?

...even as everybody says that coolers represent a mature low technology business, we reported an EBIDTA margin of 26% on consolidated basis in 2013-14?

...even as every man and his brother-in-law can assemble a cooler, we still reported an ROCE of 38% on consolidated basis in 2013-14?

...even as most companies like ours would have gone silly running manufacturing facilities, we ran a cash-rich business (₹200 crore cash on our books, June 30, 2014, on a standalone basis)?

AT SYMPHONY, THIS 'NO BIG DEAL' SWAGGER COMES FROM OUR IRREVERENT GRAIN.

We are crazy enough to believe that most problems of the world are caused by hot-tempered people. We are naïve enough to believe that the really cool people are the ones who change the world for the better. We are simplistic enough to believe that this global warming thing is bad for our mindset and comfort. We are idealistic enough to believe that if the world were one giant air cooler, it would be a better place. We believe that air-coolers represent one of the building blocks of human progress. We believe that when people make some money, they don't necessarily exclaim, 'Buy me a Chevrolet!' We feel that when you get your first large pay cheque, you want to take something home that can be shared by everyone for years on end. We believe that there will soon come a time when people will want to pay more for better products. We feel the really responsible buy a scooter (sorry, bike) first with their good fortune, then a cooler and then anything else you can think of. We are economy-agnostic; when the economy does badly, we say, 'How does that matter?' We are convinced that even the really rich ask when no one is looking, 'How much of power does it consume?' We feel that there is an innate desire within people to buy something that does good for the earth. We are unreasonable to believe that Indians would need a cooler even in winter. We are optimists who believe that some of the richest countries in the world would still want to buy a Symphony air cooler. We believe that as long as there is a fan running somewhere, there will be a market for an air-cooler. We are illogical; we believe that when competition increases, it is good for our business. We laugh at the minority that looks at a cooler and says, 'Oh, so downmarket'. When people question our growth with, 'How much longer?' we smirk because they have seen nothing yet.

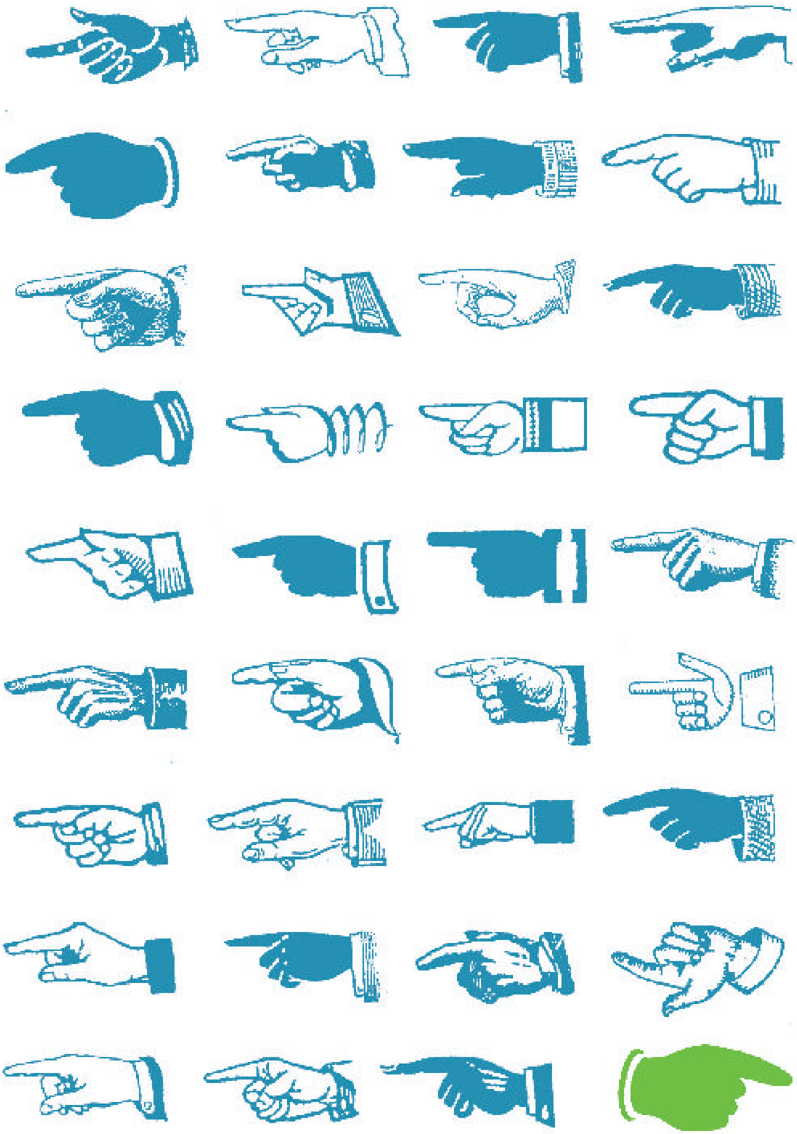
The most frequent question that people ask us is, 'How long will this last? How long will people keep buying air-coolers? How long will Symphony continue to outperform its sector?'

Our humble confession: we really don't know.

But what we do know - without referring again to the famous iceberg (remember last year's annual report?) – is that we've seen nothing yet.

The following pages explain

WHY...



SOMETHING AS BASIC AS CASTORS TRANSFORMED 77-YEAR-OLD VALIBHAI'S RETIRED EXISTENCE, MODERATED HIS CRABBETY PERSONALITY AND BROUGHT HIM CLOSER TO HIS GRANDCHILDREN.

IN THE DAVID-GOLIATH FACEOFF (READ AIR-COOLER VERSUS AIR-CONDITIONER) IF THERE IS ONE THING THAT HAS MADE A FUNDAMENTAL DIFFERENCE, IT IS OUR CONVICTION.

THAT OUR PRODUCT IS BETTER.

The air-conditioner is fixed in its location; the air-cooler can be moved around.

The air-conditioner is getting increasingly expensive; the air-cooler not as much.

The air-conditioner depletes finite fossil fuels; the air-cooler is relatively 'green'.

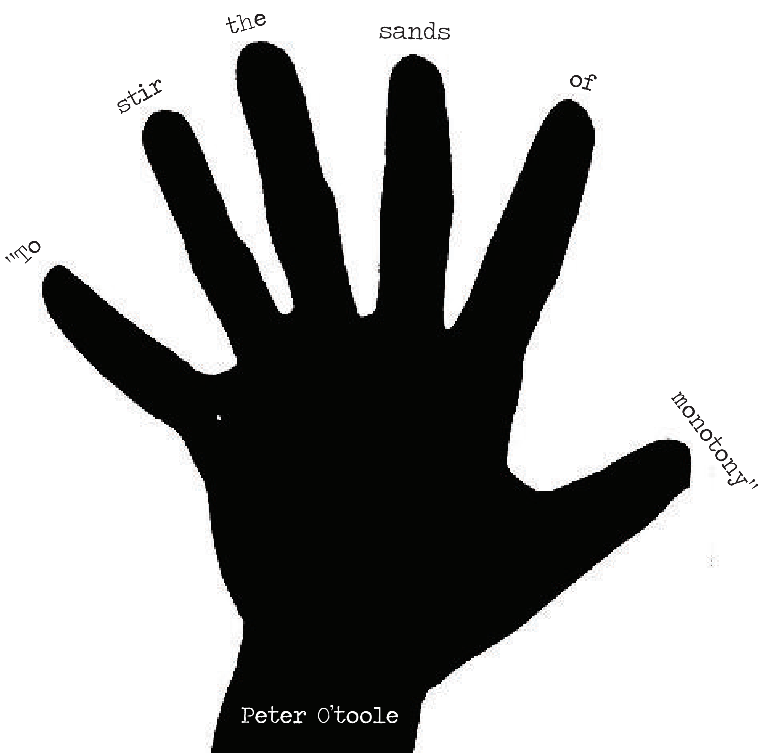
The air-conditioner is a high-load electricity guzzler; the air-cooler is benign enough to run on an invertor.

The air-conditioner needs to be rationed so that you don't get bankrupted because someone forgot to switch the thing off; the air-cooler can be used so liberally that the domestic assistants of neighbours begin to raise new demands.

The air-conditioner generally cools below levels most people are comfortable with; the air-cooler makes a clean 10% difference from surrounding temperature to the point where you don't need to run for a sweater.

So when you see that the air-conditioner market at 3 million units, while the organised air-cooler market at only 1.5 million, the time has come to engage in some constructive visualisation.

Just dream!


"To
stir
the
sands
of
monotony"
Peter O'toole

WHEN SAVITRIBEN ADDS WATER TO THE MEAL BEING COOKED, THE KITCHEN TEMPERATURE RISES BY THREE DEGREES CENTIGRADE.

A NUMBER OF PEOPLE MAKE A FUNDAMENTAL MISTAKE WHEN THEY ASSUME THAT OUR PRINCIPAL COMPETITOR IS THE AIR-CONDITIONER.

ACTUALLY THERE IS NONE.

Come to think of it, when is the last time you encountered a room without a fan because it had an air-conditioner? When was the last time you encountered someone who did not even have a fan – rare, we must concede – and dreamt of making a consumer jump to an AC?

The point that we are making is that developing and emerging geographies have for long been segmented – simplistically - into a fan segment at one end and an AC segment at the other. Conveniently omitting the vast intermediate segment that is occupied by a product that possesses the cooling attributes of one and the pricing advantage of the other.

The cooler, what else?

So rather than worry oneself to death about the supposed futility of denting a 9 mn household air-conditioner market in the country, we would rather address the vastness of the 246 mn households with fans or no cooling products.

When you see the reality from the other end of the telescope, you suddenly start seeing the air-cooling business as one where we could be spending a lifetime without even having addressed a modest proportion of it.

So even if the collective air-cooler industry can carve away 1% of this 246 mn household segment and then share it equally across the five largest manufacturers, stated out of modesty, we assure you that would still mean respectable revenue growth for Symphony over what it reported in 2013-14.

An idea to build a dream on!

Knowledge is power, but
enthusiasm pulls the switch.

- Ivern Ball

NARESH SHARMA SAT DOWN WITH HIS WIFE TO CHALK OUT A BARE-BONES BUDGET FOR HOME IMPROVEMENT. THE AIR-COOLING BUDGET WAS ALLOCATED JUST ENOUGH FOR AN ASSEMBLED AIR-COOLER. UNTIL THE NINE-YEAR PIPED UP WITH *'MUJHE WOH SYMPHONY WAALA HI CHAHIYE!'*

IN THE BATTLE BETWEEN 'BRANDED VERSUS CHEAPER' FOUGHT IN THE RETAIL STORES OF OUR COUNTRY OVER THE DECADES, 'CHEAPER' THRASHED 'BRANDED' EACH TIME.

NO LONGER.

When it comes to coolers, all those people in remote and rural India know a better product when they see one (on televisions, where else).

All those people know that when it comes to repair, the street corner assembler charges a packet, while there is another product that may not need to be repaired at all.

All those people know that the only time they were really confused (after they had crossed the hump to buy a branded alternative) was when they were presented with choice.

And lastly, all those people, who we think would obviously go for something priced cheaper, felt a certain pride when bringing a packaged branded air-cooler home. Did something for their neighbourhood respect, they said.

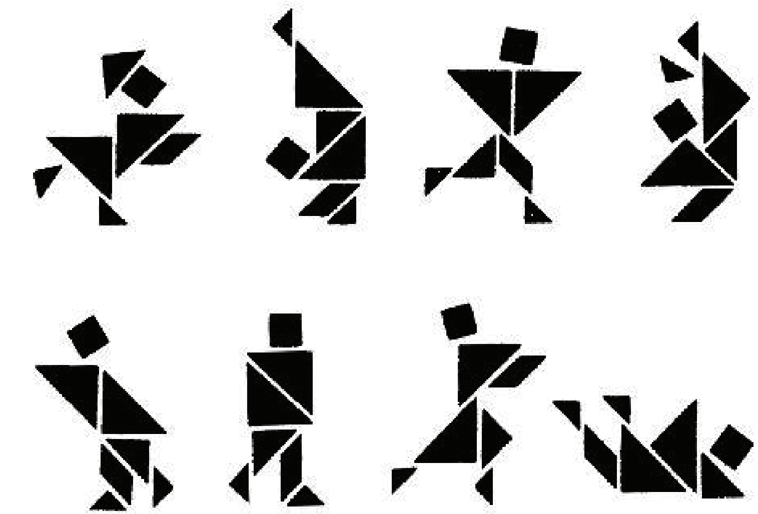
Now think of the vastness of the Indian market, possibly the largest under-penetrated cooling market in the world.

- India has 246 mn households; the number of air-coolers sold in India (branded and un-branded) were no more than 6 mn in 2013-14.
- Of all the coolers sold in India, the share of the branded organised market was no more than 20%.
- While the overall cooler market has generally grown 15% annually over the last number of years , the organised segment grew at 25% in 2013-14.
- Similar to how the organised air-conditioner segment has grown from 20% of the industry 15 years ago to 100% of all offtake today.

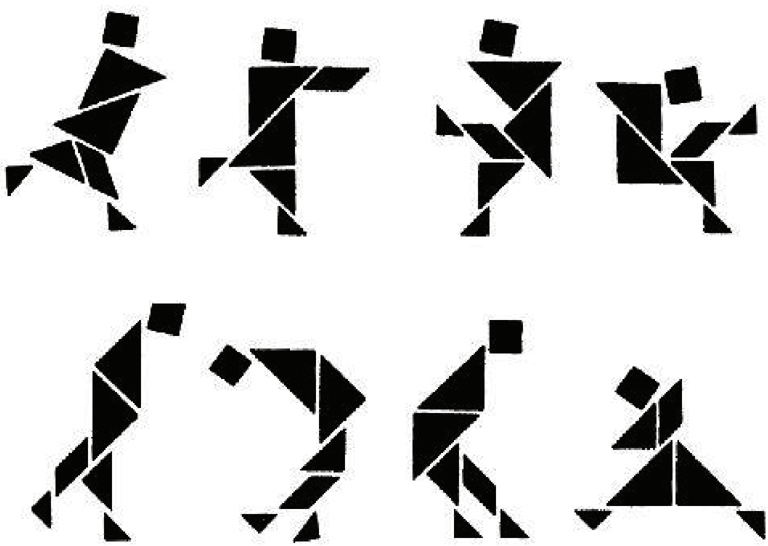
What makes us terribly optimistic is that Symphony's gross revenues grew over 40% on standalone basis in 2013-14, far higher than the percentage growth of the sector.

So when the organised industry starts retracing its annual growth to 25%…

You do the maths!



THE REAL SECRET OF SUCCESS IS ENTHUSIASM. - Walter Chrysler



WHEN MURUGAVEL WENT TO GET HIS ASSEMBLED AIR-COOLER REPAIRED, HE DISCOVERED THAT THE MAN WHO HAD SOLD IT TO HIM HAD SHUT SHOP AND MOVED.

IN THIS ETERNAL DEBATE BETWEEN 'CHEAP VERSUS NOT-SO-CHEAP', 'ORGANISED VERSUS UNORGANISED' AND 'BRANDED VERSUS UNBRANDED', IT PAYS TO HAVE THE BIGGEST POWER IN THE LAND ON YOUR SIDE.

THE GOVERNMENT.

For a number of years, the government encouraged small scale in this sector on the grounds that this promoted grassroots entrepreneurship. While the government continues to promote this concept, there is a difference. Earlier, these small scale entrepreneurs largely existed outside the tax net, could utilise the savings to price their product lower, could plug their single product effectively against branded players and could capitalise effectively on a national mindset that preferred to buy something functional and save money at the same time.

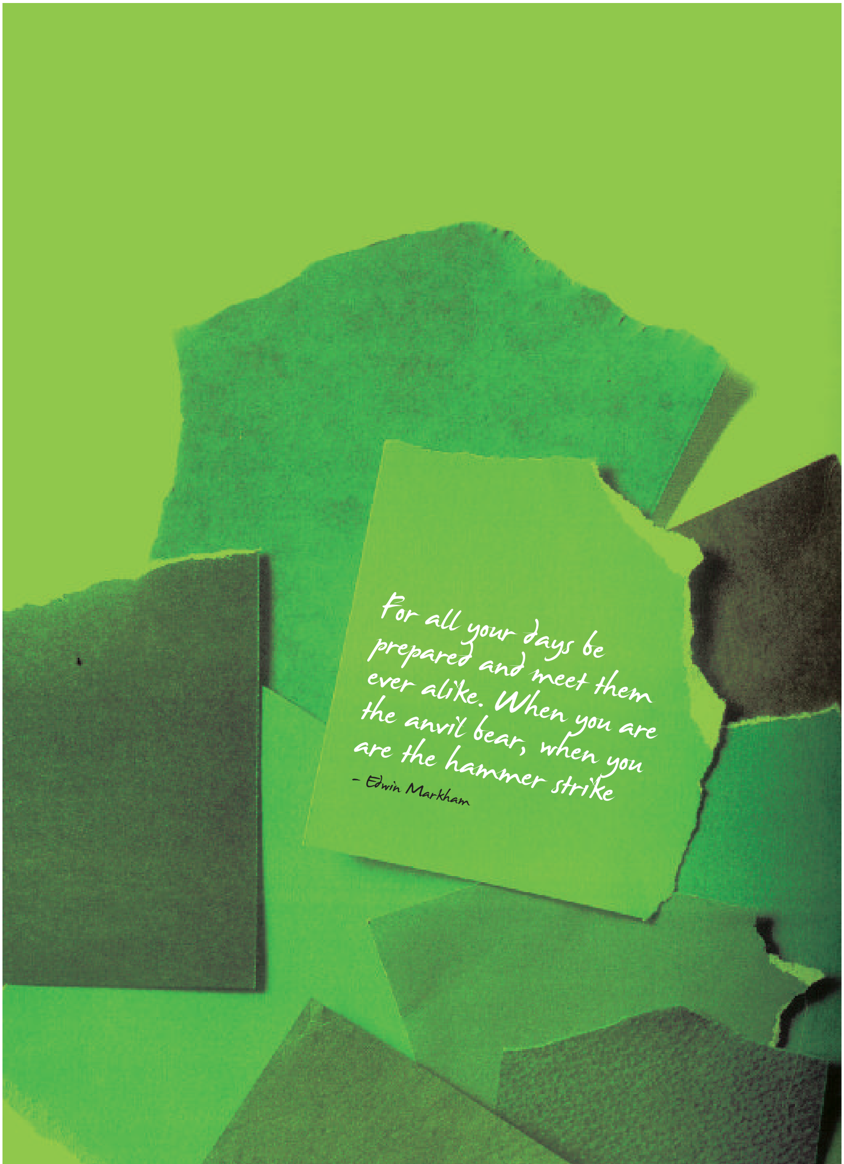
The government is now insisting that it is payback time. Through the implementation of the GST.

The GST will accelerate transition from the unorganised to the organised by providing organised manufacturers credit for the taxes paid at various levels; bringing the unorganised manufacturers into the tax net would raise their production costs and make them relatively less competitive.

Declining difference between the cost structure of the organised and unorganised manufacturers will enhance the value proposition for organised branded players like Symphony.

So if we have grown our gross revenues at a CAGR of 30% on standalone basis and 34% of consolidated basis over the last five years in a relatively challenging fiscal environment, then we might be able to achieve even more in a fair and level playing field.

Cool argument!


For all your days be prepared and meet them ever alike. When you are the anvil bear, when you are the hammer strike
– Edwin Markham

UNTIL EVEN AS RECENT AS A DECADE AGO, MOST HOUSEHOLD DECISIONS IN THE NADKARNI HOUSEHOLD WOULD BE MADE OR VETOED BY THE HUSBAND. EVER SINCE SAVITRI STARTED WATCHING TELEVISION SOAPS, SHE HAS EMERGED THE INFORMED DECISION-MAKER.

WHEN THEY ASKED NAPOLEON, WHICH WAY THE BATTLE WAS LIKELY TO TREND, THE GREAT STRATEGIST IS SUPPOSED TO HAVE REPLIED 'GOD IS ALWAYS ON THE SIDE OF THE BIG BATTALION!'

AND SO IT IS WHEN IT COMES TO PROMOTING THE AIR-COOLER. THE BATTLE INEVITABLY TRENDS TOWARDS THE ONE WITH THE LARGEST AMMUNITIONS.

For last number of years, Symphony has been the biggest spender in enhancing the profile of the air-cooler in India. The Company has been investing nearly 4.5% of its annual sales in promoting the air-cooler as a concept and its brand as a preferred choice. In just last five years, we have invested no less than ₹59 crore in concept-cum-brand building, accounting for 70% of the air-cooler industry's overall promotional spending.

To this spending, we have brought a distinctive science.

One, we recognise that there is a growing traction for television viewership in India; in line with this, we allocated 40% of our promotional spending for the electronic media.

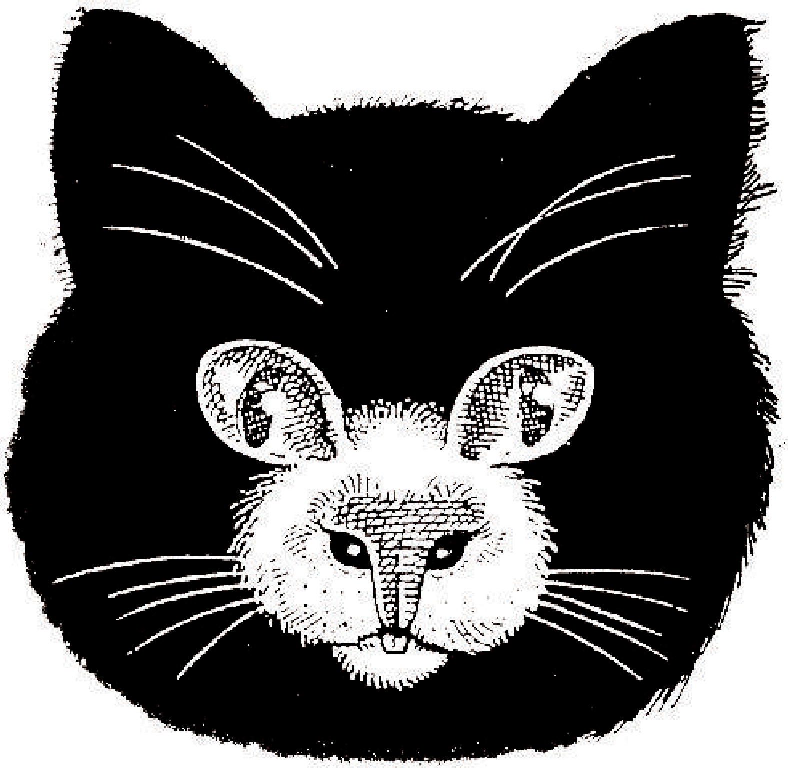
Two, we identified the right channels, the ones watched by the 25-plus audience comprising the A, B and C socio-economic classes.

Three, we widened our presence across the reach, frequency and hybrid channels.

The result is a higher share of mind – 70% based on the 2013 data of television audience measurement.

So if we utilised our cash flows and spent even more in brand spending at a time when economy is only just reviving, more people will be likely to buy coolers and a higher proportion ready to make the switch towards branded alternatives when the momentum does accelerate.

Just extrapolate!



"LIMIT, LIKE FEAR, IS OFTEN AN ILLUSION."

- Michael Jordan

NET WORTH OF JAYSUKH PATEL IS ESTIMATED AT IN EXCESS OF ₹200 CRORE. ONE DAY HE FELT GUILTY ABOUT LIVING A 24 HOUR AIR-CONDITIONED EXISTENCE WHEN HE FOUND HIS GATEMAN IN THE GUARD-ROOM WIPING HIS SWEAT IN JUNE HEAT.

FOR YEARS, THE GENERAL PERCEPTION WAS THAT AIR-COOLERS WERE BOUGHT ONLY BY THE LOWER MIDDLE-CLASS.

THE RICH ARE BUYING NO LESS.

What does a rich man do after he has air-conditioned his bedroom, drawing room and guest room and is at a loss with what to do with the kitchen, bathroom (yes!) and the servants' quarters?

What does a rich man do when he creates a 10,000 sq. ft. garden but finds that it is humanly impossible to enjoy its lushness in the ambient heat?

What does a rich lady do after she has created a 2000 sq. ft. terrace with a great view where she seeks to invite her friends so that she may send a message to page three columnist that she has arrived in life?

Turn to the trusted air-cooler, of course.

Partly because sweat is out. Partly because nobody needs 14 degrees Celsius across rooms round the year.

So even as painstaking market research will tell you that the markets for air-conditioners and air-coolers are as similar as chalk and cheese, we would like to use the word 'complementary' instead. The middle-class of this country is buying air-coolers and not air-conditioners; the rich, well, are buying both.

Want proof? Symphony's air-cooler exports to developed markets increased by more than 100% in 2013-14; even to a country like U.K., where they have central heating systems installed in most of the houses, Symphony's exports rose multi-fold during the year under review.

Now if the turnaround in the global economy is going to create more of the affluent, then you know what.

Jog the numbers!


enthu
siasm
drips

MONA READS FOUR NEWSPAPERS, BROWSES THREE MAGAZINES, HAS 1300 FACEBOOK FRIENDS, HAS AN OPINION ON EVERYTHING AND KNOWS PRECISELY WHAT SHE WANTS AND WHAT SHE DOESN'T. THE ONLY WORD SHE DOESN'T KNOW IS 'COMPROMISE'.

THERE USED TO BE A GREAT AUTOMOBILE PIONEER WHO ONCE SAID THAT THE BUYERS COULD BUY A CAR FROM HIM OF ANY COLOUR AS LONG AS IT WAS BLACK.

AT SYMPHONY, WE HAVE BEEN AS TOLERANT.

When we went into business, we marketed the air-cooler as a white box that could cool your temper (and temperature).

Over the years, we have resisted the urge to deliver the box in a variety of colours even as we have made a number of other changes – the size has got smaller, the shape has become sleeker, the box more mobile and the insides more sophisticated. The result is that Symphony provides 23 models to select from; nearest competitor provides 16.

What we have brought to this reality is the sheer pace of churn; in the five years leading to 2013-14, we have introduced no less than 22 models. The aggressive pace of product launch and a high strike rate have turned to be a potent double-play. The result is that in 2013-14, we derived 50% of our revenues from models launched in the previous three years.

Emphasizing the point that Symphony is ruthless when it comes to replacing a moderate winner with a potential game-changer.

Just think!

"Perseverance is the hard work you do
after you get tired of doing the hard work
you already did." – Newt Gingrich

SANTOSHBABU BELONGS TO THE OLD SCHOOL OF SPENDING. HE MEASURES THE SOLE OF A SHOE IN CENTIMETERS BEFORE BUYING. HE SCANS AT LEAST FIVE SHOPS BEFORE SELECTING TO BUY. HE GETS HIS DAILY HIGH FROM SEEING THE WORD 'FREE' IN A NEWSPAPER.

EVEN WHEN IT COMES TO PEOPLE WHO ARE WELL-OFF OR EARNING MORE THAN EVER BEFORE, THE ONE WORD THAT REALLY GETS THEIR EXCITEMENT GOING IS 'PAYBACK.'

EVEN WHEN IT COMES TO BUYING SOMETHING AS FUNCTIONAL AS AN AIR-COOLER, YOU'D BE SURPRISED.

We are proud to state that over the last number of years, our humble box has passed the test.

The air-cooler is centered around the *'ek ya do bulb ki bijli ke kharche pe chale!'* positioning. Because it consumes very little power, almost 7-10% of that of an air- conditioner. So when you compare this with an air-conditioner's electricity consumption, the notional saving alone can pay back for the air-cooler in a few months' time.

Which explains why from being a strictly seasonal purchase, the air-cooler is showing signs of emerging as a perennial preference. There used to be a time when for a company like Symphony, the last quarter would account for 80% of its annual revenues; today, this is down to 33%.

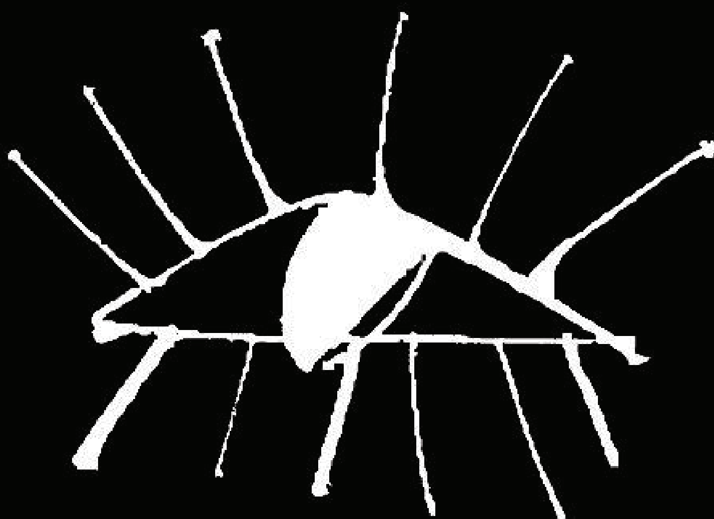
Now with the government stepping up power sector reforms that would effectively connect every single Indian village with electricity over the next few years, there would be a wider Indian community ready to buy into the lowest cost cooling solution.

If India's rural electricity coverage can increase marginally, that would be something.

Just calculate!

Only those who can see the invisible, can do the impossible.

- Jeffrey Fry



NRIPENDRANATH HAS AN EIGHT-MEMBER FAMILY LIVING IN 450 SQ FT. HIS WIFE, TWO CHILDREN, HIS SISTER, HIS PARENTS-IN-LAW AND A RELATIVE FROM ANOTHER VILLAGE.

THE MOST POTENT DRIVER OF AIR-COOLER OFFTAKE IN INDIA IS NOT THE TOTAL COST, NOT THE ELECTRICITY TARIFF AND NOT THE DELTA (BETWEEN AC AND AIR-COOLER COST) EITHER.

IT IS THE COST OF THE PRODUCT AS A PERCENTAGE OF THE FAMILY'S ANNUAL INCOME DIVIDED BY THE NUMBER OF FAMILY MEMBERS.

Trust a price-sensitive country to come up with the ultimate *parta* of air-cooler ownership.

