

Innovation > Imitation

Symphony Limited | Annual Report 2016-17

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## **INNOVATION > IMITATION**

At Symphony, we are engaged in the last of the great fights.

Between convenient copying at the back of the envelope.

And a relentless spirit that seeks to push the envelope instead.

We are the mavericks, the square pegs in the round holes, the kind of people who will ask 'why' for everything, the kind who will select to do the more difficult in the hope of discovering a new way.

**And that is making all the difference.**



DOING  
THE  
DIFFICULT

Imitation is as simple as walking  
to the copying machine.

**Innovation is embarking on an  
endless journey.**

Imitation is as facile as asking  
'what?'

**Innovation is about asking the  
searching 'how?'**

Imitation entails looking  
around.

**Innovation involves looking  
inside.**



**THE  
UNEXPECTED  
DOES HAPPEN.**

Imitation is doing an active job.

But innovation is winning.

Imitation is everywhere.

But innovation is more respected.

Imitation is low cost.

But innovation is value-added.

And that is Symphony's story in 153 words.

**Making imitation run out of breath.**

**‘WHAT, NO  
PROFITABLE  
GROWTH?’**





**W**e presume that this is going to be the first response of all those demanding stakeholders who have been used to seeing Symphony report profitable growth throughout the decade.

Symphony reported 29 per cent growth over the corresponding period last year in consolidated gross revenues and a 12 per cent increase over the corresponding period last year in profit after tax in 2016-17.

All we need to assure shareholders is that embedded in this 'aberration' lies the story of innovation-led product success.

Sorry, one change.

Make that *outstanding* innovation-led product success at Symphony.



# TWO PRINCIPAL MESSAGES OF THIS ANNUAL REPORT

**One**, Symphony sustained its innovation focus in 2016-17 more than what our financials might indicate at first glance.

**Two**, there is a deep innovation-inspired sustainable value in our numbers whose positive value will be reflected only after the first quarter of 2017-18.

Sometimes what you don't see is what you get – visibly, attractively and sustainably across the future.

*Psst. Flip the page over to the  
Chairman's review to comprehend how.*

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THINGS  
YOU NEED  
TO KEEP IN  
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OUR LONG-TERM FUNDAMENTALS  
CONTINUE TO BE BULLISH



INNOVATION > IMITATION

**T**he over-riding communication that we wish to send out through this annual report is that in a world where copying something from somewhere and drawing a little something from somewhere else to engage in low-cost product development would have been easier, Symphony said: 'Let us not play this game; let us change the game instead.'

The result is that Symphony invested in original product development and invested in creating products that never existed.

In doing so, Symphony extending beyond cosmetic product changes to new generation products.

The company seeded its business with products that might transform not just the company – but the sector itself.

# DON'T GO STRICTLY BY INDIVIDUAL ANNUAL OR QUARTERLY RESULTS

**W**hen you introduce next-generation products, there is usually a cost associated with their launch, market creation and trade acceptance.

Normally such products may not report surpluses for the first few quarters – even years.

At Symphony, we are pleased to state that these newly-launched products reported a surplus from the first quarter of their launch – a rare phenomenon when launching products with far-reaching consequences.

During 2016-17, Symphony reported a 29 per cent consolidated revenue growth over the corresponding period of the previous year and a 12 per cent growth in profit after tax. This was probably the first time in 10 years when the company reported a profit growth lower than sales growth.





The first question that people would be inclined to ask is whether this represents a slowing down of the company. The answer is a decisive 'no'. Symphony has reported 'aberrations' (if one could call it so) in the past; the company reported a lower growth in topline in the year 2011-12 but went on to report handsome growth thereafter.

The analysts who track sequential and corresponding quarters might find it surprising that when national disposable incomes are rising and Symphony has been spending higher on brand building, why the company should not have reported higher profit growth.

The answer lies in how one perceives markets and competitive forces on the one hand and how one intends to proactively capture market share on the other. During the last financial year, Symphony was proved right on virtually all counts – except one. The company got its product positioning right, the company launched its disruptive **Touch** product range around the right introductory price, the company reported attractive sales and a disproportionate profit growth.

What didn't go as per expectations was the totally unexpected response that

THE REALITY THEN IS THAT SYMPHONY DID NOT DENT PROFITS; THE COMPANY MERELY POSTPONED PROFITS FROM ONE QUARTER ACROSS THE NEXT NUMBER OF YEARS (STARTING FROM THE SECOND QUARTER OF 2017-18). AT SYMPHONY, SUSTAINABILITY PREVAILED OVER THE NEED FOR IMMEDIATE PROFITABILITY.

the **Touch** product range evoked during a challenging period. The product reported 2.5x sales of what had been budgeted. As demand continued to rise, the company could have responded in three ways: moderated offtake and returned the consumer need unaddressed, raised prices mid-season and turned the entire distribution network out of gear or we sustained output, maintained introductory sticker price and taken a relative 'hit' on the bottomline.

Symphony selected the last option. By doing so, the company believes that it has largely shut competition out, retained the confidence of trade partners that we follow stable pricing and seeded the market with thousands of new **Touch** consumers who, one believes, will showcase this differentiated product to their neighbours, friends, relatives, acquaintances and friends' friends without the company having to spend a single rupee on branding, royalty or sales commission.

The reality then is that Symphony did not dent profits; the company merely postponed profits from one quarter across the next number of years (starting from the second quarter of 2017-18). At Symphony, sustainability prevailed over the need for immediate profitability.

The conclusion is that one should not be guided strictly by the quarterly numbers; the broad numbers would be more indicative and more pertinently, it would be fair to appraise performance on the basis of two or three-year clusters. For instance, in the demonetization-ravaged December quarter, Symphony reported a standalone post-tax bottomline of ₹56 cr. that was almost the entire bottomline that the company had reported in 2011-12! Someone who might have noticed only a quarterly aberration may have missed the subsequent show.

The operative word: **patience.**



03

# APPRAISE SYMPHONY BY THE INNOVATION INDEX

There is an index by which the shareholder can be assured that even though the quarterly numbers (and hence, annual) may not have sharply displaced the status quo, the fundamentals continue to remain protected.



Our brand investment increased 32 per cent in 2016-17.

**T**he indication is Symphony's Innovation Index. Consider the quantum of revenues derived from the launch of Symphony's products launched in the last three years - as a reasonable guide to its competitiveness. In 2016-17, the company derived 31 per cent of revenues from products launched in the last three years.

Or consider the lead in Symphony's market share over the market shares of competing brands - 50 per cent market share when we believe that our nearest competitor has a share of 14 per cent at a time when competition has increased.

And thereafter, also consider that in 2015-16, Symphony invested ₹31 cr in brand building; in 2016-17, this

increased to ₹41 cr.

**To put this in perspective:** during a year when standalone gross revenues increased 27 per cent and profit after tax barely grew 19 per cent, our brand investment increased 32 per cent - higher than growth in either parameter. The company allocated more into brand building in 2016-17 than in any year of its existence; the increase in brand spend during the year under review was also Symphony's highest ever.

The decision of the management to spend more than ever in brand-spend was not based on a whim. It was based on a confidence that business health has never been better, that there is an unprecedented traction for the company's products (validating the pass-through from brands to offtake) and that the company is more optimistic about its business today than at any time in its existence.

So what is that the Symphony management sees that most might have missed? The Symphony management perceives a higher spending power in the hands of Indians. The management sees Symphony products becoming relatively more affordable given the increase in incomes and relative decline in inflation. The management sees growing aspirations, where the concept of 'tyaag'

and 'austerity' are yielding to increases in necessity spending. The result is that Symphony, even when we combine features and create what we insiders see as a value-added upmarket model, is something that much of the country sees as something it deserves. Air-conditioners might be seen as conspicuous consumption, but an air-cooler (even the most visible ones such as Symphony) is seen as something that is democratic and universal.

#### **That brings one to an interesting sweet spot:**

Symphony is probably the lowest-priced democratic lifestyle transformer in India today - a product that benefits various people. A scooter costs three times an air-cooler; a kitchenette cost more than an air-cooler; even superior tiles cost more than an air-cooler.

So each time Symphony communicates to trade partners that it would be committing 'x' per cent higher to brand building, they remit their product advances even quicker and book their coolers months in advance, because when we do promote, they are convinced that the pass-through into sales would be clean, direct and immediate.

In financial terms, this brand spending is what analysts describe in two words: **'Postponed profits.'**

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#### Some useful gossip

The assembly line of A.C. major was air-cooled by Symphony. The in-factory temperature is usually ten degrees higher the outside! This spot air-cooling arrangement implemented in just 20 days.

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04

IMPCO SHOULD  
BE SEEN FROM  
AN INTEGRATED  
PERSPECTIVE



Symphony has drawn extensively on IMPCO's competence and created an entire business in India out of industrial coolers.

**W**hen Symphony acquired IMPCO in Mexico in 2009, the company was loss-making. IMPCO was acquired because of the deep knowledge that it possessed in industrial coolers, a segment where Symphony was absent. IMPCO was a PhD in the subject; Symphony in India had done well in residential coolers in India and needed to extend its reach further. The acquisition represented a synergic fit. Symphony would absorb industrial cooler insights from IMPCO; IMPCO would draw on Symphony's entrepreneurial streak into its operations, creating an attractive win-win proposition.

This 'exchange' has already transpired. Symphony has drawn extensively on IMPCO's competence and

created an entire business in India out of industrial coolers. Even as the profits of these have been reflected in the standalone numbers of the Indian company, this would not have been achieved without IMPCO's deep sectoral knowledge.

In the given circumstances, shareholders would be advised to appraise our consolidated numbers rather than see a stripped-down Balance Sheet of IMPCO. Even as IMPCO's contribution to the company is probably under different heads. I am pleased to report that IMPCO has embarked on doing what Symphony has institutionalized for years: divesting surplus land and space, outsourcing operations to third parties, focusing on brand building cum marketing and redeploying the proceeds arising from the divestment in repaying debt to become structurally lean and profitable.

**IMPCO's standalone financial turnaround is round the corner.**

05

# SYMPHONY HAS DONE BETTER IN CHINA FASTER THAN EXPECTED

The other questions that one is **perpetually asked are:** when will China turn around? When will China contribute? To what extent is China dragging down the corporate average?



**We moderated the losses in 2016-17 and we expect the business to turn positive.**

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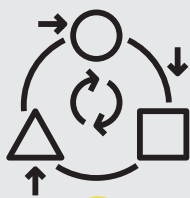
**A**t Symphony, we believe that there are two ways to answer this. The company acquired Guangdong Symphony Keruilai Air Coolers Co. Ltd (GSK) (Dongguan, China) in January 2016 for around ₹1.55 cr. Symphony believes that it paid an absolutely affordable sum of money to enter China through an existing entity, to enter China through an air-cooler company, and to enter China through a pioneering market leader - all three!.

But while the price was just right, there was an annual loss to plug. We had already factored at the time of

acquisition that GSK would lose money for the first few years. We moderated the losses in 2016-17 and we expect the business to turn positive in medium term.

**Symphony believes that the loss has been a small price to pay for what one has received in return:**

one of the world's best repositories in industrial cooler knowledge, patents and product development. The company could have spent years developing this expertise in the Indian environment; one may have spent the next decade entering China and here Symphony received everything in one package with only three to four years of profit gestation. At Symphony, we perceive this trade-off as loaded in the company's favour; it is only a matter of time before Symphony evolves into a robust brand in the largest air-cooler market in the world.



06

# THE POWER OF MORPHING

The other 'hidden' of 2016-17 was the launch of the Touch series. Symphony is excited about the success of this product because in a quiet (though not indecisive) way, the company has taken its first step in blurring the product boundaries in what is often perceived as only an air-coolers company.





This product represents the company's passport into making coolers a perennial product.

**T**he Touch launch excites us for a number of reasons.

One, Symphony demonstrated that it possesses the capability to extend beyond air-coolers (a number of sceptics said the company would fail).

Two, the company was vindicated in believing that the consumer would think this bundling would be a great idea.

Three, this product represents the company's passport into making coolers a perennial product.

Four, the company might have done the ultimate – marketed coolers to people who may not want to buy coolers in the first place and may turn converts only later.

**At Symphony, we are absolutely excited about where this might lead.**



07

# WE CONTINUE TO RUN THE BUSINESS THE SAME WAY AS WE HAVE

Will Symphony alter its business strategy after a relatively modest 2016-17?  
That's almost like asking whether a pilot will fly a tangential route because she encountered a one-off air pocket.

### Some useful gossip

The management at St Mary's School (New Delhi) romanced with the air-conditioning idea in response to a summer reality when students fall ill due to the heat. They turned to air-cooling instead, starting with two corridor machines that cooled multiple classrooms. Eventually, the school installed 20 machines to air-cool all classrooms. Advantage: power cost almost 20% of the air-conditioning equivalent.



Symphony will continue to do things that it did. Symphony will do them better.

Think new concepts around which to create products. Find different ways to stay in the mind of the prospect. Market quicker. Retrieve sales information faster. Evoke distribution loyalty better. Negotiate deeper.

And as long as Symphony keeps doing these – core focus areas – it will keep expanding the market at one end and capture a disproportionately larger market slice at the other. The company has got progressively better at this: there are more than 100 brands competing for shelf-space today and Symphony enjoys a 50 per cent market share.

**The secret: head down, bat in a 'V' and never look at the scoreboard.**

08



## OUR LONG-TERM FUNDAMENTALS CONTINUE TO BE BULLISH

### Some useful gossip

It may appear as a far-fetched story when you hear this the first time but there is a whisper doing the rounds that the air-cooling of the Patanjali Amla Juice factory in Haridwar enhanced people and plant productivity that translated into lower costs that translated into attractive pricing that enlarged the market and transformed India's FMCG sector.



**T**his is the best time to be bullish on India.

The GST implementation could add an estimated 150 bps to the country's GDP according to analysts. It could moderate inter-state pricing worries. It could catalyse the prospects of organized brands. It could increase disposable incomes.

And while all this is transpiring, it will keep getting warmer.

With warmth (of the other kind),

**Achal Bakeri**

# BOARD OF DIRECTORS



**ACHAL  
BAKERI**  
DIN: 00397573

Chairman and  
Managing Director  
and Founder  
Architect, MBA  
(University of  
Southern California)

**He** has 31 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**  
DIN: 00397701

Executive Director  
B.Com., FCA and CS

**He** looks after overall corporate affairs, strategy, merger & acquisition, finance, M.I.S., treasury etc. He has around 29 years of experience in varied corporate functions. He has been with the Company since 1993.



**JONAKI  
BAKERI**  
DIN: 06950998

Non-Executive  
Director  
B.A.

**She** has an experience spanning 12 years in various business functions namely marketing, service, accounts, finance, legal and product development.



DIPAK  
PALKAR  
DIN: 00475995

Independent Director  
B.Com.,  
DTP and DBM

**He** has about 37 years of experience in HR, marketing, business promotion and international sales.



NAISHADH  
PARIKH  
DIN: 00009314

Independent Director  
B. Sc. and MBA

**He** has a rich experience of more than 32 years in performing various roles at corporate level of diverse sectors and expertise in strategy formulation & implementation for new businesses and market entries.



SATYEN  
KOTHARI  
DIN: 01817020

Independent Director  
Masters in Engineering

**He** has a working experience of 21 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.

# MANAGEMENT TEAM



## INDIA



**FALGUN  
SHAH**

**Falgun Shah**  
Chief Innovation  
Officer  
BE (Mech), M. Tech,  
and MBA (Finance)

**He** has a varied work experience of over 31 years across diverse functions. He is responsible for technical and product development initiatives for coolers.



**VIJAY R.  
JOSHI**

**Chief Operating  
Officer**  
BE (Mech),  
Diploma in Business  
Management

**He** has over 30 years of experience and holds overall responsibility for operations including development of new products, materials management and production.



**BHADRESH  
MEHTA**

**Chief Financial Officer**  
B.Com., ACA, ACS,  
AICWA, IFRS and DISA

**He** is a finance and audit professional with 34 years of experience. He is responsible for finance, audit, accounts, costing, taxation and infotech functions.



**MAYUR  
BARVADIYA**

**Company Secretary**  
B.Com, LLB, FCS

**He** has more than 16 years of experience and holds responsibility of company secretarial and insurance functions.





**RAMENDRA  
SAHAI**

Vice President –  
Central Air Cooling  
Solutions  
BE (Mechanical), MBA  
(Marketing)

**He** has over 26 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**

Vice President – Sales  
B.Com.

**He** has over 34 years of experience in the field of sales. He is responsible for all India domestic sales, logistics and commercial functions.



**RAJESH  
MISHRA**

Vice President –  
Marketing – Domestic  
& International Markets  
BE (Mechanical)

**He** has over 22 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 24 years of experience in international business.



**NITENDRA  
PATEL**

Associate Vice  
President – HRD  
BSC, Master of Labour  
Welfare ( MLW )

**He** has over 20 years of experience in the field of Human Resource. He is responsible for HRD and administration function.



**DWIJEN  
BARUAH**

Associate Vice  
President – Quality  
Assurance and  
Business Excellence  
BE (Hons in  
Mechanical Engineer),  
PGDBM

**He** has over 27 years of experience and holds responsibility of Quality Assurance function.



**JUAN  
BENDECK**

General Director  
BS Industrial  
Engineering, MBA

**He** has over 30 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**

Finance Manager

**BS** in Business Administration



**NELDA O.  
JAUREGUI**

Human Resource  
Manager

**BA** in Teaching, MBA



**ALVARO  
TREVINO**

Engineering & Quality  
Manager

**BS** in Mechanical and Administrative Engineering, Master in Material Sciences, MBA



ALEJANDRO  
DE LA  
CERDA

Operations Manager

**BS** in Mechanical and Administrative Engineering, MBA



LILIA  
CHÁVEZ

Head Marketing

**BS** in Marketing, MBA



## CHINA (GUANGDONG SYMPHONY KERUILAI AIR COOLERS CO. LTD.)



AIJUN  
HAN

General Manager

**EMBA** from the Belgium Business Institute. Over 16 years working experience with focus on Sales Management.



ROSE  
XU

Human Resource Manager

**16** years working experience at HR function.



MICHAEL GONG  
Domestic Sales Director

**21** years experience in Sales and Marketing.



PETER ZHENG  
Finance Manager

**17** years experience on Finance



TIABBAO ZHANG  
Operations Manager

**An** expert on Household Coolers manufacturing

01

WE  
ANNOUNCED  
THAT WE  
DESIRED  
TO TOUCH  
PEOPLE'S  
LIVES.

We meant it literally – for a change



---

**Some useful gossip**

We air-cooled the manufacturing assembly lines of a major air-conditioning manufacturer.

---

One will need to merely touch. Hey presto. The cooler will purr into silence. Or touch again. The cooler will smooth into action.

---

In an increasingly non-touch world, where people pride in being able to access each other and products remotely, Symphony said, 'Just wait, we will do the reverse.'

#### Typical.

In 2017, Symphony launched the Touch series of air-coolers.

Which means that when one needs to switch the cooler off in the bedroom chill at 2am, one will not need to fumble around the furniture, grope for the spectacles and search for the button.

One will need to merely touch. Hey presto. The cooler will purr into silence. Or touch again. The cooler will smooth into action.

When we first showcased this product to Symphony's Demolition Team (it possesses a PhD in finding fault with everything in world except Tendulkar's straight drive, if you didn't guess), it laughed:

'Bas, only 'touch' function? Beeju kaai nahi?'

#### Two sentences. Death sentence.

And that is how our Touch team came with something completely out of the way. A cooler that talks. A cooler that ultrasonically repels mosquitoes. A cooler that reminds you about the next service date. A cooler that electronically controls humidity. A cooler with a removable water tank.

But be warned. If you try to buy this product off the shelf in a consumer durables store, there is a possibility that you will find no trace of our Touch range.

Because from the day the Touch series was launched, prominent retailers removed this absolutely electrical product from its conventional segment and reallocated it to the 'digital' category!



### Heard on the street

"The Symphony brand? Distributors provide advances for Symphony products and wait 9 months before sales."



02  
OUR TOUCH SERIES  
WAS SOLD OUT FOR  
A GOOD SIX MONTHS  
EVEN BEFORE WE  
COULD TELL THE  
BROCHURE PRINTER  
'GO PRINT!'



This is one product series that Symphony successfully pre-marketed only on the basis of pictures. The more we showed the pictures, the bigger was the D&D commitment. We marketed 100,000 Touch units before summer.

**W**hen we launch a new product in our business, the usual practice is to print a brochure, send sales representative to dealers and distributors and hope to extract a reasonable booking.

The usual practice is that the D&D comprises paisa-counting businessmen. They will turn products outside-in before their tortured 'yes'. They will compare products centimeter to centimeter with everything you may have produced since...well, 1988. They will provide a running commentary on how tough selling anything is in this country. They will impart sagacious advice on how we may have styled wrong, how the cooler colour is two shades too grey or how the product is either too large to sit comfortably on a table or too small to be noticed.

It is easier satisfying the USFDA auditor who clinically examines pharmaceutical plants than inspiring a D&D to smile.

But at Symphony we keep going back to the D&D for the same reasons. To validate. To check. To course-correct.

So in July 2016 when we activated the D&D whisper circuit about a cooler that would talk and respond to touch, the response was curious. No questions; only cheques.

This is one product series that Symphony successfully pre-marketed only on the basis of pictures. The more we showed the pictures, the bigger was the D&D commitment. We marketed 100,000 Touch units before summer.

Our Production Head threw a fit. "This is the third time that the production plan has had to be altered, which means sending out new indents to all the component manufacturers. *Kai vichaaro to kharaa!*"

**Symphony is now picking up the bill for the Production Head's hair transplant.**



3

“WE’VE HEARD  
OF NEGATIVE  
WORKING  
CAPITAL. BUT  
WHAT THE HELL  
IS NEGATIVE  
CAPEX CYCLE?”

In the business of manufacturing and marketing air-coolers, we encourage our vendors to commission manufacturing facilities and moulds that are funded by the cash on our books.





Until something happened that momentous July of 2016. We marketed a product that didn't exist; we peddled a dream on paper; we collected sizable advances for a product whose plant had not even been commissioned.

For years, the kind of nightmares that we have had have been like: we have a number of product ideas exploding the synapses in our brain, which makes us expend all our cash in giving advances to our vendors until there comes a point when we have exhausted all the ideas in our mind and all the cash on our books and waiting for the market to buy.

Just a nightmare due to some uncontrolled mechanical aberration of the subconscious, what can you do about it? Just one of the things we felt we would have to live with.

Until something happened that momentous July of 2016. We marketed a product that didn't exist; we peddled a dream on paper; we collected sizable advances for a product whose plant had not even been commissioned.

**You might say, big deal.**

But wait. We were like that weary traveller who trips on a stone in the desert, which he removes to find dozens of

glimmering multi-coloured somethings below.

**But cut the analogy.**

The reality was that we took all the cash that had been remitted in advance to manufacture a product and used it to extend as advance for the manufacturing facility. We had heard of an advance being used to manufacture more products; this was the first time that an advance was being deployed to create an entire manufacturing facility.

Symphony's Financial Controller coined a term for this breakthrough: Return on Concept.

Suddenly, life at the company is not just about chasing the numbers. The last we heard was someone say most resignedly: '*Teen din se sirf ek hi breakthrough idea dimaag ma aaya*. Productivity *ki vaat lag gayi!*'

**The times, baby, they are a changin'.**

---

#### Some useful gossip

A two-wheelers manufacturing major gave its fourth industrial coolers order to Symphony in two years.

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04

“THE LAST  
WE HEARD  
WAS DEALERS  
OF SOME AIR  
PURIFIER BRANDS  
HISSING, ‘DAMN  
SYMPHONY!’”

Pray, why would somebody blissfully marketing air-purifiers have a particle to pick with Symphony?



**W**e figured out within months of launching i-Pure in 2016.

i-Pure is an interesting product. Cooler turned air-purifier? Or air-purifier masquerading as a cooler? Frankly, most don't have a clue. Truth is neither do we.