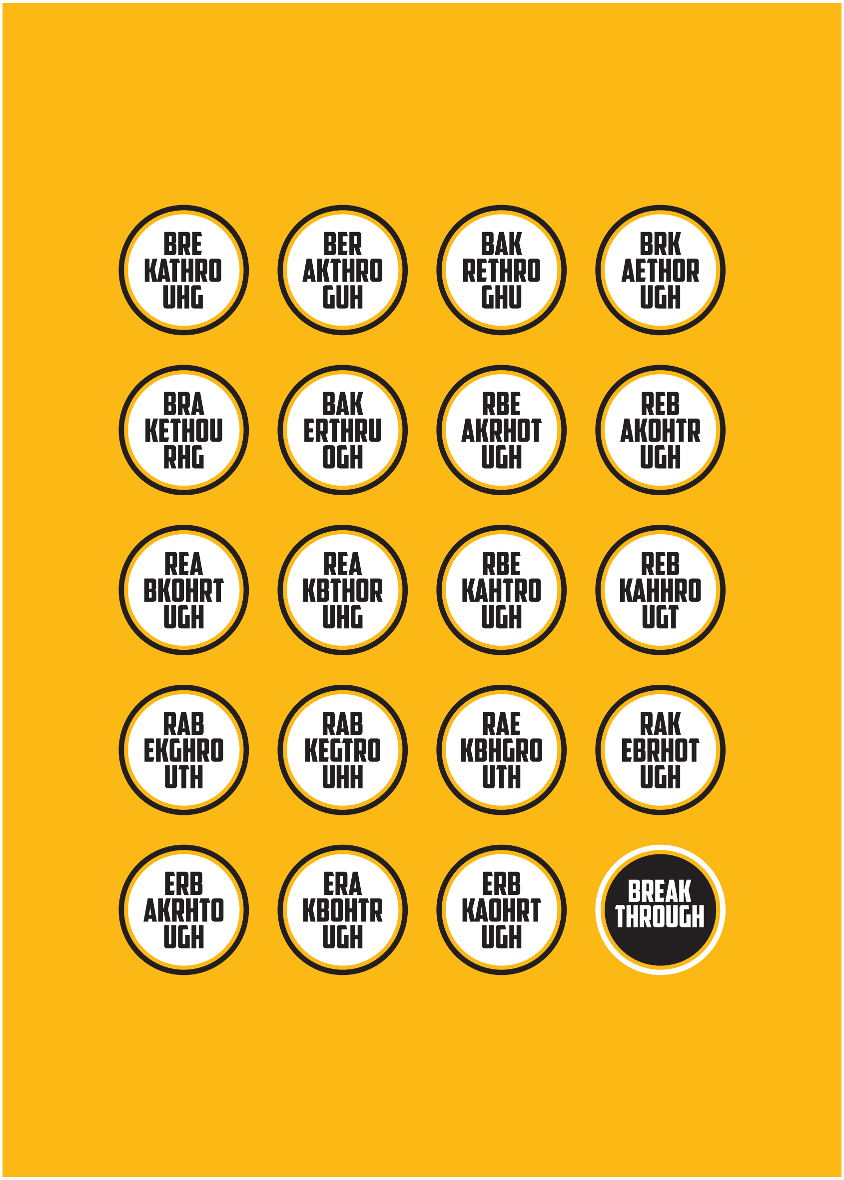
Something that links the family's income with the number of people who benefit from it.

This is how it works. Over the years, we have recognised that the majority of air-coolers is bought by those with a family income ranging from ₹3,60,000 to ₹10,00,000. For these households, the purchase of a ₹10,000 air-cooler works out to around 2.5% of the family's annual income.

What we have observed is that when only a couple intends to invest in such an air-cooler, they justify it around the grounds that *'Kiske liye itna kamaa rahe hain?'* And when such a purchase decision is made on behalf of an entire family, the logical goalpost is changed to *'Itna to sub ka haq banta hi hai, na?'*

What makes us optimistic is that air-cooler accounted for a mere 2.5% of the cost of the first year's income in a bad economy for a product whose application is usually multi-year in nature. Now when the economy rebounds and incomes rise, there is every possibility that the 'real cost' of an air-cooler will decline even further.

Work out the decimals!


BRE KATHRO UHG
BER AKTHRO GUH
BAK RETHRO GHU
BRK AETHOR UGH
BRA KETHOU RHG
BAK ERTHRU OGH
RBE AKRHOT UGH
REB AKOHTR UGH
REA BKOHRT UGH
REA KBTHOR UHG
RBE KAHTRO UGH
REB KAHHRO UGT
RAB EKGHRO UTH
RAB KEGTRO UHH
RAE KBHGRO UTH
RAK EBRHOT UGH
ERB AKRHTO UGH
ERA KBOHTR UGH
ERB KAOHRT UGH
BREAK THROUGH

ROHINITAI WOULD NEVER GIVE UP SHOPPING AT THE LOCAL KIRANA STORE WHERE SHE WAS USED TO BUYING ALL HER GROCERIES FOR 33 YEARS. THEN CAME AN AIR-CONDITIONED MALL ROUND THE CORNER. THE ANCHOR STORE'S LOYALTY CARD PROVIDES HER WITH A 10% DISCOUNT IN ADDITION TO SEASONAL SALE OFFERS...

JUST WHEN ONE WOULD HAVE BEEN CONVINCED THAT THE MOST POWERFUL DRIVER OF AN AIR-COOLER'S OFFTAKE WOULD HAVE BEEN THE PRODUCT, THE PRODUCT AND NOTHING BUT THE PRODUCT, WE HAVE SOME COUNTER-EVIDENCE TO PROVIDE.

THE RETAIL FORMAT.

For years, the air-cooler was marketed through the usual downtown appliance store. Someone you trusted. Someone who you knew by name.

The times, they are a changing.

Most people have evolved the way they buy things these days. Rather than buy one product from here and another product from there, they are selecting to buy a larger number of products from a fewer number of stores. On the one hand, this decision has been influenced by convenience; on the other, it has been influenced by loyalty points and a better buying ambience.

This is reflected in Symphony's numbers as well. The proportion of the Company's revenues derived from modern retail formats was negligible even as recent as five years ago; today, it has risen to around 11%.

What makes this development exciting is that a majority of the Company's modern organised retail format revenues were derived from the NCR, Mumbai, Pune and Bangalore. Our optimism comes from the progressive extension of our organised retail coverage across India; the organised retail itself is expected to grow by 22-25% annually.

More malls, wider Symphony representation, quicker offtake, higher proportion of overall revenues.

Get the calculator!


THE ONE WORD THAT MAKES A GOOD MANAGER - DECISIVENESS. - *Lee Iacocca*

TAPAS SEN, THE TRADE UNION LEADER, MADE AN UNUSUAL DEMAND AT THE LAST MANAGEMENT-WORKERS MEETING. NOT ABOUT BETTER WAGES. NOT ABOUT MORE FISH IN THE CANTEEN LUNCH. BUT ABOUT EQUAL COMFORT FOR ALL GRADES OF WORKERS.

IF YOU THINK THAT THE BIGGEST COOLING REVOLUTION IS EXPECTED IN THE RESIDENTIAL SPACE, YOU MIGHT BE MISTAKEN.

IT WOULD BE IN CENTRAL AIR COOLING SOLUTIONS.

One thing beats us: the worker who slogs eight hours on the industrial shift dreams of buying an air-cooler. Yet, when it comes to the trade union asking for a better workplace environment, the air-cooler never figures anywhere.

Strange.

Because when it comes to home pride, Indians can be fussy spenders. When it comes to workplace spending, we couldn't give a damn.

Because when it comes to increasing workplace productivity, managements will provide various incentives. However, when it comes to creating a collective environment that would increase productivity anyway, workplace temperature is not tabled.

Because even a nominal decline in shopfloor temperature by 3-4 degrees centigrade can potentially enhance productivity by 25-30%.

At Symphony, it would be an understatement if we say that we are optimistic of the prospects of this segment; we are *terribly* excited.

Global temperatures are rising; the Indian market size for central air cooling is estimated in multiples of million industrial units; the economic upturn is expected to increase industrial spending; growing competition will encourage managements to seek enhanced productivity from air-cooling; the productivity payback is estimated at a mere nine months.

The one thought that we would like to leave with you, dear reader, is that the contract value of a single turnkey central air cooling project could be equivalent to several thousands of standalone residential air-coolers. That is a market of more than a few million such opportunities in India. And even if we address only a nominal proportion, the business could account for a significant part of our consolidated turnover – and keep us busy for years to come.

Figure it out!

"Every advercity, adversity,
every ~~failre~~, ~~feilure~~,
failure, every heartache
~~hartache~~ carries with it the
seed on an equal or greater
benefit." - Napoleon Hill

RAJEN GUPTA, A LONGSTANDING SYMPHONY SHAREHOLDER, SPOKE UP AT THE AGM. 'WE DEMAND TO KNOW THE RATIONALE FOR SYMPHONY BUYING A LARGE FACILITY IN MEXICO TO ENTER A BUSINESS SEGMENT THAT IS NOT CORE TO ITS OPERATIONS!'

WHEN WE ACQUIRED IMPCO IN MEXICO FOUR YEARS AGO, WE FELT THAT SYMPHONY WOULD BRING REASONABLE VALUE TO THE ACQUIRED BUSINESS.

WE WERE WRONG.

Over the last few years, IMPCO has brought considerable value to Symphony's business instead.

This is how: we acquired IMPCO for its vast and age-old relationships with modern retail customers in North America; we were inspired by the optimism that we could bring some of Symphony's entrepreneurial competence in helping IMPCO grow its business in the Americas and bring about operational efficiencies; we acquired IMPCO to provide Symphony a spring board to establish its presence in North and Latin Americas; we acquired IMPCO for its deep competencies in the central cooling segment.

The story has evolved considerably since. IMPCO (and through it the Mexican and US markets), have turned out to be Symphony SEZ unit's largest customers and largest contributor of tax-free profit. We improved IMPCO's operating profit from ₹-114 lac in calendar year 2009 to ₹469 lac in calendar year 2013. We leveraged IMPCO's competence in creating the central cooling solutions market within India and extending our presence to large residential coolers.

Besides, we grew IMPCO's market effectiveness in its traditional markets of Mexico and US through higher promotional spending. We helped IMPCO forge exclusive relationships with a number of untapped modern retail formats because of the vast product range Symphony brought to their table.

The big message is that having leveraged IMPCO's deep insight in central cooling, Symphony rolled out more than 300 installations in India over the last few years. Now with Symphony in the process of being enlisted for a DGS&D rate contract, the business could address large government opportunities.

The big picture then is that if in just four years we could have rolled out more than 300 central air cooling installations, when the building blocks of the business are still being placed, then there is a world of opportunity waiting to be explored.

Big things lie ahead!

If you are irritated by every rub, how will your mirror be polished?

- Jalaluddin Rumi

AN AGEING SHAREHOLDER GIRISHBHAI SOLANKI SPOKE FOR HUNDREDS OF SYMPHONY SHAREHOLDERS AT THE AGM: "WE ARE FORTUNATE TO HAVE NOT SOLD OUR SYMPHONY SHARES AND THE RESULT IS THAT SOME OF US WILL FUND THEIR EDUCATION OF THEIR CHILDREN FUNDS THEIR CHILDREN'S MARRIAGE AND EVEN BUY NEW HOMES. THIS IS THE UNSPOKEN AND UNWRITTEN SYMPHONY CSR AT WORK!"

WHEN IT COMES TO VALUE CREATION, A NUMBER OF ANALYSTS AND SHAREHOLDERS POINT TO OUR BALANCE SHEET.

A MISTAKE.

Over the last decade, Symphony has created more value off the books than on it. Even as the Company reported an aggregate profit after tax of ₹307.12 crore (consolidated) in the five years leading to 2013-14, it delivered an enhanced market capitalisation of ₹3,453.43 crore during the period of five year.

During the critical last five years following the Company's decisive turnaround, the market has progressively strengthened the discounting applied to Symphony's shares – from 16.91 following the results of 2010-11 to 35.31 following the results of 2013-14.

The increase in the discounting applied to the Company's shares is an index of the trust in the Company's operational integrity, the sustainability of its business model and the vastness of the industry scope.

Symphony's operational integrity is derived from a conviction that the management is trustee of shareholders' wealth and focusing on enhancing stakeholders' wealth. In turn, this commitment is derived from a culture of extensive regulatory compliances, stakeholder transparency (of which this extensive report and the quarterly performance analyses are proof) and deep governance.

The world applauds an honest trier.

Symphony received the prestigious Best Presented Annual Report Award from South Asian Federation of Accountants, validating its transparency, accountability and governance excellence. Besides, Symphony received the award of Excellence in Financial Reporting for consecutive years from The Institute of Chartered Accountants of India.

The big picture is that Symphony is now being acknowledged as a model of not just how to strengthen competitiveness and bottomline but also in how to enhance holistic value.

Some values endure!

MANAGEMENT DISCUSSION AND ANALYSIS

Economic overview

Global: The global economy remained subdued and global GDP growth decelerated for the third year running (3.9% in 2011 to 3.1% in 2012 and 3% in 2013), with most developed economies responding with appropriate remedial fiscal policy action. Besides, a number of emerging economies, which had already experienced a debilitating slowdown in the past two years, encountered domestic and international headwinds during the period.

Prospects: Looking ahead, global growth is projected to strengthen to 3.6% in 2014 and 3.9% in 2015, with much of the impetus coming from advanced economies *(Source: IMF April 2014)*. Many emerging economies account for more than two-thirds of global growth and their output growth is likely to be strengthened by exports to advanced economies.

Challenge: Global recovery still remains subdued despite improved prospects due to downside risks. Among existing risks, those related to emerging market economies increased. The rapid normalisation of the American monetary policy and a renewed tendency to avoid risks on the part of investors could complicate things further *(Source: IMF, April 2014)*.

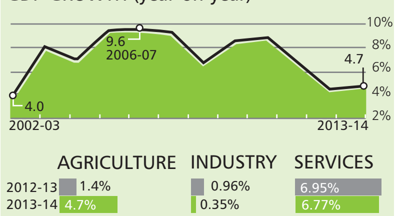
India: India's economic growth of 4.7% in 2013-14 was marginally higher than the previous year. The slowdown was primarily the result of an unsupportive external environment, regulatory policy logjam, structural constraints and inflation. This was the second consecutive year of below 5% GDP growth in the last decade.

Despite these challenges, there were a number of factors that raised hopes regarding India's resurgence:

- The current account deficit contracted; fiscal deficit target was met.
- India implemented concrete measures to narrow external and fiscal imbalances, tighten its monetary policy, usher structural reforms and address market volatility.
- India built on its foreign exchange reserves to reduce vulnerability.

The Indian economy is placed better than it was in 2013. A dynamic Central Government strengthens optimism of robust economic growth which is projected at 5.6% in 2014, rising to 6.0% in 2015 *(Source: RBI)*.

GDP GROWTH (year-on-year)



Note: The base year is 1999-00 for 2002-03 and 2004-05 for the remaining years

Source: Ministry statistics and programme implementation and economic survey

A majority of air-cooler sales are reported from Northern and Western India (60% of overall volumes), while Southern and Eastern India account for 20% each.

Residential air-cooler market

Domestic market for residential air-coolers is largely fragmented, with numerous unorganised players plying their products in Northern and Central India. Till the late 80s, entire demand for residential air-coolers was met by these unorganised players. There was scant focus on product standardisation, quality and innovation. Arrival of branded players in early 90's introduced product innovation - primarily the use of engineering plastic in the manufacture of air-coolers.

Today, the domestic air-cooler market is divided into two categories: organised and unorganised. The domestic market for residential air-coolers, both organised and unorganised, is around 6 million units with an aggregate value of about ₹20 billion. A majority of air-cooler sales are reported from Northern and Western India (60% of overall volumes), while Southern and Eastern India account for 20% each.

Unorganised segment accounts for 80% of volume (i.e., 4.8 million units) and 70% of value (i.e. ₹14 billion). The total market is growing at a robust rate of about 10-15%, while the organised segment is clocking a growth rate of 25%. As the proportion of disposable incomes increase in tandem with product awareness, consumers are likely to shift from the unorganised segment to branded products.

Symphony's presence

Symphony was the first player to enter the branded residential air-cooler segment in 1988, single-handedly transforming the way consumers perceive air-coolers by redefining product standards - in terms of design, features and aesthetics. By narrowing the choice between branded air-coolers and unbranded substitutes, Symphony enhanced brand equity in what was an intensely competitive unorganised market.

Leveraging its first-mover's advantage, Symphony cemented its pole position in the branded air-cooler segment. The Company outsourced 100% of its domestic production through tie-ups with nine OEMs, de-risking the Company from an overt reliance on a single source, thereby enabling it to remain asset-light. Its outsourcing model allowed the management to focus on innovation, marketing and distribution.

Product range

Symphony divided its product portfolio into four segments based on customer needs, which helped the Company capture a larger market share by addressing the unmet needs of customers. Symphony offered intelligent features like Dura Pump technology, full-function remote control, feather touch digital control panel with LCD, system restore function, on/off timer and a plethora of other features like Cool Flow Dispenser, All Weather Plastic body in window cooler segment, high efficiency cooling pads, to name a few.

The Company focused on innovation by launching three or four new products/variants each year, e.g. in 2013-14 Symphony launched the first branded window cooler in India. This helped Symphony gain an incremental share of the market and enhance profitability. Supplementing this, Symphony consistently invested in brand-building and product awareness campaigns (4.5% of revenues).

Marketing channels

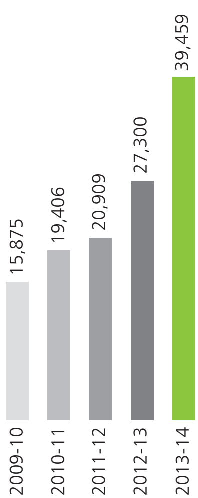
Symphony has developed a strong distribution network of distributors, dealers, direct dealers, retail chains and plans to double this network in the medium to long term.

Symphony's products were also marketed by modern retail chains, including Reliance Retail, Croma, Big Bazaar, Spencer and Vijay Sales, among others. Major retailers contributing to revenues included Bharti Wal-Mart, Carrefour, Hyper City and Star Bazaar. Similarly, Symphony expanded its presence across leading e-commerce websites, initial response to which was encouraging. Sales through TV channels like Star CJ and Home Shop 18 also generated success.

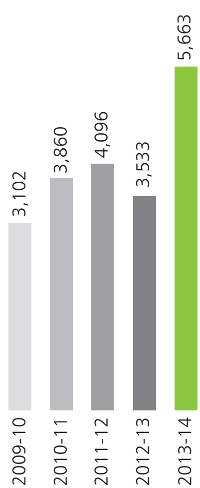
Exports

Symphony's acquisition of IMPCO provided the Company with a strong foothold in the American market. IMPCO enjoyed tie-ups with large modern retail chains like Walmart, Home Depot, Lowes, Sears, Costco, among others. This allowed Symphony to tap into the IMPCO customer base with its full range of residential air-coolers. Symphony also tied up with modern retail chains in other geographies to boost exports. A few examples included tie-ups with Singer in Sri Lanka and Bangladesh and another tie-up with Carrefour in Indonesia. The Company has opened a warehouse in Europe

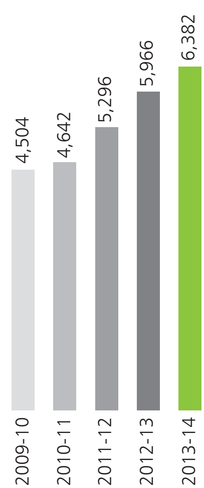
Standalone



Revenues from domestic sales (₹ lac)



Revenues from exports (₹ lac)



Average realisation per unit (₹)

and established a branch in the UAE to streamline business in the EU and the MENA region.

Market position

Symphony enjoyed a market share of around 40% and 50% in the organised segment in terms of volume and value, respectively in 2013-14. It commanded 10-12% pricing premium over competitors and marketed products against advances, vindicating its brand equity.

2013-14 in retrospect

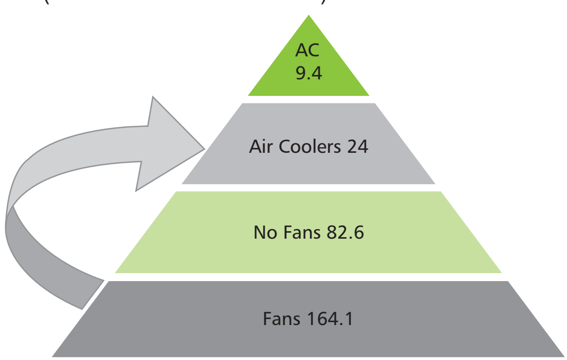
- Sold 33% more coolers in India than in the previous year
- Exports to developed countries rose by more than 100%
- Forayed into new geographies, namely Jordan, Turkmenistan, Pakistan and Myanmar
- Introduced India's first branded window cooler in 2013-14 in metal and plastic window variants. Estimates suggest that nearly multi million units of unbranded window coolers were sold in India by local fabricators, with Symphony carving out a sizeable share through its foray into the market. Besides, higher average realisations in window coolers, compared with portable residential air-coolers, brightened prospects.
- Launched Diet 12T, a cooler specially developed to tap personal cooler customers in coastal markets, Diet 35i – another model to further strengthen the Diet range, Winter i – intelligent version of Symphony's runaway success model-Winter.

Sectoral optimism

Location: About 132 million Indian households live in hot and dry climatic regions (54% of the total), and 11 million Indian households live in temperate region - an aggregate 143 million - households (58% of the total) being potential customers for cooling solutions.

Earning driven growth: Of the 246 million Indian households, about 66% (164 million) own fans. Only 4% of the total households own air conditioners (9.4 million) and 8% (19.8 million) own coolers. Going forward, the rising purchasing power of bottom-of-the-pyramid customers could result in more households graduating from fans to air-coolers.

Cooling Pyramid (Indian households in million)



Increasing awareness: The branded air-cooler market is still at a nascent stage. The penetration of air-coolers in India is low at about 9% compared to other consumer durables. Going forward, the rising purchasing power of bottom-of-the-pyramid customers could result in many households graduating from fans to air-coolers.

Credible estimates suggest that the market for branded residential air-coolers will grow manifold as product awareness increases. While the total market is estimated to grow 15-20% over the next five or six years, the organised segment is likely to grow at a faster rate (>20%), as consumers migrate from the unorganised segment to branded players offering innovative and superior quality products with better designs and aesthetics.

Global warming: India is likely to become hotter and wetter due to global warming. The mean temperature in India has been rising by 0.2 degrees Celsius in every decade since 1970, with a total increase of 1.02 degrees Celsius across 100 years. Projections show that total monsoon rainfall could rise by 9-16% by the end of the 21st century. By that time, annual mean temperatures could rise by 3.5-4.3 degrees Celsius, with a 1.7-2 degree increase occurring as early as the 2030s. Given that a large proportion of Indian households live in hot and dry climatic conditions (54% of total), high and rising temperatures could create incremental demand for cooling solutions like air-coolers.

Central air cooling solutions

Symphony is the first national brand to launch central air cooling solutions in India. Central air cooling is a cost-effective, environment-friendly cooling solution designed for dust-free comfort cooling in large industrial, commercial and residential places, something which is increasingly gaining importance globally.

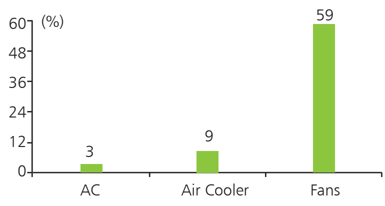
Central air cooling solutions are ideal for welding shops, large factories, warehouses, food processing and agri-businesses, large residences, places of mass gathering such as railway stations, metro stations, assembly halls, shopping complexes and schools, among others, that require affordable cooling solutions.

The untapped market for central air cooling solutions is huge. Currently, Symphony is the only branded national player in India, with the bulk of central air cooling projects being executed by local fabricators, active in their respective towns and cities.

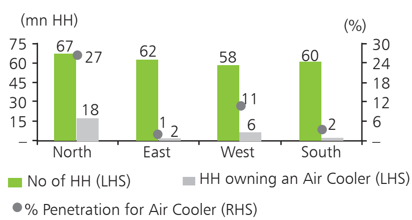
Symphony's presence

Symphony draws on IMPCO's expertise in central air cooling solutions, especially in the realm of large metal air-coolers. This provided Symphony with the capability to implement central air cooling solutions for a large number of industrial and commercial customers.

Penetration rate of Air coolers vs. other consumer durables



Penetration rate of Air coolers – Region-wise



In the last 100 years, the world has warmed by approximately 0.75^0 Celsius.

Within three years, Symphony successfully executed many prestigious central air cooling projects across factories, religious institutions, warehouses and railway stations, among others. Though the aggregate revenue in the central air cooling segment (₹80-100 million) was low compared to residential air-coolers, the sectoral potential is bigger than centralised air conditioning systems.

To gain a larger share of the central air cooling solutions market, Symphony appointed dealers in key markets to promote its products. The number of dealers tripled from over the last fiscal. The Company also tied up with leading HVAC consultants and contractors to execute large industrial and factory projects.

IMPCO's product offerings and technologies are considered superior to organised in USA and unorganised in India competitors in this segment, commanding a 10-12% premium. The result is that Symphony won many repeat orders, including one from Patanjali Yogpeeth.

A few central air-cooling projects executed by Symphony for various corporates included Asian Paints, Maruti Suzuki, Nestle, Ranbaxy, Shivam Auto, DHL Warehouse, Dixon Technologies, Anmol Bakers, Coca-Cola, Pepsi, Avery Dennison, Priyagold, Havells, KJR Polyfilms, among others. Besides, Symphony executed air cooling projects in many temples. The Company executed the world's largest central air-cooling project at the Hajj complex in Saudi Arabia, and India's largest air-cooling project at Patanjali Yogpeeth in Haridwar.

Given the strong brand image, the central air cooling segment could potentially earn ₹1 billion in revenues over the next few years for the Company.

Human resources

Symphony has over the years established a reputation for being a people's organisation – one that cares for its employees. Over the years, the Company reinforced the capabilities of its workforce, strengthening the competitive edge. The Company has provided an invigorating work environment, marked by teamwork, respect for merit and an emphasis on knowledge accretion.

The Company launched numerous in-house training programmes and initiated job-specific training drills.

As of June 30, 2014, Symphony had on its payroll 400 employees compared to 375 a year earlier, an increase of 6.67%. Symphony enjoys cordial relations with all employees.

Information technology

The Company's contemporary information technology infrastructure helped to integrate various processes, across functions and geographies thereby accelerating decision-making and reducing costs. An enterprise-wide web-based ERP platform with extensive applications was implemented a few years ago. This allowed the management to reinforce internal control systems and helped the management to take accurate and well-timed business judgments. The system is periodically evaluated and tested to measure its efficacy and suitability.

ANALYSIS OF CONSOLIDATED FINANCIAL STATEMENTS

Despite the economic slowdown and reduced consumer spending, the Company improved its profitability and strengthened its financials.

Business snapshot

(₹ lac)

	2012-13	2013-14	Growth (%)
Gross revenue	39,472.84	54,649.50	38.45
EBIDTA	9,557.67	13,990.20	46.38
Profit before tax	9,131.30	13,602.80	48.97
Profit for the year	6,010.84	10,572.39	75.89
Cash Profit	6,556.13	10,962.91	67.22

Profitability snapshot

	2012-13	2013-14	Increase (bps)
EBIDTA margin (%)	24.21	25.60	139
Net margin (%)	15.23	19.35	412
PBIT (%) on capital employed			
(a) Home appliances	98.65	155.78	5713
(b) Corporate funds	8.23	6.41	-182

Shareholders' return

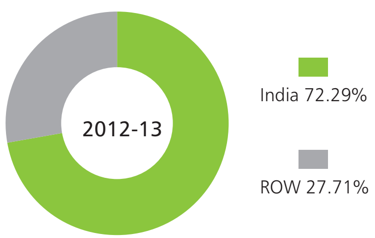
	2012-13	2013-14	Growth (%)
Earnings per share (₹)	17.18	30.23	75.96
Book value per share (₹)	63.53	78.84	24.11
Dividend (%)	325	650	100

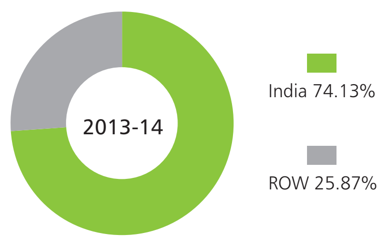
Statement of Profit and Loss

Revenue from operations: Net revenue from product sales grew by 40.99% from ₹37,763.30 in 2012-13 to ₹53,242. 26 in 2013-14. This increase was on account of increased sales volumes in all business verticals – residential air cooler (including window air-coolers) and central air cooling projects. Sales to rest of the world (ROW) also increased by 31.65% over the previous year. More importantly, increased sales from the Mexico unit made a sizeable contribution to the Company's topline growth.

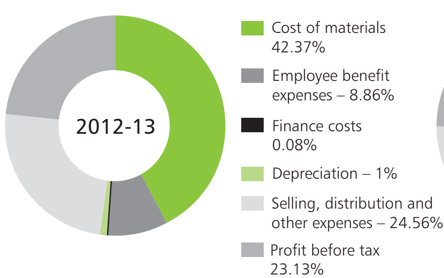
Cost of business operations: Increased scale of operations in India and Mexico necessitated the deployment of additional resources. This resulted in the escalation of total expenses – it increased 35.28% from ₹30,341.54 lac in 2012-13 to ₹41,046.70 lac in 2013-14.

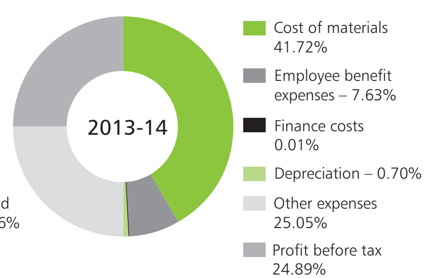
Sales wheel (by geography)





How the rupee was spent





Operating expenses

- Material costs (including purchase of stock-in-trade and change in inventory) increased by 36.34%. This increase was owing to an increase in production volumes and inflationary headwinds, which contributed to the increase in material costs. The Company's efforts in optimising costs and model mix paid rich dividends, reflected in an important statistic: material costs as a proportion of total income declined from 42.37% in 2012-13 to 41.72% in 2013-14.

- Employee costs increased by 19.17% consequent to an increase in the team size to manage growing operations and usual compensation increased the depreciated rupee increased the international salary bill (in rupee terms) coupled with annual salary hikes.

- Other expenses increased by 41.23% owing to a sizeable increase in advertisement and sales promotion expenses. The other key contributors to the increase comprised government levies, freight, forwarding charges as well as legal and professional charges.

Financial expenses

The Company earned an interest income of ₹596 lac in 2013-14 against an interest outgo of ₹5.37 lac in the same period, showcasing strong business liquidity.

Non-financial expenses

Provision of depreciation decreased due to a marginal decline in the Company's gross block – tangible and intangible fixed assets. The Company provided depreciation on the tangible assets using the straight line method.

Provision for Tax

The provision for taxation for the current year increased by 37.83% from ₹2,672.81 lac in 2012-13 to ₹3,684.06 lac in 2013-14 due to an increase in profit before tax. The average tax rate stood at about 27.08% due to a part of the Company's operations being in an SEZ, which provided fiscal benefits and a tax-free treasury income.

Profits and profitability

EBIDTA grew by 46.38% from ₹9,557.67 lac in 2012-13 to ₹13,990.20 lac in 2013-14. The net profit for the year jumped 75.89% from ₹6,010.84 lac in 2012-13 to ₹10, 572.39 lac in 2013-14. Resultantly, earnings per share climbed from ₹17.18 to ₹30.23 over the same period. EBIDTA margin improved by 139 bps - from 24.21% in 2012-13 to 25.60% in 2013-14. The net profit margin stood at 19.35% in 2013-14 against 15.23% in 2012-13.

Symphony's uniqueness

- Robust profitability in business with EBIDTA margins at 26% and net margins at 19%,
- PAT conversion to cashflow at 100% for the last 2 years which clearly signals minuscule capex requirements and a negative working capital cycle
- High profitability combined with low capital needs implies a robust ROCE at +38%
- A high payout ratio of +50% showcases management intent of sharing with minority shareholders

Balance Sheet

Over the years, the Company has adopted a prudent strategy of balancing shareholder rewards with the need to reinvest business surpluses and strengthen the growth momentum.

Capital employed

Capital employed of home appliance has decreased from ₹8,310 lac to ₹8,104 lac on June 30, 2014 despite robust growth in revenue. This implies soundness of business model, Capex, working capital cycle. Capital employed of corporate fund increased from ₹13,911 lac to ₹19,474 lac on Jun 30, 2014, the same was primarilly due to accretion of the reserves and surplus balance. The PBIT percentage on capital employed in home appliances has increased from 98.65% to 155.78% in 2014.

Shareholders' funds

This comprised equity capital, reserves and surplus. The balance under this head increased by 24.11% from ₹22,220.66 lac as on June 30, 2013 to ₹27,577.68 lac as on June 30, 2014 owing to 24.89% increase in reserves and surplus. The book value per share strengthened from ₹63.53 as on June 30, 2013 to ₹78.84 as on June 30, 2014.

Non-current liabilities

The balance under this head declined sharply from ₹1,438.08 lac as on June 30, 2013 to ₹781.26 as on June 30, 2014 due to a decrease in deferred tax liabilities; long-term provisions increased marginally due to an increase in provisioning for employee benefits.

Current liabilities

This increased from ₹7,971.11 lac as on June 30, 2013 to ₹10,974.11 lac as on June 30, 2014. This was owing to an increase in all sub-heads, namely trade payables, other current liabilities and short-term provisions.

Trade payables: The balance under this head increased by 45.13% from ₹1,774.72 lac as on June 30, 2013 to ₹2,575.66 lac as on June 30, 2014. This increase was in keeping with expanding business operations and growing volumes.

Short-term provision: The balance under this head increased by 61.35% ₹3,286.81 lac as on June 30, 2013 to ₹5,303.37 lac as on June 30, 2014. This increase was primarily on account of an increased provision for dividend (to be approved at the coming Annual General Meeting).

Non-current assets

Fixed assets: Addition to fixed assets includes ₹439.29 lac under the head of capital-work-in-progress, which is on account of the new corporate office under construction. This is expected to be completed in the current year, adding to the Company's gross block.

Non-current investments: It increased from ₹871.12 lac as on June 30, 2013 to ₹13,874.45 lac as on June 30, 2014. This substantial jump was due to the Company's strategic initiative in parking business liquidity in risk-free long-term investment options, namely mutual funds and tax-free bonds of respected corporates.

Current assets

The current assets balance declined by 25.28% from ₹23,252.14 lac as on June 30, 2013 to ₹17,373.48 lac as on June 30, 2014. This represents sound business management resulting in lower cash being blocked in day-to-day operations.

Current investments: This represents investments in mutual funds for parking short-term business liquidity – a treasury function. The current investment balance dropped significantly by 33.54% from ₹9,010.48 lac as on June 30, 2013 to ₹5,988.02 lac as on June 30, 2014, the drop primarily due to a churn in the investment portfolio in favour of long-term mutual fund instruments.

Inventories: Despite an increase in business scale, the inventory balance dropped by 10.48% showcasing superior inventory management (raw material inventory was at previous year levels despite an increase in production volumes) and faster product offtake (a sizeable decline in finished goods inventory) – an outcome of growing brand strength.

Trade receivables: This increased marginally by 10.40% from ₹3,766.56 lac as on June 30, 2013 to ₹4,158.10 lac. This increase was significantly lower than business growth, which showcases an improving receivable cycle. Going forward, increasing tie-ups with modern retail chains across the world could marginally increase the receivables cycle. The Company does not give credit on sales to traditional trade and in sale of central cooling solutions. It however does extend credit of 30-90 days on sales to modern retail in India and Mexico.

Internal control systems and adequacy

Your Company has adequate internal control procedures and systems commensurate with the size and nature of business and the same are regularly reviewed and updated by incorporating changes in the regulatory provisions. The Company has installed a strong system of internal controls to allow optimal use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports and ensure compliance with statutory laws, regulations and management policies. The Company has also devised an extensive monitoring and review mechanism, whereby the management regularly reviews actual performance with reference to business plans - both financial and operational.

The functional heads are responsible for performing regular internal assurance reviews to ensure adequacy of the internal controls systems and adherence to management policies and statutory requirements. The functional heads deploy an annual internal assurance plan based on assessment of major risks in each of the businesses. Risk assessment helps in identifying and focusing on all high–risk areas. The reviews cover all the business-critical functions, such as revenue assurance, collection, credit and risk, MIS and information technology and network security, procurement and financial reporting. The audit committee periodically reviews the audit plans, audit observations of both internal and external audits, risk assessment and adequacy of internal controls.

RISK MANAGEMENT

Apprehension. Assurance.

Unforeseen contingencies can affect business prospects. At Symphony, we understand the impact of industry uncertainties and their possible outcomes. We leverage our deep knowledge to undertake proactive counter-measures that strengthen our viability across verticals, products, geographies and market cycles.

1 Single product risk

Dependence on a single product could affect the Company's growth.

Risk mitigation: Despite being a single product company, Symphony created multiple revenue verticals through intelligent product segmentation. The Company is present in residential air-cooler and central air cooling solutions. Within the residential air-cooler space, it created four product categories; the recent launch of window coolers added yet another revenue vertical. This product segmentation facilitated robust volume growth and consistent sectoral outperformance.

400%	*Increase in sales value of residential air-coolers in the domestic market in the last five years*

2 Single market risk

Focus on a single market makes the business cyclical.

Risk mitigation: Symphony's decision to venture overseas has transformed business seasonality into a potential opportunity. While India continues to be a large market for the Company, the Company also has a strong presence in 60 countries with different climatic conditions. For example, in the US, the summer stretches from May to August; in Europe and West Asia from April to October; in South-East Asia from April to June. Resultantly, it does not only de-risk the Company's from an overt dependence on a single market but also strengthens business growth. Symphony's consolidated sales to the rest of the world jumped from ₹230 lac in 2003-04 to ₹13,775 lac in 2013-14.

25%	*Proportion of gross revenue from sales to the rest of the world in 2013-14, which has the potential to jump to 40% in the near future.*

3 Infrastructure risk

Inability to cater to growing demand could impact the Company's brand.

Risk mitigation: The Company's manufacture of residential air-coolers for the Indian market was completely outsourced to nine OEMs (plastic moulders) across Western and Northern India. These OEMs possess the capability to manufacture around a million air-coolers annually, with the added flexibility to scale production as and when demand spiked. In terms of exports, the Company manufactured coolers at its Surat SEZ assembly plant (annual capacity of two lac units), which should take care of export demand for the next two to three years.

1 million	*Number of units outsourced from OEMs for Symphony's products. Air cooler models have been divided among different OEMs.*

4 Competition risk

Increasing competition in the domestic space could impact business growth.

Risk mitigation: Having established market leadership in the air-cooler segment, Symphony commands 'top-of-the-mind' recall in the domestic market. One of the key success factors has been focus on product innovation and periodic introduction of new models complemented with sustained brand-building and product awareness campaigns across India. Further, the Company is increasing its retailer network in the medium to long-term – a strategic shift from a census-based dealer presence to a presence in every pin code of every city and town in India – enabling it to capitalise on mushrooming demand.

5-12%	*Premium earned by the Company's products over competing variants.*

5 Liquidity risk

Business growth hinges heavily on organisational liquidity.

Risk mitigation: Symphony operated on negative working capital. Over 89% of its domestic sales were routed through the traditional trade channel on a cash-and-carry basis, while the balance 11% was through modern retail chains on a 30-90 day credit period. Similarly, all export sales through distributors (50-60% of total exports) were executed on a cash-and-carry basis, while sales through modern retail chains (40-50% of total exports) were on credit. This asset-light operation, zero-debt and cash–and-carry model ensured that the Company remained cash-rich, with the bulk of profits available for distribution.

₹200 crore	*Symphony's cash in hand.*

Cautionary statement: Estimates and expectations stated in the Management Discussion and Analysis section may be forward-looking within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include a favourable summer season with high temperatures, price conditions in the domestic and international markets, changes in governmental regulations, tax laws, statutes and other incidental factors.

DIRECTORS' REPORT

Dear Shareholders,

Your Board of Directors present 27th Annual Report along with consolidated and standalone audited annual accounts for financial year ended June 30, 2014.

1] A) Highlights of Results

(₹ in Lac)

Particulars	Standalone		Consolidated	
	2013-2014	2012-2013	2013-2014	2012-2013
Revenue from Operations & Other Income	46,637	32,512	54,650	39,473
Profit before Financial Charges, Depreciation & Taxation	13,678	9,385	13,990	9,558
Less: Financial Charges	5	32	5	32
Less: Depreciation & Amortisation Expenses	115	131	382	394
Profit before Tax	13,558	9,222	13,603	9,131
Less: Income Tax	3,662	2,522	3,676	2,522
Less: Deferred Tax Liability	9	(4)	8	151
Less: Provision for tax of earlier years	-	436	(726)	436
Less: Loss from discontinuing operations	-	-	73	11
Profit after Taxation	9,887	6,268	10,572	6,011
Add: Balance as per last year Balance Sheet	12,908	10,300	13,573	11,222
Amount available for Appropriation	22,795	16,568	24,145	17,233
Transfer to General Reserve	-	1,000	-	1,000
Proposed Dividend & Dividend Tax	5,320	2,660	5,320	2,660
Balance carried to Balance Sheet	17,475	12,908	18,825	13,573

B) Other Key Financials as on June 30, 2014

Consolidated Financial Results

Your Company with its subsidiaries have global presence and to view overall comprehensive performance of the Company, the Company has consolidated its accounts with the accounts of its subsidiaries in compliance with applicable accounting standard. The consolidated total revenue stood at ₹54,650 lac which grew by

38% as compared to the consolidated total revenue of previous year. The profit after tax touched to ₹10,572 lac as compared to ₹6,011 lac in the previous year recording an increase of 76%.

The highlights of the key financials are as under:- *(₹ in lac except per share data)*

Particulars	Standalone	Consolidated
Equity Share Capital	700	700
Net worth	23,274	27,578
Book Value Per Equity Share	67	79
Earning Per Share (EPS)	28.27	30.23
Investments / Corporate Funds	19,474	19,474
Contribution to Exchequer	11,857	13,560

2] Dividend

The Board has recommended final dividend of ₹11 (550%) per equity share having face value of ₹2 each for the financial year ended on June 30, 2014, payable subject to approval at ensuing annual general meeting. Your Board of Directors had declared maiden interim dividend of ₹2 (100%) per equity share having face value of ₹2 each. Thus aggregate dividend for the year ended on June 30, 2014 on approval at ensuing annual general meeting would be ₹13 (650%) per share as against ₹6.50 (325%) for the previous year.

The total payout including final dividend as above for the year 2013-14 (including dividend distribution tax) would be ₹5,320 lac (previous year ₹2,660 lac) translating into a dividend payout of 50% (previous year 44%) on consolidated net profit.

Dividend Policy

Symphony believes in maintaining a fair balance between dividend distribution and cash retention. Symphony has been conscious of the need to sustain stability in its dividend payout. Symphony has decided to have a dividend payout of atleast 50% of profits (including dividend distribution tax) subject to business contingency or unforeseen cash requirements. Cash retention is required for future growth, probable acquisitions and to meet any unforeseen contingency. The Company has also a recent practice of paying interim dividend.

3] Operations Review

Operating in policy log jam prevalent during the previous year and uncertain political environment resulted into absence of vibrant growth inducing policies placing nation's economic growth on the backburner. Regardless of adverse external environment coupled with rising cost, stubborn inflation and policy-jam, all business verticals of your Company recorded improved numbers. Your Company on standalone basis posted a gross turnover of ₹45,124 lac in 2013-14, a growth of 46% over ₹30,836 lac in 2012-13.

During the year under review, your Company continued to develop its nationwide presence by expanding network of its distributors, dealers in more and more towns throughout the country with suitable warehousing facilities in all strategic places in different regions of the country. Your Company continues to strengthen its operating structure of its marketing function to pierce into the immense latent regions within the country. Correspondingly, your Company is also intensifying 'After Sales Service', through service franchisees with 'nation wide Customer Care Number' to touch to core locations of the nation offering well-timed and resourceful after sales service.

Persistent innovative steps by your Company enabled it to offer extensive range of air coolers having varieties of features. Presently, your Company has 23 models of air coolers to outfit the necessities of variety of customers in different provinces of the nation.

To stimulate encouraging prospects, your Company initiated aggressive advertisement and promotional campaigns over print, electronic media and digital with expanded manpower. Your Company is optimistic to tap the enormous opportunity of rural and urban markets.

Air coolers - Domestic Operations

During the year under review, your Company strengthened its leadership position in air cooler industry by consistent growth both in terms of sales volume and sales revenue.

Symphony continued its focus on new product development, strategic planning inter-alia consisting of superior quality, penetration in new markets, enlarging market network, prompt and efficient 'after sales service', promotion of brand image, which added momentum to its growth journey. Well planned and effective marketing strategies have made 'Symphony cooler' a much preferred choice in competitive environment. During the year 'BTL' (below the line) activities were successfully introduced by your Company as measure of brand promotion.

Your Company is constantly evaluating options to enhance its capacity at present locations and also by tying up with new original equipment manufacturers at strategic locations in order to keep pace with growing demand. Numerous Research & Development initiatives are undertaken by your Company for improved and new models with added features to meet individual choice of the customers at large. Symphony in the year 2013-14, launched 8 new models of 'air coolers with advanced features. To cater diverse needs for air coolers, your Company along with its subsidiaries offers entire range of air cooling solutions effectively for all classes of customers, manufactured either in house or out sourced.

During the year, your Company penetrated into new markets of North Eastern states of India with robust focus on evolving present markets with more branches and warehousing facilities. Your Company's focus on quality products with power saving technology has been vital strengths. The very allure of the Indian air cooler market is leading to steep competition among the prominent companies which have been encountered by your Company by tactical advertising and promotional drive to prevail upon the consumers by offering greater value for every rupee spent.

Your Company also predicts substantial potential in the country for the air coolers meant for central air cooling solutions, manufactured by its step down subsidiary company, Impco S. de R.L. de C.V., Mexico as its products are fairly well received in the domestic market.

Your Company is confident to continue its growth journey with extensive market network as well as enlargement of dealer network reinforced by competent strong marketing team of professionals in India and abroad.

Modern Trade

Again Symphony sustained its position at number one in modern trade business with amazing growth compared to last year and demonstrated to be a prominent air cooler brand in air cooler trade. The Company became more aggressive in top line products sales at stores, B2B business, e-commerce business, TV shopping business and regional retail sales business.

The modern trade channel continued to be a growth engine to the Company's business as it energies growth by healthier shopping experience and greater visibility in the markets. Your Company continued to widen its modern trade market network to penetrate with better space. Your Company now enjoys substantial portion of the sales through organised retail chain in the country. Your Company believes that the Modern trade is rising at a faster clip and is enthusiastic to exploit its potentiality.

Central Air Cooling Solutions

Central Air Cooling Solutions business of the Company though still in nascent stage had been able to strengthen its operations. The focus was to have adequate representation and therefore the required manpower structure has been employed. Subsequently, the aim is to create a base of dealer network across the country. The dealer network is increased by more than 75% indicating the confidence now the business drives amongst the trade.

Your Company has made some major breakthroughs in terms of entry into prestigious clientele covering various customer segments like auto industry, packaging, places of worship, FMCG, paint industry, logistics, sugar mills, hospitals, distilleries, railways, commercial applications etc. There were repeat orders from some customers which establish their trust in the Company and its products.

Your Company has made inroads with approvals from some key opinion makers like HVAC consultants and big HVAC contractors.

During the year under review, your Company witnessed many business developmental activities like advertisement in leading HVAC journals, newspapers, participation in selected exhibitions with excellent response. An innovative digital campaign was also initiated which was successful.

Air coolers - Overseas Business

Revenues from overseas business during the year under review crossed all previous peaks and touched to ₹5,663 lac as against ₹3,533 lac in 2012-13, an overall rise of 60%. Presently, your Company continues to export in about 60 countries and with vast opportunities yet to be accomplished.

In the year 2013-14, exports of your Company to European countries grew handsomely. However, external challenging conditions prevalent due to political turmoil and instability in key operational countries of Middle East and North African

Region led to demand contraction coupled with inflationary trend. Although, the business of your Company continued to sustain and the operating margins of exports improved fairly during the year reflecting the strength of the products and its brand in the overseas markets. External conditions are expected return to normalcy and your Company foresees to grow further

The Company continued its focus on strategic and select markets. Your Company has also organised warehouse facilities in Europe to boost presence in European countries. Your Company also continues its focus on exports primarily to MENA region, Latin America etc. Your Company continues to have numerous international quality certifications like GS, CE, SASO, NOM, KUCAS, etc. which contribute access to other countries as well.

SEZ Unit at Sachin, Surat in Gujarat

In the year 2013-14, the SEZ unit of the Company situated at Sachin, Surat, surpassed production of more than one lac air coolers of different models. This is the highest ever production in a single year since its inception. The SEZ unit enjoys number of benefits, both direct and indirect, including 100% exemption of export profits.

4] Overseas Operations - Impco S. de R. L. de C.V, Mexico

Impco S. de R. L. de C.V, (IMPCO), Mexico, step down subsidiary of the Company manufactures and markets a variety of coolers. For the period under review, Impco has shown improved efficiency and registered encouraging results. At Impco, improvement is an on-going exercise to exploit its large manufacturing capacity. Impco has adopted '5-S' system to enhance its operational processes and efficacy.

As a measure of tax reforms undertaken by Mexican government, IETU tax has been abolished w.e.f. January 01, 2014, consequently, the deferred tax liability amounting to ₹727 lac, created in the books of accounts of Impco is no longer required and the same has been written back.

Impco serves markets in Mexico and USA and enjoys excellent business tie ups with many prominent modern retails chains like Wal-mart, Sears, Home Depot, Lowes, Famsa, and Costco. This complements the presence of your Company in the global arena.

In June 2014, the Perry Johnson Registrars, Inc, had conducted second ISO 9001:2008 surveillance audit at IMPCO, Mexico and Mr. Enrique Sepulveda, from the external agency informed that IMPCO´s processes were in compliance with the Quality Management Systems.

5] Awards & Recognitions

Your Company's products and performance continues to be recognised and appreciated across the country and the globe as well. During the year, your Company has been recognised and bestowed with followings awards:

(i) 'Best Presented Annual Report in the Manufacturing Sector' by the South Asian Federation of Accountants for your Company's Annual Report of 2011-12 for its Transparency, Accountability and Governance.

(ii) 'Quality Mark 2014' award for Best Quality Organisation in the Home Appliances category by the Quality Mark Trust.

6] Management Discussion and Analysis Report

Pursuant to clause 49 of listing agreement, management discussion and analysis report for the year is annexed to this annual report.

7] Corporate Governance

Your Company has inculcated a strong culture of values, ethics and integrity and has always upheld an integrated way of thinking via obligation of action. The Company strives to be a sustainable and trusted organisation as it believes that sustained governance is the corner stone in building and upholding interactions with all its stake holders. The Company's relationship with its investors is a key component of Corporate Governance. An ongoing interaction with investors and communicating information about the Company in a consistent and credible way aids to establish a transparent relationship. It meticulously pursues a policy of 100% compliance with all statutory requirements and has a robust system to review them.

Your Directors consider in upholding the highest standards of accountability and keenly participate in overseeing risk and strategic management. The Board fully supports and endorses Corporate Governance practices in accordance with the provisions of Clause 49 of the listing agreement and the report on Corporate Governance and Management Discussion and Analysis, as required under clause 49 of the Listing Agreement is annexed.

The Chairman and Managing Director, Executive Director and Chief Financial Officer have certified to the Board regarding the financial statements and other matters as required in clause 49 of the Listing Agreement and the said certificate is contained in the Annual Report. A certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is also annexed. All the Board members and senior management personnel have affirmed compliance with the Code of Conduct.

The Board has implemented a Code of Business Conduct and an "Ethics Code" aimed at members and senior management to inculcate business ethics in the Company in their dealings with employees and business associates.

8] Subsidiaries

Your Company continues to have two subsidiary companies and two step down subsidiary companies. Sylvan Holdings Pte. Ltd., Singapore, (Sylvan) and Symphony Air Coolers Inc. USA are two subsidiaries. Sylvan has a subsidiary company in a Mexico i.e. Impco S. de R. L. de C.V (IMPCO). Impco, in turn, has a subsidiary company in the USA, namely Symphony USA Inc., which markets a variety of coolers. Symphony Air Coolers Inc. USA is under process of its closure and its business is taken care of by Symphony USA Inc. There is no material change in the nature of business of subsidiaries.

Pursuant to provision of section 212(8) of the Companies Act, 1956, Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, Profit & Loss Account and other documents of the subsidiary Companies with the Balance sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company, who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

9] Consolidated Financial Statements

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements and Clause 32 of the Listing Agreement with the Stock Exchanges, the audited Consolidated Financial Statements are provided in the Annual Report 2013-14 for its subsidiary Companies, i.e. Sylvan

Holdings Pte. Ltd., Singapore, Symphony Air Coolers Inc., USA, Impco S. de R. L. de C.V, Mexico and Symphony USA Inc., USA.

10] Directors Responsibility Statement

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the directors of the Company hereby state and confirm that:

i. in preparation of the Annual Accounts for financial year 2013-14, applicable accounting standards have been followed and there has been no material departures;

ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the annual accounts on a going concern basis

11] Auditors

M/s. Shah & Dalal, Chartered Accountants, Ahmedabad, hold office as Auditor of the Company until the conclusion of the ensuing Annual General Meeting and the Board recommends their re-appointment till the conclusion of next Annual General Meeting.

The Company has received a consent letter along with certificates from Auditor under provisions of the Companies Act, 2013 to the effect that their reappointment, if made, would be within the prescribed limits and are not disqualified for re-appointment.

12] Cost Auditors

Pursuant to Cost Audit Branch Order dated November 6, 2012, issued by Ministry of Corporate Affairs, M/s. Dalwadi & Associates, Cost Accountants, were appointed as Cost Auditor for the financial year ended on June 30,2014 with approval of Central Government.

The cost compliance report for financial year 2012-13 was filed by the Company on December 24, 2013 within prescribed time limit. Further the cost audit report for the financial year ended June 30, 2014 will be filed within prescribed time period.

13] Corporate Social Responsibility:

Section 135 of the Companies Act, 2013 concerning Corporate Social Responsibility together with Rules thereunder and revised Schedule VII were notified on 27 February 2014 to come into effect from 01 April 2014.

Symphony welcomes the initiative taken by the MCA with an objective to embrace responsibility for the corporates actions and to motivate a positive effect through its activities on promoting education, environmental sustainability, rural development, communities and all other members of the public domain who may also be considered stakeholders.

Your Company, being covered under the provisions of the said Section, has constituted a Committee of Directors, titled "Corporate Social Responsibility Committee" comprising of the following 3 Directors as its members:

Mr. Achal Bakeri, Chairperson

Mr. Nrupesh Shah, Member

Mr. Himanshu Shah, Member (Independent Director)

The role of the Committee is to formulate and monitor the CSR Policy of the Company. The

Committee has formulated a CSR Policy, which has been approved by the board.

Since the said section has been enacted w.e.f. April 01, 2014, prescribed details as required under the said Section shall be presented to the members in the annual report for the year 2014-15.

14] Secretarial Audit Report

As a step towards good corporate governance practice, the Board of Directors of your Company appointed Mr. Ashwin Shah, practicing Company Secretary, to conduct Secretarial Audit. The Secretarial Audit Report for the accounting year ended June 30, 2014 is provided in the Annual Report.

The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, Companies Act, 2013, Depositories Act, 1996, Listing Agreements with the Stock Exchanges, Securities Contracts (Regulation) Act, 1956 and various Regulations and Guidelines of SEBI as applicable to the Company, including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

15] Directors

The Board of Directors at their meeting held on August 20, 2014 appointed Mr. Satyen Kothari and Ms. Jonaki Bakeri as Additional Directors and they shall hold office till the ensuing Annual General Meeting of the Company.

As per the provisions of section 149 and other applicable provisions of the Companies Act, 2013 and rules made thereunder and also as per Listing Agreement, the Board has appointed Mr. Satyen Kothari, Mr. Himanshu Shah and Mr. Dipak Palkar as non-executive independent directors for a period of consecutive five years and they shall not be liable to retire by rotation. The Board has appointed Ms. Jonaki Bakeri as a non-executive director liable to retire by rotation.

Mr. Nrupesh Shah, Director of the Company retires by rotation at the ensuing annual general meeting and being eligible, has offered himself for reappointment.

Brief profile of aforesaid directors, as required under clause 49 of the Listing Agreement, is annexed to the notice convening the 27th Annual General Meeting, which forms part of this Annual Report. Your directors recommend appointment of all above Directors.

16] Fixed Deposit

The Company has not accepted any public deposit during the year under review and no unclaimed deposits or interest was outstanding as of June 30, 2014.

17] Insurance

The insurable interests of the Company including factory building, plant & machinery, stocks, vehicles, and other insurable interests like loss of profits, directors & officers' liability etc. are adequately covered.

18] Disclosure

In line with the requirements of Listing Agreement with the Stock Exchanges and the Accounting Standards of the Institute of Chartered Accountants of India, your Company has made additional disclosures in Notes on Accounts for the year under review in respect of related party transaction, calculation of EPS and deferred tax liability.

19] Conservation of Energy Technology Absorption and Foreign Exchange Earnings and Outgo

As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988, details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in Annexure attached hereto and forming part of the Directors' Report.

20] Particulars of Employees

In terms of the provisions of section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, names and other particulars of employees are set out in annexure to the Directors' Report. Having regard to the provisions of section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

21] Acknowledgments

Your Directors wish to express their appreciation of the committed services by employees at all levels. Your Directors also wish to place on records their deep sense of appreciation for the valued support & co-operation by OEMs, distributors, dealers, service franchisees, suppliers, C&FAs, bankers and all other stakeholders of the Company and look forward to their continued association with the Company. The Company will make every effort to meet the aspirations of its Shareholders.

For and on behalf of the Board

Achal Bakeri
Chairman and Managing Director

Place : Ahmedabad
Date : August 20, 2014

Annexure to Directors' Report

Information as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the financial year ended on June 30, 2014.

FORM A

1] Conservation Of Energy

Energy Conservation Measures Taken:

- Constant endeavour made to replace metallic components by global speciality plastics.
- Completely changed the electrical distribution system viz. L T Panels, cable routing etc.
- Replacement of ballasts (chokes) by more efficient one.
- Reduction of inwards and online inspection by bringing manufacturing procedures under statistical quality control [SQC].
- Avoidance of night shifts due to increased productivity during day shifts.
- Design of new moulding tools for higher productivity and thereby reduced processing power requirement per piece.
- Redesigning the product and packaging dimensions to allow optimum quantity of transportation per truck or container. This leads to lower fuel consumption per piece.
- Designing of Motor (Most critical part of coolers) to consume minimum power. Power Saver Technology.
- Use of Dura pump technology which automatically senses its non usage and cuts off the power supply to save power as well as the component.

- Lead free PCB developed, for saving the environment and thus energy.
- Development of smaller and more efficient pumps

2] Technology Absorption:

Efforts made in technology absorption Form B is Annexed

3] Foreign Exchange Earnings and Outgo:

(A) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.

The Company has made continuous efforts to maintain its export activities and looks forward to expand its presence in overseas markets.

(B) Foreign Exchange Earnings and Outgo

Details of outgo and earnings in foreign currencies are given under Note 41(ii) to 43 to standalone financial statements.

FORM B

Form for disclosure of particulars with respect to technology absorption.

1] Research & Development (R & D):

- Constant R & D efforts directed towards product improvement, new product development, enhancement of features of existing products, cost reduction, automation, OEMs, development, environmental friendly products, import substitute and energy efficient products.
- In house development of aesthetically designed full plastic body air coolers/ storage.
- In house testing of all types of plastic materials for their development, credibility and usability.
- Intelligent Electronic components with user friendly features.
- Revolutionary water distribution technology.
- Special Plastic alloy developed for the fan blades which has drastically reduced its breakage.
- LCD display technology in coolers.
- Introduction of Power PCB to work even in fluctuating voltage in various parts of the country
- Introduction of systematic Symphony Design Process for designing more efficient products
- Training to Design & Development team in Advanced Computer Aided Design CAD application.
- Procurement of latest CAD hardware and software.
- Development, Installation and Implementation of comprehensive computerised Management Information System (MIS) on Web enabled software.
- Computerisation of entire factory operation from Production Planning to despatch.
- Computerisation and connectivity of all CFA through ERP software.
- Establishment of intensive technical and prototype library.
- Regular specialised training to key managerial personnel at reputed institutions.
- Regular in house training by faculty drawn from reputed Research Institutions and specialised suppliers.

2] Benefits derived as a result of above R & D:

- Reduced part/component replacement in field.
- Enhanced customer satisfaction.
- Improvement in quality and reliability.
- Cost Reduction.
- Improvement in productivity.
- Reduction in Wastage/Rework
- New product Development as well as enhancement of features in existing products resulting in higher sales and market shares.
- Improved serviceability and improved field service
- Power saving

3] Future Plans of Action:

- Continuous improvement in quality, reliability, productivity and optimisation of yield on entire range of products.
- Upgradation and enhancement of features and energy efficiency in existing products.
- Taking air cooling form household to large industries with ranges from 1,500 CFM cooler to 60,000 CFM cooler

4] Expenditure on R & D: *(₹ in Lac)*

Particulars	Standalone		Consolidated	
	2013-2014	2012-2013	2013-2014	2012-2013
1. Revenue	162	127	183	134
2. Capital	14	-	14	-
3. Total	176	127	197	134
4. Total R & D expenditure (as % of turnover)	0.39%	0.41%	0.37%	0.36%

Technology Absorption, Adoption & Innovation:

i] Efforts Made:
Various R & D efforts as mentioned in Para 1 above.

ii] Benefits Derived:
Several benefits derived as mentioned in Para 2 above.

iii] Imported Technology:
No imported technology is involved. The Company has its own proven technology which is duly tested and approved. However, certain critical tools & moulds have been imported.

CORPORATE GOVERNANCE REPORT

1. We, at Symphony, are always accountable to stakeholders of the Company as part of corporate governance. We are committed to the highest standards of Corporate Governance and strive to improve with our standards with evolving of time. We always run our business operations efficiently with the highest degree of accountability and transparency in all its transactions. As a part of good corporate governance, we have already adopted code of ethics and business conduct and vigil mechanism (whistle blower policy).

   Securities Exchange and Board of India vide its circular no. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014, has imposed stern provisions for corporate governance to be effective from October 1, 2014. We as a part of good corporate governance, endeavor to comply some of provisions of clause 49 which will be effective from October 1, 2014.

   The Company has complied with the requirements of the Corporate Governance as enumerated in clause 49 of the Listing Agreement.

2. Board of Directors

The Board of Directors comprises 4 directors with an executive chairman as of June 30, 2014. Out of said 4 directors, 50% directors are non-executive independent directors which are in line with requirement of clause 49 of the listing agreement. The Board is headed by Mr. Achal Bakeri, Chairman and Managing Director who is Promoter Director. The board does not have any nominee director as on June 30, 2014.

The names and category of the directors, number of meeting held and attended by directors, number of directorship held in other public company, number of committee chairmanship / membership held in other public company, attendance at last annual general meeting and number of shares held as on June 30, 2014 are given below:

Name of Director	Category	No. of Board Meeting during year	No. of Board meeting attended during the year	No. of other directorship held	No. of other committee chair-manship / membership held	Attended last AGM	No. of shares held as on June 30, 2014
Mr. Achal Bakeri	Chairman & Managing Director	5	5	-	-	Yes	26233870#
Mr. Nrupesh Shah	Executive Director	5	5	-	-	Yes	889505*
Mr. Himanshu Shah	Non-Executive Independent Director	5	5	-	-	Yes	500
Mr. Dipak Palkar	Non-Executive independent Director	5	3	-	-	Yes	-

Mr. Achal Bakeri is part of promoter group which is holding 75% of total share capital of the Company, he in his individual capacity holds 1,46,31,800 shares (41.83%) of the total share capital.