Because our i-Pure technology comprises filters - Bacteria filter, Allergy filter, PM2.5 Wash filter, Smell filter and Dust filter - that purify ambient air. At a fraction of the sticker price of the usual air purifiers.

Plus the product comes with the cooling function. Just like the best of our air coolers.

**So what does this mean? A number of things.**

**One**, we believe that the age of vanilla productisation may be beginning to taper; the era of hybridized innovation may have begun.

**Two**, the successful launch of this product may indicate Symphony's derisked extension into contiguous product spaces.

**Three**, we are transforming consumer preferences; we are enhancing an awareness for domestic pollution; we have more consumers walking in to

ask for 'Woh air-purification waala cooler'; the product is reinforcing the Symphony brand around sensitive caring.

**Four**, this launch may well be the opening of a small window that could one day prove completely transformative; imagine entering a new category through a hybrid product where we charge a price for our cooler but provide the add-on product for free!

**Five**, for all those who dismissed the cooler as a one-season product, the coolers with i-Pure technology is expected to sell through the year.

We are not saying it yet, but there is a term that an increasing number of analysts are beginning to apply to this innovative productisation.

**Disruptive.**

PS. We can't resist adding that Touch with i-pure technology outperformed target 2.5x. Even we are wrong sometimes.

**2.5x**

PS. We can't resist adding that Touch with i-pure technology outperformed target 2.5x. Even we are wrong sometimes.



05

# “SYMPHONY KA MAAL HAI. **ZARoor DIMAAG LAGAAYA HOGA!”**

Whenever anyone chances upon a Symphony product that they may have never used, the general first tendency is to appraise the quality of work by weight.

**I**f it is light (as in halka-phulka), then what may have gone inside the box is dismissed as jod-tod jugaad (re-assembly engineering). But if it is heavy-ish (wazandaar), then, well, you have got people thinking.

At Symphony, we made world-class products that children could either carry or roll from one room to another. And the credit for that goes to a select team of research engineers.

When word filtered through to the market that Symphony had commissioned an R&D team, the first vision that we evoked was a team of apron-dressed analysts peering into test tubes.

At Symphony, our research comprised an understanding of the various factors influencing our business. Of improved materials. Of substitutes. Of superior

tolerances. Of better chemical properties. Of declining weight. Of better component inter-play. Of evolving consumer preferences. Of competing models. Of rising power costs. Of increasing temperatures. Of growing disposable incomes. Of air-conditioner improvements. Of declining room sizes. Of worsening air quality. Of disruptive mosquitoes. Of increasing consumer sedentariness.

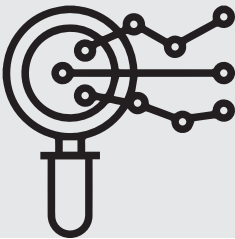
Driven by a Chief Innovation Officer. Driven by a team of research professionals. Driven in a DSIR-recognised laboratory, the only such recognition in the country's air-cooler industry. Driven through cutting-edge equipment and software. Driven by the Kerulai China team, authorities on air-cooler technology.

The result is in the numbers. Product weight has declined. Energy consumption has moderated. The pure-play personality has evolved to a hybrid (air purifier, remember?). The product has graduated from plug-driven to touch/voice-assist.

We picked up this line from one of thousands of counters where our brand is retailed: "Symphony ka maal hai. Zaroor dimaag lagaaya hogal!"

**Cool, no?**

06  
“STEVE WAUGH,  
SYMPHONY,  
SYMPARK AND  
THE LAST  
FRONTIER.  
MAKING  
DISPARATE  
CONNECTIONS  
WORK!”





We couldn't just make any product and dispatch them to sit on some rural dealer's shelf while every second customer walked in and asked for 'Pankhaa.'

**Y**ears ago, Steve Waugh said that irrespective of what his rampaging Australian team had done, there was still an unaddressed agenda that was bothering him: beating India in India. He drew up the grandness of his ambition in three neat words: 'The last frontier.'

Rural India is something like this for all of us who salivate at the prospect of marketing to under-consumed 850 mn people. Possibly the largest such population cluster in the world.

It was not that we didn't know where the market lay. The challenge was that we didn't know what product would sell best. And since we didn't precisely know that, we couldn't just make any product and dispatch

them to sit on some rural dealer's shelf while every second customer walked in and asked for 'Pankhaa.'

We began to appoint dealers to cater only to rural areas as opposed to semi-urban dealers having some rural contacts as well. We will concentrate on 2300 rural locations each with a population in excess of 10,000.

And once we had done so, we needed information. We could have created a 500-person army to cover rural India and report their daily findings. Symphony figured a better way. A bar-code.

That's right, something as utterly simple as a bar-code. We put products in the rural (and other) markets; we let the product sit on retail shelves; we asked the retailer to scan the bar code each time the product was sold.

Then we doubled the number of retailers. The result is that our back-end analytics team suddenly found itself in King Solomon's Mine: products sell well when temperatures rise 2 degrees in March; products sell even better when temperatures rise by the same 2 degrees in May; coolers move best on Friday evenings; footfalls

convert effectively into sales after 6pm; offtake peaks between the fifth and fifteenth day of the month.

**We could sit on this data and be smug; we are customising this information around promotion schemes, we have adapted our advertising and we are sending trade messages like 'Hot wave predicted in 48 hours. Have you stocked enough?'**

Besides, each time, the retailer scans the bar-code, she (or he) gets 'points'. Transforming a serious business into an exciting game.

The last we heard was that some retailer persuaded a prospective air-conditioner buyer into taking a cooler home. His motivation? *'Biwi ne kaha agli baar Symphony ke points ko istemaal kar ke Bangkok leke chalo. Mehnat kar rahaa hu saab!'*



07

“JAHAAAN DEKHO  
WAHAAN  
SYMPHONY. AUR KOI  
BRAND-SHAAND  
COOLER BANAATA  
HAI KE NAHI?”

In a competitive coolers market, before the battle is fought for market space, it is fought for shelf-space.



**A**nd here is where the battle can get subtly competitive. A rival brand volunteers to refurbish the interiors of a prominent retailer in exchange for additional shelf-space. Another brand marketing a completely different product offers an attractive promotional scheme; the retailer gets a panic attack that prompts him to send half our displayed merchandise into his 'godaam'. A product launch by an unrelated appliance brand comprises standee and danglers that affect the visibility of our products.

You would think that because of our undisputed market leadership, brand promotion and product superiority, walk-ins would say 'Symphony denal' and when they do not find us prominently displayed or not in stock would feel committed enough to come back a week later.

If only the world was that loyal. They buy whatever else is available, the retailer providing the tipping point: *'Yeh bhi achcha maal. Badi company hai. Koi takleef hone se to main hoon na!'*

The message: ***'Jo dikhta hai, woh bikta hai.'***

At Symphony, we encourage our dealers and retailers to stock Symphony adequately through the off season; the differential between the cost at which they buy from us and the price at which they sell translates into a hefty RoCE that would make some of our small-cap mutual fund manager look embarrassing; when dear Celsius begins to defy gravity, they have an unseen self-enforced pistol on their heads: *'Aur Symphony baich!'*

Our brand spending has been more aggressive (₹41 cr, 2016-17), crowding the consumer's mind as if no other brand exists.

We provide attractive dealer schemes; it has been said that a 'dealer would be hating his money to not buy into the Symphony scheme' (statutory disclaimer: no Symphony insider was responsible in inciting, provoking or encouraging this response).

We replenish every sold Symphony product with speed. In doing so, we enhance the working capital efficiency of the retailer's Symphony outlay (we have it on good record that this is the highest that the retailer makes across all displayed products, but we wouldn't like to go official on this just yet).

So if you need to do a dipstick of how competitive we are, forget the Balance Sheet. Just calculate the proportion of retail space dedicated to Symphony products (psst, around 60 per cent, but generating 80 per cent of shop revenues). Our competitors are paying retailers to put their products beside Symphony in the hope of getting reflected glory rub-off.

The result is when our competitors wish to introduce a new model through the air-cooler trade, the one line that has become a standard trade response is *'Sahib, jagyaa nathi!'*

Reminds us of someone called Rahul Dravid. The Wall.

**The trade helped us create one.**



The result is when our competitors wish to introduce a new model through the air-cooler trade, the one line that has become a standard trade response is *'Sahib, jagyaa nathi!'*



QUIZ TIME:  
WHICH IS THE  
FASTEST GROWING  
BUSINESS  
SEGMENT AT  
**SYMPHONY?**

At Symphony, our two biggest employees are  
people whom we reward with no salary, Dearness  
Allowance or promotion.

**N**ice, undemanding and hardworking.

Employee one is Ms Urbanisation. Employee two is Mr Modern Trade.

Now what would urbanization have to do with air-cooler offtake? People who would buy air-coolers in urban India would probably buy one in semi-urban India as well, goes the counter argument. Our take is slightly different: the spending propensity of the same individual on air-cooler consumption is probably 2.5x when the individual shifts address to urban India; the potent combination of air-noise pollution coupled with enhanced warmth (not the bonhomie-wala warmth), makes the air-cooler an instinctive refuge.

Now come to modern trade. Like it or not, people like you and I are finding some excuse or the other to escape to the air-conditioner-chilled (irony baba, irony) environment of malls. And whilst we are just floating around, we are also losing our way into anchor stores, we are also temporarily losing our '24x7 focus' and getting to unintended aisles and just

when we have convinced ourselves that we are doing nothing more than 'look around', we chance upon this absolutely stunning cooler piece that the sales person is inviting us to press buttons in and soak the draught while she intones 'Better than an air-conditioner.'

You think this is too functional to be true? Well, read some numbers: the modern trade business, launched in 2011, reported substantial growth over the previous year.. Besides, our modern trade market share increased to over 60 per cent.

And, sure, you won't believe this when you read this first but it is absolutely completely and comprehensive true that, modern trade anchor stores are quietly telling us that Symphony's air-coolers are driving their footfalls.

**Put an italic on the word 'their'.**

**the modern trade business, launched in 2011, reported substantial growth over the previous year. Besides, our modern trade market share increased to over 60 per cent.**

**Some useful gossip**

A major building product company called for replacing air conditioner in its canteen & administration area to reduce the power bill at its plant.

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‘NOT ANOTHER  
TELEVISION  
COMMERCIAL!’  
WAILED THE  
HAPLESS  
CONSUMER...

IN INDIA, EVERYONE IS SELLING.



Selling  
an idea.



Selling  
a product.



Selling a  
service.

The commercial was conceptualised by DDB Mudra, a prominent advertisement agency. The promotion was launched in March 2017. Even as the cost of the promotion was completely expensed in 2016-17, the benefits will accrue through 2017-18 and beyond

**M**ost of us have had enough. Proof? See the number of people who walk out for popcorn, coffee and French fries during that 20-minute (God!) interval of a multiplex film. It's like the world telling all those who make these ad films 'We will do anything but watch another one!'

Which is why most ad film makers use hilarious scripts and outrageous stories for only 30 seconds of audience attention but draw a naught because most viewers are unable to answer: 'Which product was advertised?'

At Symphony, we were faced with all these challenges when we launched a

television commercial in 2017.

That people wouldn't watch. That people wouldn't remember. That our spending would be wasted.

At Symphony, we broke the clutter. We produced an animated television commercial. We showcased our product in context of the singular heat source (sun). We themed the messaging around '*Garmi ko karo Symphony!*' We graduated the product into a verb. We made the advertisement culture-neutral (could be telecast in any State or country).

The impact? If we tell you that we got people talking about our products, you may say we are imagining things.

So let us provide incontrovertible evidence: the commercial generated 300,000 complete (not seen halfway and exited) views within the first 48 hours on youtube.



# THE RUMOUR OF AN APP THAT MIGHT BE PROMOTED TO VICE PRESIDENT (SUPPLY CHAIN).

10

Long ago when the sky was blue, air particle-free and rivers clean, each time a cooler was sold, the retailer would wait for the Symphony representative to make his weekly (or bi-weekly) round, have a cup of chaai, enquire about the family and then ask: *'Achcha bhai, kitna bika? Kitna maal aur bheju?'*



One day, one of our trade executives looking into his smartphone to make that call to the field realized he was literally looking into the solution.

**T**hat is how business would be conducted. Leisurely. Comfortably.

At Symphony, we realized we were missing something. There was a lag between the time of sale and the time of replenishment.

At Symphony, we recognised that the challenge lay in getting information quicker from the field to the factory. If we replenished products faster, we would shrink the retailer's working capital; we would inspire trade loyalty; we would get them to stock more with the same outlay; we would sell more; we would turn inventories over faster.

The problem was getting information. That critical insurmountable last mile.

Until one day, one of our trade executives looking into his smartphone to make that call to the field realized he was literally looking into the solution.

An app. An app. An app. It could have been Archimedes leaping out of his bathtub and streaking across the Syracuse bylanes in his birthday suit after cracking the buoyancy code, but we will leave it at that.

The e-Sampark app has transformed Symphony's Sales Force Management system. The app makes it possible for us to check which sales representative was at which retailer store on which day. We check retailerwise reports; we track productwise replenishment reports; we track representative productivity – every single day.

Better still, whenever the retailer's stock level declines below 75% of optimal level, all the retailer needs to do is punch the app, send the information to the sales person and the material is replenished in no time. The factory makes what sells. No decisions on gut-feel.

Suddenly, the standard excuse that '*Aapne to kuch aur bola tha*' and '*Mere samajhne me bhool hui*' are history.

**There is a whisper that the e-Sampark app is likely to be promoted to Vice President (Supply Chain).**

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#### Some useful gossip

A Japanese T&D major replaced its legacy air-washer consuming high power with Symphony's energy efficient units saving 10 kw per hour.

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11

# FAR EAST AND SOUTH EAST. IMAGINE WHAT COULD HAPPEN WHEN THE TWAIN MEET...

When we acquired Guangdong Symphony Keruilai Air Coolers Co. Ltd (Dongguan, China) in 2016, the general impression was that we did this for the land, equipment and manufacturing capacity.



**W**e acquired the company for knowledge.

At the risk of making a statement that may be misinterpreted as grandiose, the reality is that the company possesses unparalleled air-cooler research capabilities in the world.

The company was ahead of the sectoral curve; the company framed China's air-cooler product quality standards; the promoters of the company were selected to chair China's national committee for air-cooler standards; the company was awarded 50 patents for industrial coolers; the company developed and manufactured cellulose paper pads used in air-coolers, which became the principal reason for which the company was acquired by a large Swedish company; the manufacturing facility continues to be state-of-the art and the brand continues to retain its premium sheen.

The company extended its insight into household coolers as well. The products, designed for the Chinese market, have been designed around the premium and are respected for their range (6000 cubic metres an hour to 60,000 cubic metres an hour) and

ability to minimize sound emission. When used, they don't just run; they purr. It is a performance that you cannot hear; you can feel.

The bottomline: the Chinese company provides a unique convergence: state-of-the art manufacturing facilities, deep world-beating research facilities and professionals with deep domain understanding.

Symphony brings to the deep domain competence of its acquired company a number of demonstrated capabilities: one of the most compelling air-cooler price-performance ratios anywhere in the world; the proven capability of having evolved the market (as opposed to the reverse).

Ah, what a cross-flow of capabilities can this achieve.

### **Imagine.**

And then there is the point about how our Chinese face will make it possible for us to source better and larger, but we would rather leave that for you to spin a dream on.

**KD18 series:** Evaporative air cooler. Cubical shape. One meter for each

dimension. Delivering 18,000 cubic meters per hour. Cold, filtered and fresh air. Innovative and patented technologies. Features comprise water distribution, water storage, multi-level sensor, automation, fan design, motor design. Pioneering when introduced. This 18000 CMH now a world-standard specification. One of the world's most energy-efficient low-noise coolers in the 18000 CMH category. Almost plug-and-play.

### **MEC22 and MEC32**

**series:** Enjoy 22000 and 32000 CMH respectively. Enriched with central group control (20 concurrent coolers), temperature control, humidity control, and, also reverse rotation (for occasional exhaust). Comprises other KD18 series advantages. Capable of fully-outdoor applications. Produced with tough engineering plastic (with UV stabilizers and anti-ageing additives).

## **18000**

**THIS 18000 CMH NOW A WORLD-STANDARD SPECIFICATION. ONE OF THE WORLD'S MOST ENERGY-EFFICIENT LOW-NOISE COOLERS IN THE 18000 CMH CATEGORY. ALMOST PLUG-AND-PLAY.**

#### Some useful gossip

A large LCV dealer in Jamshedpur allocated an air-cooled showroom to market air-coolers.

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12

“CAN THE MEXICO  
OPERATIONS BE  
TURNED AROUND?’  
IS A QUESTION  
THAT NO ONE  
IS NOW ASKING”

Symphony acquired operations in  
**Mexico in 2009.**



Symphony soon came to the conclusion that the Mexican operations didn't need a new pair of glasses; the business needed to be viewed with a new pair of eyes.

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**T**here were a number of reasons for the acquisition. The market was attractive by itself. Products made in Mexico could be exported to USA. The industrial coolers knowledge within that unit could be transferred to Symphony. The challenge was not this. The challenge was turning the Mexican operations around.

The problem was that revenue growth possibilities appeared limited in a mature market like Mexico. Cost engineering appeared to be the only probable option.

**The \$ 64 mn question:**  
Which costs? Just about every cost appeared sacred. Just about every expenditure head appeared sacred.

Symphony soon came to the conclusion that the Mexican operations didn't need a new pair of glasses; the business needed to be viewed with a new pair of eyes.

Symphony embarked on Project Renovacion. A number of production activities began to be outsourced. The surplus land, buildings, plants were divested. The business relocated to reduce overheads. Operating losses declined; profits are expected to materialize in the second phase.

**The big ship has begun to turn.**

13

HOW  
**BRAND  
SYMPHONY**  
HAS TRANSFORMED  
THE LIVES OF  
PEOPLE WHO MAY  
NEVER BUY ITS  
PRODUCTS

At Symphony, we started our company  
with the objective of creating shareholder  
wealth on our Balance Sheet.

THE SYMPHONY STOCK STRENGTHENED 2,963 PER CENT. AND IF YOU REALLY HAVE AN EYE FOR FINE PRINT, HERE IT IS: THE BSE SENSEX REPORTED A COMPOUNDED GROWTH OF 8 PER CENT IN THE SEVEN YEARS LEADING TO 2016-17; SYMPHONY'S CORRESPONDING NUMBER WAS 73 PER CENT.

consume; an operating model that does not need cash to build manufacturing facilities; a management that is not shy of stepping beyond the Iron Curtain (read China).

The result is in the numbers: we were valued by the markets at ₹348 cr in mid-2010; we were valued at ₹10,663 cr at the close of 2016-17. The BSE Sensex appreciated 67 per cent through this period; the Symphony stock strengthened 2,963 per cent. And if you really have an eye for fine print, here it is: the BSE Sensex reported a compounded growth of 8 per cent in the seven years leading to 2016-17; Symphony's corresponding number was 73 per cent.

We will not be able to quantify the respect this has generated; we will be able to tell you something about the fan mail instead. About the father who wrote saying he was able to fund his child's operation by selling some Symphony stock. About the American fund manager who took home a handsome bonus because of that one decision that transformed his fund's destiny. About marriages financed. About educational careers extended. About new homes purchased.

And the ultimate of all fan letters. About leading investing houses that are using Symphony as a case study to tell their wide-eyed trainees of what can possibly happen when they get their home work right on stock selection.

There is that lovely Paulo Coelho line about how destiny conspires to make unbelievable things.

**Let us leave it at that.**

**A**s destiny would have it, we have ended up creating far more wealth outside of the Balance Sheet.

We are absolutely grateful to the markets for the way they have perceived us: a company that is present in a country and space where we can grow interminably (there is something called global warming at work); a product that leads the market; a business that throws out far more cash than we can

# HOW WE SELECTED TO DO BUSINESS

We will remain  
asset-light

We will have  
variable cost  
manufacturing

We will design  
products

We will focus on  
being the first in  
everything we do

We will make  
products that  
customers never  
knew they wanted

We will control  
quality of  
manufacture

We will acquire  
companies with  
complementary  
capability

We will acquire for  
knowledge, brands,  
presence, scale,  
network and market-  
readiness

We will be research-  
driven (products,  
process or markets)

# THIS IS HOW OUR MODEL HAS TRANSLATED INTO CONSOLIDATED REVENUE GROWTH.

**278**

REVENUES (₹ CR),  
2010-11

**811**

REVENUES (₹ CR),  
2016-17

**16**

CASH ON BOOKS  
(₹ CR), 2010-11

**326**

CASH ON BOOKS  
(₹ CR), 2016-17

**4**

INVENTORY TURNS,  
2010-11

**10**

INVENTORY TURNS,  
2016-17

**51**

PROFIT AFTER TAX  
(₹ CR), 2010-11

**166**

PROFIT AFTER TAX  
(₹ CR), 2016-17

**27**

EBIDTA MARGIN (%),  
2010-11

**30**

EBIDTA MARGIN (%),  
2016-17

**890**

MARKET CAP (₹ CR),  
31 MARCH 2011

**10,663**

MARKET CAP  
(₹ CR), 31 MARCH 2017

**0.40**

DEBT-EQUITY RATIO,  
2010-11

**0.30**

DEBT-EQUITY RATIO,  
2016-17

**34**

ROCE (%), 2010-11

**36**

ROCE (%), 2016-17



"**Symphony** does business with enlightened dadagiri for the benefit of all stakeholders."

"**Symphony** in one word? 'Hatke'."

"**Symphony** does not compete with the market. Symphony competes with Symphony."

"**Symphony** is not a product. It is a status symbol."


"In 2016, we encountered a stock out in Meerut. One cooler was left at

a particular shop. An argument broke out between two prospective customers. One said 'Mainey khareeda.' The other said the same. Ultimately the dealer auctioned the cooler!"

"**A Reliance** Digital customer waited two months for a specific Symphony model (out of stock) than buy something else."

"**A Tirupati** channel partner said: 'Symphony is like the Tirupati hundi. Distributors stand in queue to deposit cash.'"





"A **Kadapa** channel partner said: 'Symphony markets products across all 12 months; customers buy only during three months.'"

"**Grocer** from Pileru. Pharmacist from Bokaro. Fish-breeder in Asansol. Cycle dealer from Chaibasa. Cyber cafe owner from Indore. Textile dealer from Kanchipuram. Liquor dealer from Lucknow. This is a list of people who switched their core business to Symphony dealership on account of increased margins and assured returns."

"**Symphony** enjoys more than 50% market share in a category crowded by more than 70 brands."

"In a **Dhanbad** winter, a couple came to buy washing machine and ended up buying the new Touch cooler on impulse."

"**Air purifiers** range from ₹10,000 to ₹50,000. Symphony provides air purification starting from ₹5991. Symphony provides pure air for free!"

# CORPORATE SNAPSHOT

SYMPHONY IS NOT JUST THE NAME OF INDIA'S LARGEST AIR-COOLERS COMPANY.

IT IS A GENERIC NAME.

A NAME THAT VIRTUALLY STANDS AS THE REFERENCE OF AN ENTIRE SECTOR.

A NAME THAT SOME CONSUMERS USE WHEN THEY WISH TO BUY AN AIR-COOLER AND NOT NECESSARILY THE COMPANY'S PRODUCTS.

WHICH IS WHAT MAKES SYMPHONY THE WORLD'S LARGEST AIR-COOLER BRAND.

RESPECTED. ADMIRER. CHERISHED.

## Background

Symphony is the largest air cooler manufacturer in the world. The Company is headed by Achal Bakari of the Bakari Group. Established in 1988, in Ahmedabad, India, the Company has acquired global eminence to emerge as the best evaporative air cooler manufacturer.

## Products

Symphony possesses a wide product range across residential air coolers, packaged air coolers and

central air coolers. Years of R&D have gone into the Company's cooling solutions offered across a range of capacities and models. Air coolers are efficient, cost less, are environment-friendly and are portable - a competitive edge over alternative cooling solutions.