* includes shareholding by director, his relatives and companies in which they are having substantial interest

Number of other directorships, as mentioned above, does not include alternate directorships and directorships held in foreign companies, section 25 companies and private limited companies.

Number of other chairmanship / membership of the audit committee and the shareholders' grievance committee / stakeholders relationship committee are only considered.

a) During the year, the board met five times on following date:

   July 2, 2013, August 5, 2013, October 29, 2013, January 27, 2014 and April 28, 2014

b) The Company has a system to circulate and provide adequate information to the Board, including as required under Annexure I A of clause 49 of the Listing Agreement to enable the Board to take informed decisions.

c) The Board Meetings are held at the registered of the Company in Ahmedabad. The Board meets at least once a quarter with the gap between two meetings not exceeding four months.

d) The Directors also have access to all the information about the Company and are free to recommend inclusion of any matter in the agenda for discussion.

Roles of various constituents of Corporate Governance in the Company

(a) Board of Directors

The directors of the Company are in a fiduciary position, empowered to oversee the management functions in order to ensure effectiveness and enrichment of stakeholders' value. The board reviews, considers and approves management's strategic business plan and business objectives and monitors the Company's strategic direction.

(b) Chairman and Managing Director

The role of chairman and managing director is to provide leadership to the board and the senior executive team for realising the approved strategy, business plan and business objectives. He presides over the meetings of the board and the members.

(c) Executive Director

Executive director, as a member of the board, contributes to strategic management of the Company's businesses within board approved direction and framework. He assumes overall responsibility for strategic management of business, corporate affairs functions including governance processes and top management effectiveness.

(d) Non-Executive Independent Directors

The non-executive independent directors play a critical role in improving the board's effectiveness with their independent judgment on issues of strategy, performance, resources, standards of conduct, etc. besides providing the board with valuable inputs.

3. Code of Conduct

The Board has laid down a code of ethics and business conduct for all board members and senior management persons of the Company which is posted on the website of the Company. All directors and senior management persons of the Company have affirmed compliance with this code of conduct.

Declaration of Code of ethics and business conduct for financial year 2013-14:

I hereby confirm that all the board members and senior management persons have affirmed compliance with the code of ethics and business conduct for the financial year ended on June 30, 2014.

Achal Bakeri

Place : Ahmedabad
Date : August 20, 2014

Chairman and Managing Director

4. Audit Committee

(a) The Board has already constituted Audit Committee under listing agreement which is in line with section 177 of Companies Act, 2013. The terms of reference of Audit Committee are as per Companies Act, 2013 and listing agreement which broadly covers following :

(i) Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

(ii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

(iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

(iv) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956

   b. Changes, if any, in accounting policies and practices and reasons for the same

   c. Major accounting entries involving estimates based on the exercise of judgment by management

   d. Significant adjustments made in the financial statements arising out of audit findings

   e. Compliance with listing and other legal requirements relating to financial statements

   f. Disclosure of any related party transactions

   g. Qualifications in the draft audit report.

(v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

(vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

(vii) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

(viii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

(ix) Discussion with internal auditors any significant findings and follow up thereon.

(x) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

(xi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

(xii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

(xiii) To review the functioning of the Whistle Blower mechanism.

(ixv) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

(xv) To review the following information:

a) Management discussion and analysis of financial condition and results of operations;

b) Statement of significant related party transactions submitted by management;

c) Management letters / letters of internal control weaknesses issued by the statutory auditors;

d) Internal audit reports relating to internal control weaknesses; and

e) The appointment, removal and terms of remuneration of the Chief internal auditor.

(xvi) To recommend appointment and remuneration of cost auditor.

(xvii) To review and monitor the auditor's independence and performance, and effectiveness of audit process.

(xviii) Approval or any subsequent modification of transactions of the Company with related parties.

(ixx) Scrutiny of inter-corporate loans and investments.

(xx) Valuation of undertakings or assets of the Company, wherever it is necessary.

(xxi) Evaluation of internal financial controls and risk management systems.

(xxii) Any other matter as specified under Companies Act, 2013 and Rules made thereunder.

(b) The composition of committee consists of Mr. Dipak Palkar, Chairman, Mr. Himanshu Shah and Mr. Nrupesh Shah, members. All members of committee are financially literate as defined in clause 49 of listing agreement. The Company secretary acts as secretary to the committee.

(c) The audit committee has freedom to invite executives, as it considers appropriate, (and particularly the head of finance function) the head of internal audit, auditor and chief financial officer to be present at the meeting of the committee.

(d) Mr. Dipak Palkar being chairman of committee has attended last annual general meeting held on December 17, 2013.

(e) The meeting of committee held and attended by members are shown below:

Date of meeting	Attendance
August 5, 2013	2
October 29, 2013	3
January 25, 2014	3
April 28, 2014	3

5. Shareholders' Grievance Committee / Stakeholders Relationship Committee

(a) The board had constituted a Shareholders' Grievances Committee pursuant to requirement of Listing Agreement. However, upon notification of section 178 of Companies Act, 2013, the board has constituted Stakeholders Relationship Committee (committee) and terminated Shareholders' Grievances Committee w.e.f. April 28, 2014.

(b) The terms of reference of committee are to consider and resolve grievances of security holders of the Company.

(c) The composition of committee consists of Mr. Himanshu Shah, Chairman, Mr. Dipak Palkar and Mr. Nrupesh Shah, as Members.

(d) Mr. Chandrakant Gandhi, company secretary is compliance officer of the Company.

(e) During the year, Shareholders' Grievance Committee has met for 12 times.

(f) All correspondence / queries are replied to satisfaction of shareholders. The status of shareholders complaints received and resolved during the year is as under:

Opening balance	Received	Resolved	Closing balance
Nil	13	13	Nil

6. Remuneration Committee

(a) Presently, there is no policy to pay remuneration to non-executive directors except by paying sitting fees for attending meeting of board and audit committee. Therefore, the board has not constituted remuneration committee

(b) The details of remuneration paid to chairman and managing director and executive director are as under:

(₹ in Lac)

Name of Director	Salary and profit linked performance incentive	Perquisites	Total
Mr. Achal Bakeri	186	1	187
Mr. Nrupesh Shah	96	1	97

(c) Details showing sitting fees paid to non-executive independent directors are as under:

(₹)

Name of Director	Perquisites	
	Board Meting	Audit Committee
Mr. Himanshu Shah	100000	30000
Mr. Dipak Palkar	60000	22500

(d) During the year, there is no pecuniary relationship or transaction of the non-executive directors vis-a-vis the Company

7. Other Committees

(i) Compensation Committee

(a) The board has constituted compensation committee to formulate Employee Stock Option Plan and Employee Stock Purchase Plan.

(b) The committee comprises Mr. Dipak Palkar, Chairman, Mr. Himanshu Shah and Mr. Nrupesh Shah, as Members

(c) The committee has met on August 5, 2013 and October 29, 2013.

(ii) Corporate Social Responsibility Committee

(a) The board has constituted corporate social responsibility committee pursuant to section 135 of the Companies Act, 2013, comprising Mr. Achal Bakeri, Chairman, Mr. Nrupesh Shah and Mr. Himanshu Shah, as Members

(b) The terms of reference of committee are as under

(i) to formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in schedule VII;

(ii) to recommend the amount of expenditure to be incurred on the activities; and

(iii) to monitor the corporate social responsibility policy of the Company from time to time.

8. General Body Meeting

(a) Annual General Meeting

Financial year	Date of AGM	Venue	Time	Special resolution passed at AGM
2010-11	November 30, 2011	Ahmedabad Management Association, ATIRA campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	10.00 a.m.	(i) Alteration of Articles of Association (insertion of new articles) (ii) Alteration of Articles of Association [substitution of article 5(a)]
2011-12	November 30, 2012		10.00 a.m.	Nil
2012-13	December 17, 2013		10.00 a.m.	(i) Increase of limit under section 372A of Companies Act, 1956 (ii) Approval of Employee Stock Option Plan and Employee Stock Purchase Plan

(b) No extra ordinary general meeting was held during last three financial years

(c) No resolution was passed through postal ballot in financial year 2013-14

(d) None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

9. Disclosures

(a) There have been no materially significant related party transactions which have potential conflict with the interest of the Company at large. Audit Committee reviews periodically significant related party transactions. The details showing related party transactions are provided in Note no. 30 of Notes forming part of the Financial Statement for financial year ended June 30, 2014 in accordance with the provisions of Accounting Standard 18.

(b) There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and no penalty has been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority.

(c) In preparation of the financial statements, the Company has followed the applicable Accounting Standards. The significant accounting policies applied in preparation and presentation of financial statements have been set out in Note no 1of Notes forming part of the Financial Statement for financial year ended June 30, 2014.

(d) CEO/CFO Certification:

The Chairman and Managing Director, Executive Director and the Chief Financial Officer have furnished a Certificate in matter of financial statements and other matter for financial year ended on June 30, 2014 in compliance with clause 49 of the listing agreement. The certificate is annexed in this annual report.

(e) Policy for prohibition of insider trading

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992, (as amended from time to time) and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a policy for prohibition of insider trading for directors and specified employees of the Company, relating to dealing in the shares of the Company. The policy also provides for periodical disclosures from directors and designated employees as well as pre-clearance of transactions above specified threshold limit of shares by such persons, if any.

(f) Vigil Mechanism (whistle blower policy)

The board has adopted a vigil mechanism (whistle blower policy) and according to such policy, all employees are encouraged to report any instance/s of unethical behavior, fraud, violation of the Company's Code of Conduct or any behavior which may otherwise be inappropriate and harmful to the Company. The policy provides a mechanism for employees to raise concerns that relate to violation of the code of conduct, accounting, internal accounting controls, auditing matters and applicable national and international laws including statutory/regulatory rules and regulations. No Person has been denied access to the Audit Committee. This policy has been communicated to all employees and has also been posted on the Company's website www.symphonylimited.com

(g) Reconciliation of Share Capital Audit

Every quarter, a practicing company secretary provides reconciliation of share capital audit to reconcile total admitted equity shares with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). This report also reconciles the total issued and listed equity shares. This report is quarterly submitted to stock exchanges.

(h) Details of Compliance with mandatory requirements and adoption of non-mandatory requirements:

The Company has complied with all mandatory requirements of clause 49 and has voluntary complied with following non mandatory requirements requirement

(a) Already established whistle blower policy

(b) Financial statement of the Company are unqualified

10. Means of Communications

(a) Quarterly Results:

Quarterly results are approved and taken on record by the Board of Directors and submitted to the Stock Exchanges as per requirement of the Listing Agreement. At present, half-yearly financial results are not sent to each members.

(b) Annual Report:

Annual report is circulated to members and others entitled thereto.

(c) Publication of Results:

Quarterly results are regularly published in press as per requirements of the Listing Agreement.

(d) News Releases, Presentation etc.:

Official news releases and official media releases are sent to the Stock Exchanges. The Company displays its official news on its website www.symphonylimited.com

(e) Presentations to Analysts / Investors:

Detailed Analysts' Conference call is being made with Financial Analysts on quarterly basis to discuss unaudited quarterly results as well as audited annual results of the Company. The transcripts of this conference call are uploaded on the Company's website.

(f) BSE Listing Centre:

BSE has developed a web-based application namely BSE Listing Centre for corporates to file all periodical compliance namely quarterly corporate governance report, shareholding pattern, board meeting intimation, announcement media releases, reconciliation of share capital audit report and many other in electronic mode

(g) NSE Electronic Application Processing System (NEAPS)

NSE has developed a web-based application namely NEAPS for corporates to file all periodical compliance namely quarterly corporate governance report, shareholding pattern, board meeting intimation, announcement media releases, reconciliation of share capital audit report and many other in electronic mode

(h) SEBI Complaints Redress System(SCORES)

Investor complaints are processed on the centralised web based complaints redress system. The salient features of the systems are: Centralised Database of all Complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by Investors of action taken on the complaints and its current status.

11. Dividend

Payment History (Last 5 years)

Financial year		Date of declaration of dividend	Dividend per share
2009-10		December 21, 2010	*₹2.50
2010-11		November 30, 2011	*₹10.00
2011-12		November 30, 2012	**₹5.50
2012-13		December 17, 2013	**₹6.50
2013-14	Interim	January 27, 2014	**₹2.00
	Final	Next AGM Date	#**₹11.00

* shares having face value of ₹10 per share

** shares having face value of ₹2 per share

Final dividend of ₹11 per share having face value of ₹2 recommended by board at its meeting held on July 31, 2014 is subject to approval by members at ensuing annual general meeting

12. General Shareholders Information

(a) Annual General Meeting

Date	Time	Venue
September 24, 2014	10.00 a.m.	Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

(b) Financial Year: July 1 to June 30

(c) Financial Calendar (2014-15):

Quarterly Results	Tentative Schedule
Quarter ending on September, 30 2014	By October 31, 2014
Quarter ending on December, 31 2014	By January 31, 2015
Quarter ending on March, 31 2015	By April 30, 2015
Quarter ending on June, 30 2015	By July 31, 2015

(d) Book Closure: September 13, 2014 to September 24, 2014 (both the days inclusive)

(e) Dividend Payment Date: Final dividend, if declared at ensuing annual general meeting, will be paid on or before September 30, 2014.

(f) Listing on stock exchange: BSE Limited (Stock Code:517385)
National Stock Exchange of India Limited (Stock Code: SYMPHONY EQ)
Ahmedabad Stock Exchange Limited (Stock Code :51760)

(g) **Payment of Listing Fees:** Listing fee paid for 2014-15 to all stock exchanges on which shares of the Company are listed

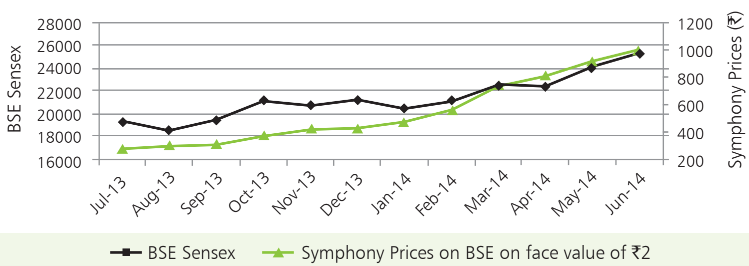
(h) **Corporate Identity No:** L32201GJ1988PLC010331

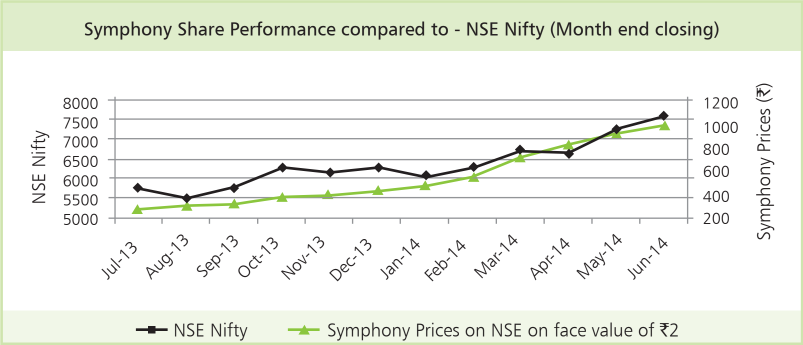
(i) **Market Price Data**

Monthly high and low during financial year ended on June 30, 2014 is as under:

Month	BSE		NSE	
	High	Low	High	Low
July, 2013	357.00	277.00	345.85	275.50
August, 2013	337.90	270.00	339.00	263.15
September, 2013	339.85	281.50	325.00	288.00
October, 2013	396.90	298.90	397.95	298.00
November, 2013	480.00	332.00	423.70	350.00
December, 2013	442.45	365.55	443.90	398.00
January, 2014	480.75	382.80	480.00	385.00
February, 2014	580.50	447.00	581.00	450.00
March, 2014	790.00	532.35	791.00	535.00
April, 2014	866.85	585.00	868.00	700.00
May, 2014	947.50	781.00	948.00	788.10
June, 2014	1062.00	890.00	1064.45	896.10

Symphony Share Performance compared to - BSE Index (Month end closing)





(j) **ISIN for NSDL and CDSL:** INE225D01027

(k)	**Registrar and Share Transfer Agent**	M/s. Sharepro Services (I) Private Limited 416-420, 4th Floor, Devnandan Mall, Nr. Sanyash Ashram, Nr. M.J. Library, Ellisbridge, Ahmedabad – 380 006
	Contact Person	Ms. Bharti Parikh
	Phone No.	(079) 26582381 to 84
	Fax No.	(079) 26582385
	E-mail	sharepro.ahmedabad@shareproservices.com

(l) **Share Transfer System**

Share transfer requests received by the Company or Registrar and Share Transfer Agent are registered within15 days from the date of receipt subject to all documents including supporting are complete in all respects.

The Company has regularly obtained half-yearly certificates from practising company secretary regarding compliance with share transfer formalities including other matters pursuant to section 47(c) of the listing agreement and the same is filed with stock exchanges.

The Company's representatives visit the office of the Registrar and Share Transfer Agent from time to time to monitor, supervise and ensure that there are no delays or lapse in the system.

(m) **Distribution of equity shareholding**

Distribution as on June 30, 2014 is as under:

No. of shares	No. of holders	% of holders	No. of shares	% of total shares
1-500	6369	88.06	1526864	4.36
501-1000	415	5.74	359785	1.03
1001-2000	169	2.34	265568	0.76
2001-3000	96	1.33	254879	0.73
3001-4000	29	0.40	106175	0.30
4001-5000	35	0.48	163666	0.47
5001-10000	50	0.69	381743	1.09
10001-20000	33	0.46	454315	1.30
Above 20000	36	0.50	31465505	89.96
Total	**7232**	**100**	**34978500**	**100**

(n) **Category of members as on June 30, 2014 is as under:**

Category	No. of shares	% of total shares
Promoters	26233870	75.00
Resident individual	3629538	10.38
Bodies corporate	2816587	8.05
FIIs and NRIs	1529284	4.37
Mutual funds and Banks	760965	2.18
Clearing member	7656	0.02
Trust	600	0.00
Total	**34978500**	**100**

(o) **Dematerialisation of Shares and Liquidity:**

As on June 30, 2014, 33710325 equity shares of the Company equivalent to 96.37% of total shares are held in electronic form. The shares of the Company are traded on BSE and NSE in electronic form.

(p) **Plant Location**

(i) Factory situated at 703/704, Sanand Kadi Highway, Village Thol, Tal.Kadi, Dist.Mehsana, Gujarat PIN- 382728

(ii) SEZ Unit situated at Plot No 177, 178, 201 and 202, Surat Special Economic Zone, Sachin, 394230 Dist. Surat, Gujarat

(q) **Communication Address**

Symphony Limited
'Saumya', Bakeri Circle,
Navrangpura, Ahmedabad – 380 014
Phone No.: (079) 26424430
Fax No.: (079) 26425930
Email ID: investors@symphonylimited.com

13. Company's Recommendations to the Shareholders:

The Company has following recommendations to members to mitigate/avoid risks while dealing with shares and related matters:

(a) **Dematerialisation (demat) of shares**

Members are requested to demat their physical shares through any of the Depository Participants (DPs) to avoid the hassles involved in the physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in shares.

Holding shares in demat form helps members to get immediate transfer. No stamp duty is payable on transfer of shares held in demat form and risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries are avoided.

(b) **Register your National Electronic Clearing Service (NECS)**

Members are encouraged to register an NECS mandate to company or registrar and share transfer agent in case of shares held in physical form and ensure that the correct and updated particulars of their bank account are registered with the DPs in case of shares held in demat form. This would facilitate in receiving direct credits of dividends etc. from company and avoiding postal delays and loss in transit.

(c) **Encash your Dividends on time.**

Members who have not registered their bank details with company or DP are requested to encash their dividends warrants promptly to avoid hassles of revalidation/losing your right of claim due to transfer of unclaimed dividends to Investor Education and Protection Fund.

(d) **To support the 'Green Initiative'**

Members holding shares in demat form are requested to register their email id with their DPs and members holding shares in physical form are requested to register their email addresses with the registrar and share transfer agent. This would facilitate to receive annual report along with other communication from company through e-mail.

Certificate

To,
The Board of Directors
Symphony Limited

We have examined the compliance with Conditions of Corporate Governance by Symphony Limited (the Company), for the year ended on June 30, 2014 as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

The compliance with Conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company to ensure compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that the Company has complied with the Conditions of Corporate Governance as stipulated in above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Shah & Dalal**
(Firm Registration No. 109432W)
Chartered Accountants

Malay J. Dalal
Partner
Membership No. 36776

Place : Ahmedabad
Date : August 20, 2014

Secretarial Audit Report

To,
The Board of Directors
Symphony Limited

I have examined the registers, records and documents of **Symphony Limited** ("the Company") for the financial year ended on June 30, 2014 maintained under the provisions of:-

- The Companies Act, 1956 and the Rules made under the Act and the Companies Act 2013 and Rules made there under w.e.f. April 01, 2014;
- The Depositories Act, 1996 and the Regulations and the Bye laws framed under the Act;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act")
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulation, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and Rules made under the Act; and
- The Equity Listing Agreement with Stock Exchanges.

Compliance with the applicable Laws, Rules and Regulations is the sole responsibility of the Company.

1. Based on my examination and verification of the records for the year ended on 30th June 2014 produced before me and according of the information and explanations given to me by the Company, I report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 (the Act) and the rules made under the Act and the Companies Act 2013 and Rules made there under w.e.f. April 01, 2014 and Memorandum and Articles of Association of the Company, with regard to:

(a) Maintenance of various statutory registers and documents and making necessary entries therein.

(b) Closure of Register of Members.

(c) Forms, returns, documents and resolutions required to be filed with the Registrar of companies.

(d) Service of documents by the Company on its Members.

(e) Notice of Board Meetings and Committee meetings of Directors.

(f) The meetings of Directors and Committees of Directors.

(g) The annual general meeting held on December 17, 2013.

(h) Minutes of proceedings of General meeting and of Board and other meetings.

(i) Approvals of shareholders, the Board of Directors, the committee of Directors and competent authorities, wherever required.

(j) Constitution of the Board of Directors and appointment, retirement and re-appointment of directors.

(k) Remuneration paid to the Directors other than Managing and Wholetime Directors.

(l) Appointment and remuneration of Auditors.

(m) Declaration and payment of dividends.

(n) Investment of Company's fund including inter corporate loans and investments and loans to Directors and others.

(o) Generally, all other applicable provisions of the Act and the rules made under that Act.

2. I further report that:

(a) The Company's Directors have complied with the requirements as to Disclosure of interest and concern in contracts and arrangements, shareholding/debenture holdings and directorships in other companies and interests in other entities.

(b) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Conduct for Directors and Management Personnel.

(c) There was no prosecution initiated against or show cause notice received by the Company and no fines or penalties were imposed on the Company under the Act against the Company, its Directors and Officers.

(d) The Company has obtained all necessary approvals of the Central Government and/ or other authorities under the Act.

3. I further report that the Company has complied with the provision of the Depositories Act, 1996 and Bye-laws framed thereunder by the Depositories with regard to dematerialisation / rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company.

4. I further report that;

(a) The Company has complied with the requirement under the listing Agreements entered into with Bombay stock Exchange Limited, National Stock Exchange Limited and Ahmedabad Stock Exchange Ltd.

(b) The Company has complied with the provision of the Securities and Exchange Board of India (Substantial Acquisition of shares and takeover) Regulation, 2011 with regard to the disclosures and maintenance of records required under the Regulations.

(c) The Company has complied with the provision of the Securities and Exchange Board of India (Insider Trading) Regulation 1992 with regard to the disclosure and maintenance of records required under the Regulations.

CS Ashwin Shah
Company Secretary
C. P. No. 1640

Place : Ahmedabad
Date : July 31, 2014

CEO/CFO Certification

The Board of Directors
Symphony Limited
Ahmedabad

Re: Financial Statement for financial year ended June 30, 2014

We, Achal Bakeri, Chairman & Managing Director, Nrupesh Shah, Executive Director and Bhadresh Mehta, Chief Financial Officer of company, certify the following

(a) We have reviewed financial statements and the cash flow statement for financial year ended June 30, 2014 and that to the best of their knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended June 30, 2014, which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

(d) We have indicated to the auditor and the Audit Committee that:

(i) There have been no significant changes in internal controls over financial reporting during the year;

(ii) There have been no significant changes in accounting policies during the year.

(iii) There have been no instances of significant fraud of which we have become aware.

Achal Bakeri	**Nrupesh Shah**	**Bhadresh Mehta**
Chairman & Managing Director	*Executive Director*	*Chief Financial Officer*
(DIN – 00397573)	(DIN – 00397701)	

Place : Ahmedabad
Date : July 31, 2014

Independent Auditors' Report

To
The Members of
Symphony Limited

Report on the financial statements

We have audited the accompanying financial statements of Symphony Limited ('the Company') which comprise the Balance Sheet as at June 30, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards notified under the Companies Act,1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2014;

b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

   e) On the basis of the written representations received from the directors, as on June 30, 2014 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on June 30, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For, **Shah & Dalal**
Chartered Accountants
(Firm Registration no: 109432W)

Malay J. Dalal
Partner
Membership No: 36776

Place: Ahmedabad
Date: July 31, 2014

Annexure to Independent Auditors' Report

(Referred to in paragraph (1) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

(I) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, Fixed Assets of the Company have been physically verified by the management at reasonable intervals. To the best of our knowledge, no material discrepancies have been noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and as such disposal, in our opinion, has not affected the going concern status of the Company.

(II) (a) As informed to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material

(III) (a) The Company has given loans to its subsidiaries. In respect of the said loans, the maximum amount outstanding at any time during the year was ₹4,428.96 Lac and the yearend balance is ₹602.70 Lac. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the Company are not prima facie prejudicial to the interest of the Company. The principal amounts are repayable over a period of three to twelve months, while the interest is payable annually at the discretion of the Company. In respect of the said loans and interest thereon, there are no overdue amounts.

(b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii)(f), and (g) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

(v) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered and that the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five Lac have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under. Therefore the provisions of Clause (vi) of the paragraph 4 of the Order are not applicable to the Company.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Act and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(ix) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of dues as referred in above Clause were in arrears, as at 30th June, 2014 for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the disputed statutory dues that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the Statute	Nature of Dues	Amount (₹ in Lac)	Period To Which The Amount Relates	Forum Where Pending
VAT Laws	VAT	0.86	2011-13	Appellate Authority-Tribunal level
Income Tax Act, 1961	Income tax	37.95	2009-10	Appellate Authority- up to Commissioner
Central Excise Act, 1944	Penalty under rule 26 of the Central Excise Rules, 2002	132.1	2007 to 2012	Appellate Authority – up to Commissioners'/ Tribunal level

(x) The Company does not have accumulated losses as at 30th June, 2014. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.

(xi) Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. In our opinion and according to the information and explanations given to us, the Company did not have any outstanding dues to any financial institution or debenture holders during the year.

(xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company. Therefore, the provisions of clause 4(xiii)of the Order are not applicable to the Company.

(xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year.

(xvi) According to the information and explanations given to us, the Company has not obtained any term loans.

(xvii) According to the Cash Flow Statement and other records examined and as per the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie not been used during the year for long term investment.

(xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) According to the information and explanations given to us, the Company has not issued any debentures during the year.

(xx) The Company has not raised monies by Public Issue during the year. Hence the question of disclosure and verification of end use of such monies does not arise.

(xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For, **Shah & Dalal**
Chartered Accountants
(Firm Registration no: 109432W)

Malay J. Dalal
Partner
Membership No: 36776

Place: Ahmedabad
Date: July 31, 2014

Balance Sheet as at 30th June, 2014

(₹ in Lac)

Particulars	Note	As at 30/06/2014	As at 30/06/2013
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	699.57	699.57
(b) Reserves and Surplus	3	22,574.14	18,007.13
		23,273.71	18,706.70
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	4	52.92	44.43
(b) Long-Term Provisions	5	21.35	21.33
		74.27	65.76
(3) Current Liabilities			
(a) Trade Payables	6	2,081.17	1,480.46
(b) Other Current Liabilities	7	1,593.85	1,095.21
(c) Short-Term Provisions	8	5,295.14	3,357.16
		8,970.16	5,932.83
TOTAL		32,318.14	24,705.29
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		3,111.68	2,924.53
(ii) Intangible Assets		17.94	5.38
(iii) Capital Work-In-Progress		821.63	359.75
		3,951.25	3,289.66
(b) Non-Current Investments	10	16,187.20	3,183.87
(c) Long-Term Loans and Advances	11	268.54	153.67
(d) Other Non-Current Assets	12	-	9.70
		20,406.99	6,636.90
(2) Current Assets			
(a) Current Investments	13	5,762.98	9,010.48
(b) Inventories	14	2,164.37	1,819.28
(c) Trade Receivables	15	983.34	516.40
(d) Cash and Bank Balances	16	352.23	4,323.24
(e) Short-Term Loans and Advances	17	2,382.46	2,018.67
(f) Other Current Assets	18	265.77	380.32
		11,911.15	18,068.39
TOTAL		32,318.14	24,705.29
Significant Accounting Policies	1		
The accompanying notes are an integral part of the Financial Statements			

As per our Audit Report of even date

For Shah & Dalal
Chartered Accountants
Firm Registration No. 109432W

For and on behalf of the board

Malay J. Dalal
Partner
Membership No. 36776

Achal Bakeri
Chairman & Managing Director

Nrupesh Shah
Executive Director

Place : Ahmedabad
Date : July 31, 2014

Chandrakant Gandhi
Company Secretary

Bhadresh Mehta
Chief Financial Officer

Statement of Profit and Loss for the year ended 30th June, 2014

(₹ in Lac)

	Particulars	Note	Year ended 30/06/2014	Year ended 30/06/2013
I	Gross Revenue from Sale of Products	19	45,123.78	30,836.16
	Less: Excise Duty	19	1.52	3.59
	Net Revenue from Sale of Products	19	45,122.26	30,832.57
	Other Operating Revenue	19	27.95	38.29
	Revenue from Operations		45,150.21	30,870.86
II	Other Income	20	1,486.97	1,641.38
III	**Total Revenue (I + II)**		**46,637.18**	**32,512.24**
IV	**Expenses:**			
	Cost of Material Consumed	21	2,546.97	1,563.24
	Purchase of Stock-in-Trade		17,000.11	12,787.25
	Changes in Inventories of Finished Goods, Work- in-Progress and Stock-in-Trade	22	(160.77)	(628.88)
	Employee Benefit Expense	23	2,554.99	2,103.13
	Finance Costs	24	5.37	31.99
	Depreciation and Amortization Expense	9	114.67	130.53
	Other Expenses	25	11,018.34	7,302.62
	Total Expenses		**33,079.68**	**23,289.88**
V	**Profit before Tax (III – IV)**		**13,557.50**	**9,222.36**
VI	**Tax Expense:**			
	(1) Current Tax		3,662.00	2,521.90
	(2) Deferred Tax		8.49	(4.06)
	(3) Provision of earlier years		-	436.14
VII	**Profit for the year (V - VI)**		**9,887.01**	**6,268.38**
VIII	Earnings per equity share of face value of ₹2/- each :			
	(1) Basic	26	28.27	17.92
	(2) Diluted	26	28.27	17.92
Significant Accounting Policies		1		
The accompanying notes are an integral part of the Financial Statements				

As per our Audit Report of even date

For Shah & Dalal
Chartered Accountants
Firm Registration No. 109432W

For and on behalf of the board

Malay J. Dalal
Partner
Membership No. 36776

Achal Bakeri
Chairman & Managing Director

Nrupesh Shah
Executive Director

Place : Ahmedabad
Date : July 31, 2014

Chandrakant Gandhi
Company Secretary

Bhadresh Mehta
Chief Financial Officer

Cash Flow Statement for the year ended 30th June, 2014

(₹ in Lac)

Particulars	Year ended 30/06/2014		Year ended 30/06/2013	
A CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Tax	**13,557.50**		**9,222.36**	
Adjustments For				
Depreciation	114.67		130.53	
Financial Charges	5.37		31.99	
Wealth Tax Expenses (Net)	1.63		1.07	
Interest Received	(694.75)		(775.78)	
Dividend Received	(524.14)		(354.27)	
(Profit) / Loss On Sale of Fixed Assets	(14.34)		(21.58)	
Operating Profit Before Working Capital Changes	**12,445.94**		**8,234.32**	
Adjustments For				
Trade and Other Receivables	(466.95)		912.51	
Inventories	(345.09)		(665.53)	
Long Term Loans & Advances	(4.19)		(77.18)	
Short Term Loans & Advances	(911.60)		(100.75)	
Other Current Assets	11.13		6.98	
Trade Payables	600.71		404.63	
Other Current Liabilities	441.32		(340.13)	
Short Term Provisions	234.83		(29.80)	
Provision for Employee Benefit	0.03		(11.97)	
Cash Generated from Operations	**12,006.13**		**8,333.08**	
Taxes paid [Income Tax]	(3,800.91)		(2,334.52)	
Net Cash Flow from Operating Activities		**8,205.22**		**5,998.56**
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(965.52)		(496.23)	
Interest Received	799.05		1,186.00	
Dividend Received	524.14		354.27	
Weath Tax paid	(1.10)		(1.10)	
Purchase of Investment In Mutual Fund	(72,038.38)		(30,255.19)	
Sales of Investment in Mutual Fund	62,282.55		26,576.01	
Investments in Fixed Deposit with Banks	(1,304.10)		(3,532.41)	
Fixed Deposits with Bank matured	5,003.18		3,773.42	
Investment in Equity Shares	-		(2,016.05)	
Advances and Loans to Subsidiaries	(4,385.41)		(0.82)	
Advances and Loans Received back from Subsidiaries	4,933.22		1,743.70	
Sale of Fixed Assets	92.71		124.40	
Net Cash used in Investing Activities		**(5,059.66)**		**(2,544.00)**

Cash Flow Statement *(contd.)* for the year ended 30th June, 2014

(₹ in Lac)

Particulars	Year ended 30/06/2014		Year ended 30/06/2013	
C CASH FLOW FROM FINANCING ACTIVITIES				
Financial Charges Paid	(5.37)		(31.99)	
Dividend Paid	(2,915.64)		(1,881.52)	
Dividend Distribution Tax Paid	(505.29)		(312.09)	
Repayment of Short Term Borrowings	-		(742.76)	
Net Cash used in Financing Activities		**(3,426.30)**		**(2,968.36)**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		**(280.74)**		**486.20**
Cash & Cash Equivalents at the beginning of the year		**619.06**		**132.86**
Cash & Cash Equivalents at the end of the year		**338.32**		**619.06**
Cash on Hand		14.61		20.49
Balances with Schedule Bank in Current Account		196.54		528.93
Earmarked Accounts - Unpaid Dividend		127.17		69.64
Cash & Bank Balance as per Balance Sheet		338.32		619.06

As per our Audit Report of even date

For Shah & Dalal
Chartered Accountants
Firm Registration No. 109432W

For and on behalf of the board

Malay J. Dalal
Partner
Membership No. 36776

Achal Bakeri
Chairman & Managing Director

Nrupesh Shah
Executive Director

Place : Ahmedabad
Date : July 31, 2014

Chandrakant Gandhi
Company Secretary

Bhadresh Mehta
Chief Financial Officer

Note 1 SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared to comply with all material aspects with the accounting principles generally accepted in India and in consonance with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 to the extent applicable and the relevant provisions of the Companies Act,1956.

i) Basis of Accounting

The Financial Statements are prepared under the historical cost convention on an accrual basis.

All assets and liabilities have been classified as Current or Non-Current as per the criteria set out in the Revised Schedule VI to the Companies Act, 1956.

ii) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities at the date of financial statement and the result of operation during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

iii) Revenue Recognition

Revenue is recognised when consideration can be measured reliably and there exists reasonable certainty of its recovery.

a) Sales

Sales is inclusive of VAT and Central Sales Tax, wherever applicable and after making adjustments towards price variations, discounts etc.

Revenue is recognised on transfer of significant risks and rewards to the customer which normally occurs.

In case of Domestic Sales - On dispatch of products to customers.

In case of Export Sales - On Shipment / Air lift of products.

b) Interest

Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

c) Export Benefits

Export Incentives are estimated and accounted for in the year of export.

d) Dividend Income

Dividend income on investments is accounted for when the right to receive the payment is established.

iv) Tangible Fixed Assets

Tangible Fixed Assets are stated at cost of acquisition / construction less accumulated depreciation, amortization and impairment loss (if any). Cost comprises of purchase price, import duties and other

Notes forming part of the Financial Statements for the year ended 30th June, 2014

Note 1 SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

non-refundable taxes or levies and any directly attributable cost to bring the assets ready for their intended use. Direct expenses, as well as pro rata identifiable indirect expenses on projects during the year of construction are capitalized. Only expenditures that increase the future economic benefits from the existing asset beyond its previously assessed standard of performance is included in the gross book value, e.g., an increase in capacity. The cost of an addition or extension to an existing asset which is of a capital nature and which becomes an integral part of the existing asset is added to its gross book value. Any addition or extension, which has a separate identity and is capable of being used after the existing asset is disposed off, is accounted for separately. The fixed assets retired from active use are stated at net book value or net realisable value, whichever is lower. The loss arising due to write-down is recognised in the statement of profit and loss. An item of fixed asset is eliminated from the financial statements on disposal. Gains or losses arising on disposal are recognised in the statement of profit and loss.

v) Intangible Fixed Assets

Intangible Fixed assets are stated at cost less accumulated amortization and accumulated impairment. Cost comprises of purchase price and any directly attributable cost to bring the assets ready for their intended use. An expenditure is regarded as an intangible asset if such expenditure give rise to an identifiable non-monetary resource without physical substance controlled by the Company as a result of past events which is expected to result in future economic benefits in the form of either of higher cash inflows or lower cash outflows over the useful life of the resource and such resource is held for use in the production or supply of goods or services, for rental to others, or for administrative purposes. An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or losses arising from disposals are determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as income or expense in the Statement of Profit and Loss.

vi) Depreciation / Amortization

Depreciation on all tangible fixed assets is provided on Straight Line Method at the rates prescribed in Schedule- XIV of the Companies Act,1956, which are in line with the useful life of the assets estimated by management, on pro-rata basis from the date the asset is ready for use. Assets costing up to ₹5000/- are fully depreciated in the year in which they are ready for use. Any addition or extension to an existing asset which is of a capital nature and which becomes an integral part of the existing asset is depreciated at the rate which is applied to the existing asset. Depreciation on sale of assets is provided till the date of sale. Depreciation on tangible assets is ceased when a fixed asset is retired from active use and held for disposal or is disposed off.

Intangible fixed assets in the nature of software are amortized over a period of 6 years and Intellectual Property Rights (IPR) are amortized over a period of 5 years from the date of addition. Amortization of an intangible asset commences when the asset is available for use and ceases when the asset is retired from active use or is disposed off. Residual value for the purpose of amortization is taken as zero. At each balance sheet date, the Company reviews the amortization period and amortization method.

Note 1 SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

vii) Investments

Investments which are intended for sale / maturing within twelve months are classified as Current Investments. Others are classified as Long Term Investments.

Cost of Investments comprises of the purchase price and any directly attributable expenses incurred.

Current Investments are carried at the lower of cost and fair value computed individually. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made, only if, in the opinion of the management, such a decline is regarded as being other than temporary.

viii) Inventories

Raw materials and traded goods are valued at lower of cost or net realizable value. The costs of these items of inventory comprises of cost of purchase and other incidental costs incurred to bring the inventories to their present location and condition. However, raw materials are written down below cost only when the finished product to which they belong are written down below cost and the replacement cost of that raw material is lower than cost. Cost of raw materials and traded goods are determined on "First in First out" basis.

Work-in-process and Finished goods are valued at lower of cost or net realizable value. The cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on "First in First out" basis.

Excise duty in respect of finished goods lying at the factory premises have been provided for and included in valuation of inventory where the excise duty is payable.

ix) Research and Development

Research costs incurred for new / existing products / process including manpower cost are recognised in Statement of Profit and Loss as incurred. Development costs relating to the design and testing of new or improved materials, products or processes are recognized as intangible assets to the extent that it is expected that such assets will generate future economic benefits. Research and development expenditure of capital nature is added to fixed assets.

The carrying value of development costs is reviewed for impairment annually when the asset is not available for use, and other wise when events and change in circumstances indicate that the carrying value may not be recoverable.

x) Foreign currency transactions

Initial Recognition and Measurement:

Foreign currency transaction is recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Measurement:

Foreign currency receivables and payables are subsequently measured as stated below:

a) At each balance sheet date
   i) Foreign currency monetary items are reported using the closing rate.

Notes forming part of the Financial Statements for the year ended 30th June, 2014

Note 1 SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

ii) Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed when the values were determined.

b) Treatment of exchange differences arising on settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period:

i) Exchange differences arising on a monetary item that is receivable from, or payable to, a non- integral foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future are accumulated in Foreign Currency Translation Reserve (FCTR). The exchange differences so accumulated in FCTR are reclassified to the Statement of Profit and Loss as and when settlement occurs.

ii) Exchange differences arising on reporting of long-term foreign currency monetary items, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset.

iii) Exchange differences arising on reporting of long-term foreign currency monetary items other than those related to depreciable capital assets are parked in a separate account titled "Foreign" currency monetary item translation difference account". This account is amortised on a systematic basis to reflect the amortisation of the corresponding long term foreign currency monetary item.

iv) All other exchange differences are recognised as income or as expenses in the period in which they arise in the Statement of Profit and Loss.

c) The premium or discount arising at the inception of a forward contract entered into to hedge the foreign currency risk of existing assets and / or liabilities is amortised as expense or income over the life of the contract. Exchange differences on such a contract is recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

xi) Employee Benefits

a) Short term Employee Benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

b) Post Employment Benefits

i) **Defined Contribution Plan:-** The Company's contribution paid / payable during the year to Provident Fund are considered as defined contribution plans. The Contribution paid / payable under these plans are recognized during the period in which the employee render services.

ii) **Defined Benefit Plan:-** Employee benefits in the nature of Gratuity are recognized as an expense in the Statement of Profit and Loss for the period in which the employee has rendered services. Estimated liability on account of Gratuity is discounted to the current value, using the yield on government bonds, as on the date of balance sheet, at the discounting rate. Actuarial gains and losses in respect of post employment and other benefits are charged to the Statement of Profit and Loss.

xii) Leases

All leases are classified into Operating and Financial Lease at the inception of the lease. Leases that transfer substantially all risks and reward from lessor to lessee are classified as Finance Lease and others being classified as Operating Lease.

Rent Expense and Rent Income represent operating leases which are recognized as an expense or Income respectively in the Statement of Profit and Loss on a Straight Line basis over the lease terms.

xiii) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and loss.

xiv) Provision for tax

Tax expenses for a year comprise of current tax and deferred tax.

Provision for current tax is determined based on taxable profits of the Company as determined under the Income Tax Act,1961.

Provision for deferred tax is determined based on the effect of timing difference between the taxable profits under the Income Tax Act and the profits as per the Statement of Profit and Loss and it is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

Provision for Wealth Tax is calculated on taxable wealth at the rate specified under the Wealth Tax Act, 1957.

xv) Impairment of Fixed Assets

The carrying amount of tangible and intangible fixed assets are reviewed at each balance sheet date to determine whether there is any indication of impairment.

If any such indication exist, the assets recoverable amount is estimated. An impairment loss is recognized in the Statement of Profit and Loss whenever the carrying amount of assets exceeds its recoverable amount. An impairment loss can be reversed if there are changes in estimates to determine the recoverable amount in future period. An impairment loss is reversed only to the extent that the carrying amount of the assets does not exceed the net book value that would have been determined, if no impairment loss has been recognized.

Notes forming part of the Financial Statements for the year ended 30th June, 2014

Note 1 SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

The value of assets that are not available for use are reviewed at each balance sheet date to assess the probability of continuing future benefits. If there is any indication that the value of such assets is impaired, the resulting impairment loss is recognized in the financial statement.

xvi) Warranty

Provision for the estimated liability in respect of warranty on Domestic sale of products is made in the year in which the revenues are recognised, based on technical evaluation and past experience.

xvii) Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements.

A contingent asset is neither recognised nor disclosed in the financial statement.

(₹ in Lac)

Particulars	As at 30/06/2014	As at 30/06/2013
Note 2 SHARE CAPITAL		
Authorised :		
75,000,000 Equity Shares of ₹2/- each	1,500.00	1,500.00
Issued, Subscribed & Paid up :		
34,978,500 Equity Shares of ₹2/- each fully paid up	699.57	699.57
	699.57	**699.57**

The Company has only one class of shares referred to as equity shares having a par value of ₹2/-, rank pari passu in all respects including voting rights and entitlement to dividend.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended June 30, 2014, the amount of per share dividend recognized as distributions to equity shareholders was ₹13/- (Previous year ₹6.50), including interim dividend of ₹2/- per equity share paid during the year. The total dividend appropriation for the year ended June 30, 2014 amounted to ₹5,320/- Lac including dividend distribution tax of ₹773 Lac.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company remaining after settlement of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

The details of shareholder holding more than 5% shares as at June 30, 2014 is set out below :

Name of the shareholder	No. of shares	% held as at June 30, 2014	No. of shares	% held as at June 30, 2013
Mr. Achal A. Bakeri	14,631,800	41.83%	14,631,800	41.83%
Oras Investments Pvt. Ltd.	3,221,800	9.21%	3,221,800	9.21%
Paratam Investments Pvt. Ltd.	3,019,800	8.63%	3,019,800	8.63%

The reconciliation of the number of shares outstanding as at June 30, 2014 is set out below:

Particulars	As at 30/06/2014	As at 30/06/2013
Number of shares at the beginning	34,978,500	34,978,500
Add: Shares issued during the year	-	-
Number of shares at the end	34,978,500	34,978,500

Notes forming part of the Financial Statements for the year ended 30th June, 2014

(₹ in Lac)

Particulars	As at 30/06/2014	As at 30/06/2013
Note 3 RESERVES AND SURPLUS		
General Reserve *		
Balance at the beginning of the year	3,500.00	2,500.00
Add: Transferred from Surplus	-	1,000.00
Balance at the end of the year	**3,500.00**	**3,500.00**
Surplus		
Balance at the beginning of the year	12,908.23	10,299.85
Add: Net profit after tax transferred from Statement of Profit and Loss	9,887.01	6,268.38
Amount available for appropriation	**22,795.24**	**16,568.23**
Less: Appropriations		
Tranfer to General Reserve	-	1,000.00
Proposed Dividend on Equity Shares	3,847.64	2,273.60
[Dividend per share ₹11/- (Previous year ₹6.50/-) on face value of ₹2/-]		
Tax on Proposed Dividend	653.90	386.40
Interim Dividend on Equity Shares	699.57	-
[Dividend per share ₹2/- (Previous year ₹Nil) on face value of ₹2/-]		
Tax on Intereim Dividend	118.89	-
Balance at the end of the year	**17,475.24**	**12,908.23**
Securities Premium Account		
Balance at the beginning of the year	694.47	694.47
Balance at the end of the year	**694.47**	**694.47**
Capital Reserve		
Balance at the beginning of the year	904.43	904.43
Balance at the end of the year	**904.43**	**904.43**
Total	**22,574.14**	**18,007.13**

* General reserve is created in accordance with Companies (Transfer of Profits to Reserves) Rules, 1975 issued under the Companies Act, 1956.

Particulars	As at 30/06/2014	As at 30/06/2013
Note 4 DEFERRED TAX LIABILITIES (NET)		
(A) Deferred Tax Liability arising on account of timing difference between depreciation as per Books and as per Income Tax Act, 1961	92.31	74.14
Total (A)	**92.31**	**74.14**
(B) Deferred Tax Asset arising on account of timing difference due to disallowances under section 43B/40A(7) of Income Tax Act, 1961	39.39	29.71
Total (B)	**39.39**	**29.71**
(C) Deferred Tax Liability Net **(A-B)**	**52.92**	**44.43**

(₹ in Lac)

Particulars	As at 30/06/2014	As at 30/06/2013
Note 5 LONG-TERM PROVISIONS		
Others		
Gratuity (Refer to Note no. 33)	21.35	21.33
	21.35	**21.33**

Particulars	As at 30/06/2014	As at 30/06/2013
Note 6 TRADE PAYABLES		
Trade Payables (Refer to Note no. 36)	2,081.17	1,480.46
	2,081.17	**1,480.46**

Particulars	As at 30/06/2014	As at 30/06/2013
Note 7 OTHER CURRENT LIABILITIES		
Salary and Benefits Payable	464.84	303.17
Other liabilities		
Expenses Payable	202.09	25.00
Trade Deposits	52.17	43.91
Provision for disputed Sales Tax for earlier years	13.19	13.19
Unclaimed Dividends	127.17	69.64
Creditors for Capital Goods	0.24	0.45
Advance from customers	345.72	465.40
Statutory Dues	365.62	144.87
Other Payables	22.81	29.58
	1,593.85	**1,095.21**

Particulars	As at 30/06/2014	As at 30/06/2013
Note 8 SHORT-TERM PROVISIONS		
Others		
Proposed Dividend	3,847.64	2,273.60
Provision for		
Gratuity (Refer to Note no. 33)	15.46	43.20
Warranty (Refer to Note no. 39)	262.56	-
Tax on Dividend	653.90	386.40
Income Taxes (Net of Advance Tax)	513.68	652.59
Wealth Tax	1.90	1.37
	5,295.14	**3,357.16**

Notes forming part of the Financial Statements for the year ended 30th June, 2014

Note 9 FIXED ASSETS

(₹ in Lac)

	Tangible									Intangible			
	Free Hold Land	Lease Hold Land (SEZ)	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Total (A)	Softwares & Intellectual Property Rights	Total (B)	Capital WIP (C)	Grand Total (A+B+C)
Gross Block													
As at 01/07/2012	1,961.75	260.49	479.62	661.90	13.96	228.08	41.14	52.42	3,699.36	15.51	15.51	8.54	3,723.41
Additions	1.10	-	0.15	52.87	12.59	28.18	1.01	6.13	102.04	0.53	0.53	351.21	453.78
Adjustments / Sold	-	-	0.41	245.44	2.11	7.79	4.56	8.08	268.40	-	-	-	268.40
As at 01/07/2013	1,962.85	260.49	479.36	469.33	24.44	248.47	37.59	50.47	3,533.00	16.04	16.04	359.75	3,908.79
Additions	-	-	-	282.02	0.86	86.53	1.14	6.41	376.97	15.78	15.78	461.88	854.62
Adjustments / Sold	-	-	-	213.44	1.90	61.90	1.05	10.79	289.08	-	-	-	289.08
As at 30/06/2014	**1,962.85**	**260.49**	**479.36**	**537.91**	**23.40**	**273.10**	**37.68**	**46.09**	**3,620.88**	**31.82**	**31.82**	**821.63**	**4,474.33**
Accumulated Depreciation and Amortization													
As at 01/07/2012	-	20.70	193.39	302.11	4.27	72.65	22.68	30.30	646.10	8.07	8.07	-	654.17
Depreciation and Amortization For The Year	-	17.36	15.73	59.73	1.62	23.36	2.06	8.08	127.94	2.59	2.59	-	130.53
Adjustments	-	-	0.23	146.68	2.12	3.90	4.56	8.08	165.57	-	-	-	165.57
As at 01/07/2013	-	38.06	208.89	215.16	3.77	92.11	20.18	30.30	608.47	10.66	10.66	-	619.13
Depreciation and Amortization For The Year	-	17.37	15.73	41.29	1.47	26.13	1.85	7.62	111.45	3.22	3.22	-	114.67
Adjustments	-	-	-	155.84	1.90	41.14	1.05	10.79	210.72	-	-	-	210.72
As at 30/06/2014	**-**	**55.43**	**224.62**	**100.61**	**3.34**	**77.10**	**20.98**	**27.13**	**509.20**	**13.88**	**13.88**	**-**	**523.08**
Net Block													
As at 30/06/2013	1,962.85	222.43	270.46	254.18	20.67	156.36	17.41	20.16	2,924.53	5.38	5.38	359.75	3,289.66
As at 30/06/2014	**1,962.85**	**205.06**	**254.74**	**437.31**	**20.06**	**196.00**	**16.70**	**18.96**	**3,111.68**	**17.94**	**17.94**	**821.63**	**3,951.25**

1) The leasehold land in Surat SEZ (SUR SEZ) is for the period upto July, 2085 and the lease is to be renewed on expiry of every 15 years starting from 2011. The cost of leasehold land will be amortised over a period of 15 years.
2) Software cost is amortised over a period of 6 years.
3) Intellectual Property Rights cost are amortised over a period of 5 years.
4) Capital Work in Progress consists expenditure towards construction of the Corporate Ofifce which is under construction and Moulds which are not put to use.

Notes forming part of the Financial Statements for the year ended 30th June, 2014

(₹ in Lac)

Particulars	As at 30/06/2014		As at 30/06/2013	
	No. of Shares/Units	Amount	No. of Shares/Units	Amount
Note 10 NON-CURRENT INVESTMENTS				
Non-current Investments				
Long term investments - Trade (Unquoted)				
Investment in equity shares of subsidiaries				
Symphony Air Coolers Inc,USA (Equity Shares $ 1/- each, fully paid)	1,000	0.46	1,000	0.46
Sylvan Holdings PTE. Ltd, Singapore (Equity Shares $ 1/- each, fully paid)	4,350,000	2,312.01	4,350,000	2,312.01
IMPCO S DE RL DE CV, Mexico		0.28		0.28
Long term investments - Non Trade (Unquoted)				
Investment in equity shares of Associates				
Symphony Designer & Properties Pvt. Ltd. (Equity Shares ₹10/- each, fully paid)	248	0.02	248	0.02
Investment in equity shares of Others				
Saline Area Vitalisation Enterprises Ltd (Face value of Equity Shares ₹10/- each, fully paid)	2,000	0.24	2,000	0.24
Investment in Mutual Funds				
Birla Sl Savings Fund- Growth Option	198,903	500.00		-
Birla Sun Life Ultra Short Term Fund- Growth Option	672,247	1000.00		-
ICICI Prudential Flexible Income Plan-Growth Option	609,673	1500.00		-
IDFC Ultra Short Term Fund-Growth Option	5,799,522	1000.00		-
IDFC Ultra Short Term Fund-Growth Option	2,734,841	500.00		-
Sundaram Ultra Short Term Fund- Growth Option	5,893,829	1000.00		-
Tata Floater Fund-Plan-A-Growth Option	76,266	1500.00		-
Templeton India Ultra Short Bond Fund-Growth Option	8,689,205	1500.00		-
Templeton India Ultra Short Bond Fund-Growth Option	2,895,680	500.00		-
UTI Treasury Advantage Fund-Growth Option	84,506	1500.00		-
Long term investments - Non Trade (Quoted)				
Investment in Bonds				
Tax Free Bond of IIFC Ltd.	50,000	500.00		-
Tax Free Bond of NHAI	37,086	370.86	37,086	370.86
Tax Free Bond of NHB	7,220	361.00		-
Tax Free Bond of NTPC Ltd.	31,664	316.64		-
Tax Free Bond of PFC Ltd.	32,389	323.89		-
Tax Free Bond of REC Ltd.	1,000,000	1,001.80		-
Tax Free Bond of REC Ltd.	50,000	500.00	50,000	500.00
		16,187.20		**3,183.87**
Aggregate amount of quoted investments		**3,374.19**		**870.86**
Aggregate market value of quoted investments		**3,558.46**		**920.73**

Notes forming part of the Financial Statements for the year ended 30th June, 2014

(₹ in Lac)

Particulars	As at 30/06/2014		As at 30/06/2013	
	No. of Shares/Units	Amount	No. of Shares/Units	Amount
Note 10 NON-CURRENT INVESTMENTS *(contd.)*				
Aggregate value of unquoted investments		12,813.01		2,313.01
Aggregate value of diminution in value of investments ₹Nil		-		-

(₹ in Lac)

Particulars	As at 30/06/2014	As at 30/06/2013
Note 11 LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Capital advances	170.27	59.59
Other loans and advances		
Balance with Sales Tax and VAT Department	11.02	15.45
Deposit Others	87.25	78.63
	268.54	**153.67**

Note 12 OTHER NON-CURRENT ASSETS		
Interest accrued but not due	-	0.89
Long term Bank Deposits	-	8.81
	-	**9.70**

Notes forming part of the Financial Statements for the year ended 30th June, 2014

(₹ in Lac)

Particulars	As at 30/06/2014		As at 30/06/2013	
	No. of Shares/Units	Amount	No. of Shares/Units	Amount
Note 13 CURRENT INVESTMENTS				
Investment in Mutual Funds (Unquoted)				
Sundaram Ultra St Fund		-	19,948,679	2,002.25
Birla Sun Life Savings Fund	243,478	244.20		-
Birla Sun Life Cash Plus Collection A/c		-	1,215,649	1,218.66
IDFC Cash Fund		-	15,068,025	1,508.69
Kotak Floater Short Term		-	128,102	1,295.91
Templeton India Ultra Short Bond Fund	10,140,245	1,018.78		
Morgan Stanley Liquid Fund		-	1,408	14.09
UTI Treasury Advantage Fund		-	150,476	1,508.25
Investment in Mutual Funds (Quoted)				
Baroda Pioneer Fixed Maturity Plan- Series N	10,000,000	1,000.00		-
HDFC Fixed Maturity Plans-Series 27	20,000,000	2,000.00		-
LIC Nomura MF FMP-Series-68	10,000,000	1,000.00		-
Religare Invesco Fixed Maturity Plan-Series XX-Plan C	5,000,000	500.00		-
Reliance Fixed Horizon Fund		-	8,999,990	900.00
Investment in Bonds (Quoted)				
GSPC NCD		-	250,000	268.13
GSPC Distribution Networks Ltd.		-	290,000	294.50
		5,762.98		**9,010.48**
Aggregate amount of quoted investments		**4,500.00**		**1,462.63**
Aggregate market value of quoted investments		**4,838.00**		**1,536.43**
Aggregate value of unquoted investments		**1,262.98**		**7,547.85**

(₹ in Lac)

Particulars	As at 30/06/2014	As at 30/06/2013
Note 14 INVENTORIES		
(As taken, Valued & Certified by the Management)		
Raw materials (Including Packing Material)	377.43	193.11
Work-in-Progress	3.35	0.92
Finished Goods (Including Goods in Transit ₹Nil, Previous year ₹7.86 Lac)	229.83	164.00
Stock-In-Trade (Including Goods in Transit ₹66.35 Lac, Previous year ₹1.45 Lac)	1,553.76	1,461.25
	2,164.37	**1,819.28**

Notes forming part of the Financial Statements for the year ended 30th June, 2014

(₹ in Lac)

Particulars	As at 30/06/2014	As at 30/06/2013
Note 15 TRADE RECEIVABLES		
Outstanding for more than six months		
Unsecured Considered good	18.36	14.41
Unsecured Considered Doubtful	-	0.68
Less : Provision for Doubtful Debts	-	(0.68)
Others		
Unsecured Considered good	964.98	501.99
	983.34	516.40

Particulars	As at 30/06/2014	As at 30/06/2013
Note 16 CASH & BANK BALANCES		
Cash and Cash Equivalents		
Cash on Hand	3.25	14.28
Balance with employees Imprest account	11.36	6.21
Balance with banks in current accounts	196.54	528.93
Other Bank Balances		
In Earmarked Accounts		
Unpaid Dividend Accounts	127.17	69.64
Margin Accounts	2.48	3.68
Deposits with original maturity for more than 12 months	11.43	3,699.10
Deposits with original maturity for more than 3 months but less than 12 months	-	1.40
	352.23	4,323.24

Particulars	As at 30/06/2014	As at 30/06/2013
Note 17 SHORT-TERM LOANS AND ADVANCES		
(Unsecured Considered Good)		
Loans and advances to subsidiaries (refer to note 30)	547.55	1,095.36
Advances		
For supply of goods and rendering of services	1,622.19	683.37
Others	0.18	0.86
Prepaid Expenses	21.41	11.33
Loans and Advances to employees	1.24	1.69
Balance with Central Excise Authority	189.14	195.56
Balance with Sales Tax and VAT Department	0.75	30.50
	2,382.46	2,018.67

Particulars	As at 30/06/2014	As at 30/06/2013
Note 18 OTHER CURRENT ASSETS		
Interest accrued but not due	237.19	340.61
Export Incentive Receivable	28.58	39.71
	265.77	380.32

Notes forming part of the Financial Statements for the year ended 30th June, 2014

(₹ in Lac)

Particulars	Year ended 30/06/2014	Year ended 30/06/2013
Note 19 REVENUE FROM OPERATIONS		
Gross Revenue from Sale of Products	45,123.78	30,836.16
Less: Excise Duty	1.52	3.59
Net Revenue from Sale of Products	45,122.26	30,832.57
Other Operating Revenue	27.95	38.29
	45,150.21	**30,870.86**

Particulars	Year ended 30/06/2014	Year ended 30/06/2013
Note 20 OTHER INCOME		
Interest Income	694.75	775.78
Dividend Income	524.14	354.27
Foreign Exchange Fluctuation	30.83	326.96
Gain on Sale of Current Investments(Net)	128.59	63.26
Profit on Sale of Fixed Assets	14.35	21.58
Other Non Operating Income	94.31	99.53
	1,486.97	1,641.38
Interest income pertains to:		
Interest Income from Long term Investments	278.69	49.65
Interest Income from Current Investments	416.06	726.13
Dividend income pertains to:		
Dividend from Current Investments (mutual funds)	524.12	354.25
Dividend from Other Long Term Investments	0.02	0.02

Particulars	Year ended 30/06/2014	Year ended 30/06/2013
Note 21 COST OF MATERIALS CONSUMED		
Opening Stock of Raw Materials	193.11	156.47
Add: Purchases	2,731.29	1,599.88
Less: Closing Stock of Raw Materials	377.43	193.11
	2,546.97	**1,563.24**

Particulars	Year ended 30/06/2014	Year ended 30/06/2013
Note 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock		
Work-in-Progress	0.92	18.11
Finished Goods	164.00	161.72
Stock-In-Trade	1,461.25	817.46
Less:		
Closing Stock		
Work-in-Progress	3.35	0.92
Finished Goods	229.83	164.00
Stock-In-Trade	1,553.76	1,461.25
	(160.77)	(628.88)

Notes forming part of the Financial Statements for the year ended 30th June, 2014

(₹ in Lac)

Particulars	Year ended 30/06/2014	Year ended 30/06/2013
Note 23 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus	2,460.26	1,958.12
Contribution to Provident Fund and Other Funds	57.31	123.12
Staff Welfare Expenses	37.42	21.89
	2,554.99	2,103.13

Particulars	Year ended 30/06/2014	Year ended 30/06/2013
Note 24 FINANCE COSTS		
Interest Expenses	5.37	31.99
	5.37	31.99

Particulars	Year ended 30/06/2014	Year ended 30/06/2013
Note 25 OTHER EXPENSES		
Stores, Spare parts and Packing Material consumed	3.27	2.56
Assembly and Labour Charges	67.11	50.04
Power and Fuel	9.33	8.07
Repairs & Maintenance		
Building	14.76	13.52
Machinery	9.29	26.08
Rent	20.70	16.59
Rates & Taxes	5.24	3.97
Travelling	607.82	486.59
Conveyance	147.55	108.55
Communication Expenses	141.55	97.03
Insurance	28.42	17.06
Research and Development Expenses	162.11	127.34
Printing and stationery charges	38.13	27.33
Legal & Professional Charges	414.52	168.39
Payment to Auditors (Refer Note no. 31)	8.43	4.49
Vehicle Expenses	18.60	21.14
General Expenses	95.78	85.51
Repairs Others	15.62	9.55
Bank Charges	15.47	18.59
Advertisement and Sales Promotion	2,204.10	1,275.75
Freight & Forwarding Charges	1,402.20	1,038.42
Warranty Expense	658.21	268.27
Sales Commission	7.73	11.88
CFA Handling Charges	171.73	150.62
Warehousing Charges	126.05	69.48
Conference and Other Expenses	84.18	77.43
VAT and Sales Tax	4,540.44	3,118.36
	11,018.34	7,302.62

Particulars	Year ended 30/06/2014	Year ended 30/06/2013
Note 26 EARNINGS PER SHARE		
Face value of Equity Shares (₹)	2	2
Net Profit available for Equity Shareholders	9,887.01	6,268.38
No. of Equity Shares	34,978,500	34,978,500
Basic and Diluted EPS (₹)	28.27	17.92

(₹ in Lac)

Particulars	2013-14	2012-13
Note 27 CONTINGENT LIABILITIES		
a) Claims against the Company not acknowledged as debt.	13.34	11.91
b) Demand on account of sales tax assessment raised against the Company for the various years but the same is not acknowledged as debt hence, not provided for. Appeals are pending	0.86	4,429.67
c) Income Tax matters not acknowledged as debts	37.95	78.15
d) Demand under disputed central excise matter, Appeals are being filed.	132.10	341.50
e) Estimated amount of contracts remaining to be executed on capital account and not provided for	295.85	85.02

Income Tax

The Income- Tax assessments of the Company have been completed up to Assessment Year 2010-11. The Company has filed appeal against the demand of ₹37.95 Lac raised for Assessment Year 2010-11. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

Note 28 SEGMENT REPORTING

(a) **Primary Segment:**

The Company has identified two primary segment namely Home Appliances and Corporate Funds so as to know financial efficiency of core business i.e. Home Appliances and Corporate Funds Segment which consists of surplus investments.

(₹ in Lac)

Particulars	2013-14	2012-13
(1) Segment Revenue		
Home Appliances	45,711.18	31,539.24
Corporate Funds	926.00	973.00
Total	46,637.18	32,512.24
(2) Segment Profit before Tax (PBIT)		
Home Appliances	12,652.87	8,292.35
Corporate Funds	910.00	962.00
Total	13,562.87	9,254.35
Less: Finance Costs	5.37	31.99

Notes forming part of the Financial Statements for the year ended 30th June, 2014

Note 28 SEGMENT REPORTING *(contd.)*

(₹ in Lac)

Particulars	2013-14	2012-13
Less: Taxes	3,670.49	2,953.98
Total Profit After Tax	9,887.01	6,268.39
(3) Segment Assets		
Home Appliances	12,501.14	10,790.29
Corporate Funds	19,817.00	13,915.00
Total	32,318.14	24,705.29
(4) Segment Liabilities		
Home Appliances	8,701.43	5,994.59
Corporate Funds	343.00	4.00
Total	9,044.43	5,998.59
(5) Capital Employed		
Home Appliances	3,799.71	4,795.70
Corporate Funds	19,474.00	13,911.00
Total	23,273.71	18,706.70
Segment profit (PBIT) % on Capital Employed		
Home Appliance	332.98%	172.90%
Corporate Funds	6.41%	8.23%

(b) Secondary Segment : Geographical segment

(₹ in Lac)

Particulars	2013-14	2012-13
(1) Segment Revenue		
India	39,459.48	27,299.57
Rest of the world	5,662.78	3,533.00
Net Revenue from Sale of Products	45,122.26	30,832.57
(2) Segment Profit before Interest and Taxes (PBIT)		
India	11,409.77	8,065.34
Rest of the world	2,153.10	1,189.01
Total	13,562.87	9,254.35
Less: Finance Costs	5.37	31.99
Less: Taxes	3,670.49	2,953.98
Total Profit After Tax	9,887.01	6,268.39
(3) Segment Assets		
India	31,775.81	24,348.68
Rest of the world (Only Receivables *)	542.33	356.61
Total	32,318.14	24,705.29
(4) Segment Liabilities		
India	8,947.19	5,748.83
Rest of the world (Advance from customers only *)	97.25	249.76
Total	9,044.43	5,998.59
(5) Capital Employed (*)	23,273.71	18,706.70

* Capital Employed and other Segment assets and liabilities of Geographical segment are not separable.

Notes forming part of the Financial Statements for the year ended 30th June, 2014

Note 29 SUBSIDIARIES

Following are the subsidiaries and step down subsidiaries of the Company

(i) Symphony Aircoolers Inc, USA (Subsidiary)

(ii) Sylvan Holdings Pte. Ltd., Singapore (Subsidiary)

(iii) IMPCO S DE RL DE CV, Mexico (Subsidiary of Subsidiary)

(iv) Symphony USA INC., USA (Subsidiary of Subsidiary)

Note 30 RELATED PARTY DISCLOSURES

(₹ in Lac)

Sr No.	Name of the Related Parties	Nature of relationship with Company	Nature of transaction	2013-14		2012-13	
				Volume of transaction	Balance at the end of the year	Volume of transaction	Balance at the end of the year
1	Mr. Achal Bakeri	Key Management Personnel	Remuneration and Perquisites	187.15	105.00	187.15	103.65
2	Mr. Nrupesh Shah	Key Management Personnel	Remuneration and Perquisites	96.71	57.80	46.29	22.86
3	Sylvan Holdings Pte Ltd., Singapore	Wholly owned Subsidiary	Investment in Capital	-	2,312.01	2,015.76	2,312.01
4	Sylvan Holdings Pte Ltd., Singapore	Wholly owned Subsidiary	Loan Given	2,104.31		-	
			Loan Received back	(3,297.87)	-	(907.73)	1,105.76
			Interest Income	46.04		121.66	
5	IMPCO S DE RL DE C V., Mexico	Subsidiary of Sylvan Holdings Pte Ltd.,Singapore	Sale of Goods	1,684.13	(40.49)	155.32	-
6	IMPCO S DE RL DE C V., Mexico	Subsidiary of Sylvan Holdings Pte Ltd.,Singapore	Purchase of Goods	261.74	-	238.49	37.18
7	IMPCO S DE RL DE C V., Mexico	Subsidiary of Sylvan Holdings Pte Ltd.,Singapore	Investment in Capital	-	0.28	0.28	0.28
8	IMPCO S DE RL DE C V., Mexico	Subsidiary of Sylvan Holdings Pte Ltd.,Singapore	Loan Given	2,281.10		-	
			Loan Received back	(1,673.69)	602.70	-	-
			Interest Income	54.93		-	
9	Symphony Aircoolers Inc, USA	Wholly owned Subsidiary	Investment in Capital	-	0.46	-	0.46
10	Symphony Aircoolers Inc, USA	Wholly owned Subsidiary	Loan Given	-		0.82	
			Loan Received back	-		(1,916.40)	
			Interest Income	-	-	12.13	-
			Interest Written off	-		(13.09)	
11	Oras Investments Pvt. Ltd.	Enterprise in which Director have significant influence	Rent Expense	7.23	-	6.70	-
12	Paratam Investments Pvt. Ltd.	Enterprise in which Director have significant influence	Rent Expense	7.23	-	6.70	-
13	Scarlet Living Pvt. Ltd.	Enterprise in which Director have significant influence	Godown Rent Income	0.36	-	0.32	-
14	Scarlet Living Pvt. Ltd.	Enterprise in which Director have significant influence	Purchase of Goods	1.55	0.47	4.53	0.45

Notes forming part of the Financial Statements for the year ended 30th June, 2014

(₹ in Lac)

Particulars	2013-14	2012-13
Note 31 AUDITORS' REMUNERATION (Refer Note no. 25)		
a) As Auditor	6.74	4.49
b) In other capacity, in resepect of		
i) Tax Audit	1.12	0.28
ii) Certification	0.56	0.28
iii) Taxation Matters	3.66	0.56
	12.08	5.61

Note 32 LEASES

The Company has operating lease for various premises which are renewable on a periodic basis and cancellable at its option. Rental expenses for operating lease are charged to Statement of Profit and Loss for the year ₹146.75 Lac (Previous year ₹86.07 Lac).

The future minimum lease payment under operating lease are as follows

Lease Rentals	2013-14	2012-13
Due within one year	121.86	100.96

The Company does not have any financial lease. The lease term is renewable at mutual agreement of both the parties. There is no escalation clause in the lease agreement. There are no restrictions imposed by the lease agreement. There are no sub leases.

Note 33 EMPLOYEE BENEFITS

The Present value of gratuity obligations is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(₹ in Lac)

Particulars	2013-14	2012-13
I Expenses recognized during the year		
Current service cost	44.86	31.21
Interest on obligation	18.32	12.37
Expected return on plan assets	(15.00)	(4.31)
Net actuarial losses (gains) recognised in year	(31.81)	49.30
Total	16.37	88.57
Actual return on plan assets	15.97	6.13
II Reconciliation of opening and closing balances of defined benefit obligation		
Opening defined benefit obligation	236.41	145.53
Service cost	44.86	31.21
Interest cost	18.32	12.37
Actuarial losses (gains)	(30.84)	51.12
Benefits paid	(17.87)	(3.82)
Closing defined benefit obligation	250.88	236.41
III Reconciliation of Opening and Closing balances of fair value of plan assets		

Note 33 EMPLOYEE BENEFITS *(contd.)*

(₹ in Lac)

	Particulars	2013-14	2012-13
	Opening fair value of plan assets	172.45	50.14
	Expected return	15.00	4.31
	Actuarial gains and (losses)	0.97	1.82
	Contributions by employer	40.56	120.00
	Benefits paid	(14.91)	(3.82)
	Closing balance of fair value of plan assets	214.08	172.45
IV	**Reconciliation of the present value of defined benefit obligation and fair value of plan assets**		
	Present value of funded obligations	250.88	236.41
	Fair value of plan assets	(214.07)	(172.45)
	Present value of unfunded obligations	-	-
	Net liability	36.81	63.96
	Amounts in the Balance Sheet:		
	Liabilities	36.81	63.96
	Net liability	36.81	63.96
V	**Investment Details**		
	Insurance Company	214.08	172.45
VI	**Actuarial Assumptions**		
	Discount rate	8.83%	7.75%
	Expected return on plan assets	8.70%	8.70%
	Annual increase in Salary costs	7.00%	7.00%
	The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
VII	**Gratuity Benefit**		
	Defined benefit obligation	(250.88)	(236.41)
	Plan assets	214.08	172.45
	Surplus/(deficit)	(36.81)	(63.96)
	Experience adjustments on plan Liabilities	(5.37)	(14.68)
	Experience adjustments on plan assets	0.97	1.82
	Movement in net liability recognised in Balance Sheet		
	Net opening liability	63.96	95.39
	P&L Charge	16.37	88.57
	Contribution paid / Benefits paid	(43.52)	(120.00)
	closing net liability	36.81	63.96

Notes forming part of the Financial Statements for the year ended 30th June, 2014

Note 33 EMPLOYEE BENEFITS *(contd.)*

(₹ in Lac)

Particulars			2013-14	2012-13	2011-12	2010-11	2009-10
VIII	Disclosure as required under para 120(n) of AS - 15						
	i)	Present value of the defined benefit obligation	250.88	236.41	145.53	101.16	69.94
		Fair value of the plan assets	214.07	172.45	50.14	-	-
		(Surplus)/Deficit in the plan	36.81	63.96	95.39	101.16	69.94
	ii)	Experience Adjustments					
		On Plan liabilities	(5.37)	(14.68)	(2.68)	-	-
		On Plan assets	0.97	1.82	0.14	-	-

IX The expected contribution is based on the same assumptions used to measure the Company's gratuity obligations as of June 30, 2014.

Note 34 LEAVE ENCASHMENT

As per the policy followed by the Company, all the leaves are enjoyable in the financial year itself. Therefore there is no liability of leave encashment existing at the end of the year. Accordingly no provision is made for leave encashment.

Note 35 UNHEDGED FOREIGN CURRENCY EXPOSURE AS AT THE BALANCE SHEET DATE

(₹ in Lac)

Particulars	2013-14	2012-13
Import Creditors	0.92	90.30
Export Debtors	542.33	356.61
Loan Receivable	602.70	1,105.76

Note 36

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 30th June,2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 37

In the opinion of the board, Current Assets, Loans and Advances are approximately, stated at the value, if realised in ordinary course of business. Provisions for all known liabilities are provided for in full and the same are adequate and not in excess of the amount considered as reasonably necessary.

Notes forming part of the Financial Statements for the year ended 30th June, 2014

(₹ in Lac)

Particulars	2013-14	2012-13
Note 38 EXPENDITURE ON RESEARCH & DEVELOPMENT ACTIVITIES AS CERTIFIED BY THE MANAGEMENT		
Capital Expenditure	13.80	-
Revenue Expenditure	162.11	127.34
Total	**175.91**	**127.34**

Note 39 PROVISION FOR WARRANTY

The Company's products viz. Air Coolers carry one year warranty from date of purchase by its end users. The product warranty expense has been calculated based on past historical data of warranty cost incurred by Company.

(₹ in Lac)

Particulars	July 01, 2013	Provision during the year	Utilised during the year	Reversal during the year	June 30, 2014
Provision for 1 year Warranty	-	658.21	395.65	-	262.56

Note 40

Previous year figures have been rearranged/ regrouped wherever necessary to make them comparable with the figures of the current year.

Note 41

(i) Value and % of Imported & Indigenous Raw Materials Consumed

Particulars	2013-14		2012-13	
	Value in (₹ in Lac)	% of total Consumption	Value in (₹ in Lac)	% of total Consumption
Imported	1,383.74	54.33	685.45	43.85
Indigenous	1,163.23	45.67	877.79	56.15
	2,546.97	**100.00**	**1,563.24**	**100.00**

(ii) C.I.F. Value of Imports (₹ in Lac)

Particulars	2013-14	2012-13
Raw Materials & Trading Goods	1,333.27	663.64
Capital Items	230.20	39.34
	1,563.47	**702.97**

Notes forming part of the Financial Statements for the year ended 30th June, 2014

(₹ in Lac)

Particulars	2013-14	2012-13
Note 42 EXPENDITURE IN FOREIGN CURRENCY		
Professional fees	32.16	1.26
Advertisement, Sales Promotion, Freight Paid, Travelling & Others	264.17	282.16

Note 43 EARNING IN FOREIGN CURRENCY		
F.O.B. of Exports	5,567.51	3,430.23
Interest Income	100.97	133.74
Other Income	106.35	93.38

Note 44 DISCLOSURE UNDER CLAUSE 32 OF THE LISTING AGREEMENT

Amount of loans and advances in nature of loans outstanding from subsidiaries as at June 30, 2014:

Subsidiary Company	Outstanding as at June 30, 2014	Maximum amount outstanding during the year	Outstanding as at June 30, 2013	Maximum amount outstanding during the year
Sylvan Holdings Pte. Ltd., Singapore *	-	2,148.62	1,105.76	1,827.24
IMPCO S DE RL DE C V., Mexico	602.70	2,280.34	-	-
Symphony Aircoolers Inc, USA	-	-	-	2,005.18

* Sylvan Holdings Pte. Ltd., Singapore has made the following investments in its subsidiary : (₹ in Lac)

	Amount	Amount
Shares of IMPCO S DE RL DE CV, Mexico	391.07	385.96
Contribution for Future Capital Stock IncreasesAFAC	-	1,490.57

As per our Audit Report of even date

For Shah & Dalal
Chartered Accountants
Firm Registration No. 109432W

For and on behalf of the board

Malay J. Dalal
Partner
Membership No. 36776

Achal Bakeri
Chairman & Managing Director

Nrupesh Shah
Executive Director

Place : Ahmedabad
Date : July 31, 2014

Chandrakant Gandhi
Company Secretary

Bhadresh Mehta
Chief Financial Officer

Section 212

Details of subsidiaries in terms of General circular No. 2/2011 Dated 8th February, 2011 Issued by Government of India, Ministry of Corporate Affairs under Section 212 (8) of the Companies Act, 1956, are as under:

(All Figures in Lac)

Sr. No.	Name of the Subsidiary	Symphony Air Coolers Inc., Usa		Sylvan Holdings Pte. Ltd., Singapore		IMPCO S DE RL DE CV, Mexico		Symphony USA Inc, USA	
	Currency of Presentation	US Dollar		US Dollar		Mexican Peso		US Dollar	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Share Capital								
	In Foreign Currency	0.01	0.01	43.50	43.50	10.00	325.89	0.05	0.05
	In Indian Rupees	0.60	0.59	2,617.40	2,583.25	45.45	1,470.59	2.82	2.80
2	Reserve								
	In Foreign Currency	(0.01)	1.17	0.61	(0.43)	1,015.14	802.73	(1.00)	(0.46)
	In Indian Rupees	(0.60)	69.76	36.42	(25.76)	4,613.36	3,622.35	(60.40)	(27.08)
3	Total Assets								
	In Foreign Currency	-	1.18	44.27	61.69	2,240.99	2,292.82	8.53	9.37
	In Indian Rupees	-	70.35	2,663.90	3,663.24	10,184.32	10,346.44	513.53	556.67
4	Total Liabilities								
	In Foreign Currency	-	-	0.17	18.62	1,215.85	1,164.20	9.49	9.78
	In Indian Rupees	-	-	10.08	1,105.76	5,525.51	5,253.50	571.11	580.95
5	Investments (Excl. Investment in Subsidiaries)								
	In Foreign Currency	-	-	-	-	49.52	-	-	-
	In Indian Rupees	-	-	-	-	225.05	-	-	-
6	Turnover								
	In Foreign Currency	-	0.86	2.27	2.09	2,098.80	1,689.03	9.85	13.31
	In Indian Rupees	-	47.33	139.60	114.63	9,698.73	7,153.02	606.57	729.01
7	Profit Before Tax								
	In Foreign Currency	(1.18)	0.57	1.26	(0.37)	55.18	(44.72)	(0.55)	1.29
	In Indian Rupees	(72.92)	31.32	77.54	(20.34)	254.99	(189.38)	(33.69)	70.68
8	Provision for Tax								
	In Foreign Currency	-	0.14	0.22	-	(157.23)	36.59	-	-
	In Indian Rupees	-	7.54	13.57	-	(726.57)	154.97	-	-
9	Profit After Tax								
	In Foreign Currency	(1.18)	0.43	1.04	(0.37)	212.41	(81.31)	(0.55)	1.29
	In Indian Rupees	(72.92)	23.78	63.97	(20.34)	981.56	(344.35)	(33.69)	70.68
10	Proposed Dividend								
	In Foreign Currency	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	In Indian Rupees	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Conversion Rate	US Dollar		US Dollar		Mexican Peso		US Dollar	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Point No. 1 to 5 Foreign Currency into INR	60.17	59.385	60.17	59.385	4.54	4.51	60.17	59.385
Point No. 6 to 10 Foreign Currency into INR	61.56	54.78	61.56	54.78	4.62	4.23	61.56	54.78

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

(₹ in Lac)

Name of Subsidiaries	Sylvan Holdings Pte Ltd.#	Impco S de RL de C.V. ^	Symphony USA Inc.#	Symphony Air Coolers Inc.#
Financial Year / Period ended on	30.06.2014	30.06.2014	30.06.2014	30.06.2014
Number of equity shares in the subsidiary Company held by Symphony Limited at the above date				
(i) Number of equity shares held in subsidiary	4,350,000	- *	-	1,000
(ii) Percentage of Holding	100%	0.10%	-	100%
Net aggregate amount of subsidiary's Profits / (Losses) so far it concerns the members of the Symphony Limited which has not not dealt with in the Symphony Limited's Accounts				
(i) For the current financial year	63.97	981.56	(33.69)	(72.92)
(ii) For the previous financial year since it becomes subsidiary	(51.32)	378.41	(18.87)	57.92
Net aggregate amount of Profits / (Losses) of subsidiary which has been dealt with in the Accounts of Symphony Limited				
(i) For the current financial year	-	-	-	-
(ii) For the previous financial year since it becomes subsidiary	-	-	-	-

* There is no concept of "number" of equity shares in Impco S de RL de C.V., Mexico.

Conversion Rate as of 30.06.2014
1 USD = ₹61.56
^ 1 Mexican Peso = ₹4.62

For and on behalf of the Board

Achal Bakeri
Chairman & Managing Director

Nrupesh Shah
Executive Director

Place : Ahmedabad
Date : July 31, 2014

Chandrakant Gandhi
Company Secretary

Bhadresh Mehta
Chief Financial Officer

Independent Auditors' Report (Consolidated)

To
The Board of Directors of
Symphony Limited

1. We have audited the accompanying consolidated financial statements of Symphony Limited ('the Company') and its subsidiaries (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at June 30, 2014 and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and

appropriate to provide a basis for our audit opinion.

Opinion

5. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements notified under Section 211(3C) of the Companies Act, 1956.

6. Based on our audit and on the other financial information of the components of the Group as referred to in paragraph 7 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 30th June ,2014;

   b) in the case of the Consolidated Statement of Profit and Loss of the profit of the Group for the year ended on that date; and

   c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

7. We have relied upon the unaudited Consolidated Financial Statements of one subsidiary , Sylvan Holdings Pte Ltd whose unaudited Consolidated Financial Statements reflect (before giving effect to the Consolidation adjustments) total assets of ₹10,218.05 Lac as at 30th June, 2014, total revenue of ₹10,042.27 Lac and cash flows amounting to ₹65.16 Lac for the year then ended. This unaudited Consolidated Financial Statements as approved by the Board of Directors of the Company have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of the subsidiary is based solely on such approved unaudited consolidated financial statements.

   Our opinion is not qualified in respect of other matters.

For, **Shah & Dalal**
Chartered Accountants
(Firm Registration no: 109432W)

Malay J. Dalal
Partner
Membership No: 36776

Place: Ahmedabad
Date: July 31, 2014

Consolidated Balance Sheet as at 30th June, 2014

(₹ in Lac)

Particulars	Note	As at 30/06/2014	As at 30/06/2013
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	699.57	699.57
(b) Reserves and Surplus	3	26,878.11	21,521.09
		27,577.68	22,220.66
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	4	52.92	753.92
(b) Long-Term Provisions	5	728.34	684.16
		781.26	1,438.08
(3) Current Liabilities			
(a) Trade Payables	6	2,575.66	1,774.72
(b) Other Current Liabilities	7	3,095.08	2,909.58
(c) Short-Term Provisions	8	5,303.37	3,286.81
		10,974.11	7,971.11
TOTAL		39,333.05	31,629.85
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		6,940.70	6,942.01
(ii) Intangible Assets		24.99	12.43
(iii) Capital Work-In-Progress		821.63	359.75
		7,787.32	7,314.19
(b) Non-Current Investments	10	13,874.45	871.12
(c) Long-Term Loans and Advances	11	297.80	182.70
(d) Other Non-Current Assets	12	-	9.70
		21,959.57	8,377.71
(2) Current Assets			
(a) Current Investments	13	5,988.02	9,010.48
(b) Inventories	14	3,851.26	4,302.16
(c) Trade Receivables	15	4,158.10	3,766.56
(d) Cash and Bank Balances	16	568.53	4,474.38
(e) Short-Term Loans and Advances	17	2,595.19	1,326.55
(f) Other Current Assets	18	212.38	372.01
		17,373.48	23,252.14
TOTAL		39,333.05	31,629.85
Significant Accounting Policies	1		
The accompanying notes are an integral part of the Financial Statements			

As per our Audit Report of even date

For Shah & Dalal
Chartered Accountants
Firm Registration No. 109432W

For and on behalf of the board

Malay J. Dalal
Partner
Membership No. 36776

Achal Bakeri
Chairman & Managing Director

Nrupesh Shah
Executive Director

Place : Ahmedabad
Date : July 31, 2014

Chandrakant Gandhi
Company Secretary

Bhadresh Mehta
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended 30th June, 2014

(₹ in Lac)

	Particulars	Note	Year ended 30/06/2014	Year ended 30/06/2013
I	Gross Revenue from Sale of Products	19	53,243.78	37,766.88
	Less: Excise Duty	19	1.52	3.58
	Net Revenue from Sale of Products	19	53,242.26	37,763.30
	Other Operating Revenue	19	27.95	38.29
	Revenue from Operations		53,270.21	37,801.59
II	Other Income	20	1,379.29	1,671.25
III	**Total Revenue (I + II)**		**54,649.50**	**39,472.84**
IV	**Expenses:**			
	Cost of Material Consumed	21	5,614.10	4,114.89
	Purchase of Stock-in-Trade		16,738.37	12,548.76
	Changes in Inventories of Finished Goods, Work- in-Progress and Stock-in-Trade	22	449.69	61.37
	Employee Benefit Expense	23	4,168.31	3,497.91
	Finance Costs	24	5.37	31.99
	Depreciation and Amortization Expense	9	382.03	394.38
	Other Expenses	25	13,688.83	9,692.24
	Total Expenses		**41,046.70**	**30,341.54**
V	**Profit before Tax (III – IV)**		**13,602.80**	**9,131.30**
VI	**Tax Expense:**			
	(1) Current Tax		3,675.57	2,521.90
	(2) Deferred Tax		8.49	150.91
	(3) Provision of earlier years		(726.57)	436.14
VII	**Profit for the year from continuing operations (V - VI)**		**10,645.31**	**6,022.35**
VIII	**Loss from discontinuing operations**	36	(72.92)	(3.97)
IX	Tax Expenses of discontinuing operations			
	Tax of earlier year	36	-	7.54
X	**Loss from discontinuing operations (VIII-IX)**		**(72.92)**	**(11.51)**
XI	**Profit for the year (VII+X)**		**10,572.39**	**6,010.84**
XII	Earnings per equity share of face value of ₹2/- each :			
	(1) Basic	26	30.23	17.18
	(2) Diluted	26	30.23	17.18
	Significant Accounting Policies	1		
	The accompanying notes are an integral part of the Financial Statements			

As per our Audit Report of even date

For Shah & Dalal
Chartered Accountants
Firm Registration No. 109432W

For and on behalf of the board

Malay J. Dalal
Partner
Membership No. 36776

Achal Bakeri
Chairman & Managing Director

Nrupesh Shah
Executive Director

Place : Ahmedabad
Date : July 31, 2014

Chandrakant Gandhi
Company Secretary

Bhadresh Mehta
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended 30th June, 2014

(₹ in Lac)

	Particulars	Year ended 30/06/2014		Year ended 30/06/2013	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Profit Before Tax	**13529.87**		**9127.33**	
	Adjustments For				
	Depreciation	382.03		394.38	
	Financial Charges	5.37		31.99	
	Wealth Tax Expenses (Net)	1.63		1.07	
	Interest Received	(596.00)		(642.03)	
	Dividend Received	(524.14)		(354.27)	
	(Profit) / Loss On Sale of Fixed Assets	(24.36)		(62.94)	
	Operating Profit Before Working Capital Changes	**12774.40**		**8495.53**	
	Adjustments For				
	Inventories	450.91		(10.07)	
	Trade and Other Receivables	(391.55)		452.61	
	Long Term Loans & Advances	(4.42)		139.28	
	Short Term Loans & Advances	(1268.64)		(67.13)	
	Other Current Assets	11.45		7.18	
	Trade Payables	800.94		428.65	
	Other Current Liabilities	128.19		(416.16)	
	Short Term Provisions	262.56		-	
	Provision for Employee Benefit	16.44		60.36	
	Cash Generated from Operations	**12780.28**		**9090.25**	
	Taxes Paid	(3735.90)		(2412.41)	
	Net Cash Flow from Operating Activities		**9044.38**		**6677.84**
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Fixed Assets	(1,024.85)		(600.64)	
	Sale of Fixed Assets	83.16		(67.44)	
	Interest Received	745.07		392.57	
	Dividend Received	524.14		354.27	
	Weath Tax paid	(1.10)		(1.10)	
	Investments in Fixed Deposit with Banks	(1,304.10)		(3,532.41)	
	Fixed Deposits with Bank matured	5,003.18		3,773.42	
	Purchase of Investment In Mutual Fund	(75,412.36)		(30,255.19)	
	Sales of Investment in Mutual Fund	65,431.49		26,576.01	
	Net Cash Used in Investing Activities		**(5,955.37)**		**(3,360.51)**

Consolidated Cash Flow Statement *(contd.)* for the year ended 30th June, 2014

(₹ in Lac)

Particulars		Year ended 30/06/2014		Year ended 30/06/2013
C CASH FLOW FROM FINANCING ACTIVITIES				
Translation and Consolidation Reserve	121.71		9.20	
Dividend Paid	(2,915.64)		(1,881.52)	
Dividend Distribution Tax Paid	(505.29)		(312.09)	
Repayment of Short Term Borrowings	-		(742.76)	
Financial Charges Paid	(5.37)		(31.99)	
Net Cash used in Financing Activities		**(3,304.59)**		**(2,959.16)**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		**(215.58)**		**358.17**
Cash & Cash Equivalents at the beginning of the year		**770.20**		**412.03**
Cash & Cash Equivalents at the end of the year		**554.62**		**770.20**
Cash on Hand		16.42		22.24
Balances with Schedule Bank in Current Account		411.03		678.32
Earmarked Accounts - Unpaid Dividend		127.17		69.64
Cash & Bank Balance as per Balance Sheet		554.62		770.20

As per our Audit Report of even date

For Shah & Dalal
Chartered Accountants
Firm Registration No. 109432W

For and on behalf of the board

Malay J. Dalal
Partner
Membership No. 36776

Achal Bakeri
Chairman & Managing Director

Nrupesh Shah
Executive Director

Place : Ahmedabad
Date : July 31, 2014

Chandrakant Gandhi
Company Secretary

Bhadresh Mehta
Chief Financial Officer

Note 1 SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared to comply with all material aspects with the accounting principles generally accepted in India and in consonance with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 to the extent applicable and the relevant provisions of the Companies Act,1956.

i) Basis of Accounting

The Financial Statements are prepared under the historical cost convention on an accrual basis.

All assets and liabilities have been classified as Current or Non-Current as per the criteria set out in the Revised Schedule VI to the Companies Act, 1956.