## Location

The Company is headquartered in Ahmedabad, India. The Company acquired a company called Impco with a manufacturing facility in Mexico. Symphony also has other

subsidiary companies - Sylvan Holdings Pte. Ltd., Singapore and Guangdong Symphony Keruilai Air Coolers Co. Ltd., China.

## Presence

Symphony has established global market presence in the Americas, Europe, Asia and Africa. Cumulatively, the Company has a presence in more than 60 countries, making it the most widely available brand in the world apart from being the largest Air Cooler manufacturer. The countries in which Symphony markets products include the US, the UK, Ireland, the UAE, Saudi Arabia, Spain, South Africa, all over South East Asia and Australia, among others.

Symphony's products have been endorsed by industry giants like General Electric (Illinois, US), Lear Corporation (US), Wal-Mart (US). They enjoy a strong presence across supermarkets in the US and Mexico such as Walmart, Sears, Carrefour, Lowe's and Home Depot.

## Listing

The Company's shares are listed on the National Stock Exchange and Bombay Stock Exchange.

**75%**

Promoters holding,  
March 31, 2017

**13%**

Institutional  
holding,  
March 31, 2017

**484**

Team size,  
March 31, 2017

**10,663**

Market  
capitalisation,  
March 31, 2017  
(₹ cr)

**458**

Capital employed  
(₹ crore as on  
March 31, 2017)

## GLOBAL CERTIFICATION

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European  
Conformity



INTERNATIONAL ORGANISATION  
FOR  
STANDARDISATION



STANDARD ORGANISATION OF INDIAN

**KuCAS**

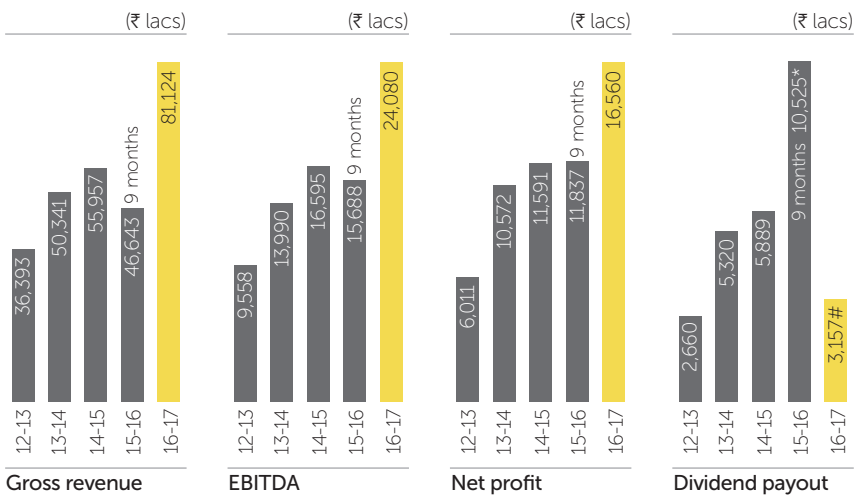
KUWAIT CONFORMITY



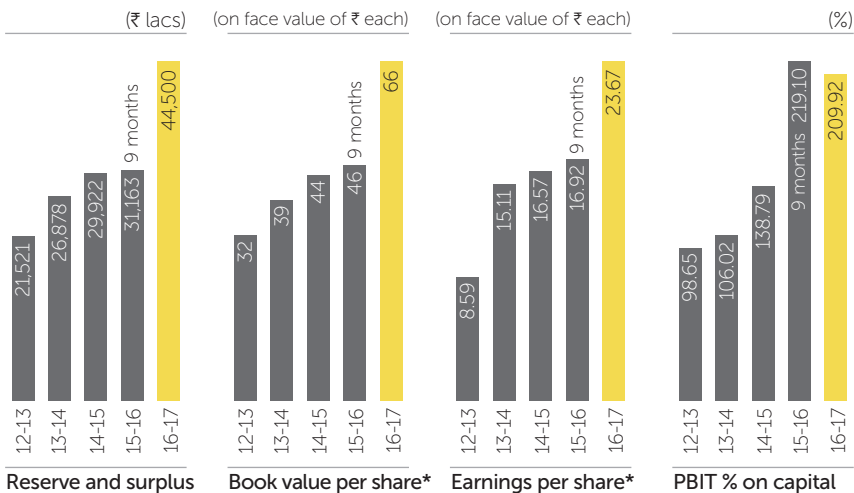
Norma Oficial  
Mexicana

# OUR KEY PERFORMANCE INDICATORS

## Consolidated financial performance

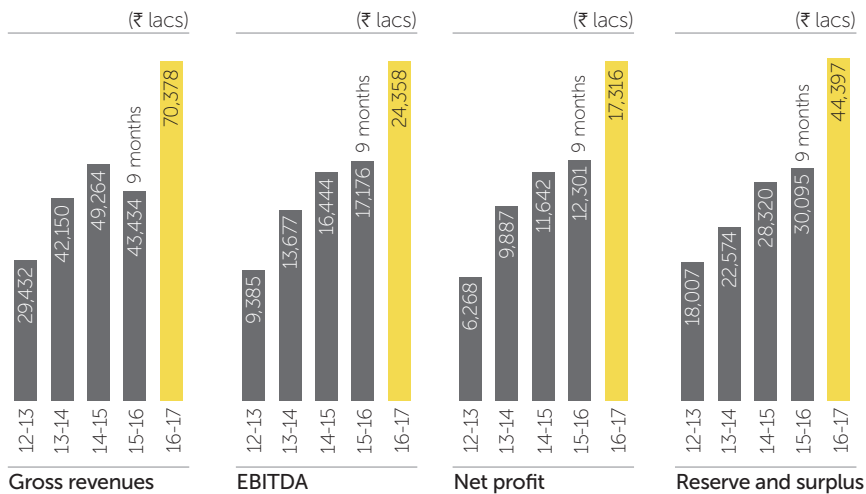


\* including special dividend payout of ₹4,210 Lacs  
# including proposed dividend payout of ₹842 Lacs



\*recalculated consequent to issue of bonus shares during the year.

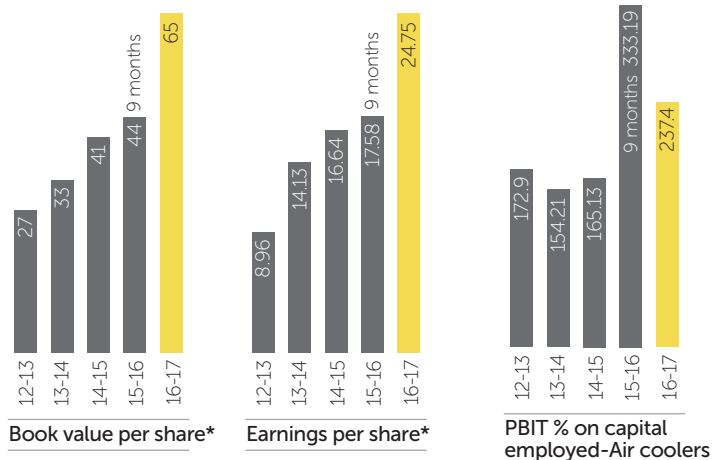
## Standalone financial performance



(on face value of ₹ each)

(on face value of ₹ each)

(%)



\*recalculated consequent to issue of bonus shares during the year.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Global economic overview

Global economic growth stagnated during FY2016-17 following a deceleration in trade activities, lowered investments and political uncertainties in advanced economies. The year was marked by the United Kingdom's decision to exit the European Union and the election of Donald Trump as the American President. Consumers continued to spend cautiously as expenditure increased by 2.4% in real terms over 2015, well below the corresponding increase in disposable incomes in the Asia-Pacific. Global growth was estimated to rise from 2.3% in 2016 (estimated by World Bank) to a projected 2.7% in 2017. Growth in emerging and developing economies is expected to revive in 2017 on the back of a removal of obstacles for commodity exporters and sustained demand from commodity importers. (Source: World Bank, Euromonitor).

## Indian economic overview

After being hailed as a 'bright spot' among emerging economies, India's GDP finally weakened during FY2016-17. The projected GDP growth of 7.6% (as estimated by IMF) was revised to 6.6% following the demonetisation initiative which resulted in massive cash shortages and payment disruptions. However, the aftereffects of the demonetisation initiative had abated by the close of the financial year under review after having affected economic growth for two consecutive quarters. India's eight core infrastructure industries – coal, crude

oil, natural gas, refinery products, fertilisers, steel, cement and electricity registered a cumulative growth of 4.9% during the April-November period compared to 2.5% a year back. (Source: Economic Survey.)

## Outlook

After a lacklustre outturn in 2016, economic activity is projected to pick up pace in 2017 and 2018. India's fundamentals are expected to emerge stronger following the implementation of the GST. The proposed GST implementation should catalyse inter-state trade, enhancing investments, reducing supply chain-related issues, enhancing economies-of-scale, moderating overheads and adding about 150 bps to GDP growth. Moreover, favourable monsoons, stable oil prices and stronger supply chain linkages are expected to renew consumer confidence. In view of these realities (and the fact that the Chinese economy continues to remain sluggish), India is likely to retain its position as the fastest-growing major economy with a projected GDP growth of 7.2% in FY2017-18. (Source: IMF, ICRA).

## Indian air coolers industry

The Indian air cooler market is estimatedly worth ~ ₹3,500 crore with a 30% share belonging to the organised players. The Indian air cooler market has witnessed a spurt in demand for cutting-edge coolers (priced ₹10,000 and above). Till a couple of years back, there were no air coolers available in this price range and they

now account for >15% share of the organised market in value terms. There are an estimated 247 million households in India and ~ 65% of them own ceiling or table fans. A mere ~ 4% of them households own air conditioners and approx. 10% own air coolers. Rising temperature levels have caused cooling solutions to be viewed as necessities as opposed to luxury items. The implementation of the GST is expected to enforce a unified taxation regime, thereby removing logistical bottlenecks and nullifying cost disparities between organised and unorganised players.

## Demand drivers

**Middle-class population:** India accounts for 3% of the global middle class with 23.6 million people. It has the lowest threshold for a person to be considered middle class with annual income of \$13,662 (₹737,748 or ₹61,480 per month). With 23.6 million people, the Indian middle class holds almost a quarter of the country's wealth at \$780 billion (₹5,070,000 crore). (Source: *Credit Suisse*)

**Food security:** Recent figures show India to be the fastest-growing of all emerging economies, with growth this year above 7%. The population is still growing too, and forecast to reach 1.4 billion by 2030, exceeding that of China. The current 1.3 billion inhabitants are eating more every year too, even if malnutrition remains a serious problem. Over previous decades, food demand has been met largely by increasing farm yields; production has more than tripled from 87 million tonnes in 1991 to 280 million in 2015. The Central Government is looking to strategically streamline the process of getting fresh produce to consumers by

setting up air cooler-powered warehouses. (Source: *The Guardian*)

**Working population:** India has four times the population, and also more than three times as many cooling degree days (CDDs) per person compared to the United States. Thus, India's total potential demand for cooling is 12x that of the United States. India's burgeoning workforce and demand for commercial real estate will increase the demand for cooling solutions. (Source: *Berkeley Haas*)

**Changing preferences:** The Indian consumer durables industry has been witnessing a shift towards high-end models for various product categories. Corporates are offering technologically advanced products as consumers no longer mind paying a little extra for these feature-packed products. (Source: *IIFL*)

**Pocket-friendly alternative:** Considering the lower cost of ownership vis-à-vis ACs (70% lower capital costs and 90% lower running costs) and the constrained power supply situation in India, air coolers have emerged as go-to option for the mass-market consumers. (Source: *IIFL*)

**Technological advancements:** Air coolers work best in hot and dry climates. The working of air coolers depends on the evaporation of water into the atmosphere. Hence if more water evaporates, the air will be cooler. But there is a limit to the air holding capacity of the atmosphere, so if the air is already humid, it will not be able to hold more water and as a result the air is not cooled to the extent it would cool in drier climates. Hence higher the humidity, less will be the effect of the coolers. Nowadays, manufactures are making coolers with humidity

control to overcome this drawback, especially in humid coastal regions.

**Consumption levels:** Even assuming conservative GDP increases of 6% to 7% a year, consumption expenditures are expected to rise by a factor of three to reach \$4 trillion by 2025. India's nominal year-over-year expenditure growth of 12% is more than double the anticipated global rate of 5% and will make India the third-largest consumer market by 2025. Rising affluence is the biggest driver of increasing consumption. Of India's five household income categories (elite, affluent, aspirers, next billion, and strugglers), the top-two income classes are the fastest-growing. From 2016 through 2025, the share of elite and affluent households will increase from 8% to 16% of the total while the share of strugglers will drop from 31% to 18%. (Source: BCG)

### **Symphony's financial performance**

The Company's consolidated sales grew by 29 % to ₹766.15 crore in 2016-17 following a visible improvement in sales. EBITDA stood at ₹240.80 crores compared to ₹193.88 crores in the comparable period of previous year. The Company reported a post-tax profit of ₹165.60 crore in 2016-17 compared to a post-tax profit of ₹147.54 crore in the comparable period of previous year.

### **Product performance**

#### **How air coolers work**

Most of the coolers available today are evaporative coolers also known as swamp coolers or desert coolers. In these coolers, hot air from outside is passed over water. The

water takes up the heat from the outside air and it evaporates. Hence due to the transfer of heat from air to water, the temperature of air decreases, making it comparatively cooler. This cool air is then directed inside the room. This process when repeated constantly brings down the overall temperature of the room making it pleasant during a hot sunny day. The outside air is drawn into the cooler with the help of a fan where it passes through the cooling pads. The evaporation of water takes place within these cooling pads. A pump is used to bring the water on the top of the cooling pads and is then allowed to trickle down through the pads. As the working of the coolers involves only evaporation of water, it is the most environment friendly way of space cooling.

### **Symphony – raising the bar for Indian air cooler manufacturers**

Symphony researches consumer lifestyles to drive smarter innovation. This is why, some of the industry-leading design and quality innovations are integrated in the latest range of Symphony air coolers.

- Digital Touchscreen
- Voice Assist
- Ultrasonic Mosquito Repellent
- i-Pure technology - multi-stage air purification
- Electronic humidity control
- World's first wall mounted air cooler
- Magic fill - automatic water filling
- Removable tank
- Cool Flow Dispenser
- Power Saver Technology



## Residential air coolers

The domestic air cooler segment is largely fragmented with about 70-80% of sales accounted for by unorganised players. The branded air cooler industry is extremely competitive in nature with the top-four players accounting for more than 90% of all sales. Symphony is the leading player in the space distantly followed by several other players. Symphony's air coolers enjoy high demand in areas where it is difficult or impossible to install and use air conditioners. Symphony's air coolers are relatively inexpensive and can be easily maintained by a layperson. The result: the Company enjoys about 50% share in the organised segment.

## Central air coolers

Central air cooling is an efficient alternative to air conditioning because it's a cost-effective and environmentally-friendly cooling solution designed for various industrial environments. The centralised air cooling market in India is estimatedly worth ₹40,000 million with Symphony being the only branded player in this space. The Symphony range of central air cooling units are manufactured at IMPCO using cutting-edge technology and enjoy strong offtake in the North American markets. Realising the potential for these coolers, the Company launched them in India in 2014-15. Symphony's central air cooling units are made from the highest grade of automotive steel with corrosion-resistant coatings to enhance durability. Symphony's central cooling solutions cater to factories, offices, schools, malls, assembly halls, warehouses and metro stations. Symphony is also credited with executing the

world's largest central air cooling project at the Hajj Complex, Saudi Arabia and India's largest cooling project at the Patanjali Yog Bhawan, Haridwar. Symphony acquired M/s. Munters Kerulair Air Treatment Equipment (Guangdong) Company Limited in China [now known as Guangdong Symphony Kerulair Air Coolers Co. Ltd.] to facilitate the Company's access to the Chinese market (the second-largest air cooler market in the world after India). It is China's largest air cooler manufacturing company and one of its oldest. Although the Chinese market is facing a slowdown, it still remains a big market for air coolers. This also enhances Symphony's ability to earn international revenues as China enjoys free trade agreements with most ASEAN countries.

## Packaged air coolers

Despite having such a wide range, there remained a huge requirement of air cooling for spaces that fall between residential and large commercial spaces. This inspired Symphony to develop and introduce packaged air coolers in India. Packaged air coolers are ready-to-fit compact units ideal for a wide range of commercial, industrial and residential uses. These offer numerous advantages over air conditioners – durability, easy installation and value-for-money – and are suited for spaces where conventional air conditioning solutions fall flat.

## Internal control systems and their adequacy

The Company has in place robust internal control systems and procedures. The Company has deployed a strong system of internal control

procedures that are commensurate with the size and nature of the business. These internal controls ensure the 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 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 control 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, observations of both internal and external audit teams, risk assessment and adequacy of internal controls.

### **Information technology**

In order to enforce robust internal control and strengthen management processes and information availability, the Company has operationalised a tailor-made ERP system that helps effectively monitor operations and manage resources. With a view to expanding business operations of the Company decided to implement SAP in 2016. This would further

improve Symphony's systemic efficiency and operational control across levels.

### **Human resources**

Symphony acknowledges the contribution of human resources to organisational effectiveness. The Company has invested in the training and knowledge upgradation of employees across various functions and levels. Symphony enjoyed cordial relations with its employees throughout the year. As on March 31, 2017, the Company has on its payrolls 484 employees compared to 443 on March 31, 2016.

### **Risk management**

#### **Decline in quality could affect brand equity**

**Mitigation:** Symphony has invested in a comprehensive quality management system manifested in audits to assess process uniformity and product consistency. The Company invested in quality and testing facilities to achieve a zero-defect status across manufacturing facilities.

#### **A static product range may affect the Company's growth**

**Mitigation:** The Company offers a wide variety of options within each segment to cater to the needs of customers across different price points. The Company serves the needs of the industrial, hospitality and retail segments under the aegis of the central air cooling solutions SBU. In order to cater to untapped segments, the Company launched ready-to-fit compact units that are ideal for shops, hotels, restaurants, religious places and other such segments.

**It may be difficult to reconcile domestic leadership with global presence**

**Mitigation:** The Company's brand visibility is expected to translate into market share retention in India (>50% of the organised segment). The Company provides superior business value to stakeholders: significant number of distributors and dealers backed by strategically-located regional marketing offices. Globally, the Company enjoys a marketing presence in more than 60 countries thanks to its qualitative excellence.

**Increasing competition may affect the Company's bottomline**

**Mitigation:** Symphony has differentiated itself from its peers by consistently coming up with innovative, energy-efficient and environment-friendly products. Symphony's frugal engineering and quality emphasis have translated into enhanced competitiveness.

**A decline in revenues could prove detrimental for the Company**

**Mitigation:** Air coolers have proved to be a superior alternative to air conditioners (lower

lifecycle cost and enhanced flexibility). Rising prosperity and increasing environmental consciousness is likely to generate attractive air cooler market growth over the foreseeable future.

**An inability to keep up with incipient market demands may adversely affect the Company**

**Mitigation:** Symphony's state-of-the-art R&D facilities bring together cross functional R&D teams comprising scientists, cooling technologists and researchers who collaboratively explore ways and means to bring better air cooling solutions to millions of people across the globe.

**Cautionary Statement**

Statements in this Report describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

# BOARD'S REPORT

*Dear Shareholders,*

Your Directors are pleased to present the 30<sup>th</sup> Annual Report of the Company for the financial year ended on March 31, 2017. Consequent to the change of corresponding financial year, the current financial year ended on March 31, 2017 (12 months) figures are not comparable with figures of previous financial year (9 months) ended on March 31, 2016.

## 1] A) Highlights of Results and State of Company's Affairs

(₹ in lacs)

Particulars	Standalone		Consolidated	
	2016-17	2015-16 (9 Months)	2016-17	2015-16 (9 Months)
Revenue from Operations & Other Income	70,378	43,434	81,124	46,644
Profit before Financial Charges, Depreciation & Taxation, Exceptional Items	24,358	17,176	24,080	15,689
Less: Financial Charges	1	8	3	20
Less: Depreciation & Amortisation Expenses	368	219	705	430
Profit before Tax & Exceptional Items	23,989	16,949	23,372	15,239
Add: Exceptional Items	-	-	-	1,247
<b>Profit Before Tax</b>	<b>23,989</b>	<b>16,949</b>	<b>23,372</b>	<b>16,486</b>
Less: Income Tax	6,475	4,589	6,614	4,589
Less: Deferred Tax Liability	201	64	201	64
Less: Provision for tax of earlier years	(3)	(4)	(3)	(4)
<b>Profit After Tax</b>	<b>17,316</b>	<b>12,300</b>	<b>16,560</b>	<b>11,837</b>
Add: Balance as per last year Balance Sheet	24,996	23,221	25,832	24,520
<b>Amount available for Appropriation</b>	<b>42,312</b>	<b>35,521</b>	<b>42,392</b>	<b>36,357</b>
Utilisation for issue of bonus shares	5	-	5	-
Dividend and Dividend Tax (interim dividends)	2,315	10,525	2,315	10,525
<b>Surplus in statement of profit and loss</b>	<b>39,992</b>	<b>24,996</b>	<b>40,072</b>	<b>25,832</b>

## B) Key Financials as on March 31, 2017

### Consolidated Financial Results

Your Company, along with its subsidiaries, has a global presence. In order to provide an overall view of the comprehensive performance of the group, the Company has prepared consolidated accounts of the holding company and all its subsidiaries, in accordance with the accounting standards that are applicable. The consolidated revenue from operations along with other income stood at ₹81,124 lacs. The profit after tax was ₹16,560 lacs.

The highlights of the key financials are as under:

(₹ in lacs except share data)

Particulars	Standalone	Consolidated
Equity Share Capital	1,399	1,399
Net worth	45,796	45,899
Book Value Per Equity Share	65	66
Earnings Per Share (EPS)	25	24
Investments	30,692	28,283
Contribution to Exchequer	20,168	20,727

### 2] Dividend

During the period under review, the Board of Directors has declared three interim dividends aggregating to ₹3.50/- (175%) per share and bifurcation of the same is as under:

Date of Declaration	Interim Dividend Amount per share (in ₹)	% of Dividend
July 26, 2016	1.50	75
October 25, 2016	1.00	50
February 10, 2017	1.00	50

The Board has recommended a final dividend of ₹1 (50%) per equity share having face value of ₹2 each subject to approval of members at ensuing annual general meeting for the financial year ended on March 31, 2017.

An aggregate dividend for the financial year ended on March 31, 2017 on approval at ensuing annual general meeting would be ₹4.5 (225%) per share as against ₹25 (1,250 %) for the previous year. The total payout including

final dividend for the financial year 2016-17 (including dividend distribution tax) would be ₹3,157.45 lacs (previous year ₹10,525 lacs) translating into a dividend pay-out of approx. 19% (previous year 89%).

### Shareholders' Reward Policy

Symphony believes in maintaining a fair balance over a long term period between payout / reward to the shareholders and cash retention. The Company has been conscious of

the need to maintain consistency in payout / reward to the shareholders. The quantum and manner of payout / reward to shareholders of the Company shall be recommended by the Board of Directors of the Company.

## **Method of Payout/Rewards to the Shareholders**

### **A.1 Dividend Distribution Policy**

This policy is framed pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (hereinafter referred to as Listing Regulations).

- a) The Company will generally endeavour to distribute to the shareholders up to 50% of its profit after tax (including dividend distribution tax and other taxes as applicable).
- b) In rare circumstance of any contingency, acquisition opportunities or other business opportunities or unforeseen circumstances, payout to shareholders may be precluded at the discretion of the Board of Directors.
- c) Recommendation with regard to payout to shareholders shall be influenced by various factors including, without limitation, internal factors such as profits earned during the fiscal year, liquidity position, fund requirement for acquisitions, reward to shareholders by corporate actions (like buy back of shares) and external factors such as general market conditions, cost of raising funds from alternate sources, applicable taxes including tax on dividend,

exemptions under tax laws available to various categories of investors and future expansion opportunities etc.