Principles of Consolidation

a) The consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS21) on ""Consolidated Financial Statements"" notified under the Companies (Accounting Standards) Rules, 2006 on the basis of the separate audited financial statements of Parent Company, Symphony Limited and following Subsidiary Companies.

Sr. No.	Name of Subsidiary Company	Country of Incorporation	Extent of Holding/ Voting Power (%) as on June 30, 2014
1	Sylvan Holdings PTE. Ltd	Singapore	100.00
2	IMPCO S DE RL DE C V., (through Sylvan Holdings PTE Ltd, Singapore 99.90% and through Symphony Limited, India 0.10%)	Mexico	100.00
3	Symphony USA Inc., (through IMPCO S DE RL DE C V., Mexico)	USA	100.00
4	Symphony Air Coolers Inc,	USA	100.00

b) The Operations of subsidiaries are not considered as an integral part of the operations of the parent. Hence all revenue items are consolidated at the average rate prevailing during the year. All assets and liablities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the " Translation Reserve "

c) The Consolidated Financial Statements are prepared in the same manner at that of Parent Company, i.e year ended June 30, 2014, in the same manner as far as possible as the Company's separate Financial Statements.

d) Financial statements of the Subsidiary Companies used in the consolidation are drawn for the same period as that of the Parent Company i.e year ended June 30, 2014.

ii) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities at the date of financial statement and the result of operation during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

iii) Revenue Recognition

Notes forming part of the Consolidated Financial Statements for the year ended 30th June, 2014

Note 1 SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

Revenue is recognised when consideration can be measured reliably and there exists reasonable certainty of its recovery.

a) Sales

Sales is inclusive of VAT and Central Sales Tax, wherever applicable and after making adjustments towards price variations, discounts etc.

Revenue is recognised on transfer of significant risks and rewards to the customer which normally occurs.

In case of Domestic Sales - On dispatch of products to customers.

In case of Export Sales - On Shipment / Air lift of products.

b) Interest

Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

c) Export Benefits

Export Incentives are estimated and accounted for in the year of export.

d) Dividend Income

Dividend income on investments is accounted for when the right to receive the payment is established.

iv) Tangible Fixed Assets

Tangible Fixed Assets are stated at cost of acquisition / construction less accumulated depreciation, amortization and impairment loss (if any). Cost comprises of purchase price, import duties and other non-refundable taxes or levies and any directly attributable cost to bring the assets ready for their intended use. Direct expenses, as well as pro rata identifiable indirect expenses on projects during the year of construction are capitalized. Only expenditures that increase the future economic benefits from the existing asset beyond its previously assessed standard of performance is included in the gross book value, e.g., an increase in capacity. The cost of an addition or extension to an existing asset which is of a capital nature and which becomes an integral part of the existing asset is added to its gross book value. Any addition or extension, which has a separate identity and is capable of being used after the existing asset is disposed off, is accounted for separately. The fixed assets retired from active use are stated at net book value or net realisable value, whichever is lower. The loss arising due to write-down is recognised in the statement of profit and loss. An item of fixed asset is eliminated from the financial statements on disposal. Gains or losses arising on disposal are recognised in the statement of profit and loss.

v) Intangible Fixed Assets

Intangible Fixed assets are stated at cost less accumulated amortization and accumulated impairment. Cost comprises of purchase price and any directly attributable cost to bring the assets ready for their intended use. An expenditure is regarded as an intangible asset if such expenditure give rise to an identifiable non-monetary resource without physical substance controlled by the Company as a result of past events which is expected to result in future economic benefits in the form of either of higher cash inflows or lower cash outflows over the useful life of the resource and such resource is held for use in the production or supply of goods or services, for rental to others, or for administrative purposes. An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or losses arising from disposals are determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as income or expense in the Statement of Profit and Loss.

vi) Depreciation / Amortization

Depreciation on all tangible fixed assets in domestic Company is provided on Straight Line Method at the rates prescribed in Schedule- XIV of the Companies Act,1956, which are in line with the useful life of the assets estimated by management, on pro-rata basis from the date the asset is ready for use. Assets costing up to ₹5000/- are fully depreciated in the year in which they are ready for use. Any addition or extension to an existing asset which is of a capital nature and which becomes an integral part of the existing asset is depreciated at the rate which is applied to the existing asset. Depreciation on sale of assets is provided till the date of sale. Depreciation on tangible assets is ceased when a fixed asset is retired from active use and held for disposal or is disposed off.

Depreciation has been provided by overseas subsidiaries on method and at rate required / permissible by the local laws so as to write off the assets over the useful life.

Intangible fixed assets in the nature of software are amortized over a period of 6 years and Intellectual Property Rights (IPR) are amortized over a period of 5 years from the date of addition. Amortization of an intangible asset commences when the asset is available for use and ceases when the asset is retired from active use or is disposed off. Residual value for the purpose of amortization is taken as zero. At each balance sheet date, the Company reviews the amortization period and amortization method.

vii) Investments

Investments which are intended for sale / maturing within twelve months are classified as Current Investments. Others are classified as Long Term Investments.

Cost of Investments comprises of the purchase price and any directly attributable expenses incurred.

Current Investments are carried at the lower of cost and fair value computed individually. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made, only if, in the opinion of the management, such a decline is regarded as being other than temporary.

viii) Inventories

Raw materials and traded goods are valued at lower of cost or net realizable value. The costs of these items of inventory comprises of cost of purchase and other incidental costs incurred to bring the inventories to their present location and condition. However, raw materials are written down below cost only when the finished product to which they belong are written down below cost and the replacement cost of that raw material is lower than cost. Cost of raw materials and traded goods are determined on “First in First out” basis.

Work-in-process and Finished goods are valued at lower of cost or net realizable value. The cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on “First in First out” basis.

Excise duty in respect of finished goods lying at the factory premises have been provided for and included in valuation of inventory where the excise duty is payable.

ix) Research and Development

Notes forming part of the Consolidated Financial Statements for the year ended 30th June, 2014

Note 1 SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

Research costs incurred for new / existing products / process including manpower cost are recognised in Statement of Profit and Loss as incurred. Development costs relating to the design and testing of new or improved materials, products or processes are recognized as intangible assets to the extent that it is expected that such assets will generate future economic benefits. Research and development expenditure of capital nature is added to fixed assets.

The carrying value of development costs is reviewed for impairment annually when the asset is not available for use, and other wise when events and change in circumstances indicate that the carrying value may not be recoverable.

x) Foreign currency transactions

Initial Recognition and Measurement:

Foreign currency transaction is recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Measurement:

Foreign currency receivables and payables are subsequently measured as stated below:

a) At each balance sheet date
   - i) Foreign currency monetary items are reported using the closing rate.
   - ii) Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed when the values were determined.

b) Treatment of exchange differences arising on settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period:
   - i) Exchange differences arising on a monetary item that is receivable from, or payable to, a non- integral foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future are accumulated in Foreign Currency Translation Reserve (FCTR). The exchange differences so accumulated in FCTR are reclassified to the Statement of Profit and Loss as and when settlement occurs.
   - ii) Exchange differences arising on reporting of long-term foreign currency monetary items, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset.
   - iii) Exchange differences arising on reporting of long-term foreign currency monetary items other than those related to depreciable capital assets are parked in a separate account titled "Foreign" currency monetary item translation difference account". This account is amortised on a systematic basis to reflect the amortisation of the corresponding long term foreign currency monetary item.
   - iv) All other exchange differences are recognised as income or as expenses in the period in which they arise in the Statement of Profit and Loss.

c) The premium or discount arising at the inception of a forward contract entered into to hedge the foreign currency risk of existing assets and / or liabilities is amortised as expense or income over the life of the contract. Exchange differences on such a contract is recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

xi) Employee Benefits

a) Short term Employee Benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

b) Post Employment Benefits

i) **Defined Contribution Plan:-** The Company's contribution paid / payable during the year to Provident Fund are considered as defined contribution plans. The Contribution paid / payable under these plans are recognized during the period in which the employee render services.

ii) **Defined Benefit Plan:-** Employee benefits in the nature of Gratuity are recognized as an expense in the Statement of Profit and Loss for the period in which the employee has rendered services. Estimated liability on account of Gratuity is discounted to the current value, using the yield on government bonds, as on the date of balance sheet, at the discounting rate Actuarial gains and losses in respect of post employment and other benefits are charged to the Statement of Profit and loss.

xii) Leases

All leases are classified into Operating and Financial Lease at the inception of the lease. Leases that transfer substantially all risks and reward from lessor to lessee are classified as Finance Lease and others being classified as Operating Lease.

Rent Expense and Rent Income represent operating leases which are recognized as an expense or Income respectively in the Statement of Profit and Loss on a Straight Line basis over the lease terms.

xiii) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and loss.

xiv) Provision for tax

Tax expenses for a year comprise of current tax and deferred tax.

Provision for current tax is determined based on taxable profits of the Company as determined under the Income Tax Act,1961.

Provision for deferred tax is determined based on the effect of timing difference between the taxable profits under the Income Tax Act and the profits as per the Statement of Profit and Loss and it is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised

Notes forming part of the Consolidated Financial Statements for the year ended 30th June, 2014

Note 1 SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

Provision for Wealth Tax is calculated on taxable wealth at the rate specified under the Wealth Tax Act, 1957.

xv) Impairment of Fixed Assets

The carrying amount of tangible and intangible fixed assets are reviewed at each balance sheet date to determine whether there is any indication of impairment.

If any such indication exist, the assets recoverable amount is estimated. An impairment loss is recognized in the Statement of Profit and Loss whenever the carrying amount of assets exceeds its recoverable amount. An impairment loss can be reversed if there are changes in estimates to determine the recoverable amount in future period. An impairment loss is reversed only to the extent that the carrying amount of the assets does not exceed the net book value that would have been determined, if no impairment loss has been recognized.

The value of assets that are not available for use are reviewed at each balance sheet date to assess the probability of continuing future benefits. If there is any indication that the value of such assets is impaired, the resulting impairment loss is recognized in the financial statement.

xvi) Warranty

Provision for the estimated liability in respect of warranty on Domestic sale of products is made in the year in which the revenues are recognised, ,based on technical evaluation and past experience.

xvii) Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither neither recognised nor disclosed in the financial statement.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statement.

(₹ in Lac)

Particulars	As at 30/06/2014	As at 30/06/2013
Note 2 SHARE CAPITAL		
Authorised :		
75,000,000 Equity Shares of ₹2/- each	1,500.00	1,500.00
Issued, Subscribed & Paid up :		
34,978,500 Equity Shares of ₹2/- each fully paid up	699.57	699.57
	699.57	**699.57**

The Company has only one class of shares referred to as equity shares having a par value of ₹2/-, rank pari passu in all respects including voting rights and entitlement to dividend.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended June 30, 2014, the amount of per share dividend recognized as distributions to equity shareholders was ₹13/- (Previous year ₹6.50), including interim dividend of ₹2/- per equity share paid during the year. The total dividend appropriation for the year ended June 30, 2014 amounted to ₹5,320/- Lac including dividend distribution tax of ₹773 Lac.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company remaining after settlement of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

The details of shareholder holding more than 5% shares as at June 30, 2014 is set out below :

Name of the shareholder	No. of shares	% held as at June 30, 2014	No. of shares	% held as at June 30, 2013
Mr. Achal A. Bakeri	14,631,800	41.83%	14,631,800	41.83%
Oras Investments Pvt. Ltd.	3,221,800	9.21%	3,221,800	9.21%
Paratam Investments Pvt. Ltd.	3,019,800	8.63%	3,019,800	8.63%

The reconciliation of the number of shares outstanding as at June 30, 2014 is set out below:

Particulars	As at 30/06/2014	As at 30/06/2013
Number of shares at the beginning	34,978,500	34,978,500
Add: Shares issued during the year	-	-
Number of shares at the end	34,978,500	34,978,500

Notes forming part of the Consolidated Financial Statements for the year ended 30th June, 2014

(₹ in Lac)

Particulars	As at 30/06/2014	As at 30/06/2013
Note 3 RESERVES AND SURPLUS		
General Reserve *		
Balance at the beginning of the year	3,500.00	2,500.00
Add: Transferred from Surplus	-	1,000.00
Balance at the end of the year	**3,500.00**	**3,500.00**
Surplus		
Balance at the beginning of the year	13,572.74	11,221.90
Add: Net profit after tax transferred from Statement of Profit and Loss (Refer to Note no. 36)	10,572.39	6,010.84
Amount available for appropriation	**24,145.13**	**17,232.74**
Less: Appropriations		
Tranfer to General Reserve	-	1,000.00
Proposed Dividend on Equity Shares	3,847.64	2,273.60
[Dividend per share ₹11/- (Previous year ₹6.50/-) on face value of ₹2/-]		
Tax on Proposed Dividend	653.90	386.40
Interim Dividend on Equity Shares	699.57	-
[Dividend per share ₹2/- (Previous year ₹Nil) on face value of ₹2/-]"		
Tax on Interim Dividend	118.89	-
Balance at the end of the year	**18,825.13**	**13,572.74**
Securities Premium Account		
Balance at the beginning of the year	694.47	694.47
Balance at the end of the year	**694.47**	**694.47**
Capital Reserve		
Balance at the beginning of the year	904.43	904.43
Balance at the end of the year	**904.43**	**904.43**
Revaluation Reserve		
Balance at the beginning of the year	2,215.15	2,215.15
Add: Tranfer	-	-
Balance at the end of the year	**2,215.15**	**2,215.15**
Translation Reserve		
Balance at the beginning of the year	902.65	397.40
Add: Effect during the year	44.76	505.25
Balance at the end of the year	**947.41**	**902.65**
Consolidation Reserve		
Balance at the beginning of the year	(268.35)	281.94
Add: Tranfer	59.87	(550.29)
Balance at the end of the year	**(208.48)**	**(268.35)**
Total	**26,878.11**	**21,521.09**

* General reserve is created in accordance with Companies (Transfer of Profits to Reserves) Rules, 1975 issued under the Companies Act, 1956.

Notes forming part of the Consolidated Financial Statements for the year ended 30th June, 2014

(₹ in Lac)

Particulars	As at 30/06/2014	As at 30/06/2013
Note 4 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities	52.92	753.92
	52.92	753.92

Particulars	As at 30/06/2014	As at 30/06/2013
Note 5 LONG-TERM PROVISIONS		
Others		
Employee Benefits (Refer to Note no. 33)	728.34	684.16
	728.34	684.16

Particulars	As at 30/06/2014	As at 30/06/2013
Note 6 TRADE PAYABLES		
Trade Payables (Refer to Note no. 37)	2,575.66	1,774.72
	2,575.66	1,774.72

Particulars	As at 30/06/2014	As at 30/06/2013
Note 7 OTHER CURRENT LIABILITIES		
Salary and Benefits Payable	504.33	341.36
Other liabilities		
Expenses Payable	391.10	365.62
Trade Deposits	52.17	43.91
Provision for disputed Sales Tax for earlier years	13.19	13.19
Unpaid Dividends	127.17	69.64
Creditors for Capital Goods	0.24	0.45
Advance from Customers	388.57	677.64
Statutory Dues	365.62	144.86
Other Payables	1,252.69	1,252.91
	3,095.08	2,909.58

Particulars	As at 30/06/2014	As at 30/06/2013
Note 8 SHORT-TERM PROVISIONS		
Others		
Proposed Dividend	3,847.64	2,273.60
Provision for		
Employee Benefits (Refer to Note no. 33)	15.46	43.20
Warranty (Refer to Note no. 40)	262.56	-
Tax on Dividend	653.90	386.40
Income Taxes (Net of Advance Tax)	521.91	582.24
Wealth Tax	1.90	1.37
	5,303.37	3,286.81

Notes forming part of the Consolidated Financial Statements for the year ended 30th June, 2014

Note 9 FIXED ASSETS (₹ in Lac)

	Tangible								Total	Intangible		Total	Capital WIP	Grand Total
	Free Hold Land	Lease Hold Land (SEZ)	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equip-ments	Computers	(A)	Softwares & Intellectual Property Rights	Goodwill	(B)	(C)	(A+B+C)
Gross Block														
As at 01/07/2012	4,933.56	260.49	1,500.93	8,790.19	470.47	427.88	41.14	52.42	16,477.08	15.51	6.80	22.31	8.54	16,507.93
Additions	1.10	-	0.15	83.13	42.20	72.48	1.01	6.13	206.20	0.53	0.25	0.78	351.21	558.19
Sold	80.55	-	21.07	318.96	2.12	31.91	4.56	8.08	467.25	-	-	-	-	467.25
Adjustments	261.53	-	89.87	715.32	40.18	17.59	-	-	1,124.48	-	-	-	-	1,124.48
As at 01/07/2013	5,115.64	260.49	1,569.88	9,269.68	550.73	486.04	37.59	50.47	17,340.52	16.04	7.05	23.09	359.75	17,723.36
Additions	-	-	-	289.59	18.40	120.77	1.14	6.41	436.30	15.78	-	15.78	461.88	913.96
Sold	-	-	-	246.93	20.13	95.77	1.05	10.79	374.66	-	-	-	-	374.66
Adjustments	22.37	-	7.74	62.45	3.75	1.69	-	-	98.01	-	-	-	-	98.01
As at 30/06/2014	**5,138.01**	**260.49**	**1,577.62**	**9,374.79**	**552.75**	**512.72**	**37.68**	**46.09**	**17,500.16**	**31.82**	**7.05**	**38.86**	**821.63**	**18,360.65**
Accumulated Depreciation and Amortization														
As at 01/07/2012	-	20.69	927.56	7,798.15	424.34	256.13	22.68	30.31	9,479.86	8.07	-	8.07	-	9,487.93
Depreciation and Amortization For The Year	-	17.36	60.70	252.27	6.49	44.83	2.06	8.08	391.79	2.59	-	2.59	-	394.38
Deductions	-	-	19.85	218.21	2.12	14.97	4.56	8.09	267.80	-	-	-	-	267.80
Adjustments	-	-	67.55	672.28	37.29	17.54	-	-	794.66	-	-	-	-	794.66
As at 01/07/2013	-	38.05	1,035.96	8,504.48	466.00	303.53	20.18	30.30	10,398.51	10.66	-	10.66	-	10,409.17
Depreciation and Amortization For The Year	-	17.37	60.94	236.31	12.10	42.62	1.85	7.62	378.81	3.22	-	3.22	-	382.03
Deductions	-	-	-	188.20	19.51	63.41	1.05	10.79	282.97	-	-	-	-	282.97
Adjustments	-	-	5.13	55.59	3.13	1.25	-	-	65.11	-	-	-	-	65.11
As at 30/06/2014	**-**	**55.42**	**1,102.03**	**8,608.18**	**461.72**	**283.99**	**20.99**	**27.13**	**10,559.46**	**13.88**	**-**	**13.88**	**-**	**10,573.33**
Net Block														
As at 30/06/2013	5,115.64	222.44	533.92	765.20	84.73	182.52	17.41	20.16	6,942.01	5.38	7.05	12.43	359.75	7,314.19
As at 30/06/2014	**5,138.01**	**205.07**	**475.59**	**766.62**	**91.03**	**228.73**	**16.70**	**18.96**	**6,940.70**	**17.94**	**7.05**	**24.99**	**821.63**	**7,787.32**

1) The leasehold land in Surat SEZ (SUR SEZ) is for the period upto July, 2085 and the lease is to be renewed on expiry of every 15 years starting from 2011. The cost of leasehold land will be amortised over a period of 15 years.
2) Gross Block of Freehold Land includes the Land of IMPCO S DE RL DE CV, Mexico which contains additions on account of Revaluation by ₹2,215.15 Lac
3) Software cost is amortised over a period of 6 years.
4) Intellectual Property Rights cost are amortised over a period of 5 years.
5) Addition to Goodwill of ₹0.25 Lac represents purchase of 0.10% share in IMPCO S DE RL DE CV, Mexico by the Company from its wholly owned subsidiary, Symphony Air Coolers Inc., USA at a price of US$ 492 against the book value of US$ 65, difference being US$ 427, equivalent to ₹0.25 Lac is considered as Goodwill.
6) Capital Work in Progress consists expenditure towards construction of the Corporate Ofifce which is under construction and Moulds which are not put to use.

(₹ in Lac)

Particulars	As at 30/06/2014		As at 30/06/2013	
	No. of Shares/Units	Amount	No. of Shares/Units	Amount
Note 10 NON-CURRENT INVESTMENTS				
Non-current Investments				
Long term investments - Non Trade (Unquoted)				
Investment in equity shares of Associates				
Symphony Designer & Properties Pvt. Ltd.	248	0.02	248	0.02
Investment in equity shares of Others				
Saline Area Vitalisation Enterprises Ltd	2,000	0.24	2,000	0.24
Investment in Mutual Funds				
Birla Sl Savings Fund- Growth Option	198,903	500.00		-
Birla Sun Life Ultra Short Term Fund- Growth Option	672,247	1000.00		-
ICICI Prudential Flexible Income Plan-Growth Option	609,673	1500.00		-
IDFC Ultra Short Term Fund-Growth Option	5,799,522	1000.00		-
IDFC Ultra Short Term Fund-Growth Option	2,734,841	500.00		-
Sundaram Ultra Short Term Fund- Growth Option	5,893,829	1000.00		-
Tata Floater Fund-Plan-A-Growth Option	76,266	1500.00		-
Templeton India Ultra Short Bond Fund-Growth Option	8,689,205	1500.00		-
Templeton India Ultra Short Bond Fund-Growth Option	2,895,680	500.00		-
UTI Treasury Advantage Fund-Growth Option	84,506	1500.00		-
Long term investments - Non Trade (Quoted)				
Investment in Bonds				
Tax Free Bond of IIFC Ltd.	50,000	500.00		-
Tax Free Bond of NHAI	37,086	370.86	37,086	370.86
Tax Free Bond of NHB	7,220	361.00		-
Tax Free Bond of NTPC Ltd.	31,664	316.64		-
Tax Free Bond of PFC Ltd.	32,389	323.89		-
Tax Free Bond of REC Ltd.	1,000,000	1001.80		-
Tax Free Bond of REC Ltd.	50,000	500.00	50,000	500.00
		13,874.45		871.12
Aggregate amount of quoted investments		3,374.19		870.86
Aggregate market value of quoted investments		3,558.46		920.73
Aggregate value of unquoted investments		10,500.26		0.26
Aggregate value of diminution in value of investments ₹Nil		-		-

Notes forming part of the Consolidated Financial Statements for the year ended 30th June, 2014

(₹ in Lac)

Particulars	As at 30/06/2014	As at 30/06/2013
Note 11 LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Capital advances	170.27	59.59
Other loans and advances		
Balance with Sales Tax and VAT Department	11.02	15.45
Deposit Others	116.51	107.66
	297.80	182.70
Note 12 OTHER NON-CURRENT ASSETS		
Interest accrued but not due	-	0.89
Long term Bank Deposits	-	8.81
	-	9.70

(₹ in Lac)

Particulars	As at 30/06/2014		As at 30/06/2013	
	No. of Shares/Units	Amount	No. of Shares/Units	Amount
Note 13 CURRENT INVESTMENTS				
Investment in Mutual Funds (Unquoted)				
Sundaram Ultra St Fund		-	19,948,679	2,002.25
Birla Sun Life Savings Fund	243,478	244.20		-
Birla Sun Life Cash Plus Collection A/c		-	1,215,649	1,218.66
BBVA BANCOMER S.A.	166,591	225.04		-
IDFC Cash Fund		-	15,068,025	1,508.69
Kotak Floater Short Term		-	128,102	1,295.91
Templeton India Ultra Short Bond Fund	10,140,245	1,018.78		-
Morgan Stanley Liquid Fund		-	1,408	14.09
UTI Treasury Advantage Fund		-	150,476	1,508.25
Investment in Mutual Funds (Quoted)				
Baroda Pioneer Fixed Maturity Plan- Series N	10,000,000	1,000.00		-
HDFC Fixed Maturity Plans-Series 27	20,000,000	2,000.00		-
LIC Nomura MF FMP-Series-68	10,000,000	1,000.00		-
Religare Invesco Fixed Maturity Plan-Series XX-Plan C	5,000,000	500.00		-
Reliance Fixed Horizon Fund		-	8,999,990	900.00
Investment in Bonds (Quoted)				
GSPC NCD		-	250,000	268.13
GSPC Distribution Networks Ltd.		-	290,000	294.50

Notes forming part of the Consolidated Financial Statements for the year ended 30th June, 2014

(₹ in Lac)

Particulars	As at 30/06/2014		As at 30/06/2013	
	No. of Shares/Units	Amount	No. of Shares/Units	Amount
Note 13 CURRENT INVESTMENTS *(contd.)*				
		5,988.02		9,010.48
Aggregate amount of quoted investments		4,500.00		1,462.63
Aggregate market value of quoted investments		4,838.00		1,536.43
Aggregate value of unquoted investments		1,488.02		7,547.85

(₹ in Lac)

Particulars	As at 30/06/2014	As at 30/06/2013
Note 14 INVENTORIES		
(As taken, Valued & Certified by the Management)		
Raw materials (Including Packing Material)	1,066.63	1,067.84
Work-in-Progress	3.35	0.92
Finished Goods (Including Goods in Transit ₹90.59 Lac, Previous year ₹54.27 Lac)	1,359.06	1,837.98
Stock-In-Trade (Including Goods in Transit ₹Nil, Previous year ₹1.45 Lac)	1,422.22	1,395.42
	3,851.26	4,302.16

Note 15 TRADE RECEIVABLES		
Outstanding for more than six months		
Unsecured Considered good	233.44	147.91
Unsecured Considered Doubtful	-	0.68
Less : Provision for Doubtful Debts	-	(0.68)
Others		
Unsecured Considered good	3,924.66	3,618.65
	4,158.10	3,766.56

Notes forming part of the Consolidated Financial Statements for the year ended 30th June, 2014

(₹ in Lac)

Particulars	As at 30/06/2014	As at 30/06/2013
Note 16 CASH & BANK BALANCES		
Cash and Cash Equivalents		
Cash on Hand	5.06	16.03
Balance with employees Imprest account	11.36	6.21
Balance with banks in current accounts	411.03	678.32
Other Bank Balances		
In Earmarked Accounts		
Unpaid Dividend Accounts	127.17	69.64
Margin Accounts	2.48	3.68
Deposits with original maturity for more than 12 months	11.43	3,699.10
Deposits with original maturity for more than 3 months but less than 12 months	-	1.40
	568.53	4,474.38

Note 17 SHORT-TERM LOANS AND ADVANCES		
(Unsecured Considered Good)		
Advances		
For supply of goods and rendering of services	1,804.45	760.48
Others	306.20	208.89
Prepaid Expenses	21.41	11.33
Loans and Advances to employees	1.24	1.69
Balance with Central Excise Authority	189.14	195.56
Balance with Sales Tax and VAT Department	272.75	148.60
	2,595.19	1,326.55

Note 18 OTHER CURRENT ASSETS		
Interest accrued but not due	182.04	330.21
Export Incentive Receivable	28.58	39.71
Others	1.76	2.09
	212.38	372.01

Notes forming part of the Consolidated Financial Statements for the year ended 30th June, 2014

(₹ in Lac)

Particulars	Year ended 30/06/2014	Year ended 30/06/2013
Note 19 REVENUE FROM OPERATIONS		
Gross Revenue from Sale of Products	53,243.78	37,766.88
Less: Excise Duty	1.52	3.58
Net Revenue from Sale of Products	53,242.26	37,763.30
Other Operating Revenue	27.95	38.29
	53,270.21	**37,801.59**

Particulars	Year ended 30/06/2014	Year ended 30/06/2013
Note 20 OTHER INCOME		
Interest Income	596.00	642.03
Dividend Income	524.14	354.27
Foreign Exchange Fluctuation	-	403.76
Gain on Sale of Current Investments (Net)	128.59	63.26
Profit on Sale of Fixed Assets	24.36	62.94
Other Non Operating Income	106.19	144.99
	1,379.29	**1,671.25**
Interest income pertains to:		
Interest Income from Long term Investments	278.69	49.65
Interest Income from Current Investments	317.31	592.38
Dividend income pertains to:		
Dividend from Current Investments (mutual funds)	524.12	354.25
Dividend from Other Long Term Investments	0.02	0.02

Particulars	Year ended 30/06/2014	Year ended 30/06/2013
Note 21 COST OF MATERIALS CONSUMED		
Opening Stock of Raw Materials	1,067.84	996.40
Add: Purchases	5,612.89	4,186.33
Less: Closing Stock of Raw Materials	1,066.63	1,067.84
	5,614.10	**4,114.89**

Particulars	Year ended 30/06/2014	Year ended 30/06/2013
Note 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock		
Work-in-Progress	0.92	18.11
Finished Goods	1,837.98	2,530.00
Stock-In-Trade	1,395.42	747.59
Less:		
Closing Stock		
Work-in-Progress	3.35	0.92
Finished Goods	1,359.06	1,837.98
Stock-In-Trade	1,422.22	1,395.42
	449.69	**61.37**

Notes forming part of the Consolidated Financial Statements for the year ended 30th June, 2014

(₹ in Lac)

Particulars	Year ended 30/06/2014	Year ended 30/06/2013
Note 23 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus	3,367.92	2,758.72
Contribution to Provident Fund and Other Funds	762.97	717.30
Staff Welfare Expenses	37.42	21.89
	4,168.31	3,497.91

Particulars	Year ended 30/06/2014	Year ended 30/06/2013
Note 24 FINANCE COSTS		
Interest Expenses	5.37	31.99
	5.37	31.99

Particulars	Year ended 30/06/2014	Year ended 30/06/2013
Note 25 OTHER EXPENSES		
Stores, Spare parts and Packing Material consumed	90.92	120.98
Assembly and Labour Charges	670.47	607.08
Power and Fuel	169.91	141.15
Repairs & Maintenance		
Building	26.98	19.90
Machinery	86.94	94.40
Rent	185.09	156.39
Rates & Taxes	7.68	6.56
Travelling	737.69	598.82
Conveyance	147.55	108.55
Communication Expenses	197.82	149.64
Insurance	57.89	43.62
Research and Development Expenses	183.48	134.37
Printing and stationery charges	49.88	41.51
Legal & Professional Charges	504.70	203.74
Payment to Auditors (Refer Note no. 31)	23.12	28.91
Vehicle Expenses	25.61	28.12
General Expenses	457.87	393.35
Repairs Others	28.34	23.31
Bank Charges	30.20	30.35
Foreign Exchange Fluctuation	57.74	-
Preliminary Expenses	0.36	0.32
Advertisement and Sales Promotion	2,571.90	1,623.66
Freight & Forwarding Charges	1,738.89	1,351.00
Warranty Expense	665.26	319.79
Sales Commission	50.13	50.84
CFA Handling Charges	171.74	150.63
Warehousing Charges	126.05	69.48
Conference and Other Expenses	84.18	77.43
VAT and Sales Tax	4,540.44	3,118.35
	13,688.83	9,692.24

Particulars	Year ended 30/06/2014	Year ended 30/06/2013
Note 26 EARNINGS PER SHARE		
Face value of Equity Shares (₹)	2	2
Net Profit available for Equity Shareholders	10,572.39	6,010.84
No. of Equity Shares	34,978,500	34,978,500
Basic EPS (₹)	30.23	17.18
Weighted No. of Equity Shares	34,978,500	34,978,500
Diluted EPS (₹)	30.23	17.18

(₹ in Lac)

Particulars	2013-14	2012-13
Note 27 CONTINGENT LIABILITIES		
a) Claims against the Company not acknowledged as debt.	13.34	11.91
b) Demand on account of sales tax assessment raised against the Company for the various years but the same is not acknowledged as debt hence, not provided for. Appeals are pending.	0.86	4,429.67
c) Income Tax matters not acknowledged as debts	37.95	78.15
d) Demand under disputed central excise matter, Appeals are being filed.	132.10	341.50
e) Estimated amount of contracts remaining to be executed on capital account and not provided for	295.85	85.02

Income Tax

The Income- Tax assessments of the Company have been completed up to Assessment Year 2010-11. The Company has filed appeal against the demand of ₹37.95 Lac raised for Assessment Year 2010-11. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

Note 28 SEGMENT REPORTING

(a) Primary Segment: Business

The Company has identified two primary segment namely Home Appliances and Corporate Funds so as to know financial efficiency of core business i.e. Home Appliances and Corporate Funds Segment which consists of surplus investments.