- d) The retained earnings of the Company shall be utilized for future growth and expansion of business, probable acquisitions, working capital and for meeting unforeseen contingencies.
- e) The Company has only one class of shares viz. equity shares.

### **A.2 Interim Dividend**

The Board of Directors may, as and when consider it fit, on the basis of performance, profitability, liquidity and on review of quarterly / half yearly / periodical financial statements declare interim dividend to reward the shareholders.

### **A.3 Special Dividend**

The Company may consider special dividend in exceptional circumstances in such event, the limit as stated in clause 1(a) above may exceed.

## **B. Bonus Issue**

As and when the Company has large accumulated reserves represented by free reserves, securities premium, surplus etc. which are felt more than the requirements of the Company, the Board may consider to utilize such balances towards issuance of bonus equity shares or any other security (ies) as may be permissible under the applicable provisions of the Companies Act, 2013, SEBI Act alongwith applicable regulations thereunder and any other Act as may be applicable.

### C. Buy Back

As and when the Company has large accumulate reserves represented by free reserves, security premium, surplus etc. which is also supported by sufficient liquidity in the company, the Board of Directors may consider to carry out Buyback of its equity shares in accordance with the relevant applicable provisions of the Companies Act, 2013, SEBI Act alongwith applicable regulations thereunder and any other Act as may be applicable.

### D. Sub Division / Splitting of Shares

The Board of Directors may also consider to sub divide the equity shares in order to improve the liquidity in the market and to make it more affordable to retail shareholders thereby attracting better participation of retail shareholders in the equity shares of the Company.

## 3] Material Changes and Commitment

There was no material change and commitment affecting the financial position which occurred between the financial year end and the date of this report.

### 4] Issuance of Bonus Shares

During the year under review, the Board of Directors had recommended bonus equity shares in proportion of 1 (one) equity share of ₹2 each for every 1 (one) existing equity share of ₹2 each held by the members. Subsequently, the members of the Company at their 29<sup>th</sup> annual general meeting held on August 31, 2016, had approved the issuance of bonus equity shares.

On September 17, 2016, the Bonus Shares Allotment Committee of the Board has issued

and allotted 34,978,500 fully paid bonus equity shares of face value of ₹2 each to the members holding shares of the Company as on the record date i.e. September 15, 2016.

Pursuant to issuance of bonus shares, issued, subscribed and paid up share capital of the Company stands increased to ₹139,914,000 divided into 69,957,000 equity shares of ₹2 each.

## 5] Operations Review

During the year under review, revenue from operations along with other income on standalone basis stood at ₹70,378 lacs. During the year 2016-17, your Company focussed on further expanding its Dealer and Distributor network to benchmark against some of the most widely distributed consumer durable brands in the country. As a result of this thrust, by end of the year under review, the Company had increased its rural penetration by 260%. Thus, your Company has now become one of the most widely distributed brand in the consumer durable sector in India. The increase in retail network has also been matched by expansion of network of direct dealers, modern retail chain stores, regional retail chains and warehouses across the country.

To ensure better focus on market expansion and better brand and product visibility, your Company has expanded the senior management team in Domestic and International Sales during the year. This has enabled the Company to closely monitor the market trends and proactively plan the marketing strategies rather than reacting to market trends.

Your Company considers After Sales Service as a key differentiator which helps its products to fetch a premium over other brands and wins trade and customer loyalty. During the year, your Company further strengthened its After Sales Service set up by increasing the no. of authorised service centres to about 1000. Your Company has a very large base of existing customers using its products, who require routine maintenance and upkeep. Your Company has identified this as an opportunity to serve its loyal customer base, increase brand loyalty and in the process, enhance revenue through service operations. To enable the service franchisee to provide prompt service to the customer, your Company has developed an App which helps it to track the status of all pending calls on line and ensure 100% customer satisfaction.

Your Company offers the widest range of models in the Air cooler industry in the country. It further strengthened its leadership position by launching "TOUCH" range of air coolers with unique features never seen before. This was received very well by the trade and customers and has become one of the bestselling ranges in the very first year of launch. Apart from five models of Touch range, 8 new models were also introduced to cater to various needs of the customers putting your Company much ahead of its competitors.

Like in the past, this year also, your Company continued its aggressive advertisement and promotional campaigns over print, electronic and digital media. Your Company commanded more than 56 % Share of Voice (Source: BARC)

in the Air cooler advertising, making it the most visible brand in electronic and on line media.

During the year under review, your Company introduced various steps to win dealer loyalty including a key initiative of launching an app 'SYMPARK', aimed at rewarding the retailer for his continued loyalty and motivating him to push Symphony products over other brands. This has been a huge success, and has helped your Company in maintaining its No. 1 position with an increased market share, despite many new entrants flocking the market.

### **Modern Trade**

During the period under review, your Company continued to be aggressive in top line products sales through large format stores, retail chains, e-commerce portals and TV shopping channels.

Your Company could maintain its number one position in modern trade, registering a healthy growth and commanding higher market share.

Your Company's products are well received in all major modern trade stores and continue to be the preferred brand across all regions.

### **Central Air Cooling Solutions**

The Central Air Cooling Solutions business has moved from strength to strength through focused efforts, increased manpower and improved nation-wide dealer network.

The new range added from China with complete in-built controller and motor has created lot of excitement, and response has been more positive than expected. This has the makings of futuristic product, which is feature packed.



During the year under review, your Company focussed on approaching customers in various customer segments directly. The Company executed numerous prestigious orders including those from Tata Steel, Indian Railways, Exide Industries, Ghadi Detergent, TVS Tyres, Marino Laminates, CPWD, NIT Nagpur and many other prestigious clients. Your Company continued to make inroads into various customer segments with approvals from some key opinion makers like HVAC consultants and large MEP contractors. During the period under review, your Company continued with many business development activities through advertisements in newspapers, journals, TV channels and participation in exhibitions.

Your Company's Packaged Air Coolers are compact, easy-to-install and are meant for midsize spaces such as commercial, industrial and residential areas. They have gained momentum and have been received very well in the market. The campaign has resulted in increased awareness about Central Air Cooling Solutions.

Your Company hopes to reap the benefits of these steps in the years to come.

### **Air Coolers - Overseas Business**

Revenues from overseas business during the year under review increased to ₹72 Crores. Your Company strengthened its senior management team in India and abroad and entered 10 new Countries during the year under review. These markets, along with the existing ones, offer ample opportunities for your Company to build a platform for a rapid expansion of its customer

base in the years to come.

Though revaluation of Rupee offers some challenges, your Company is confident of building and strengthening its International distribution network to generate higher volumes.

### **SEZ Units**

During the year under review, your Company continues to operate in two Special Economic Zone (i) Kandla SEZ at Gandhidham, Kutch, Gujarat and (ii) Surat SEZ at Sachin, Surat, Gujarat. The operations at both SEZ units remain satisfactory. It may be noted that the SEZ units enjoy a number of direct and indirect tax benefits including benefits under new foreign trade policy.

### **Overseas Operations - Impco S. de R. L. de C.V. Mexico**

The "Project Renovation" started in 2014-15 has progressed quite well. Accordingly many of the activities have been outsourced and surplus assets have been monetised and IMPCO is gradually becoming asset-light, capital-light business model in line with Symphony India.

This has resulted into:

1. Complete debt free status of Impco (Internal debt fully repaid with interest, there was never any external debt).
2. Improved operational efficiency.
3. Managing working capital requirement on its own.
4. Lean Manufacturing operations.
5. More focus on design, innovation, branding and marketing.

## **6] Overseas Operations - Guangdong Symphony Kernilai Air Coolers Co. Ltd. (GSK), China**

The year under review was the first full operating year after acquisition with effect from January 1, 2016. The operating loss during the calendar year 2016 as compared to calendar year 2015 (pre-acquisition) is nearly halved, on account of various steps taken by the Company to reduce overheads and improve the operating efficiencies. The Company, at the time of acquisition of GSK, already envisaged that for initial two to three years the losses would continue but will get reduced and hope to break-even within two to three years' time.

The GSK acquisition has also provided opportunity to synergistic advantages in terms of mutually complementary air cooler models, increasing presence in China and ASEAN countries, etc.

## **7] Awards and Accolades**

- The Company was bestowed with India Design Mark for model "CLOUD" by India Design Council.
- Received award for India's Most Attractive Air Cooler Brand – 2016 from Trust Research Advisory (TRA). As per study report, Symphony Brand rating jumped by 259 ranks and stood at 384 as compared to 643 in the previous year.
- Received the Financial Express CFO of the year award 2017 and your Company has been accorded Rank 1 in the Small Enterprise – Manufacturing category.

- ISO 9001 : 2015 certification for quality management and systems for its design, sales, marketing, after sales services of air coolers.
- Certificate of appreciation from VAT department, Jalgaon, Maharashtra.
- Received a product certification from Standard Organisation of Nigeria.
- Received certification from Kuwait Conformity Assurance Scheme (KUCAS).

The awards won by the Company reflect its consistent outperformance and staying ahead of its competitors with its focused approach, innovative products and dynamic business strategies.

## **8] Management Discussion and Analysis Report**

Pursuant to Regulation 34 of Listing Regulations, Management Discussion and Analysis Report for the financial year ended on March 31, 2017 is annexed to this annual report.

## **9] Corporate Governance**

Your Company has instilled a strong culture of values, morals and integrity and has continuously sustained a cohesive way of thinking and commitment to action. The Company endeavors to be a sustainable and reliable organisation as it trusts that unrelenting governance is the cornerstone in building and upholding relations with all its stakeholders. The Company's association with its investors is a key factor of Corporate Governance. An enduring communication with investors and shared information about the Company in

a regular and trustworthy manner supports the formation of a transparent relationship. It pursues a policy of 100% compliance with all statutory requirements and has a strong system to evaluate them. Your Directors are committed to upholding the highest standards of answerability and intensely participate in overseeing risk and strategic management. The Board completely supports and endorses Corporate Governance practices in accordance with the provisions of the Listing Regulations. The report on Corporate Governance is annexed to this Annual Report.

### 10] Subsidiaries

Your Company has three subsidiary companies, (i) Sylvan Holdings Pte. Ltd. (Sylvan), Singapore, (ii) Guangdong Symphony Keruilai Air Coolers Co. Ltd., China and (iii) IMPCO s. de R. L. de C.V., (IMPCO) Mexico. During the year under review, a second level step down subsidiary of the Company viz. Symphony USA Inc., USA has been closed down w.e.f. December 31, 2016.

During the year under review, IMPCO, Mexico has bought back its entire shareholding held by Sylvan, Singapore and consequently, IMPCO, Mexico has become a direct subsidiary of the Company.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and its subsidiary companies, which forms part of the Annual Report. Pursuant to provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statement of the Company's subsidiaries in Form AOC-1

is annexed to the financial statement of the Company. The statement also provides the details of performance and financial position of the subsidiaries of the Company.

The financial statement of the subsidiary companies and related information are available for inspection by the members at the Registered Office of the Company during business hours on all days except Sundays and public holidays upto the date of the Annual General Meeting as required under Section 136 of the Companies Act, 2013. Any member desirous of obtaining a copy of the said financial statement may write to the Company Secretary at the Registered Office of the Company. The financial statements including the consolidated financial statement, financial statement of subsidiaries and all other documents required to be attached to this report have been uploaded on the website of the Company ([www.symphonylimited.com](http://www.symphonylimited.com)).

### 11] Auditors

Members of the Company, at its 28<sup>th</sup> Annual General Meeting held on October 27, 2015, had approved appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, as Auditors of the Company from the conclusion of the then ensuing annual general meeting until the conclusion of the thirty third annual general meeting of the Company, subject to ratification by the Members at every Annual General Meeting.

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Company shall ratify their appointment every year.

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

The Auditors' report does not contain any qualification, reservation or adverse remark and is self-explanatory and thus does not require any further clarifications/comments.

### **12] Cost Auditors**

During the year under review, the Company was not required to appoint cost auditors.

### **13] Corporate Social Responsibility**

The annual report on Corporate Social Responsibility is enclosed as **Annexure 1** pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Policy is displayed on website of the Company.

### **14] Secretarial Audit Report**

As required under Section 204 of the Companies Act, 2013, the Board of Directors of your Company had appointed Mr. Ashwin Shah, Practising Company Secretary, to conduct Secretarial Audit. The Secretarial Audit Report for the financial year ended on March 31, 2017 is annexed to Board's Report as **Annexure 2**.

The Secretarial Auditors' report does not contain any qualification, reservation or adverse remark and is self-explanatory and thus does not require any further clarifications/comments.

### **15] Directors and Key Managerial Personnel**

Ms. Jonaki Bakeri, Non-Executive Director, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment. Brief profile of Ms. Jonaki Bakeri, as required under Regulation 36(3) of the Listing Regulations is annexed to the notice convening the 30<sup>th</sup> Annual General Meeting, which forms part of this Annual Report. Your directors recommend her re-appointment.

Mr. Achal Bakeri was re-appointed as Managing Director for a period of five years effective December 1, 2012, pursuant to which his present term will be expiring on November 30, 2017. The Board of Directors has re-appointed Mr. Achal Bakeri as Managing Director of the Company for a period of five years from December 1, 2017 subject to approval of members and concerned authorities including Central Government, as may be acquired.

During the year under review, Mr. Darshan Patel, Independent Director, had resigned w.e.f. December 31, 2016. The Board placed on record its appreciation and gratitude for the services and contribution rendered by him during his tenure as an Independent Director.

### **16] Extract of Annual Return**

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, the extract of Annual Return in prescribed Form MGT - 9 is annexed herewith as **Annexure 3**.

## 17] Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors of the Company hereby state and confirm that:

- (a) in the preparation of the annual accounts for the financial year ended on March 31, 2017, the applicable accounting standards have been followed and there are no material departures from the same;
- (b) 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;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 read with Rules made thereunder for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company

and that such internal financial controls are adequate and were operating effectively;

- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 18] Meetings of the Board

Four meetings of the Board of Directors of the Company were held during the year under review. The details of meetings of the Board are reported under Corporate Governance Report which is annexed to Board's Report.

## 19] Declaration by Independent Directors

Mr. Dipak Palkar, Mr. Satyen Kothari and Mr. Naishadh Parikh being independent directors, have submitted their declarations stating that they meet the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and Listing Regulations.

## 20] Nomination & Remuneration Policy

The Company has framed Nomination & Remuneration Policy for appointment of directors, key managerial personnel and senior management personnel, their remuneration and evaluation of directors and Board. The details of the said policy are reported in the Corporate Governance Report.

## 21] Particulars of loans, guarantees or investments

The liquidity position of your Company is fairly comfortable and therefore the surplus funds were invested to generate returns. As required under Section 186(4) of the Companies Act, 2013, the following are the details of investments made or loans/guarantee/security given or provided during the year under review:

Sr. No.	Name of Entity	Investment/ Loan/ Guarantee	Relationship, if any.	Aggregate amount of investments made / loan / guarantee provided during the year (₹ In crores)	Purpose for which loans/ guarantee proposed to be utilized
1	7.50% Cumulative Redeemable Preference Shares of Tata Capital Limited	Investment	-	10.00	-
2	Principal Protected Secured Redeemable Non-Convertible Market Linked Debenture Series IFPD-6 of IIFL Wealth Finance Limited	Investment	-	10.00	-
3	9.05% Secured redeemable Non-convertible Debentures of Dewan Housing Finance Corporation Limited	Investment	-	10.00	-
4	9.25% Secured redeemable Non-convertible Debentures of Dewan Housing Finance Corporation Limited	Investment	-	4.01	-

Sr. No.	Name of Entity	Investment/ Loan/ Guarantee	Relationship, if any.	Aggregate amount of investments made / loan / guarantee provided during the year (₹ In crores)	Purpose for which loans/ guarantee proposed to be utilized
5	Guangdong Symphony Keruilai Air Coolers Co. Limited (GSK)	SBLC facilities (Security provided)	Wholly Owned Subsidiary	35.00 (equivalent to US\$ 5 million)	SBLC facilities to secure repayment of loan by GSK to SCB, China
6	Standard Chartered Bank (China) Limited	Corporate Guarantee	Wholly Owned Subsidiary	US\$ 5 million	To secure repayment of loan availed by GSK, China WOS of the Company

Please refer Notes No. 9 and 12 forming part of standalone financial statements for full details of investments made by the Company.

## 22] Particulars of contracts or arrangements with related parties

The particulars of contracts or arrangements entered with related parties as per Section 188(1) of the Companies Act, 2013, in prescribed Form AOC-2 are given in **Annexure 4** to the Board's Report.

## 23] Risk Management

The Company is aware of the risks associated with its business. It regularly analyses and takes corrective actions for managing / mitigating

the same. The Company periodically reviews its process for identifying, minimizing and mitigating risks. The Board of Directors of the Company have framed a risk management policy and same is being adhered to by the Company. There are no risks which, in the opinion of the Board, threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Report.

## **24] Annual Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board of Directors has carried out annual performance evaluation of its own performance, its committees and all directors of the Company as per the guidance notes dated January 5, 2017 issued by the SEBI in this regard. The Nomination and Remuneration Committee has also reviewed the performance of Board and all directors of the Company as required under the Companies Act, 2013 and the Listing Regulations.

### **i. Criteria for evaluation of Board**

Criteria for evaluation of Board broadly covers the competency, experience, qualification of the Director, diversity of the Board, meeting procedures, strategy, management relations, succession planning, functions, duties, conflict of interest, grievance redressal, corporate culture and values, governance and compliance, evaluation of risks etc.

### **ii. Criteria for evaluation of Committee**

Criteria for evaluation of Committee cover mandate and composition, effectiveness, structure and meetings, independence of the committee from Board and contribution to decisions of the Board.

### **iii. Criteria for evaluation of Directors**

These broadly cover qualification, experience, knowledge and competency, ability to function as a team, initiative, attendance, commitment, contribution, integrity, independence, leadership,

participation at meetings, knowledge & skill, personal attributes, leadership, impartiality etc.

The Board of Directors expressed their satisfaction with the evaluation process.

## **25] Audit Committee**

The Board of Directors has re-constituted the Audit Committee at its meeting held on February 10, 2017. Subsequent to the re-constitution, the Committee comprises Mr. Dipak Palkar, Chairman, Mr. Naishadh Parikh and Ms. Jonaki Bakeri. As per Section 177(8) of the Companies Act, 2013 and Listing Regulations, the Board has accepted all the recommendations of the Audit Committee during the financial year 2016-17.

## **26] Vigil Mechanism**

The Company has established a vigil mechanism to provide adequate safeguard against victimization and to provide direct access to the Chairman of Audit Committee in appropriate cases. This mechanism is available on the website of the Company.

## **27] Details of significant and material orders passed by the regulators or courts or tribunals**

During the year under review, there was no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

## **28] Particulars of Employees**

The statement of disclosure of remuneration and other details as required under Section 197(12)



of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the Rules), are set out as **Annexure 5** to the Board's Report.

The statement of disclosures and other information as required under Section 197(12) of the Act read with Rule 5(2) and (3) of the Rules forms part of this Report. However, as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(3) of the Rules, the Report and Financial Statement are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Rules. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

## **29] Internal Financial Controls and its adequacy**

The Company has laid down internal financial controls to ensure the systematic and efficient conduct of its business, including adherence to Company's policies and procedures, the safeguarding of its assets, the prevention and early detection of frauds and errors, the accuracy and completeness of the accounting record, and timely preparation of reliable financial information. The same is reviewed by the Statutory Auditor and Internal Auditor at regular intervals and also by the Audit Committee.

During the year under review, the Company has successfully implemented SAP to strengthen the internal control systems.

## **30] Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Your Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An internal Complaints Committee has been set up to redress complaints regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

There were no complaints received during the year under review.

## **31] Deposit**

The Company has not accepted any deposit during the year under review and no unclaimed deposits or interest was outstanding as on March 31, 2017.

## **32] Insurance**

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

## **33] SEBI order against Sharepro Services (I) Pvt. Ltd. (Sharepro)**

During the year under review, complaint lodged by the Company with the Ellisbridge Police Station, Ahmedabad against Sharepro, their employees and others has been converted

into FIR. Accordingly, based on investigation, investigating officer has filed a preliminary charge sheet before Hon'ble Metropolitan Magistrate Court, Ahmedabad in a Criminal case.

### **34] Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

As required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given as **Annexure 6**.

### **35] Business Responsibility Report**

The Business Responsibility Report for the financial year 2016-17, as stipulated under Regulation 34 of the Listing Regulations, is annexed to this Report as **Annexure - 7**.

### **36] Acknowledgments**

Your Directors wish to express their appreciation for the efficient and loyal services rendered by each and every employee, without whose whole-hearted efforts, the overall satisfactory performance would not have been possible.

Your Directors also wish to place on record their deep sense of appreciation for the valued support & cooperation 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

Place : Ahmedabad  
Date : August 10, 2017

**Achal Anil Bakari**  
*Chairman and*  
Managing Director  
DIN - 00397573

# Annexure 1

## Corporate Social Responsibility

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Symphony is committed to provide society with environment friendly products which consumes less energy and have no harmful emissions. The Company believes in helping social economic development of society by providing fundamental facilities as provided in Section 135 of the Companies Act, 2013 read with Rules made thereunder. This is the cornerstone of our CSR policy. CSR policy is available on our website: [http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov\\_131213224045.pdf](http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_131213224045.pdf)

2. The composition of the CSR Committee:

(i) Mr. Naishadh Parikh, Chairman (Independent Director)

(ii) Mr. Achal Bakeri, Member and;

(iii) Mr. Nrupesh Shah, Member

3. Average net profit of the Company for last three financial years: ₹15,020.12 lacs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹300.40 lacs
5. Details of CSR spent during the financial year:
  - (a) Total amount to be spent for the financial year : ₹300.40 lacs
  - (b) Amount unspent, if any : ₹94.90 lacs

**(c) Manner in which the amount spent during the financial year:****(₹ in lacs)**

CSR projects / activities	Sector in which the Project is covered	Location where project is undertaken State (Local Area/ District)	Amount outlay (budget) Project / Programs Wise	Amount Spent on the Projects or Programs		Cumulative expenditure upto reporting period.	Amount spent: Direct or through implementing agency
				(1) Direct expenditure on projects or programs	(2) Overheads		
Preventive Healthcare and Promoting Healthcare	Health	Dr. Jivraj Mehta Smarak Health Foundation Ahmedabad	170.00	170.00	Nil	170.00	Direct
Preventive Healthcare and Promoting Healthcare	Health	Muljibhai Patel Society for Research in Nephro Urology Nadiad	35.00	35.00	Nil	35.00	Direct
Help to Underprivileged and Marginalized Poor	Eradicating hunger and poverty by providing vocational skills etc.	St. Xaviers Social Services Society, Ahmedabad	0.25	0.25	Nil	0.25	Direct
Empowerment of Women	Empowerment of Women and promoting gender equality.	Family Planning Association of India, Ahmedabad	0.25	0.25	Nil	0.25	Direct

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:

Unspent amount of CSR was planned to spend on various CSR activities including Education, Health sector etc. The balance unspent amount of CSR is under consideration and will be spent appropriately and judiciously. The Company is in advanced stage to finalise contribution in a project with the renowned education institute. The Company will endeavour to spend the same in the financial year 2017-18.

7. **A responsibility statement of the CSR Committee that the implementations and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company:**

We confirm that it will be our endeavour to implement and monitor CSR Policy in compliance with CSR objectives and Policy of the Company.

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**Naishadh Parikh**

*Chairman - CSR Committee*

DIN - 00009314

Place: Ahmedabad

Date: May 16, 2017

**Achal Bakeri**

*Chairman & Managing Director*

DIN - 00397573

# Annexure 2

## SECRETARIAL AUDIT REPORT

FORM NO. MR-3

### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2017

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To,  
The Members,  
**Symphony Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Symphony Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of

India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the Audit Period);
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);
- vi. Following other laws as applicable to the Company:
  1. The Special Economic Zones Act, 2005;
  2. Special Economic Zones (Customs

Procedures) Regulations, 2003.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

During the period under review and as per the explanations and clarification given to us and the representation made by the company, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the management, were taken unanimously.

I further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), I am of the opinion that the management has adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines..

Place : Ahmedabad  
Date : May 16, 2017

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

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

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## **'ANNEXURE A'**

To,  
The Members,  
**Symphony Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Ahmedabad  
Date : May 16, 2017

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



# Annexure 3

## FORM MGT - 9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L32201GJ1988PLC010331
ii)	Registration Date	February 5, 1988
iii)	Name of the Company	Symphony Limited
iv)	Category / Sub-Category of the Company	Public company having share capital
v)	Address of the Registered office and contact details	Symphony House, Third Floor, FP-12, TP-50, Off S.G. Highway, Bodakdev, Ahmedabad – 380 054, Gujarat, India Tele: +91-79-66211111 Fax: +91-79-66211140 E-mail ID: corporate@symphonylimited.com www.symphonylimited.com
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	Karvy Computershare Private Limited Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakaramguda, Hyderabad - 500 032 Phone No. +91-40- 6716 2222 Fax No. +91-40-2342 0814 E-mail: einward.ris@karvy.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated::

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Air Coolers	27900	99%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Sylvan Holdings Pte. Ltd 160 Robinson Road #17-01 SBF Center Singapore 068914	-	Subsidiary	100.00	2(87)
2	Guangdong Symphony Keruilai Air Coolers Co. Ltd. Taiying Industrial Area, Hongmei Town, Dongguan, China, Zip Code: 523160	-	Subsidiary	100.00	2(87)
3	IMPCO S. de R. L. de C.V. Avenida Miguel Aleman 6061 Col. America Guadalupe N. L. Mexico C.P. 67130	-	Subsidiary	100.00	2(87)

### IV. SHARE HOLDING PATTERN: (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2016)				No. of Shares held at the end of the year (March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters / Promoter Group									
(1) Indian									
Individual/HUF	18,412,910	0	18,412,910	52.64	39,984,540	0	39,984,540	57.16	4.52
Central Government	0	0	0	0.00	0	0	0	0.00	0.00
State Government	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	6,241,600	0	6,241,600	17.84	12,483,200	0	12,483,200	17.84	0.00
Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	24,654,510	0	24,654,510	70.48	52,467,740	0	52,467,740	75.00	4.52
(2) Foreign									
a) NRIs - Individuals	1,579,360	0	1,579,360	4.52	0	0	0	0.00	-4.52
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	1,579,360	0	1,579,360	4.52	0	0	0	0.00	-4.52

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2016)				No. of Shares held at the end of the year (March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Total shareholding of Promoter / Promoter Group (A) = (A)(1)+(A)(2)</b>	26,233,870	0	26,233,870	75.00	52,467,740	0	52,467,740	75.00	0.00
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	1,143,398	6,500	1,149,898	3.29	3,602,243	13,000	3,615,243	5.17	1.88
b) Banks / FI	5,570	0	5,570	0.01	13,744	0	13,744	0.02	0.01
c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d) State Government	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	1,724,151	0	1,724,151	4.93	703,174	0	703,174	1.01	-3.92
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Foreign Portfolio - Corporate	1,317,258	0	1,317,258	3.77	4,584,808	0	4,584,808	6.55	2.78
<b>Sub-total (B)(1):-</b>	<b>4,190,377</b>	<b>6,500</b>	<b>4,196,877</b>	<b>12.00</b>	<b>8,903,969</b>	<b>13,000</b>	<b>8,916,969</b>	<b>12.75</b>	<b>0.75</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	1,616,455	12,000	1,628,455	4.66	2,872,032	22,000	2,894,032	4.14	-0.52
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lacs	1,725,154	706,650	2,431,804	6.95	3,145,123	1,269,756	4,414,879	6.31	-0.64
ii) Individual shareholders holding nominal share capital in excess of ₹2 lacs	0	0	0	0.00	122,712	0	122,712	0.18	0.18
c) Others									

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2016)				No. of Shares held at the end of the year (March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Non Resident (not-Rep)	22,912	0	22,912	0.06	30,916	0	30,916	0.04	-0.02
ii) Non Resident (Rep)	60,531	109,500	170,031	0.48	81,498	209,000	290,498	0.42	-0.06
iii) Clearing Members	5,560	0	5,560	0.02	44,252	0	44,252	0.06	0.04
iv) Trust	2,520	0	2,520	0.01	2,060	0	2,060	0.00	-0.01
v) Director and Director's relatives [Note 2]	286,471	0	286,471	0.82	772,942	0	772,942	1.10	0.28
<b>Sub-total (B)(2):-</b>	<b>3,719,603</b>	<b>828,150</b>	<b>4,547,753</b>	<b>13.00</b>	<b>7,071,535</b>	<b>1,500,756</b>	<b>8,572,291</b>	<b>12.25</b>	<b>-0.75</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	7,909,980	834,650	8,744,630	25.00	15,975,504	1,513,756	17,489,260	25.00	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0
<b>Grand Total (A+B+C)</b>	<b>34,143,850</b>	<b>834,650</b>	<b>34,978,500</b>	<b>100.00</b>	<b>68,443,244</b>	<b>1,513,756</b>	<b>69,957,000</b>	<b>100.00</b>	<b>0</b>

**Note:**

- Number of shares increased due to issuance of Bonus Shares in the ratio of 1 : 1 during the financial year 2016-17.
- Total 13,33,304 equity shares (1.91%) held by Mr. Nrupesh Shah, Executive Director, his spouse, two bodies corporate in which Mr. Nrupesh Shah is substantially interested as a partner, his father's HUF and family trust in which he and his family members are beneficiaries. Mr. Nrupesh Shah is not a promoter director and hence holding classified under 'Any Others' category'. The break up is as under:
  - 5,60,362 equity shares held by two bodies corporate in which Mr. Nrupesh Shah is substantially interested have been classified under "Bodies Corporate" category.
  - 5,72,942 equity shares in aggregate held by himself, spouse and father's HUF classified under 'Any Others (Director and Director's Relatives)'.
  - 2,00,000 equity shares held by Family Trust in which he and his family members are beneficiary classified under "Any others (Director and Director's Relatives)".

## ii) Share Holding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2016)			Shareholding at the end of the year (March 31, 2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Achal Anil Bakeri	14,631,800	41.83	0	29,263,600	41.83	0	0
2	Oras Investments Pvt Ltd	3,221,800	9.21	0	6,443,600	9.21	0	0
3	Paratam Investments Pvt Ltd	3,019,800	8.63	0	6,039,600	8.63	0	0
4	Jonaki Achal Bakeri	1,579,360	4.52	0	0	0.00	0	-4.52
5	Hirva Achal Bakeri	1,579,360	4.52	0	0	0.00	0	-4.52
6	Achal Anil Bakeri HUF	1,200,000	3.43	0	2,400,000	3.43	0	0
7	Pavan Bakeri	602,000	1.72	0	1,204,000	1.72	0	0
8	Rupa Achal Bakeri	389,750	1.11	0	7,096,940	10.15	0	9.54
9	Hansa Bakeri	10,000	0.03	0	20,000	0.03	0	0
	<b>Total</b>	<b>26,233,870</b>	<b>75.00</b>	<b>0</b>	<b>52,467,740</b>	<b>75.00</b>	<b>0</b>	<b>0</b>

**Note:** Number of shares increased due to issuance of Bonus Shares in the ratio of 1 : 1 during the financial year 2016-17.

## iii) Change in Promoters' Shareholding

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2016)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (March 31, 2017)	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Jonaki Achal Bakeri	1,579,360	4.52	24.11.2016	(3,158,720)	Transfer	Nil	Nil
2	Hirva Achal Bakeri	1,579,360	4.52	24.11.2016	(3,158,720)	Transfer	Nil	Nil
3	Rupa Achal Bakeri	389,750	1.11	24.11.2016	6,317,440	Transfer	7,096,940	10.15

**Note:** Number of shares increased due to issuance of Bonus Shares in the ratio of 1 : 1 during the financial year 2016-17.

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl No.	Name of the Share Holder	Shareholding at the beginning of the Year		Benpos date	Increase / Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total shares of the Company
1	Matthews India Fund	11,66,560	3.34		-	-	11,66,560	3.34
				29/07/2016	(15,800)	Sale	11,50,760	3.29
				05/08/2016	(11,200)	Sale	11,39,560	3.26
				23/09/2016	11,39,560	Bonus Shares	22,79,120	3.26
				02/12/2016	(1,459)	Sale	22,77,661	3.26
				09/12/2016	(49,341)	Sale	22,28,320	3.19
				16/12/2016	(5,200)	Sale	22,23,120	3.18
				03/02/2017	(4,476)	Sale	22,18,644	3.17
				10/02/2017	(8,909)	Sale	22,09,735	3.16
				17/02/2017	(28,926)	Sale	21,80,809	3.12
				03/03/2017	(6,800)	Sale	21,74,009	3.11
				10/03/2017	(889)	Sale	21,73,120	3.11
				17/03/2017	(25,130)	Sale	21,47,990	3.07
				24/03/2017	(20,870)	Sale	21,27,120	3.04
				31/03/2017	(10,906)	Sale	21,16,214	3.03
2	Rowenta Networks Private Limited	9,98,800	2.86		-	-	9,98,800	2.86
				23/09/2016	9,98,800	Bonus Shares	19,97,600	2.86
				31/03/2017	(3,481)	Sale	19,94,119	2.85
				31/03/2017	-	-	19,94,119	2.85
				3	Axis Mutual Fund Trustee Limited A/c Axis Mutual Fund A/c. Axis Long Term Equity Fund	6,60,655	1.89	
08/04/2016	55,000	Purchase	7,15,655					2.05
30/06/2016	15,000	Purchase	7,30,655					2.09
12/08/2016	20,000	Purchase	7,50,655					2.15
02/09/2016	30,000	Purchase	7,80,655					2.23
09/09/2016	18,204	Purchase	7,98,859					2.28
16/09/2016	1,796	Purchase	8,00,655					2.29
23/09/2016	8,00,655	Bonus Shares	16,01,310					2.29
07/10/2016	40,000	Purchase	16,41,310					2.35
14/10/2016	54,000	Purchase	16,95,310					2.42
28/10/2016	1,96,886	Purchase	18,92,196					2.70
04/11/2016	39,000	Purchase	19,31,196					2.76
11/11/2016	(20,000)	Sale	19,11,196					2.73
30/12/2016	15,000	Purchase	19,26,196					2.75
03/02/2017	70,000	Purchase	19,96,196					2.85

Sl No.	Name of the Share Holder	Shareholding at the beginning of the Year		Benpos Date	Increase / Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total shares of the Company
4	J P Morgan Funds			10/03/2017	44,641	Purchase	20,40,837	2.92
				17/03/2017	50,000	Purchase	20,90,837	2.99
				24/03/2017	30,000	Purchase	21,20,837	3.03
				31/03/2017	-	-	21,20,837	3.03
		1,26,734	0.36		-	-	1,26,734	0.36
				05/08/2016	3,640	Purchase	1,30,374	0.37
				26/08/2016	3,097	Purchase	1,33,471	0.38
				02/09/2016	48,923	Purchase	1,82,394	0.52
				23/09/2016	1,82,394	Bonus Shares	3,64,788	0.52
				07/10/2016	5,630	Purchase	3,70,418	0.53
				17/03/2017	7,060	Purchase	3,77,478	0.54
				24/03/2017	24,920	Purchase	4,02,398	0.58
				31/03/2017	-	-	4,02,398	0.58
					-	-	4,441	0.01
5	UTI - Equity Fund	4,441	0.01		-	-	4,441	0.01
				08/04/2016	1,724	Purchase	6,165	0.02
				15/04/2016	25,000	Purchase	31,165	0.09
				22/04/2016	20,000	Purchase	51,165	0.15
				13/05/2016	1,441	Purchase	52,606	0.15
				27/05/2016	40,418	Purchase	93,024	0.27
				10/06/2016	1,970	Purchase	94,994	0.27
				29/07/2016	35,000	Purchase	1,29,994	0.37
				23/09/2016	1,29,994	Bonus Shares	2,59,988	0.37
				18/11/2016	17,238	Purchase	2,77,226	0.40
				31/03/2017	-	-	2,77,226	0.40
					-	-	2,75,000	0.79
6	Nabab Consultants LLP	2,75,000	0.79		-	-	2,75,000	0.79
				23/09/2016	2,75,000	Bonus Shares	5,50,000	0.79
				24/02/2017	(2,00,000)	Sale	3,50,000	0.50
				31/03/2017	-	-	3,50,000	0.50
7	Chandravadan B Shah – HUF	2,51,231	0.72		-	-	2,51,231	0.72
				23/09/2016	2,51,231	Bonus Shares	5,02,462	0.72
				31/03/2017	-	-	5,02,462	0.72
8	Steadview Capital Mauritius Limited	2,47,991	0.71		-	-	2,47,991	0.71
				08/04/2016	(31,186)	Sale	2,16,805	0.62
				15/04/2016	(43,042)	Sale	1,73,763	0.50
				22/04/2016	(22,744)	Sale	1,51,019	0.43
				29/04/2016	(5,433)	Sale	1,45,586	0.42
				06/05/2016	(515)	Sale	1,45,071	0.41

Sl No.	Name of the Share Holder	Shareholding at the beginning of the Year		Benpos Date	Increase / Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total shares of the Company
				27/05/2016	(10,422)	Sale	1,34,649	0.38
				03/06/2016	(1,714)	Sale	1,32,935	0.38
				30/06/2016	(25)	Sale	1,32,910	0.38
				08/07/2016	(175)	Sale	1,32,735	0.38
				15/07/2016	(5,500)	Sale	1,27,235	0.36
				22/07/2016	(14,000)	Sale	1,13,235	0.32
				29/07/2016	(34,285)	Sale	78,950	0.23
				05/08/2016	(178)	Sale	78,772	0.23
				19/08/2016	(139)	Sale	78,633	0.22
				26/08/2016	(7,695)	Sale	70,938	0.20
				02/09/2016	(47,637)	Sale	23,301	0.07
				09/09/2016	(23,301)	Sale	-	0.00
				31/03/2017	-	-	-	0.00
9	Mondrian Emerging Markets Small Cap Equity Fund	2,18,892	0.63		-	-	2,18,892	0.63
				22/04/2016	10,722	Purchase	2,29,614	0.66
				24/06/2016	9,087	Purchase	2,38,701	0.68
				23/09/2016	2,38,701	Bonus Shares	4,77,402	0.68
				24/02/2017	(4,700)	Sale	4,72,702	0.68
				03/03/2017	(11,500)	Sale	4,61,202	0.66
				10/03/2017	(33,800)	Sale	4,27,402	0.61
				31/03/2017	-	-	4,27,402	0.61
10	UTI - Bluechip Flexicap Fund	58,482	0.17		-	-	58,482	0.17
				15/04/2016	7,000	Purchase	65,482	0.19
				22/04/2016	12,500	Purchase	77,982	0.22
				10/06/2016	11,524	Purchase	89,506	0.26
				17/06/2016	1,225	Purchase	90,731	0.26
				24/06/2016	2,000	Purchase	92,731	0.27
				29/07/2016	17,000	Purchase	1,09,731	0.31
				23/09/2016	1,09,731	Bonus Shares	2,19,462	0.31
				21/10/2016	1,371	Purchase	2,20,833	0.32
				28/10/2016	3,429	Purchase	2,24,262	0.32
				31/03/2017	(10,000)	Sale	2,14,262	0.31
				31/03/2017	-	-	2,14,262	0.31



Sl No.	Name of the Share Holder	Shareholding at the beginning of the Year		Benpos Date	Increase / Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total shares of the Company
11	DSP Blackrock Micro Cap Fund	2,12,264	0.61		-	-	2,12,264	0.61
				29/07/2016	(172)	Sale	2,12,092	0.61
				05/08/2016	(15,415)	Sale	1,96,677	0.56
				12/08/2016	(18,314)	Sale	1,78,363	0.51
				19/08/2016	(2,075)	Sale	1,76,288	0.50
				23/09/2016	1,76,288	Bonus Shares	3,52,576	0.50
				31/03/2017	-	-	3,52,576	0.50
12	ABG Capital	1,61,300	0.46		-	-	1,61,300	0.46
				08/04/2016	(20,084)	Sale	1,41,216	0.40
				15/04/2016	(27,885)	Sale	1,13,331	0.32
				22/04/2016	(14,460)	Sale	98,871	0.28
				29/04/2016	(3,723)	Sale	95,148	0.27
				06/05/2016	(344)	Sale	94,804	0.27
				27/05/2016	(6,882)	Sale	87,922	0.25
				03/06/2016	(1,043)	Sale	86,879	0.25
				30/06/2016	(15)	Sale	86,864	0.25
				08/07/2016	(120)	Sale	86,744	0.25
				15/07/2016	(3,500)	Sale	83,244	0.24
				22/07/2016	(10,000)	Sale	73,244	0.21
				29/07/2016	(30,274)	Sale	42,970	0.12
				05/08/2016	(64)	Sale	42,906	0.12
				19/08/2016	(88)	Sale	42,818	0.12
				26/08/2016	(4,277)	Sale	38,541	0.11
				02/09/2016	(26,826)	Sale	11,715	0.03
13	India Emerging Opportunities Fund Limited	1,50,755	0.43		-	-	-	0.00
				31/03/2017	-	-	-	0.00
					-	-	1,50,755	0.43
				08/04/2016	(3,487)	Sale	1,47,268	0.42
				15/04/2016	(760)	Sale	1,46,508	0.42
				22/07/2016	8,192	Purchase	1,54,700	0.44
				02/09/2016	(1,414)	Sale	1,53,286	0.44
				09/09/2016	(16,418)	Sale	1,36,868	0.39
				16/09/2016	(8,245)	Sale	1,28,623	0.37
				23/09/2016	1,28,623	Bonus Shares	2,57,246	0.37
				23/09/2016	(27076)	Sale	2,30,170	0.33
				21/10/2016	(38,128)	Sale	1,92,042	0.27
				28/10/2016	(1,11,778)	Sale	80,264	0.11
				04/11/2016	(27,900)	Sale	52,364	0.07
				13/01/2017	(14,223)	Sale	38,141	0.05
				20/01/2017	(38,141)	Sale	-	0.00
				31/03/2017	-	-	-	0.00

**Note:** The above information is based on the weekly beneficiary position received from the Depositories.

## v) Shareholding of Directors and Key Managerial Personnel

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2016)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (March 31, 2017)	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Mr. Achal Bakari	14,631,800	41.83	23.09.2016	14,631,800	Bonus Shares	29,263,600	41.83
2	Mr. Nrupesh Shah	32,740	0.09	23.09.2016	32,740	Bonus Shares	65,480	0.09
3	Mr. Mayur Barvadiya	N. A.	N. A.	29.06.2016	2	Purchase	4	0.00
				23.09.2016	2	Bonus Shares		

**Note:** The above information is based on the weekly beneficiary position received from the Depositories.

## V. INDEBTEDNESS Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	NOT APPLICABLE			
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
Addition	-	-	-	-
Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director and Whole-time Director

(₹ in lacs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1	<b>Gross salary</b>	Mr. Achal Bakeri, Chairman and Managing Director	Mr. Nrupesh Shah, Executive Director	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.12	13.07	37.19
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	0.29	0.22	0.51
	(c) Profits in lieu of salary u/s 17(3) of Income-tax Act, 1961	-	-	-
2	<b>Stock option</b>	-	-	-
3	<b>Sweat equity</b>	-	-	-
4	<b>Commission /Performance Bonus</b>			
	Profit linked performance incentive	175.00*	130.00*	305.00
	others, specify	-	-	-
5	PF, Gratuity and others	13.38	6.20	19.58
<b>Total (A)</b>		<b>212.79</b>	<b>149.49</b>	<b>362.28</b>
<b>Ceiling as per the Act</b> : Being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013				<b>2,266.27</b>

\* Provisions of profit linked performance incentives made for the year 2016-17.

### B. Remuneration to other directors:

(₹ in lacs)

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Mr. Dipak Palkar	Mr. Satyen Kothari	Mr. Naishadh Parikh	Mr. Darshan Patel®	
	Fee for attending board / committee meetings	2.00	1.20	2.00	0.00	5.20
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>2.00</b>	<b>1.20</b>	<b>2.00</b>	<b>0.00</b>	<b>5.20</b>
2	<b>Non-Executive Director</b>	<b>Ms. Jonaki Bakeri</b>				-
	Fee for attending board / committee meetings	2.00				2.00
	Commission	-				-
	Others, please specify	-				-
	<b>Total (2)</b>	<b>2.00</b>				<b>2.00</b>
	<b>Total (B)=(1+2)</b>	-				<b>7.20</b>
Total Managerial Remuneration (A+B)						<b>369.48</b>
<b>Overall Ceiling as per the Act</b> : Being 11% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013						<b>2,492.89</b>

@ ceased to be independent director w.e.f. December 31, 2016.

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Bhadresh Mehta, CFO	Mr. Manan Bhavsar, Company Secretary*	Mr. Mayur Barvadiya, Company Secretary@	
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	34.98	5.46	18.91	59.35
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of Income-tax Act, 1961	-	-	-	-
2	<b>Stock Option</b>	-	-	-	-
3	<b>Sweat Equity</b>	-	-	-	-
4	<b>Commission</b>	-	-	-	-
	as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	PF, Gratuity and others	8.16	0.05	2.74	10.95
	<b>Total</b>	<b>43.14</b>	<b>5.51</b>	<b>21.65</b>	<b>70.30</b>

\* Ceased to be Company Secretary w.e.f. June 30, 2016

@ Appointed as Company Secretary w.e.f. July 26, 2016

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment			None		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			None		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			None		
Compounding					

# Annexure 4

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2017, which were not at arm's length basis.

**2. Details of contracts or arrangement or transactions at arm's length basis:**

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2017 are as follows:

Sl. No.	Name of Related Party	Nature of Relationship	Nature of Contract / Arrangement / Transaction	Duration of the contracts	Salient Terms	Date of Approval by the Board	Amount paid as Advance, if any
1	Impco S. de R. L. de C.V	Subsidiary	Purchase / Sale of Air Coolers and parts thereof	On-going	As per Transfer Pricing guidelines	January 28, 2016	-
2	Guangdong Symphony Keruilai Air Coolers Co., Ltd	Subsidiary	Purchase / Sale of Goods	On-going	As per Transfer Pricing guidelines	January 28, 2016	-
3	Harmony Holdings Private Limited	Directors are interested	Purchase / Assignment of IPR from Harmony Holding Pvt. Ltd..	One time	Lump Sum payment	February 10, 2017	-

For and on behalf of the Board

**Achal Bakeri**

*Chairman & Managing Director*  
DIN - 00397573

Place: Ahmedabad  
Date: May 16, 2017

## Annexure 5

### A. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:				
	Name of Directors and KMP	Remuneration		% increase in remuneration	Ratio to median remuneration
		2015-16 (9 Months) (₹in lacs)	2016-17 (₹in lacs)		
	<b>Managing Director &amp; Executive Director</b>				
	Mr. Achal Bakeri, Chairman & Managing Director	153.44	212.79	4.01~	30
	Mr. Nrupesh Shah, Executive Director	98.42	149.49	13.91~	21
	<b>Non-Executive Directors*</b>				
	Mr. Dipak Palkar, Independent Director	1.03	2.00	Not comparable	
	Mr. Satyen Kothari, Independent Director	0.40	1.20	Not comparable	
	Mr. Naishadh Parikh, Independent Director	0.68	2.00	Not comparable	
	Ms. Jonaki Bakeri, Non-Executive Director	0.68	2.00	Not comparable	
	Mr. Darshan Patel, Independent Director^	0.20	0.00	Not comparable	
	Mr. Himanshu Shah, Independent Director@	0.55	0.00	Not comparable	
	<b>Key Managerial Personnel</b>				
	Mr. Bhadresh Mehta, Chief Financial Officer			15%	Not Applicable
	Mr. Manan Bhavsar, Company Secretary*			Not comparable	
	Mr. Mayur Barvadiya, Company Secretary <sup>5</sup>			Not comparable	

~ Calculated on the basis of monthly CTC plus performance linked incentives for better comparison as previous year was of 9 months.