(₹ in Lac)

Particulars	2013-14	2012-13
(1) Segment Revenue		
Home Appliances	53,723.50	38,499.84
Corporate Funds	926.00	973.00
Total	54,649.50	39,472.84
(2) Segment Profit before Interest & Tax (PBIT)		

Notes forming part of the Consolidated Financial Statements for the year ended 30th June, 2014

Note 28 SEGMENT REPORTING *(contd.)*

(₹ in Lac)

Particulars	2013-14	2012-13
Home Appliances	12,625.24	8,197.32
Corporate Funds	910.00	962.00
Total	13,535.24	9,159.32
Less: Finance Costs	5.37	31.99
Less: Taxes	2,957.49	3,116.49
Total Profit After Tax	10,572.39	6,010.84
(3) Segment Assets		
Home Appliances	19,516.05	17,714.85
Corporate Funds	19,817.00	13,915.00
Total	39,333.05	31,629.85
(4) Segment Liabilities		
Home Appliances	11,412.37	9,405.19
Corporate Funds	343.00	4.00
Total	11,755.37	9,409.19
(5) Capital Employed		
Home Appliances	8,103.68	8,309.66
Corporate Funds	19,474.00	13,911.00
Total	27,577.68	22,220.66
Segment profit (PBIT) % on Capital Employed		
Home Appliance	155.78%	98.65%
Corporate Funds	6.41%	8.23%

(b) Secondary Segment : Geographical segment

(₹ in Lac)

Particulars	2013-14	2012-13
(1) Segment Revenue		
India	39,466.77	27,299.57
Rest of the world	13,775.49	10,463.73
Net Revenue from Sale of Products	53,242.26	37,763.30
(2) Segment Profit before Interest and Taxes (PBIT)		
India	11,464.20	8,120.73
Rest of the world	2,071.05	1,038.59
Total	13,535.25	9,159.32
Less: Finance Costs	5.37	31.99
Less: Taxes	2,957.49	3,116.49
Total Profit After Tax	10,572.39	6,010.84
(3) Segment Assets		
India	35,615.96	28,023.08

Note 28 SEGMENT REPORTING *(contd.)*

(b) Secondary Segment : Geographical segment (₹ in Lac)

Particulars		2013-14	2012-13
	Rest of the world (Only Receivables *)	3,717.09	3,606.77
	Total	39,333.05	31,629.85
(4)	Segment Liabilities		
	India	11,615.27	8,947.19
	Rest of the world (Advance from customers only *)	140.10	462.00
	Total	11,755.37	9,409.19
(5)	Capital Employed (*)	27,577.68	22,220.66

* Capital Employed and other segment assets and liabilities of geographical segment are not separable.

Note 29 SUBSIDIARIES

Following are the subsidiaries of the Company

(i) Symphony Aircoolers Inc, USA (Subsidiary)

(ii) Sylvan Holdings Pte. Ltd., Singapore (Subsidiary)

(iii) IMPCO S DE RL DE CV, Mexico (Subsidiary of Subsidiary)

(iv) Symphony USA INC., USA (Subsidiary of Subsidiary)

Note 30 RELATED PARTY DISCLOSURES

(₹ in Lac)

Sr No.	Name of the Related Parties	Nature of relationship with Company	Nature of transaction	2013-14		2012-13	
				Volume of transaction	Balance at the end of the year	Volume of transaction	Balance at the end of the year
1	Mr. Achal Bakeri	Key Management Personnel	Remuneration and Perquisites	187.15	105.00	187.15	103.65
2	Mr. Nrupesh Shah	Key Management Personnel	Remuneration and Perquisites	96.71	57.80	46.29	22.86
3	Oras Investments Pvt. Ltd.	Enterprise in which Director have significant influence	Rent Expense	7.23	-	6.70	-
4	Paratam Investments Pvt. Ltd.	Enterprise in which Director have significant influence	Rent Expense	7.23	-	6.70	-
5	Scarlet Living Pvt. Ltd.	Enterprise in which Director have significant influence	Godown Rent Income	0.36	-	0.32	-
6	Scarlet Living Pvt. Ltd.	Enterprise in which Director have significant influence	Purchase of Goods	1.55	0.47	4.53	0.45

Notes forming part of the Consolidated Financial Statements for the year ended 30th June, 2014

(₹ in Lac)

Particulars		2013-14	2012-13
Note 31 AUDITORS' REMUNERATION (Refer Note no. 25)			
a)	As Auditor	21.43	28.91
b)	In other capacity, in respect of		
	i) Tax Audit	1.12	0.28
	ii) Certification	0.56	0.28
	iii) Taxation Matters	3.66	0.56
		26.77	30.03

Note 32 LEASES

The Company has operating lease from various premises which are renewable on a periodic basis and cancellable at its option. Rental expenses for operating lease are charged to Statement of Profit and Loss for the year ₹311.14 Lac (Previous year ₹225.87 Lac).

The future minimum lease payments under operating leases are as follows:

Lease Rentals	2013-14	2012-13
Due within one year	270.82	240.76

The Company does not have any financial lease. The lease term is renewable at mutual agreement of both the parties. There is no escalation clause in the lease agreement. There are no restrictions imposed by the lease agreement. There are no sub leases.

Note 33 EMPLOYEE BENEFITS

The Present value of gratuity obligations is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(₹ in Lac)

Particulars		2013-14	2012-13
I	**Expenses recognized during the year**		
	Current service cost	44.86	31.21
	Interest on obligation	18.32	12.37
	Expected return on plan assets	(15.00)	(4.31)
	Net actuarial losses (gains) recognised in year	(31.81)	49.30
	Total	16.37	88.57
	Actual return on plan assets	15.97	6.13
II	**Reconciliation of opening and closing balances of defined benefit obligation**		
	Opening defined benefit obligation	236.41	145.53
	Service cost	44.86	31.21
	Interest cost	18.32	12.37
	Actuarial losses (gains)	(30.84)	51.12
	Benefits paid	(17.87)	(3.82)
	Closing defined benefit obligation	250.88	236.41
III	**Reconciliation of Opening and Closing balances of fair value of plan assets**		

Note 33 EMPLOYEE BENEFITS *(contd.)*

(₹ in Lac)

	Particulars	2013-14	2012-13
	Opening fair value of plan assets	172.45	50.14
	Expected return	15.00	4.31
	Actuarial gains and (losses)	0.97	1.82
	Contributions by employer	40.56	120.00
	Benefits paid	(14.91)	(3.82)
	Closing balance of fair value of plan assets	214.08	172.45
IV	**Reconciliation of the present value of defined benefit obligation and fair value of plan assets**		
	Present value of funded obligations	250.88	236.41
	Fair value of plan assets	(214.07)	(172.45)
	Net liability	36.81	63.96
	Amounts in the Balance Sheet:		
	Liabilities	36.81	63.96
	Net liability	36.81	63.96
V	**Investment Details**		
	Insurance Company	214.08	172.45
VI	**Actuarial Assumptions**		
	Discount rate	8.83%	7.75%
	Expected return on plan assets	8.70%	8.70%
	Annual increase in Salary costs	7.00%	7.00%
	The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
VII	**Gratuity Benefit**		
	Defined benefit obligation	(250.88)	(236.41)
	Plan assets	214.08	172.45
	Surplus/(deficit)	(36.81)	(63.96)
	Experience adjustments on plan Liabilities	(5.37)	(14.68)
	Experience adjustments on plan assets	0.97	1.82
	Movement in net liability recognised in Balance Sheet		
	Net opening liability	63.96	95.39
	P&L Charge	16.37	88.57
	Contribution paid / Benefits paid	(43.52)	(120.00)
	closing net liability	36.81	63.96

Notes forming part of the Consolidated Financial Statements for the year ended 30th June, 2014

Note 33 EMPLOYEE BENEFITS *(contd.)*

(₹ in Lac)

Particulars		2013-14	2012-13	2011-12	2010-11
VIII	Disclosure as required under para 120(n) of AS - 15				
i)	Present value of the defined benefit obligation	250.88	236.41	145.53	101.16
	Fair value of the plan assets	214.07	172.45	50.14	-
	(Surplus)/Deficit in the plan	36.81	63.96	95.39	101.16
ii)	Experience Adjustments				
	On Plan liabilities	(5.37)	(14.68)	(2.68)	-
	On Plan assets	0.97	1.82	0.14	-
IX	The expected contribution is based on the same assumptions used to measure the Company's gratuity obligations as of June 30, 2014.				

Note 34 LEAVE ENCASHMENT

As per the policy followed by the Company, all the leaves are enjoyable in the financial year itself. Therefore there is no liability of leave encashment existing at the end of the year. Accordingly no provision is made for leave encashment.

Note 35 UNHEDGED FOREIGN CURRENCY EXPOSURE AS AT THE BALANCE SHEET DATE

(₹ in Lac)

Particulars	2013-14	2012-13
Import Creditors	11.48	56.24
Export Debtors	542.72	357.27

Note 36

On 2nd July,2013, the Company announced the discontinuation of its operations at its subsidiary, viz Symphony Air Coolers Inc., USA which has been substantially completed on 30th June, 2013.

Established in the year 2004, Symphony Air Coolers Inc. was incorporated by the Company as its Wholly Owned Subsidiary to promote the business/exports of the Company in USA. Since, the said markets are now taken care by Symphony USA Inc., USA. the subsidiary of Impco S. R. L. de C.V., Mexico (the step down subsidiary of the Company), Symphony Air Coolers Inc. had no operations. Hence to mitigate the cost on operational as well as statutory compliances, the Company has deemed it fit to close down / wind up the said Symphony Air Coolers Inc. USA. The Company has purchased the small shareholding (social quota) of 0.10% held by Symphony Air Cooler Inc., USA in the capital of Impco S. de. R. L. de. C.V., Mexico at the consideration of US$ 492.

In connection with the discontinuation of the operations of the above named subsidiary, loss of ₹72.92 Lac (Previous year ₹11.51 Lac) was recorded and presented as result from discontinued operation.

Note 36 *(contd.)*

Results from discontinued operation

(₹ in Lac)

Particulars	2013-14	2012-13
Turnover	-	-
Operating Expenses	-	3.97
Other Expenses	72.92	-
Profit / (Loss) Before Tax	(72.92)	(3.97)
Income Tax Expenses		
Tax Expense of earlier year	-	7.54
Profit / (Loss) After Tax	(72.92)	(11.51)

Assets & Liabilities of Discontinued Operations included in the relevant notes of Consolidated accounts are as follows:

(₹ in Lac)

Particulars	Note No.	2013-14	2012-13
Reserve & Surplus	2	(0.46)	69.89
Short-Term Provisions (Withholding Tax Receivable)	8	-	(70.35)

The loss for the year from discontinued operations is fully attributable to the equity holders of the Company.

Note 37

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 30th June,2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act,2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 38

In the opinion of the board, Current Assets, Loans and Advances are approximately , stated at the value, if realised in ordinary course of business. Provisions for all known liabilities are provided for in full and the same are adequate and not in excess of the amount considered as reasonably necessary.

(₹ in Lac)

Particulars	2013-14	2012-13
Note 39 EXPENDITURE ON RESEARCH & DEVELOPMENT ACTIVITITIES AS CERTIFIED BY THE MANAGEMENT		
Capital Expenditure	13.80	-
Revenue Expenditure	183.48	134.37
Total	**197.28**	**134.37**

Notes forming part of the Consolidated Financial Statements for the year ended 30th June, 2014

Note 40 PROVISION FOR WARRANTY

Company gives one year warranty on certain components of its products. The expenses on the warranty as and when incurred are charged to the Statement of Profit and Loss.

(₹ in Lac)

Particulars	July 01, 2013	Provision during the year	Utilised during the year	Reversal during the year	June 30, 2014
Provision for 1 year Warranty	-	665.26	402.70	-	262.56

Note 41

Previous year figures have been rearranged/ regrouped wherever necessary to make them comparable with the figures of the current year.

Note 42

(i) Value and % of Imported & Indigenous Raw Materials Consumed

Particulars	2013-14		2012-13	
	Value in (₹ in Lac)	% of total Consumption	Value in (₹ in Lac)	% of total Consumption
Imported	2,020.54	35.99	1,151.04	27.97
Indigenous	3,593.56	64.01	2,963.86	72.03
	5,614.10	100.00	4,114.89	100.00

(ii) C.I.F. Value of Imports

(₹ in Lac)

Particulars	2013-14	2012-13
Raw Materials & Trading Goods	1,970.07	1,169.71
Capital Items	230.20	68.66
	2,200.28	1,238.38

(₹ in Lac)

Particulars	2013-14	2012-13
Note 43 EXPENDITURE IN FOREIGN CURRENCY		
Professional fees	32.16	1.26
Advertisement, Sales Promotion, Freight Paid, Travelling & Others	1,909.71	393.59

Notes forming part of the Consolidated Financial Statements for the year ended 30th June, 2014

(₹ in Lac)

Particulars	2013-14	2012-13
Note 44 EARNING IN FOREIGN CURRENCY (₹)		
F.O.B. of Exports	4,068.27	3,289.71
Other Income	106.04	147.78

As per our Audit Report of even date

For Shah & Dalal
Chartered Accountants
Firm Registration No. 109432W

For and on behalf of the board

Malay J. Dalal
Partner
Membership No. 36776

Achal Bakeri
Chairman & Managing Director

Nrupesh Shah
Executive Director

Place : Ahmedabad
Date : July 31, 2014

Chandrakant Gandhi
Company Secretary

Bhadresh Mehta
Chief Financial Officer

NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of Symphony Limited will be held at Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015, on Wednesday, the September 24, 2014, at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt
   (i) Audited standalone Statement of Profit and Loss for the financial year ended June 30, 2014, Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon and
   (ii) Audited consolidated Statement of Profit and Loss for the financial year ended June 30, 2014 and Balance Sheet as at that date.
2. To confirm payment of interim dividend and to declare a final dividend on equity shares for financial year ended June 30, 2014.
3. To appoint a Director in place of Mr. Nrupesh Shah (DIN 00397701), who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditor and to fix their remuneration and for that purpose to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions of the Companies Act, 2013, read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Shah & Dalal, Chartered Accountants, (ICAI Reg. No. 109432W) Ahmedabad, be and are hereby appointed as Auditor of the Company to hold office from the conclusion of this annual general meeting until the conclusion of next annual general meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass the following resolution with or without modification as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 143(8) and other applicable provisions of the Companies Act, 2013, read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Board of the Directors of the Company be and is hereby authorised to appoint auditor of the Company and / or any person qualified, in consultation with auditor of the Company, as Branch Auditor of any branch of the Company whether existing and / or to be opened hereinafter, in India or outside India, on such remuneration including any other terms and conditions for carrying out audit."
6. To consider and if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, read with the rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Dipak Palkar (DIN 00475995), in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as a non-executive independent director of the Company to hold office for 5 years from August 20, 2014 upto August 19, 2019."
7. To consider and, if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, read with the rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Himanshu Shah (DIN 02644454), in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as a non-executive independent director of the Company to hold office for 5 years from August 20, 2014 upto August 19, 2019.

8. To consider and if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, read with the rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Satyen Kothari (DIN 01817020), in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as a non-executive independent director of the Company to hold office for 5 years from August 20, 2014 upto August 19, 2019."

9. To consider and, if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of sections 149, 152 and all other applicable provisions of the Companies Act, 2013, read with the rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Jonaki Bakeri (DIN 06950998), who was appointed as an additional director with effect from August 20, 2014 and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of director, be and is hereby appointed as a non-executive director liable to retire by rotation."

10. To consider and, if thought fit, to pass the following resolution with or without modification(s) as a **Special Resolution**:

    "**RESOLVED THAT** pursuant to section 14 and any other applicable provisions of the Companies Act, 2013, read with rules made thereunder (including statutory modifications or re-enactment thereof for the time being in force), the consent of members be and is accorded to approve and adopt new draft Articles of Association in substitution and to the entire exclusion of the articles contained in existing Articles of Association of the Company."

    "**RESOLVED FURTHER THAT** the Board of Directors (including any committee of Board) be and is hereby authorised to do such acts and thing as may be necessary in connection therewith for giving effect of this resolution."

Date August 20, 2014
Registered Office:
'Saumya', Bakeri Circle, Navrangpura, Ahmedabad – 380 014
CIN - L32201GJ1988PLC010331
Phone : + 91 79 26424430
Fax : + 91 79 26425930
E-mail ID: corporate@symphonylimited.com
Website:www.symphonylimited.com

By Order of the Board
For, SYMPHONY LIMITED

(Chandrakant Gandhi)
Company Secretary

NOTES:

(a) A member entitled to attend and vote at the meeting is entitled to appoint a Proxy or, where that is allowed, one or more proxies, to attend and vote on a poll instead of himself. Proxy need not be a member of the Company. The instrument appointing Proxy should however be deposited at the registered office of the Company not less than 48 hours before the commencement of the forthcoming meeting. A person can act as proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company. In case, any member holding more than 10% of the total share capital of the Company, can appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

(b) Corporate members intending to send their authorized representatives to attend the meeting are requested to send certified copy of board resolution or other governing body authorizing their representatives to attend and vote on their behalf at the meeting.

(c) The Register of Members and Share Transfer Books of the Company will remain closed from September 13, 2014 to September 24, 2014 (both the days inclusive).

(d) The final dividend for financial year ended on June 30, 2014, if approved by members at the ensuing annual general meeting, will be paid on or before September 30, 2014 to those members whose name appear in the Register of Members of the Company as on closing hours of September 12, 2014.

(e) The statement setting out material facts as required under section 102(1) of the Companies Act, 2013, in respect of Special Business mentioned in the above notice is annexed hereto. The documents and/or letters, if any, referred to in the resolutions are open for inspection for the members at the registered office of the Company on all working days between 2.00 p.m. to 4.00 p.m., up to the date of ensuing annual general meeting.

(f) Members desirous of obtaining any information as regards to accounts and operations of the Company are requested to write to the Company at least 7 days before the meeting to enable the Company to keep the required information ready at the ensuing annual general meeting.

(g) Pursuant to section 72 of Companies Act, 2013, members holding shares in physical form may file Nomination Form in respect of their shareholdings to Registrar and Share Transfer Agent.

(h) Members are requested to bring their folio no. and DP ID - Client ID for easy identification of attendance at the meeting and also for participation at the meeting.

(i) Members, who hold shares in physical form, are requested to intimate the change in their registered address, if any, to the Registrar and Share Transfer Agent. In case of mailing address mentioned on this Annual Report is without PIN Code, members are requested to kindly inform their PIN Code immediately.

(j) Members are requested to bring their copies of Annual Report to the meeting, as the same will not be circulated at the meeting.

(k) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

(l) Details of directors seeking appointment/re-appointment at ensuing annual general meeting of the Company are in this Notice.

(m) Members holding shares in demat form who have not registered their e-mail addresses, are requested to register their email id with their respective depository participants and members who are holding shares in physical form are requested to register their e-mail id with the Registrar and Share Transfer Agent for receipt of Notices, Annual Report, Circulars, etc. by electronic mode.

(n) Pursuant to Section 108 of the Companies Act, 2013 and rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement, the Company has arranged e-voting facility through Central Depository Services (India) Limited for members to exercise their voting rights for all business to be transacted at 27th Annual General Meeting of the Company.

(i) Period of e-voting: From September 15, 2014 at 9:00 a.m. to September 17, 2014 up to 5:00 p.m.

(ii) Log on to the e-voting website www.evotingindia.com

(iii) Click on "Shareholders" tab.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(vii) If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat members as well as physical members)
	If any members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the number of shares held by you as on the cut off date (August 22, 2014) in the Dividend Bank Details field.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) If Demat account holder has forgotten the changed password, enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xii) Click on the EVSN for <SYMPHONY LIMITED> on which you choose to vote.This will take you to the voting page.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.com and register themselves as Corporates. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be e-mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under Help section or write an e-mail to helpdesk.evoting@cdslindia.com

(xx) Mr. Ashwin Shah, Practicing Company Secretary (Membership No. 1640), Ahmedabad, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(xxi) The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

(xxii) Members of the Company, holding shares either in physical form or demat form, as on the cut-off date of August 22, 2014 and who have not cast their vote electronically, may only cast their vote at annual general meeting.

(xxiii) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.symphonylimited.com and on the website of CDSL within 2 (two) days of passing of the resolutions at the annual general meeting of the Company and communicated to the National Stock Exchange of India Limited, BSE Limited and Ahmedabad Stock Exchange Limited.

(o) Pursuant to general circular no. 20/2014 dated June 17, 2014 by Ministry of Corporate Affairs, there would be no voting by show of hands at ensuing annual general meeting since the Company has provided e-voting facility as per Rule 20 of Companies (Management and Administration) Rules, 2014.

(p) Voting through Physical Ballot Form as per Clause 35B of the Listing Agreement, the Company shall provide postal ballot facility as per the provisions of the Companies (Management and Administration) Rules, 2014 or amendments made thereto to enable those members who do not have access to e-voting facility for sending their assent or dissent in writing. However, Ministry of Corporate Affairs vide general circular no. 20/2014 dated June 17, 2014, has clarified that postal ballot option would not be available in case, a member who is not exercising voting through e-voting.

Date: August 20, 2014
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By Order of the Board
For, SYMPHONY LIMITED

(Chandrakant Gandhi)
Company Secretary

Brief Resume and Other Information of director/s seeking appointment / re-appointment in the forthcoming Annual General Meeting

(pursuant to clause 49 of the listing agreement)

Name of Director*	Nrupesh Shah (DIN:00397701)	Dipak Palkar (DIN:00475995)	Himanshu Shah (DIN:02644454)	Satyen Kothari (DIN:01817020)	Jonaki Bakeri (DIN:06950998)
Age	49 years	61 years	52 years	41 years	28 years
Qualification	B.com, FCA, CS	B.com, DTP, DBM	B.com, MBA (Marketing)	Masters in Engineering	B.A.
Date of Appointment	October 19, 2002	December 31, 2005	May 07, 2009	August 20, 2014	August 20, 2014
Brief Resume and Functional Expertise	Corporate Affairs, Strategies, Finance, Accounts and Taxation	Expertise in HR, Marketing, Business Promotion and International Trade	Expertise in Marketing, Business Promotion and International Trade	Experience in conceptualizing in innovative and product services	Experience in sales, Marketing New Product Developement and Finance
No. of Shares held in the Company	8,89,505**	-	500	-	15,79,360#
Directorship in other Company	1. Nabab Consultants Pvt.Ltd. 2. Neelam Professional Pvt. Ltd. 3. Symphony Designer Properties Pvt. Ltd. 4. Altus Learning Pvt. Ltd.	-	Mercer Design Fabrics Pvt. Ltd.	Citrus Payment Solutions Pvt. Ltd.	-
Chairman / Member of the mandatory committee in other public Company	-	-	-	-	-

* Ms. Jonaki Bakeri is a relative of Mr. Achal Bakeri, Chairman and Managing Director. Save and except, none of the above directors is related to any other directors of the Company.

** includes shareholding by director, his relatives and companies in which they are having substantial interest.

Ms. Jonaki Bakeri is part of promoter group which is holding 75% of total share capital of the Company, out of which she in her individual capacity holds 15,79,360 shares (4.52% of the total share capital)

Statement setting out material facts pursuant to section 102(1) of the Companies Act, 2013

Item No. 5

Looking at our business and potential markets in India and also in overseas, it is quite possible that new branches may be opened and it is mandatory to appoint Branch Auditor to do audit of said branches in accordance with section 143(8) of the Companies Act, 2013. It is therefore thought fit to delegate the powers to Board of Directors to appoint branch auditor including fixation of their remuneration and also to decide any other terms and conditions for carrying out audit.

None of the directors, key managerial personnel or their relatives is in any way interested or concerned in the said resolution.

The Board commends passing of resolution as per Item No. 5 as an Ordinary Resolution.

Item No. 6 to 8

Mr. Dipak Palkar (DIN 00475995) and Mr. Himanshu Shah (DIN 02644454) have been non-executive independent directors pursuant to Clause 49 of the Listing Agreement on the Board of the Company since December 12, 2005 and May 07, 2009 respectively. Mr. Satyen Kothari (DIN 01817020) has been appointed as an additional director of the Company u/s 161 of the Act, with effect from August 20, 2014 and he shall hold office up to the date of this annual general meeting.

With the enactment of the Companies Act, 2013 (Act), it is now mandatory for every listed Company to appoint Independent Directors as defined in section 149 of the Act. Ministry of Corporate Affairs vide general circular no. 14/2014 dated June 9, 2014, has clarified that it is necessary to appoint existing independent director under the said Act within one year from April 1, 2014 subject to compliance with eligibility and other prescribed conditions.

The Board of Directors of your Company, after reviewing the provisions of the Act, is of the opinion that Mr. Dipak Palkar, Mr. Himanshu Shah and Mr. Satyen Kothari fulfill the conditions specified in the Act and rules made thereunder to be eligible for appointment as non-executive independent directors pursuant to the provisions of section 149 of the Act.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Dipak Palkar, Mr. Himanshu Shah and Mr. Satyen Kothari as non-executive independent directors. Accordingly, the Board recommends the resolutions at 6 to 8 in relation to appointment of Mr. Dipak Palkar, Mr. Himanshu Shah and Mr. Satyen Kothari as non-executive independent directors pursuant to the provisions of section 149 read with Schedule IV of the Act for the approval by the shareholders of the Company. In terms of provisions of section 149(13) of the Act, Mr. Dipak Palkar, Mr. Himanshu Shah and Mr. Satyen Kothari shall not be liable to retire by rotation. Mr. Dipak Palkar, Mr. Himanshu Shah and Mr. Satyen Kothari have given their consent to act as directors of the Company with declarations to board stating that they comply with criteria of independence enumerated in Section 149(6) of the said Act and Listing Agreemeent do not disqualify from appointment as directors in terms of section 164 of the said Act. The Company has received notices from member signifying intention to propose their appointment along with requisite deposit.

Except appointing director/s and their relatives, none of the directors, key managerial personnel or their relatives is in any way interested or concerned, financially or otherwise, in the said resolution/s.

Item No. 9

With the enactment of the Companies Act, 2013 (Act) and also as per clause 49 of the Listing Agreement to be effective from October 01, 2014, it is mandatory for the Company to appoint a woman director. In compliance of such requirements, Ms. Jonaki Bakeri (DIN 06950998) has been appointed as an additional director of the Company u/s 161 of the Act, with effect from August 20, 2014 and she shall hold office up to the date of this annual general meeting.

The Board recommends the resolution at Item No. 9 in relation to appointment of Ms. Jonaki Bakeri as a non-executive director liable to retire by rotation pursuant to the section 152 of the Act for the approval by the members of the Company. Ms. Jonaki Bakeri has given her consent to act as director of the Company with declaration to Board stating that she does not disqualify from appointment as director in terms of section 164 of the said Act. The Company has received a notice from member signifying his intention to propose her appointment along with requisite deposit.

Ms. Jonaki Bakeri, her relative Mr. Achal Bakeri, Chairman and Managing director and their other relatives may be deemed to be interested or concerned financially or otherwise, to the extent of their shareholding in respect of her appointment as a non-executive director.

Save and otherwise, none of the other directors, key managerial personnel or their relatives is in any way interested or concerned, financially or otherwise, in the said resolution/s.

Item No. 10

The present Articles of Association of the Company contain specific reference of various sections of the Companies Act, 1956 and most of provisions of the said Act are no longer in force upon notification of the Companies Act, 2013.

It is therefore proposed to adopt new set of articles to align the present Articles with the Companies Act, 2013. The draft Articles of Association of the Company is available for inspection at the registered office of the Company during working days at 2.00 p.m. to 4.00 p.m.

None of the directors, key managerial personnel or their relatives is in any way interested or concerned in the said resolution.

The Board commends passing of resolution as per Item No. 10 as a Special Resolution.

Date: August 20, 2014
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Website:www.symphonylimited.com

By Order of the Board
For, SYMPHONY LIMITED

(Chandrakant Gandhi)
Company Secretary

Symphony Limited

CIN - L32201GJ1988PLC010331

Regd. Office: 'Saumya', Bakeri Circle, Navrangpura, Ahmedabad – 380 0014

Form No. MGT-11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):	
Registered address:	
E-mail Id:	
Folio No. / Client Id	
DP ID:	

I/We, being the member(s) of …………..................…. shares of the above named Company, hereby appoint

1. Name:________________________________ Address:____
   E-mail Id: _____________________________ Signature: ___________________________or failing him

2. Name:________________________________ Address:____
   E-mail Id: _____________________________ Signature: ___________________________or failing him

3. Name:________________________________ Address:____
   E-mail Id: _____________________________ Signature: ___________________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on Wednesday, the September 24, 2014 at 10.00 a.m. at Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
1	Adoption of (a) audited standalone Statement of Profit and Loss for the financial year ended June 30, 2014, Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon and (b) audited consolidated Statement of Profit and Loss for the financial year ended June 30, 2014, Balance Sheet as at that date.
2	Confirmation of payment of interim dividend and Declaration of a final dividend on equity shares for financial year ended June 30, 2014.
3	Appointment of a Director in place of Mr. Nrupesh Shah, who retires by rotation, and being eligible, offers himself for re-appointment.
4	Appointment of M/s. Shah & Dalal as auditor and fixation of their remuneration.
5	Authority to Board of Director to appoint Branch Auditor including their remuneration.
6	Appointment of Mr. Dipak Palkar as an independent director.
7	Appointment of Mr. Himanshu Shah as an independent director.
8	Appointment of Mr. Satyen Kothari as an independent director.
9	Appointment of Ms. Jonaki Bakeri as a non-executive director.
10	Alteration of Articles of Association of the Company.

Signed this …… day of 2014

Affix Revenue Stamp

_________________________ Signature of Proxy holder(s)

______________________ Signature of shareholder

Note:

(a) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Symphony Limited
CIN - L32201GJ1988PLC010331
Regd. Office: 'Saumya', Bakeri Circle, Navrangpura, Ahmedabad – 380 0014

ATTENDANCE SLIP

To be handed over at the entrance of the meeting venue:

Full name of the attending members (in block letters)	Folio No.	
	DP ID	
	Client ID	
Name of proxy (in block letters) (to be filled in if the proxy form has been duly deposited with the Company)	No. of shares held	

I/We hereby record my/our presence at the Twenty Seventh Annual General Meeting of the Company on Wednesday, September 24, 2014 at 10.00 a.m. at Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380015.

____
Member's / Proxy's Signature
(to be signed at the time of handing over this slip)

SAFA Award 2011-12

Symphony Limited

'Saumya', Bakeri Circle, Navrangpura,
Ahmedabad 380014, Gujarat, India.
Phone: +91-79-26424430, Fax: +91-79-26425930
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natural cooling