\*Non-Executive Directors are paid only sitting fees for attending meetings of Board and Audit Committee.

^Ceased to be independent director w.e.f. December 31, 2016.

@ Ceased to be independent director w.e.f. November 30, 2015.

# ceased to be company secretary w.e.f. June 30, 2016.

\$ appointed as company secretary w.e.f. July 26, 2016.

Consequent to the change of financial year previously, the current financial year ended on March 31, 2017 (12 months) figures are not comparable with figures of corresponding previous financial year (9 months) ended on March 31, 2016

2 **The percentage increase in the median remuneration of employees in the financial year: 24.34%**

3 **The number of permanent employees on the rolls of Company as on March 31, 2017: 484**

4 **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Increase in remuneration of employees other than Managerial Personnel is 13.10% and increase in remuneration of Managerial Personnel is 7.88%. The criteria for increase in remuneration of employees other than Managerial Personnel is based on an internal performance evaluation carried out by the Management annually, which is further linked to overall performance of the Company.

5 **We affirm that the remuneration is as per the Nomination and Remuneration Policy of the Company.**

## Annexure 6

Information as required under Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Board's Report for the financial year ended on March 31, 2017.

### **(A) Conservation of Energy**

#### **(i) Steps taken or impact on conservation of energy:**

- Constant endeavour made to replace metallic components by global specialty plastics.
- Completely changed the electrical distribution system viz. L T Panels, cable routing etc.
- Replacement of ballasts (chokes) by more efficient ones..
- Replacement of pumps with energy efficient pumps.
- 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.

- Use of Dura pump technology which 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.

#### **(ii) Steps taken by the Company for utilizing alternate sources of energy**

Nil

#### **(iii) Capital investment on energy conservation equipment**

Nil

### **(B) Technology Absorption:**

#### **(i) The Efforts made in technology absorption**

- 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, reliability 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.
  - Developed and adopted new RPT to avoid the laser cutting of plastic, pollution flames and save power.
  - Making various components reliable in quality to avoid 100% testing and thereby saving usage of power.
- (ii) **The benefits derived like product improvement, cost reduction, product development or import substitution**
- 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.

(iii) **Imported Technology (imported during the last three years reckoned from the beginning of the financial year):** 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:

**(iv) Expenditure incurred on Research and Development**

(₹ in lacs)

Particulars	Standalone		Consolidated	
	2016-17	2015-16 (9 Months)	2016-17	2015-16 (9 Months)
1. Revenue	276	179	316	195
2. Capital	54	12	54	12
3. Total	330	191	370	207
4. Total R & D expenditure (as % of turnover)	0.50	0.46	0.48	0.46

**(C) Foreign Exchange Earnings and Outgo:**

Details of actual earnings and outgo in foreign currencies are given under Note 43 to 44 of standalone financial statement.

# CORPORATE GOVERNANCE REPORT

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Symphony Limited (hereinafter referred as "Symphony" or "the Company") believes in the highest level of accountability towards its stakeholders and actively promotes fair, transparent and ethical Corporate Governance practices. The Company is committed to maintain the highest standards of Corporate Governance and continue to improve the same from time to time.

Corporate governance broadly refers to the mechanisms, processes and relations by which the Company is controlled and directed. Corporate governance includes the processes through which the Company's objectives are set and pursued in the context of the social, regulatory and market environment. Corporate governance mechanisms include monitoring the actions, policies, practices, and decisions of companies, their agents, and affected stakeholders.

The Company has adopted the best practices of corporate governance over a period of time as per the provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") and the Companies Act, 2013.

### (A) BOARD OF DIRECTORS

An active, well-informed and independent

Board of Directors (hereinafter referred as "Board") is necessary to ensure the highest standards of corporate governance. The Board is responsible for management and performance of the Company. The Board shall exercise all powers and to do all acts, deeds and things for which the Company is authorised.

1. The Board comprises 6 directors with an executive chairman as of March 31, 2017. Out of which 50% directors are non-executive independent directors and one woman director which are in line with requirement of Regulation 17(1)(a) of the Listing Regulations. The Board is headed by Mr. Achal Bakeri, Chairman and Managing Director, who is also a promoter of the Company. The Board does not have any nominee director as on March 31, 2017.

The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 and Listing Regulations. All independent directors have confirmed that they meet with the criteria as mentioned under Regulation 16(1)(b) of Listing Regulations and Section 149(6) of the Companies Act, 2013.

2. The names and categories of the directors, number of board meetings held and attended by directors, number

of directorship held in other public companies, number of committee chairmanship / membership held in other public companies, attendance at last

annual general meeting and number of shares held as on March 31, 2017 are given below:

Name of Director	Category	No. of Board Meeting held during the year	No. of Board meeting attended during the year	No. of directorship held in other public companies	No. of committee chairmanship / membership held in other public companies	Attended last AGM	No. of shares held as on March 31, 2017
Mr. Achal Bakeri <sup>&amp;</sup>	Chairman & Managing Director	4	4	-	-	Yes	5,24,67,740 <sup>*</sup>
Mr. Nrupesh Shah	Executive Director	4	4	-	-	Yes	13,33,304 <sup>*</sup>
Mr. Dipak Palkar	Non-Executive Independent Director	4	4	-	-	Yes	-
Mr. Satyen Kothari	Non-Executive Independent Director	4	3	-	-	No	-
Mr. Naishadh Parikh	Non-Executive Independent Director	4	4	6	2	No	-
Mr. Darshan Patel <sup>§</sup>	Non-Executive Independent Director	4	-	-	-	No	-
Ms. Jonaki Bakeri <sup>^</sup>	Non-Executive Director	4	4	-	-	Yes	5,24,67,740 <sup>*</sup>

& Mr. Achal Bakeri is father of Ms. Jonaki Bakeri, Non-Executive Director.

<sup>#</sup> Mr. Achal Bakeri and Ms. Jonaki Bakeri are part of promoter group which holds 75% of total share capital of the Company. <sup>\*</sup>includes shares held by Mr. Nrupesh Shah, his spouse, two bodies corporate in which he is substantially interested as a partner, father<sup>§</sup> HUF and family trust in which he and his family members are beneficiaries.

<sup>§</sup> resigned w.e.f. December 31, 2016.

<sup>^</sup> Ms. Jonaki Bakeri is daughter of Mr. Achal Bakeri.

Number of other directorships, as mentioned above, does not include alternate directorships and directorships held in foreign companies, section 8 companies and private limited companies. Other chairmanship / memberships include only the Audit Committee and the Stakeholders Relationship Committee.

3. During the year, the Board met four times on the following dates:  
May 17, 2016, July 26, 2016, October 25, 2016 and February 10, 2017.
4. The Company has a system to circulate and provide adequate information to the Board, including minimum information to be placed before the Board as required under Part A of Schedule II of Listing Regulations to enable the Board to take informed decisions. As required under Regulation 17(3) of Listing Regulations, the Board periodically reviews compliances of various laws applicable to the Company.
5. The Board meets at least once a quarter with the gap between two meetings not exceeding 120 days.
6. 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.
7. The Company has in place a structured induction and familiarization programme for all its directors including the independent directors. Your Company through such programmes familiarizes them with business operations, business model of the Company etc. The Company also educates them regarding their role,

responsibility and duties under Companies Act, 2013 and also under the Listing Regulations.

Details of familiarization programmes imparted to independent directors is available at [http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov\\_2122145036.pdf](http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_2122145036.pdf)

8. The disclosures regarding appointment/re-appointment of directors are forming part of Notice.
9. Roles of various constituents of Corporate Governance in the Company
  - (i) **Board:** 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.
  - (ii) **Chairman and Managing Director:** The role of a 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 members.
  - (iii) **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.

- (iv) **Non-Executive Directors (including Independent Directors):** The non-executive directors play a critical role in improving the Board's effectiveness with their judgment on issues of strategy, performance, resources, standards of conduct, etc. besides providing valuable inputs to the Board.

## **(B) CODE OF CONDUCT**

The Board has laid down a code of ethics and business conduct for directors and senior management personnel of the Company which is posted on the website

of the Company. The said code also includes duties of independent directors as per the provisions of the Companies Act, 2013. All directors and senior management personnel of the Company have affirmed compliance with this code.

### **Declaration of code of ethics and business conduct for financial year 2016-17:**

I hereby confirm that all directors and senior management personnel have affirmed compliance with the code of ethics and business conduct for the financial year ended on March 31, 2017.

Place: Ahmedabad  
Date: May 16, 2017

**Achal Bakeri**  
*Chairman &  
Managing Director*

## **(C) AUDIT COMMITTEE**

1. The Board has constituted Audit Committee under Listing Regulations which is in line with Section 177 of Companies Act, 2013. The role and responsibility and minimum information to be reviewed by the Audit Committee are as per Companies Act, 2013 and Listing Regulations and broadly cover the following:
  - (a) 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.

- (b) Recommending to the Board, the appointment, remuneration and terms of appointment of auditors.
- (c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- (d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of

- clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
- ii. Changes, if any, in accounting policies and practices and reasons for the same.
  - iii. Major accounting entries involving estimates based on the exercise of judgment by the management.
  - iv. Significant adjustments made in the financial statements arising out of audit findings.
  - v. Compliance with listing and other legal requirements relating to financial statements.
  - vi. Disclosure of any related party transactions.
  - vii. modified opinion(s) in the draft audit report.
- (e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
  - (f) 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  - (g) Reviewing and monitoring the auditor's independence and performance, an effectiveness audit process.
  - (h) Approval or any subsequent modification of transactions of the Company with related parties.
  - (i) Scrutiny of inter-corporate loans and investments.
  - (j) Valuation of undertakings or assets of the Company, wherever it is necessary.
  - (k) Evaluation of internal financial controls and risk management systems.
  - (l) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
  - (m) 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.
  - (n) Discussion with internal auditors of any significant findings and follow up thereon.
  - (o) 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.

- (p) 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.
- (q) 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.
- (r) To review the functioning of the Whistle Blower mechanism.
- (s) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
- (t) To review the following information:
  - i) Management discussion and analysis of financial condition and results of operations.
  - ii) Statement of significant related party transactions submitted by management.
  - iii) Management letters / letters of internal control weaknesses issued by the statutory auditors.

- iv) Internal audit reports relating to internal control weaknesses.
- v) The appointment, removal and terms of remuneration of the chief internal auditor.

- (u) To recommend appointment and remuneration of cost auditor.
- (v) Any other matter as specified under Companies Act, 2013 read with Rules made thereunder and Listing Regulations as amended from time to time.

2. The Board of Directors, at its meeting held on February 10, 2017, has re-constituted Audit Committee. Accordingly, re-constituted Committee consists of Mr. Dipak Palkar, Chairman, Mr. Naishadh Parikh and Ms. Jonaki Bakeri, as Members.

All Members of Committee are financially literate as specified in Regulation 18 of Listing Regulations. The Company Secretary acts as Secretary to the Committee.

3. The Committee has freedom to invite executives, as it considers appropriate, (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.
4. Mr. Dipak Palkar being Chairman of the Committee has attended the last annual general meeting held on August 31, 2016.

5. During the year under review, the committee met four times on May 17, 2016, July 26, 2016, October 25, 2016 and February 10, 2017 and attendance of the members is shown below:

Name of Member	Membership	Meetings Attended
Mr. Dipak Palkar	Chairman	4
Mr. Naishadh Parikh	Member	4
Mr. Darshan Patel#	Member	0
Ms. Jonaki Bakeri	Member	4

# Ceased to be a member w.e.f. December 31, 2016 due to his resignation as director of the Company

## **(D) Nomination and Remuneration Committee**

- The Board has constituted a Nomination and Remuneration Committee pursuant to Section 178 of Companies Act, 2013, and Listing Regulations. The terms of reference of the Committee are as per the Companies Act, 2013 and the Listing Regulations, which broadly covers the following:
    - Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
    - Formulation of criteria for evaluation of independent directors and the Board.
  - Nomination and Remuneration Committee consists of Non-Executive Independent Directors viz. Mr. Dipak Palkar, Chairman, Mr. Satyen Kothari and Mr. Naishadh Parikh, as members.
    - Devising a policy on Board diversity.
    - Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board for their appointment and removal.
    - Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
    - Any other terms of reference as per the provisions of the Companies Act, 2013 and Listing Regulations.
3. During the year under review, the committee met two times on May 17, 2016 and July 26, 2016 and attendance of the members is shown below:

Name of Member	Membership	Meeting details	
		Held	Attended
Mr. Dipak Palkar	Chairman	2	2
Mr. Naishadh Parikh	Member	2	2
Mr. Satyen Kothari	Member	2	1



#### 4. Nomination and Remuneration Policy

##### 4.1 Appointment

4.1.1 The Nomination and Remuneration Committee shall be responsible to identify and ascertain the qualification, expertise and experience of a person for appointment as director, key managerial personnel or employee at senior management level.

4.1.2 Appointment of directors, whether executive, non-executive or independent, shall be made as per applicable provisions of the Companies Act, 2013 read with Listing Regulations.

##### 4.2 Evaluation

The Nomination and Remuneration Committee shall carry out evaluation of Board and every director's performance annually.

##### 4.3 Removal

Subject to provision of the Companies Act, 2013 and policy of the Company, the Nomination and Remuneration Committee may recommend removal of a director, key managerial personnel

or employee at senior management personnel to Board upon recording of reason in writing.

##### 4.4 Policy on Remuneration

4.4.1 The Nomination and Remuneration Committee shall recommend remuneration to be paid to managing director and whole-time director as per provisions of the Companies Act, 2013 and payment of sitting fees to independent and non-executive directors as per provisions of the Companies Act, 2013.

4.4.2 The Nomination and Remuneration Committee shall recommend remuneration to be paid to key managerial personnel and employees at senior management at the time of their appointment. Further, the Committee may recommend increment / incentive to key managerial personnel and employees at senior management based on their performance annually or at such intervals.

5. The criteria for performance evaluation of independent directors are part of the Board's Report.

6. The details of remuneration paid to chairman & managing director and executive director are as under:

(₹ in lacs)

Name of Director	Salary	Perquisites/ Gratuity/ PF/ Others	Profit linked performance incentive*	Total
Mr. Achal Bakeri	24.12	13.67	175.00	212.79
Mr. Nrupesh Shah	13.07	6.42	130.00	149.49

\* Provision for the year 2016-17 and payable in the year 2017-18.

Above remuneration has been approved by the Board of Directors of the Company as per the Remuneration Policy adopted by the Company and within the overall limits as approved by the Members of the Company. Details of remuneration including salary, perquisites and performance linked incentives are as per terms approved by the Members of the Company. No stock option is provided to the Managerial Personnel.

7. Details showing gross sitting fees paid to non-executive directors are as under: (₹ in lacs)

Name of Directors	Sitting Fees	
	Board Meeting	Audit Committee
Mr. Dipak Palkar	1.60	0.40
Mr. Naishadh Parikh	1.60	0.40
Mr. Darshan Patel§	Nil	Nil
Mr. Satyen Kothari	1.20	N.A.
Ms. Jonaki Bakeri	1.60	0.40

§ resigned w.e.f. December 31, 2016

- Mr. Dipak Palkar being Chairman of the Committee has attended the last annual general meeting held on August 31, 2016.
- During the year, there was no pecuniary relationship or transaction of the non-executive directors vis-a-vis the Company. There are no stock options issued by the Company.

### **(E) Stakeholders Relationship Committee**

- The Board has constituted a Stakeholders Relationship Committee pursuant to Section 178 of Companies Act, 2013, and Listing Regulations.
- The terms of reference of Committee are to consider and resolve grievances of Shareholders of the Company.
- The Board, at its meeting held on February 10, 2017, has re-constituted Stakeholders Relationship Committee. Accordingly, re-constituted Committee consists of Mr. Naishadh Parikh, Chairman, Mr. Nrupesh Shah and Ms. Jonaki Bakeri, as members.
- Mr. Mayur Barvadiya, Company Secretary of the Company is a compliance officer of the Company.
- During the year, the Committee met eleven times.
- All correspondences / queries were replied to the satisfaction of members. The status of members complaints received, resolved and pending at the year is as under:

Opening balance	Received	Resolved	Closing balance
5	51	54	2

## (F) Other Committees

### 1. Corporate Social Responsibility Committee

- (a) The Board, at its meeting held on February 10, 2017, has re-constituted Corporate Social Responsibility Committee. Accordingly, re-constituted Committee consists of Mr. Naishadh Parikh, Chairman, Mr. Achal Bakeri and Mr. Nrupesh Shah as members of the Committee.
- (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 of the Companies Act, 2013.
  - (ii) to recommend the amount of expenditure to be incurred on the activities.
  - (iii) to monitor the corporate social responsibility policy of the Company from time to time.

### 2. Separate Meetings of Independent Directors

During the year, separate meetings of independent directors were held on May 17, 2016 and February 10, 2017 in which majority independent directors were present. They have discussed and reviewed evaluation of quality, quantity and timeliness of flow of information between the Company Management

and the Board that is necessary for the Board to perform their duties effectively and reasonably. They have also evaluated the performance of the Board and the Chairman of the Board.

## (G) Disclosures

1. There have been no materially significant related party transactions, which have potential conflict with the interest of the Company at large. Audit Committee always approves related party transactions and also grants omnibus approval as per the terms and conditions of Listing Regulations. The details showing related party transactions are provided in Note 30 of Notes forming part of the standalone financial statement for financial year ended on March 31, 2017 in accordance with the provisions of Accounting Standard 18.
2. 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.
3. In preparation of the financial statement, the Company has followed the applicable Accounting Standards. The significant accounting policies applied in preparation and presentation of financial statement have been set out in Note 2 of Notes forming part of the financial statement for financial year ended on March 31, 2017.
4. **CEO/CFO Certification:**  
Pursuant to Regulation 17(8) of Listing

Regulations, the certificate of Chairman and Managing Director, Executive Director and Chief Financial Officer was placed before the Board.

**5. SEBI (Prohibition of Insider Trading) Regulations, 2015:**

In order to comply with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information relating to dealing in the shares of the Company. The Company has also adopted the Code of Conduct to Regulate, Monitor and Report trading by Insiders which provides for disclosures from promoter, director and designated person as well as pre-clearance of transactions above the threshold limit as prescribed under the Code.

**6. Vigil Mechanism:**

The Board has adopted a vigil mechanism (whistle blower policy) and according to such policy, all employees are encouraged to report any instances of unethical behaviour, fraud, violation of the Company's Code of Conduct or any behaviour which may otherwise be inappropriate and harmful to the Company. No Person has been denied access to the Chairman of the Audit Committee in appropriate and exceptional cases. This policy has been posted on the Company's website

[http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov\\_72701231.pdf](http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_72701231.pdf)

**7. 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 and the Central Depository Services (India) Limited. This report also reconciles the total issued and listed equity shares. This report is quarterly submitted to stock exchanges.

**8. The policy for determining material subsidiaries is put on website of the Company at following link:**

[http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov\\_131213224727.pdf](http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_131213224727.pdf)

**9. The policy on materiality and dealing with related party transactions is put on website of the Company at following link: [http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov\\_131213224650.pdf](http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_131213224650.pdf)**

**10. Subsidiary Companies:**

None of the subsidiaries of the Company comes under the purview of the material non-listed subsidiary as per criteria given in Regulation 16(1)(c) of Listing Regulations. The Audit Committee of the Company reviews the financial statements and investments made by unlisted subsidiary Companies and the minutes of the unlisted subsidiary Companies are placed at the Board Meeting of the Company.

11. The Company has put in place succession plan for appointment to the Board and to senior management.
12. The designated senior management personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.
13. Details of Compliance with mandatory requirements and adoption of non-mandatory requirements:

The Company has complied with all mandatory requirements of the Regulation 17 to 27, clause (b) to (i) of Regulation 46(2) of Listing Regulations and has voluntarily complied with following non-mandatory requirements:

- I. During the year under review, there was no audit qualification on your Company's financial statement.
- II. Quarterly/Half yearly results of the Company are sent to shareholders and other stakeholders through an email.
- III. The Internal Auditor has direct access to the Audit Committee.

## (H) General Body Meeting

### 1. Annual General Meeting

Financial year	Date of AGM	Venue	Time	Special resolution passed at AGM
2013-14	September 24, 2014	Ahmedabad Management Association, ATIRA	10.00 a.m.	Adoption of Articles of Association
2014-15	October 27, 2015	Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	10.00 a.m.	-
2015-16	August 31, 2016		10.00 a.m.	Issue of Bonus Equity Shares

2. No extra ordinary general meeting was held during the year under review.
3. One resolution was passed through postal ballot in financial year 2016-17.

During the year under review, the Company had conducted Postal Ballot process in accordance with the provisions of Section 110 and / or any other applicable provisions of the Companies Act, 2013, read with the Companies (Management

and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force). Mr. Ashwin Shah, Practicing Company Secretary had been appointed as Scrutinizer for the postal ballot process. He had submitted his report to Chairman and accordingly, the result of postal ballot process had been announced by the Chairman on September 17, 2016.

Date of Completion of Postal Ballot	Resolution	Percentage of votes cast in favour of the resolution
17.09.2016	Special Resolution under Section 186 of the Companies Act, 2013 for increase in limit of providing loan/ guarantee/ securities to any person or other bodies corporate and / or acquiring/ investing securities of a Company or Body Corporate.	97.13

4. None of the businesses proposed to be transacted in the ensuing Annual General Meeting requires passing a special resolution through postal ballot.

## **(I) MEANS OF COMMUNICATIONS**

### **1. 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 Listing Regulations. At present, Company is communicating quarterly results to the shareholders and other stakeholders.

### **2. Annual Report**

Annual report is circulated to members and others stakeholders entitled thereto.

### **3. Publication of Results**

Quarterly results are normally published in Economic Times, Times of India and Western Times as per requirements of Listing Regulations.

### **4. 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](http://www.symphonylimited.com)

### **5. 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. Presentation made to Institutional Investors or to other Analysts is uploaded on the Company's website from time to time.

### **6. 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 others in electronic mode.

### **7. 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 others in electronic mode.

### **8. SEBI Complaints Redress System (SCORES)**

Investor complaints are processed on the

centralized 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.

#### 9. Reminder to the Shareholders

Reminders to shareholders for claiming their returned undelivered share certificates, unclaimed dividend and prior intimations regarding transfer of their shares to the Investor Education and Protection Fund (IEPF) are regularly dispatched.

## (J) Dividend

### Dividend Payment History of last eight years (including year under review):

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	September 24, 2014	**₹11.00
2014-15	Interim	January 17, 2015	**₹4.00
	Final	October 27, 2015	**₹10.00
2015-16	1 <sup>st</sup> Interim	January 28, 2016	**₹5.00
	2 <sup>nd</sup> Interim	March 10, 2016	**₹20.00
2016-17	1 <sup>st</sup> Interim	July 26, 2016	**₹1.50
	2 <sup>nd</sup> Interim	October 25, 2016	**₹1.00
	3 <sup>rd</sup> Interim	February 10, 2017	**₹1.00
Final Dividend#		Next AGM Date	**₹1.00

\* shares having face value of ₹10 per share

\*\* shares having face value of ₹2 per share

# Final dividend of ₹1 per share having face value of ₹2 recommended by Board at its meeting held on May 16, 2017 is subject to approval by members at ensuing annual general meeting.

## **(K) General Shareholders Information**

### **1. Annual General Meeting**

Date	Time	Venue
September 8, 2017	10.00 a.m.	Ahmedabad Management Association, ATIRA Campus, Dr. Vikram, Sarabhai Marg, Ahmedabad - 380 015

### **2. Financial Year:** April 1 to March 31

### **3. Financial Calendar (FY 2017-18):**

Quarterly Results	Tentative Schedule
Quarter ending on June 30, 2017	On or before August 14, 2017
Quarter ending on September 30, 2017	On or before November 14, 2017
Quarter ending on December 31, 2017	On or before January 31, 2018
Quarter ending on March 31, 2018	On or before May 30, 2018

### **4. Book Closure:** Friday, August 25, 2017 to Thursday, August 31, 2017 (both the days inclusive).

### **5. Dividend Payment date :**

For interim dividends 2016-17:

1st Interim dividend declared on July 26, 2016 : August 8, 2016

2nd Interim dividend declared on October 25, 2016 : November 11, 2016

3rd Interim dividend declared on February 10, 2017 : March 7, 2017

Final dividend 2016-17 recommended by the Board of Directors at its meeting held on May 16, 2017 : On or before September 28, 2017 (subject to approval of the members)

6. Listing on stock exchange : BSE Limited - Stock Code: 517385  
National Stock Exchange of India Limited -  
Stock Code: SYMPHONY EQ
7. Payment of Listing Fees: The Company has paid the Listing fee to BSE and NSE for the year 2016-17. The Company has also paid the listing fees to BSE and NSE for the year 2017-18.
8. Corporate Identity No.: L32201GJ1988PLC010331

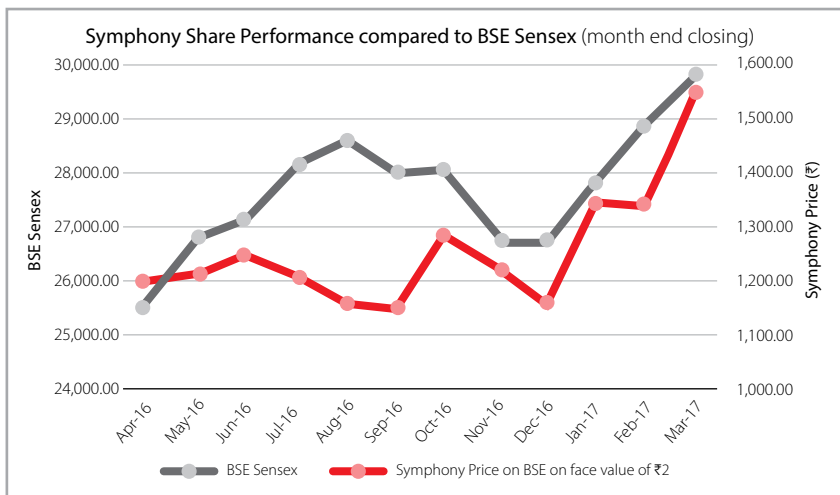


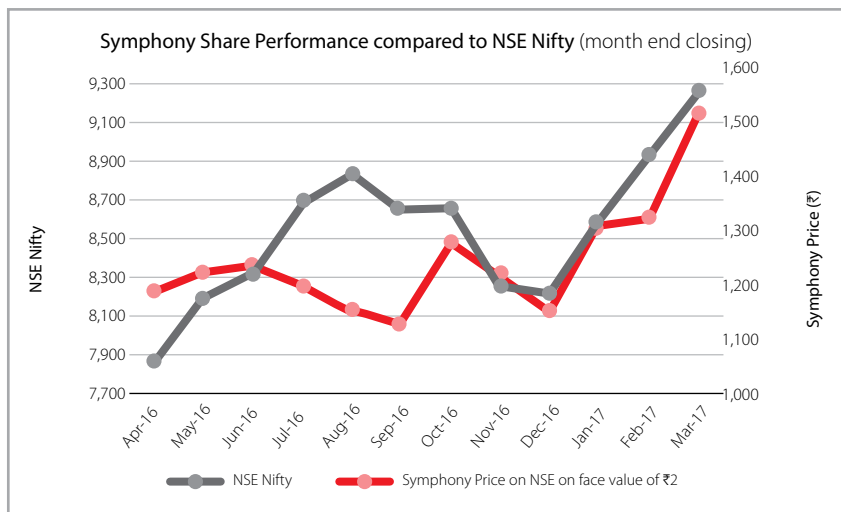
9. Market Price Data Monthly high and low during financial year ended on March 31, 2017 is as under:

Month	BSE		NSE	
	High	Low	High	Low
April, 2016	1,272.00	1,187.98	1,279.95	1,180.58
May, 2016	1,286.38	1,120.50	1,287.50	1,121.05
June, 2016	1,282.50	1,137.40	1,300.48	1,138.88
July, 2016	1,315.75	1,187.50	1,314.90	1,175.30
August, 2016	1,216.00	1,108.00	1,213.88	1,106.93
September, 2016	1,194.13	1,075.00	1,198.98	1,071.05
October, 2016	1,465.00	1,125.00	1,465.95	1,120.00
November, 2016	1,353.85	1,120.00	1,402.60	1,113.00
December, 2016	1,250.00	1,130.00	1,240.05	1,130.40
January, 2017	1,404.00	1,145.00	1,399.00	1,140.25
February, 2017	1,405.00	1,261.25	1,406.00	1,250.00
March, 2017	1,571.45	1,287.70	1,570.00	1,272.00

Since the Company has allotted and issued bonus shares in proportion of 1 bonus equity share for every 1 equity share held by member, the price is adjusted to that extent from April 2016 to September 2016.

#### 10. Performance in comparison to broad-based indices





Since the Company has allotted and issued bonus shares in proportion of 1 bonus equity share for every 1 equity share held by member, the price is adjusted to that extent from April 2016 to September 2016.

**11. ISIN:** INE225D01027

**12. Registrar and Share Transfer Agent**

Karvy Computershare Pvt. Ltd.  
 Karvy Selenium, Tower B, Plot 31-32,  
 Gachibowli, Financial District, Nanakaramguda  
 Hyderabad - 500 032  
 Phone No.: +91-40-6716 2222  
 Fax No. +91-40-2342 0814  
 E-mail: einward.ris@karvy.com

**13. Share Transfer System:** Share transfer requests received by the Company or Registrar and Share Transfer Agent are registered within 15 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 Listing Regulations and the same is filed with stock exchanges.

#### 14. Distribution of shareholding:

Distribution of Shareholding as on March 31, 2017 is as under:

No. of shares	No. of holders	% of holders	No. of shares	% of total shares
1 - 2500	16,300	98.19	3,432,063	4.91
2500 - 5000	119	0.72	440,321	0.63
5001 - 10000	79	0.48	598,572	0.85
10001 - 15000	23	0.14	302,713	0.43
15001 - 20000	19	0.11	348,489	0.50
20001 - 25000	4	0.02	90,300	0.13
25001 - 50000	17	0.10	684,312	0.98
50001 & Above	39	0.24	64,060,230	91.57
<b>Total</b>	<b>16,600</b>	<b>100.00</b>	<b>69,957,000</b>	<b>100.00</b>

#### 15. Category wise holding as on March 31, 2017 is as under:

Category	No. of shares	% of total shares
Promoter and Promoter Group	52,467,740	75.00
Mutual Funds	3,615,243	5.17
FIs	703,174	1.01
FPIs	4,584,808	6.55
Bodies Corporate	2,891,791	4.13
Bank/ FI/NBFC	15,985	0.02
NRIs	321,414	0.46
Trust	2,060	0.00
Clearing Members	44,252	0.06
Resident Individuals	5,310,533	7.59
<b>Total</b>	<b>69,957,000</b>	<b>100.00</b>

#### 16. Dematerialisation of Shares and Liquidity:

As on March 31, 2017, 68,443,244 equity shares of the Company equivalent to 97.84% of total shares are held in electronic form. The shares of the Company are traded on BSE and NSE in electronic form.

#### 17. Plant Location:

##### (i) Factory

703/704, Sanand Kadi Highway, Village Thol, Tal.Kadi, Dist. Mehsana, Gujarat PIN- 382728.

##### (ii) SEZ Unit - Surat

Plot No 177, 178, 201 and 202, Surat

Special Economic Zone, Sachin, 394230 Dist. Surat, Gujarat.

##### (iii) SEZ Unit - Kandla

C/o. Commodities Trading (Warehousing Division), Plot No. 351, 352, 368 & 369, Sector IV, Kandla SEZ, Gandhidham - Kutch - 370230.

#### 18. Communication Address

Symphony Limited  
Symphony House, Third Floor, FP12-TP50, Bodakdev, Off S.G. Highway, Ahmedabad - 380 054. Gujarat, India

Phone No.: +91-79-6621 1111  
Fax No.: +91-79- 66211140  
Email ID: investors@symphonylimited.com

## **(L) Company's Recommendations to the Shareholders:**

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

### **1. Dematerialisation (demat) of shares:**

Members are requested to demat their physical shares through any of the Depository Participants (DPs) to avoid the problems 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.

### **2. Register your National Electronic Clearing Service (NECS) Mandate:**

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.

### **3. 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 problems of revalidation/losing your right of claim due to transfer of unclaimed dividends to Investor Education and Protection Fund.

### **4. 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 receipt of the annual report and other communications from the Company through e-mail.

## COMPLIANCE CERTIFICATE

To  
The Members,  
Symphony Limited

We have examined the compliance of Corporate Governance by Symphony Limited ("the Company") for the year ended on 31<sup>st</sup> March 2017 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the applicable regulations of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.

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.

Place : Ahmedabad  
Date : May 16, 2017

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

# BUSINESS RESPONSIBILITY REPORT

## Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L32201GJ1988PLC010331
2.	Name of the Company	Symphony Limited
3.	Registered address	"Symphony House", Third Floor, FP-12, TP-50, Off S. G. Highway, Bodakdev, Ahmedabad – 380054, Gujarat, India.
4.	Website	www.symphonylimited.com
5.	E-mail id	corporate@symphonylimited.com
6.	Financial Year reported	April 1, 2016 to March 31, 2017
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	27900
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Air Coolers
9.	Total number of locations where business activity is undertaken by the Company	
	i. Number of International Locations (Provide details of major 5)	2 locations.  The Company, through its subsidiaries, has operations in Mexico and China.
	ii. Number of National Locations	26 locations across India.
10.	Markets served by the Company Local/State/ National/International/	National and International

**Section B: Financial Details of the Company**

1.	Paid up Capital (₹ in lacs)	1,399.14
2.	Total Turnover (₹ in lacs)	70,378
3.	Total profit after taxes (₹ in lacs)	17,316
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Details of the programme are given in CSR report forming part of Board's Report
5.	List of activities in which expenditure in 4 above has been incurred:-	Details of the programme are given in CSR report forming part of Board's Report

**Section C: Other Details**

1.	Does the Company have any Subsidiary Company/ Companies? Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) <b>No. None of the subsidiaries of the Company is in India</b>
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] <b>The Company always encourages its suppliers, distributors etc. to take BR initiatives at their end.</b>

**Section D: BR Information**

1.	Details of Director/Directors responsible for BR	
	a) Details of the Director / Director responsible for implementation of the BR policy/policies	
	DIN Number	00397573
	Name	Mr. Achal Bakeri
	Designation	Chairman and Managing Director
	b) Details of the BR head	
	Sr. No.	Particulars
	1.	DIN Number
	2.	Name
	3.	Designation
	4.	Telephone number
	5.	e-mail id
		Details
		00397573
		Mr. Achal Bakeri
		Chairman and Managing Director
		+91-79-6621 1111
		corporate@symphonylimited.com

## 2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for....	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2.	Has the policy being formulated in consultation with the relevant stakeholders?	-	-	Yes	-	-	Yes	-	-	-
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	-	-	-	-	-	Yes	-	-	-
4.	Has the policy being approved by the Board?  Is yes, has it been signed by MD/ owner/CEO/ appropriate Board Director?	<p>Yes.</p> <p>Policy (ies) which are mandatory under the Companies Act, 2013 and SEBI Listing Regulations are approved by the Board. Other policies are approved by the Chairman and Managing Director.</p>								



5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes. The Company has various committees to oversee the implementation of the policy and adequate internal control systems for implementation of the same.							
6.	Indicate the link for the policy to be viewed online?	1. <a href="http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_131213223941.pdf">http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_131213223941.pdf</a> 2. <a href="http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_131213224045.pdf">http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_131213224045.pdf</a>							
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, wherever applicable							
8.	Does the company have in-house structure to implement the policy/policies.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, wherever applicable							
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, wherever applicable							

2a. If answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

Not applicable

### 3. Governance related to BR

1. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

– Annually.

2. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

– The Company does not publish a BR or a Sustainability Report.

## Section E: Principle-wise performance

### Principle 1

1.	<b>Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?</b>
	Yes. The code of conduct and business ethics is followed by the Company. All Group Companies / Suppliers/ Dealers/ Distributors/ agents are also expected to adopt and implement the Company's Code of Ethics and Business Conduct in its true letter and spirit.
2.	<b>How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.</b>
	Nil

### Principle 2

1.	<b>List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.</b>
	Air Cooler is an environment friendly product, considered as a green product. Symphony air coolers are specially designed in such a way that is energy efficient and more cooling with less power consumption.  Further, the i-pure technology launched by the Company also provides air purification over and above efficient air cooling.
2.	<b>For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):</b>
	At Symphony, we continually strive to improve our operations and minimize our impact on the environment. A commitment to sustainability requires across-the-board efforts. We pursue new ways to reduce emissions and improve energy management through conservation, and energy-efficient product design.  Symphony has a long history of environment stewardship. Our growth is guided by the core belief of doing right for the business by doing right for people and our planet.  Over the years, we have been embracing the challenge of developing energy-efficient products while reducing our environmental footprint. This is important to us as we believe innovation is key to a sustainable future for our planet.

3.	<p><b>Does the company have procedures in place for sustainable sourcing (including transportation)?</b></p> <p>i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.</p> <p>The Company continuously strives to implant sustainability throughout its supply chain system. The Company has implemented SAP ERP system to enhance the sustainability as well as supply chain.</p>
4.	<p><b>Has the company taken any steps to procure goods and services from local &amp; small producers, including communities surrounding their place of work?</b></p> <p>If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</p> <p>Company as a policy ensures localisation and outsourcing to a competitive supplier for quality products. The Company provides necessary hands on Training to the suppliers/OEMs.</p>
5.	<p><b>Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as &lt;5%, 5-10%, &gt;10%). Also, provide details thereof, in about 50 words or so.</b></p> <p>Not applicable</p>

### Principle 3

1.	<p><b>Please indicate the Total number of employees.</b></p> <p>Total number of Employees as of March 31, 2017 is 484.</p>
2.	<p><b>Please indicate the Total number of employees hired on temporary/contractual/casual basis.</b></p> <p>Nil</p>
3.	<p><b>Please indicate the Number of permanent women employees.</b></p> <p>6 (six)</p>
4.	<p><b>Please indicate the Number of permanent employees with disabilities.</b></p> <p>Nil</p>
5.	<p><b>Do you have an employee association that is recognized by management?</b></p> <p>The Company does not have any employee association.</p>
6.	<p><b>What percentage of your permanent employees is members of this recognized employee association?</b></p> <p>Not Applicable.</p>

7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.			
	S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
	1.	Child labour/forced labour/involuntary labour	Nil	Nil
	2.	Sexual harassment	Nil	Nil
	3.	Discriminatory employment	Nil	Nil
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?			
	Permanent Employees		- 55%	
	Permanent Women Employees		- 50%	
	Casual/Temporary/Contractual Employees		- N.A.	
	Employees with Disabilities		- N.A.	

#### Principle 4

1.	<b>Has the company mapped its internal and external stakeholders? Yes/No</b>
	Yes, the Company has mapped its internal and external stakeholders. Employees Original Equipment Manufacturers Distributors Dealers Customers Governments and their authorities Shareholders Suppliers Lenders
2.	<b>Out of the above, has the company identified the disadvantaged, vulnerable &amp; marginalized stakeholders.</b>
	As per Company's information, there are no disadvantaged or vulnerable or marginalised stakeholders.
3.	<b>Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.</b>
	N.A.

## Principle 5

1.	<b>Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?</b>
	The Company's Policy on Human Rights covers not only the Company but also extends to its Subsidiaries and Group Companies, Suppliers, etc.
2.	<b>How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?</b>
	The Company did not receive any complaint for financial year ended on March 31, 2017.

## Principle 6

1.	<b>Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.</b>
	<p>The Company has a policy to adhere to ISO Standards.</p> <p>Presently, the Company does not have a policy. However, the Company is a manufacturer of Air coolers which is a green product. Our Air coolers are environment friendly and have following advantage:</p> <ol style="list-style-type: none"><li>1. Energy-efficient</li><li>2. Eco-friendly,</li><li>3. Use minimal water</li><li>4. Do not emit harmful CFCs</li></ol>
2.	<b>Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.</b>
	Climate change, global warming and environmental degrading pose unique challenges as well as opportunities for the Company. The Company is continually investing in new technologies and innovation to address global environment challenges.
3.	<b>Does the company identify and assess potential environmental risks? Y/N</b>
	Yes. On account of pollution hazards, the Company has come out with i-pure series of air coolers which also purifies the air over and above air cooling.
4.	<b>Does the company have any project related to Clean Development Mechanism?</b>
	If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Green Cooling for a Cleaner and Better Tomorrow:

Tomorrow's world needs environment-friendly, energy conserving solutions and products. With increased global warming and environmental degradation, people around the world recognise that businesses must act responsibly and offer green products to customers.

Symphony enables people across the world to capitalise on eco-friendly, energy-saving air cooling technologies as a serious alternative to harmful and inefficient air-conditioners.

We believe an environment-friendly approach transcends commercial considerations and a cleaner environment is the best legacy one can leave behind for future generations. Symphony's power-saving technology is currently the only air cooling technology in the market that complies with international standards for product energy efficiency.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Yes.

The Company strives to adopt process improvement measures and invest in efficient technologies to reduce its impact on the environment.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

N.A.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil

## Principle 7

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

- a. Gujarat Chamber of Commerce
- b. Confederation of Indian Industry
- c. Federation of Indian Export Organisations

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

No

## Principle 8

1.	<b>Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.</b>
	The CSR Committee has decided to spend CSR amount mainly for preventive health and promoting health care, Women empowerment etc. It may also consider CSR spend in other permitted area as and when it may deem fit.
2.	<b>Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?</b>
	The CSR programmes are entrusted to public charitable trust, NGO.
3.	<b>Have you done any impact assessment of your initiative?</b>
	The CSR Committee of the Board assess the impact of its CSR programmes. Any update on CSR programme is placed before the Board for their review.
4.	<b>What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?</b>
	INR 205.50 lacs. Details of the programme are given in CSR report forming part of Board's Report.
5.	<b>Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.</b>
	Yes. CSR Programmes are rolled out directly through Public Charitable Trust, NGO. This helps in increasing reach as well as ensuring the adoption of initiative by communities.

## Principle 9

1.	<b>What percentage of customer complaints /consumer cases are pending as on the end of financial year.</b>
	67 cases /complaints were pending as on March 31, 2017 for decision.
2.	<b>Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)</b>
	Yes. Company adheres to all the applicable laws, regulations regarding product labelling and displays relevant information on it.
3.	<b>Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.</b>
	No
4.	<b>Did your company carry out any consumer survey/ consumer satisfaction trends?</b>
	Yes



## Independent Auditor's Report

To  
The Members of  
Symphony Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SYMPHONY LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") 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 principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and

completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating

the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters paragraph below, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹10,288.90 lacs as at 31st March, 2017, total revenues of ₹13,503.15 lacs and net cash inflows amounting to ₹1,757.48 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it

relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company, being the only company in the group

to which such requirements of the Act are applicable, none of the directors of the holding company is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, being the only company in the group to which such requirements of the Act are applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 30 & Note 38 to the Consolidated Financial Statements.
  - ii. The Group do not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to

the Investor Education and Protection Fund by the Holding Company, being the only company in the group to which such requirements of the Act are applicable

- iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Holding Company, being the only company in the group to which such requirements of the Act are applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by the Holding Company for the purpose of preparation of the consolidated financial statements and as produced to us by the Management of the Holding Company.

**For Deloitte Haskins & Sells**

*Chartered Accountants*

(Firm's Registration No. 117365W)

**Gaurav J. Shah**

*Partner*

(Membership No. 35701)

Ahmedabad

May 16, 2017

## **Annexure “A” to the Independent Auditor’s Report**

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **SYMPHONY LIMITED** (hereinafter referred to as “the Holding Company”) being the only company in the group to which requirements of the Act are applicable, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Holding company, being the only company in the group to which requirements of the Act are applicable, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Holding Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company’s internal financial controls system over financial reporting, being the only company in the group to which requirements of the Act are applicable.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial

controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, being the only company in the group to which requirements of the Act are applicable, has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells

*Chartered Accountants*

(Firm's Registration No. 117365W)

**Gaurav J. Shah**

*Partner*

(Membership No. 35701)

Ahmedabad

May 16, 2017

## Consolidated Balance Sheet as at 31st March, 2017

(₹ in Lacs)

Particulars	Note	As at 31/03/2017	As at 31/03/2016
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	1,399.14	699.57
(b) Reserves and Surplus	4	44,499.68	31,162.74
		<b>45,898.82</b>	<b>31,862.31</b>
<b>(2) Non-Current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)	5	450.14	249.39
(b) Long-Term Provisions	6	274.30	669.74
		<b>724.44</b>	<b>919.13</b>
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	7	1,928.99	-
(b) Trade Payables			
(i) To Micro and Small Enterprises	37	-	-
(ii) To Others		6,094.93	4,957.71
		6,094.93	4,957.71
(c) Other Current Liabilities	8	4,317.63	3,421.43
(d) Short-Term Provisions	9	913.91	1,078.56
		<b>13,255.46</b>	<b>9,457.70</b>
<b>TOTAL</b>		<b>59,878.72</b>	<b>42,239.14</b>
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		7,141.38	7,015.68
(ii) Intangible Assets		571.73	340.66
(iii) Capital Work-In-Progress		-	301.15
		7,713.11	7,657.49
(b) Goodwill on Consolidation		386.80	392.38
(c) Non-Current Investments	11	9,668.71	16,167.20
(d) Long-Term Loans and Advances	12	429.23	274.05
(e) Other Non-Current Assets	13	8.00	9.00
		<b>18,205.85</b>	<b>24,500.12</b>
<b>(2) Current Assets</b>			
(a) Current Investments	14	18,614.51	61.66
(b) Inventories	15	7,733.43	5,507.24
(c) Trade Receivables	16	5,230.89	4,686.91
(d) Cash and Bank Balances	17	4,661.11	4,639.44
(e) Short-Term Loans and Advances	18	4,833.43	2,184.53
(f) Other Current Assets	19	599.50	659.24
		<b>41,672.87</b>	<b>17,739.02</b>
<b>TOTAL</b>		<b>59,878.72</b>	<b>42,239.14</b>
See accompanying notes forming part of the consolidated financial statements	1-43		

In terms of our Report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**Gaurav J Shah**  
Partner  
Membership No. 35701

Place : Ahmedabad  
Date : May 16, 2017

**For and on behalf of the Board**

**Achal Bakeri**  
Chairman & Managing Director  
DIN-00397573

**Mayur Bavadiya**  
Company Secretary

**Nrupesh Shah**  
Executive Director  
DIN-00397701

**Bhadresh Mehta**  
Chief Financial Officer

**Consolidated Statement of Profit and Loss** for the year ended 31st March, 2017

(₹ in Lacs)

Particulars	Note	Year ended 31/03/2017	Nine months ended 31/03/2016 (Refer Note 42)
I Revenue from Operations	20	76,802.90	44,554.65
II Other Income	21	4,321.05	2,088.62
III <b>Total Revenue (I + II)</b>		<b>81,123.95</b>	<b>46,643.27</b>
IV <b>Expenses:</b>			
Cost of Material Consumed	22	9,126.68	4,090.76
Purchase of Stock-in-Trade	23	29,132.27	16,358.55
Changes in Inventories of Finished Goods, Work- in-Progress and Stock-in-Trade	24	(1,815.81)	(320.14)
Employee Benefit Expense	25	6,870.73	4,251.73
Finance Costs	26	3.28	19.80
Depreciation and Amortization Expense	10	705.18	429.90
Advertisement and Sales Promotion Expense	27	4,445.11	946.20
Other Expenses	28	9,285.05	5,627.94
<b>Total Expenses (IV)</b>		<b>57,752.49</b>	<b>31,404.74</b>
V Profit before Exceptional Items and Tax (III – IV)		<b>23,371.46</b>	<b>15,238.53</b>
VI Exceptional Items		-	1,246.66
VII <b>Profit before Tax (V + VI)</b>		<b>23,371.46</b>	<b>16,485.19</b>
VIII Tax Expense / (Benefits):			
(1) Current Tax		6,614.19	4,589.08
(2) Short / (Excess) Provision of tax relating to previous years		(3.12)	(3.87)
(3) Net Current Tax		6,611.07	4,585.21
(4) Deferred Tax		200.75	63.47
Net Tax Expense		6,811.82	4,648.68
IX <b>Profit for the year (VII - VIII)</b>		<b>16,559.64</b>	<b>11,836.51</b>
X Earnings per equity share of face value of ₹2/- each:			
(1) Basic	29	23.67	16.92
(2) Diluted	29	23.67	16.92
See accompanying notes forming part of the consolidated financial statements	1-43		

In terms of our Report attached

For Deloitte Haskins & Sells  
Chartered AccountantsGaurav J Shah  
Partner  
Membership No. 35701Place : Ahmedabad  
Date : May 16, 2017

For and on behalf of the Board

Achal Bakeri  
Chairman & Managing Director  
DIN-00397573Mayur Barvadiya  
Company SecretaryNrupesh Shah  
Executive Director  
DIN-00397701Bhadresh Mehta  
Chief Financial Officer

## Consolidated Cash Flow Statement for the year ended 31st March, 2017

(₹ in Lacs)

Particulars	Year ended 31/03/2017	Nine Months ended 31/03/2016 (Refer Note 42)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	23,371.46	16,485.19
Adjustment For:		
Depreciation and Amortization Expense	705.18	429.90
Exceptional Items	-	(1,246.66)
Finance Costs	3.28	19.80
Wealth Tax Expenses (Net)	-	0.03
Interest Income	(1,212.35)	(1,095.73)
Dividend Income	(565.82)	(767.27)
Gain on Sale of Long Term Investments (Net)	(766.24)	(3.00)
Gain on Sale of Current Investments (Net)	(922.80)	(39.10)
Other Non Operating Income	(7.80)	(11.34)
Adjustment on Foreign Currency Translation	(55.09)	97.52
Provision for Doubtful Debts	25.59	115.86
Provisions / Liabilities no longer required return back	(215.16)	(14.00)
(Profit) On Sale of Fixed Assets	(151.50)	(93.78)
<b>Operating Profit Before Working Capital Changes</b>	<b>20,208.75</b>	<b>13,877.42</b>
Adjustments For:		
Inventories	(2,226.19)	(936.91)
Trade and Other Receivables	(569.57)	(1,535.57)
Long Term Loans & Advances	(178.21)	(76.22)
Short Term Loans & Advances	(2,648.90)	(519.28)
Other Current Assets	(206.44)	(108.15)
Trade Payables	1,234.93	983.91
Other Current Liabilities	928.38	1,418.19
Short Term Provisions	83.10	(164.06)
Provision for Employee Benefit	(317.67)	11.63
<b>Cash Generated from Operations</b>	<b>16,308.18</b>	<b>12,950.96</b>
Net Income Tax paid	(6,819.13)	(4,098.08)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>9,489.05</b>	<b>8,852.88</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital Expenditure on Fixed Assets including capital advances	(953.07)	(1,813.79)
Proceeds from Sale of Fixed Assets	268.58	1,409.81
Interest Received	1,478.54	1,334.57
Dividend Received	565.82	767.27
Wealth Tax paid	-	(1.35)
Purchase of Long Term Investments		
Subsidiaries	-	(154.73)
Others	(3,401.40)	(4,709.75)
Proceeds from Sale of Long Term Investments		
Others	10,666.12	1,701.25
Current Investments not considered as Cash and Cash equivalents		
Purchased	(1,15,467.79)	(64,546.57)
Proceeds from sale	97,845.52	75,603.71
Investments in Fixed Deposit with Banks	2,399.88	(2,400.14)
Earmarked deposits / balances with bank (Placed) / Realised	81.11	(207.24)
<b>Net Cash Flow from / (Cash Used in) Investing Activities (B)</b>	<b>(6,516.69)</b>	<b>6,983.04</b>



**Consolidated Cash Flow Statement** for the year ended 31st March, 2017

(₹ in Lacs)

Particulars	Year ended 31/03/2017		Nine Months ended 31/03/2016 (Refer Note 42)	
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend Paid	(2,004.77)		(12,033.55)	
Dividend Distribution Tax Paid	(391.64)		(2,492.28)	
Receipt of Short Term Borrowings	1,928.99		-	
Finance Cost paid	(3.28)		(19.80)	
<b>Net Cash Used in Financing Activities (C)</b>		<b>(470.70)</b>		<b>(14,545.63)</b>
Net Increase in Cash & Cash Equivalents (A+B+C)		2,501.66		1,290.29
Cash & Cash Equivalents at the beginning of the year		1,821.15		530.86
Cash & Cash Equivalents at the end of the year		4,322.81		1,821.15
Cash on Hand		3.09		24.50
Balances with Schedule Bank in Current Account		4,319.72		1,796.65
Cash & Cash Equivalents included in Note no. 17		4,322.81		1,821.15

In terms of our Report attached

**For Deloitte Haskins & Sells***Chartered Accountants***Gaurav J Shah***Partner*

Membership No.: 35701

Place : Ahmedabad

Date : May 16, 2017

**For and on behalf of the Board****Achal Bakeri***Chairman & Managing Director*

DIN-00397573

**Mayur Barvadiya***Company Secretary***Nrupesh Shah***Executive Director*

DIN-00397701

**Bhadresh Mehta***Chief Financial Officer*

## Notes forming part of the Consolidated Financial Statements

### 1. CORPORATE INFORMATION

Symphony Limited ("The Holding Company"), and its subsidiaries (together the holding company and its subsidiaries constitute "the Group") are primarily engaged in the business of manufacturing and trading of residential, commercial and industrial air coolers, both in the domestic and international markets.

### 2. BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

#### i-a) Basis of Accounting and Preparation of Consolidated Financial Statements

The consolidated financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the Act"). The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

#### i-b) Principles of Consolidation

The consolidated financial statements relate to Symphony Limited (the 'Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2017.
- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. The Goodwill is determined separately for each subsidiary company and such amounts are not set off between different entities.
- Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Sr. No.	Name of Subsidiary Company	Country of Incorporation	Extent of Holding/ Voting Power (%) as on March 31, 2017
1	Sylvan Holdings PTE. Ltd	Singapore	100
2	IMPCO S DE RL DE C V.	Mexico	100
3	Symphony USA Inc., (through IMPCO S DE RL DE C V., Mexico)	USA	100 (upto Dec. 31, 2016)
4	Guangdong Symphony Keruilai Air Coolers Co., Ltd	China	100 (w.e.f. Jan.01,2016)

- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

**Notes forming part of the Consolidated Financial Statements****ii) Use of Estimates**

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**iii) Revenue Recognition**

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

**a) Sales**

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales is net of VAT and Central Sales Tax, wherever applicable and after making adjustments towards price variations, discounts etc.

**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 consolidated financial statements on disposal. Gains or losses arising on disposal are recognised in the statement of profit and loss.

## Notes forming part of the Consolidated Financial Statements

### 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 group 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

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on all tangible fixed assets is provided on Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013. 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 and the amortisation period is revised to reflect the changed pattern, if any. Based on the internal assessment carried out by the management, the salvage value and the useful lives as given above best represents the period over which management expects to use these assets.

Depreciation of the tangible fixed assets of the Company's foreign subsidiaries, IMPCO S DE RL DE CV, Mexico; Symphony USA Inc., USA and Guangdong Symphony Keruilai Air Coolers Co., Ltd, China have been provided on straight line method based on useful lives as per the following range of rates:

	IMPCO S DE RL DE CV, Mexico and Symphony USA Inc., USA	Guangdong Symphony Keruilai Air Coolers Co., Ltd., China
Type of assets	Range of Rates	Range of Rates
Buildings	5%	10%
Machinery and equipment	8%	10-100%
Transportation equipments	25%	20%
Furniture and fixtures & Office Equipment	10%	10-100%

## Notes forming part of the Consolidated Financial Statements

### 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 "Moving Average" basis.

Work-in-process and Finished goods are valued at lower of cost or net realizable value. The cost includes direct materials and labour. Cost is determined on "Moving Average" basis.

### 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:

- a) **Company:** Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- b) **Net investment in non-integral foreign operations:** Net investment in non-integral foreign operations is accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- c) **Non-integral foreign operations:** Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

#### Measurement at the Balance Sheet date

- a) **Company:** Foreign currency monetary items of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

## Notes forming part of the Consolidated Financial Statements

- b) **Net investment in non-integral foreign operations:** Foreign currency monetary items (other than derivative contracts) of the Company's net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.
- c) **Non-integral foreign operations:** All assets and liabilities of non-integral foreign operations are translated at the year-end rates.

### Treatment of exchange difference on restatement / settlement

- a) **Company:** Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Consolidated Statement of Profit and Loss.
- b) **Net investment in non-integral foreign operations:** The exchange differences on restatement of long-term receivables / payables from / to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal / recovery is recognised.
- c) **Non-integral foreign operations:** The exchange differences on translation of balances relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

### Change in classification of foreign operation

When a non-integral foreign operation is reclassified as an integral foreign operation, the translated amounts for non-monetary items at the date of the change are treated as the historical cost for those items in the period of change and subsequent periods. Exchange differences that have been deferred are not recognised as income or expense until the disposal of the operation.

Subsequent to the date of change in classification of the foreign operation, transactions and balances in such operations are accounted as per the accounting policy applicable to the new classification.

## 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 Group'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 post retirement benefits 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 post retirement benefits are discounted to the current value, using the yield on government bonds, as on the date of balance sheet, at the discounting rate.

## Notes forming part of the Consolidated Financial Statements

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) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

### xiv) Taxes on Income

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

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the entity has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Consolidated Statement of Profit and Loss.

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.

## Notes forming part of the Consolidated Financial Statements

### 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 consolidated financial statement.

### xvi) Warranty

Provision for the estimated liability in respect of warranty on sale of products is made in the year in which the revenues are recognised, based on historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

### xvii) Provisions and Contingencies

A provision is recognised when the Group 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 consolidated financial statements but are disclosed in the notes.

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

### xviii) Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### xix) Borrowing Costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Consolidated Statement of Profit and Loss over the tenure of the loan.



## Notes forming part of the Consolidated Financial Statements

### 3. SHARE CAPITAL

(₹ in Lacs)

Particulars	As at 31/03/2017	As at 31/03/2016
<b>Authorised :</b>		
7,50,00,000 Equity Shares of ₹2/- each	1,500.00	1,500.00
<b>Issued, Subscribed &amp; Paid up :</b>		
6,99,57,000 Equity Shares of ₹2/- each fully paid up	1,399.14	699.57
(Previous Year 3,49,78,500 Equity Shares of ₹2/- each fully paid up)		
	<b>1,399.14</b>	<b>699.57</b>

The Company has allotted 3,49,78,500 bonus equity shares of ₹2/- each fully paid up on September 17, 2016 in the proportion of one (1) bonus equity share for every fully Paid up equity share (1:1). As a result of the bonus issue the Paid up capital of the Company stands increased to ₹1,399.14 lacs from ₹699.57 lacs.

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, except in case of Interim Dividend.

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 March 31, 2017 is set out below :

Name of the shareholder	No. of shares*	% held as at March 31, 2017	No. of shares	% held as at March 31, 2016
Mr. Achal A. Bakeri	2,92,63,600	41.83%	1,46,31,800	41.83%
Ms. Rupa A. Bakeri	70,96,940	10.14%	3,89,750	1.11%
Oras Investments Pvt. Ltd.	64,43,600	9.21%	32,21,800	9.21%
Paratam Investments Pvt. Ltd.	60,39,600	8.63%	30,19,800	8.63%

\* Including bonus shares issued on September 17, 2016

The reconciliation of the number of shares outstanding as at March 31, 2017 is set out below:

Particulars	As at 31/03/2017		As at 31/03/2016	
	No. of shares	Amount (₹ in lacs)	No. of shares	Amount (₹ in lacs)
Opening Balance	3,49,78,500	699.57	3,49,78,500	699.57
Add: Issue of Bonus Shares	3,49,78,500	699.57	-	-
Closing Balance	6,99,57,000	1,399.14	3,49,78,500	699.57

Aggregate number of fully paid up equity shares allotted by way of Bonus Shares in the immediately preceding five years 3,49,78,500 equity shares of ₹2 each fully paid up.

## Notes forming part of the Consolidated Financial Statements

### 4. RESERVES AND SURPLUS

(₹ in Lacs)

Particulars	As at 31/03/2017	As at 31/03/2016
<b>General Reserve</b>		
Balance as per last balance sheet	3,500.00	3,500.00
<b>Surplus in Statement of Profit and Loss</b>		
Opening Balance	25,831.51	24,519.83
Add: Profit for the year	16,559.64	11,836.51
Amount available for appropriation	42,391.15	36,356.34
Less: Appropriations		
Utilised for issue of Bonus Shares	5.10	-
Interim Dividend on Equity Shares	1,923.82	8,744.63
[Dividend per share ₹3.5/- (Previous year ₹25/-) on face value of ₹2/-]		
Tax on Interim Dividend	391.64	1,780.20
Closing Balance	40,070.59	25,831.51
<b>Securities Premium Account</b>		
Opening Balance	694.47	694.47
Less: Utilised for issue of Bonus Shares	(694.47)	-
Closing Balance	-	694.47
<b>Capital Reserve</b>		
Closing Balance	904.43	904.43
<b>Translation Reserve</b>		
Opening Balance	492.76	563.28
Add: Effect during the year	(207.67)	(70.52)
Closing Balance	285.09	492.76
<b>Consolidation Reserve</b>		
Closing Balance	(260.43)	(260.43)
<b>Total</b>	<b>44,499.68</b>	<b>31,162.74</b>

### 5. DEFERRED TAX LIABILITIES

(A) Deferred Tax Liability arising on account of timing difference between depreciation as per Books and as per Income Tax Act, 1961	485.44	284.17
<b>Total (A)</b>	<b>485.44</b>	<b>284.17</b>
(B) Deferred Tax Asset		
(i) Disallowances under section 43B/40A(7) of Income Tax Act, 1961	9.18	8.66
(ii) Provision for doubtful advance	26.12	26.12
<b>Total (B)</b>	<b>35.30</b>	<b>34.78</b>
(C) Deferred Tax Liability Net (A-B)	450.14	249.39

**Notes forming part of the Consolidated Financial Statements****6. LONG-TERM PROVISIONS**

(₹ in Lacs)

Particulars	As at 31/03/2017	As at 31/03/2016
Provision for		
Employee Benefits (Refer to Note no. 35)	274.30	669.74
	<b>274.30</b>	<b>669.74</b>

**7. SHORT-TERM BORROWINGS**

Unsecured		
Loan from Bank	1,928.99	-
	<b>1,928.99</b>	<b>-</b>

**8. OTHER CURRENT LIABILITIES**

Trade Deposits	98.61	76.36
Unpaid Dividends	334.43	415.38
Creditors for Capital Goods	49.21	0.43
Advance from Customers	2,088.43	1,376.84
Statutory Dues	1,320.02	1,014.19
Other Payables	426.93	538.23
	<b>4,317.63</b>	<b>3,421.43</b>

**9. SHORT-TERM PROVISIONS**

Provision for		
Employee Benefits (Refer to Note no. 35)	12.98	52.67
Warranty (Refer to Note no. 39)	610.94	527.84
Income Taxes (Net of Advance Tax)*	289.99	498.05
	<b>913.91</b>	<b>1,078.56</b>

\* Provision for income tax (Net of Advance Tax ₹6,227.43 lacs (As at March 31, 2016 ₹4,738.45 lacs)).

## Notes forming part of the Consolidated Financial Statements

### 10. FIXED ASSETS

Particulars	Tangible							Total (A)	Intangible & Intellectual Property Rights	Total (B)	Capital WIP (C)	Grand Total (A+B+C)
	Free Hold Land	Lease Hold Land (SEZ)	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments	Computers				
<b>Gross Block</b>												
As at 01/07/2015	2,540.64	260.49	2,834.94	8,838.14	408.73	478.52	98.09	495.98	15,955.53	43.14	43.14	15,998.67
Additions	-	-	287	14,238	19,990	676	545	606	183.42	19.60	301.15	304.17
Adjustments on account of acquisition of subsidiary	-	-	-	1,47,599	-	20.10	595.59	68.63	2,160.31	1,991.13	-	4,151.44
Adjustments / Sold	-	-	487.49	32,400	28.91	27.42	4.33	1.27	873.42	-	-	873.42
Foreign Currency Translation	(140.85)	-	(50.07)	(364.36)	(4.05)	(10.71)	2.73	(20.11)	(587.42)	9.13	-	(578.29)
As at 01/04/2016	2,399.79	260.49	2,300.25	9,768.15	395.67	467.25	697.53	549.29	16,388.42	2,063.00	301.15	19,202.57
Additions	-	-	0.37	736.26	1,802	95.98	3.83	24.40	878.86	447.17	63.64	1,389.67
Adjustments / Sold	26.45	-	148.32	5,604	80.3	6.93	287.58	5.99	539.34	-	-	904.13
Foreign Currency Translation	(46.63)	-	(45.73)	(828.86)	(4.93)	(21.81)	(50.06)	(45.66)	(1,043.68)	(166.82)	-	(1,210.50)
As at 31/03/2017	2,326.71	260.49	2,106.57	9,619.51	400.73	534.49	363.72	522.04	16,134.26	2,343.35	-	18,477.61
<b>Accumulated Depreciation and Amortization</b>												
As at 01/07/2015	-	72.79	1,056.87	7,236.08	64.08	30,227	23.40	398.48	9,153.97	15.40	-	9,169.37
Depreciation and Amortization For The Period	-	13.05	63.00	175.38	26.71	32.69	34.29	29.16	374.28	55.62	-	429.90
As at 31/03/2017	-	-	-	971.88	-	1,884	464.94	65.64	1,521.30	1,644.38	-	3,165.68
<b>Accumulated Depreciation on account of acquisition of subsidiary</b>												
As at 01/07/2015	-	-	488.73	284.69	51.7	2,008	4.11	1.27	804.05	-	-	804.05
Adjustments / Sold	-	-	(35.33)	(358.27)	(2.56)	(9.75)	1.88	(18.73)	(422.76)	6.94	-	(415.82)
Foreign Currency Translation	-	-	595.81	7,740.38	83.06	323.97	520.40	473.28	9,822.74	1,722.34	-	11,545.08
As at 01/04/2016	-	85.84	595.81	7,740.38	83.06	340.00	423.8	36.45	505.75	1,994.3	-	705.18
Depreciation and Amortization For The Year	-	17.37	52.62	260.06	34.00	42.38	62.87	36.45	505.75	1,994.3	-	705.18
Adjustments / Sold	-	-	83.95	51.01	7.92	3.94	270.07	6.37	422.26	-	-	422.26
Foreign Currency Translation	-	-	(33.23)	(783.70)	(4.64)	(20.36)	(28.02)	(43.40)	(913.35)	(150.15)	-	(1,063.50)
As at 31/03/2017	-	103.21	531.25	7,165.73	104.50	343.05	285.18	459.96	8,992.88	1,771.62	-	10,764.50
<b>Net Block</b>												
As at 31/03/2016	2,399.79	174.65	1,704.44	2,027.77	312.61	143.28	177.13	76.01	7,015.68	340.66	301.15	7,657.49
As at 31/03/2017	2,326.71	157.28	1,575.32	2,453.78	296.23	191.44	78.54	62.08	7,141.38	571.73	-	7,713.11

Note :

The leasehold land in Surat SEZ (SUA 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.

**Notes forming part of the Consolidated Financial Statements****11. NON-CURRENT INVESTMENTS**

(₹ in Lacs)

Particulars	As at 31/03/2017		As at 31/03/2016	
	Nos.		Nos.	
<b>Non-current Investments</b>				
<b>Long term investments - Non Trade (Unquoted)</b>				
In fully paid cumulative redeemable preference shares				
Tata Capital Ltd	50,000	503.50	50,000	503.50
Tata Capital Ltd	1,00,000	1,000.00	-	-
<b>Long term investments - Non Trade (Quoted)</b>				
In fully paid bonds				
Tax Free Bond of IIFC Ltd.	1,36,000	1,458.38	1,36,000	1,458.38
Tax Free Bond of IIFC Ltd.	-	-	100	1,068.30
Tax Free Bond of IIFC Ltd.	1,00,000	998.90	1,00,000	998.90
Tax Free Bond of IRFC Ltd.	-	-	50	551.25
Tax Free Bond of NHAI	-	-	37,086	370.86
Tax Free Bond of NHAI	-	-	100	1,000.60
Tax Free Bond of NHB	7,220	361.00	7,220	361.00
Tax Free Bond of NHB	-	-	150	1,655.25
Tax Free Bond of NTPC Ltd.	31,664	316.64	31,664	316.64
Tax Free Bond of PFC Ltd.	32,389	323.89	32,389	323.89
Tax Free Bond of PFC Ltd.	-	-	150	1,653.75
Tax Free Bond of REC Ltd.	-	-	10,00,000	1,001.80
Tax Free Bond of REC Ltd.	50,000	500.00	50,000	500.00
Tax Free Bond of REC Ltd.	-	-	92,500	948.68
Tax Free Bond of REC Ltd.	-	-	1,50,000	1,649.40
IDBI Perpetual Bond	80	800.00	80	800.00
In fully paid non convertible debentures				
IIFL Wealth Finance Ltd	1,000	1,000.00	-	-
Dewan Housing Finance Cor.Ltd(Series-IIIA)	1,00,000	1,000.00	-	-
Dewan Housing Finance Cor.Ltd(Series-IIIB)	40,000	401.40	-	-
In fully paid cumulative redeemable preference shares				
IL&FS Ltd.	6,700	1,005.00	6,700	1,005.00
		<b>9,668.71</b>		<b>16,167.20</b>
Aggregate amount of quoted investments		<b>8,165.21</b>		<b>15,663.70</b>
Aggregate market value of quoted investments		<b>8,856.38</b>		<b>15,707.28</b>
Aggregate value of unquoted investments		<b>1,503.50</b>		<b>503.50</b>

The Company has pledged tax free bonds out of the above mentioned investments in favour of Standard Chartered Bank, India towards issuance of irrevocable standby letter of credit upto ₹3,500 Lacs in favour of Standard Chartered Bank, China for availing working capital facility by Guangdong Symphony Keruilai Air Cooler Co Ltd (wholly owned subsidiary) upto US \$ 50 Lacs.

## Notes forming part of the Consolidated Financial Statements

### 12. LONG-TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at 31/03/2017	As at 31/03/2016
<b>Unsecured, considered good</b>		
Capital advances	112.58	135.61
Prepaid Expenses	239.49	85.58
Other loans and advances		
Balance with statutory / government authorities	2.03	19.19
Deposit Others	75.13	33.67
	<b>429.23</b>	<b>274.05</b>

### 13. OTHER NON-CURRENT ASSETS

Balance held as Margin Money	8.00	9.00
	<b>8.00</b>	<b>9.00</b>

### 14. CURRENT INVESTMENTS

Particulars		As at 31/03/2017		As at 31/03/2016
<b>Current Investments</b>	<b>Nos.</b>		<b>Nos.</b>	
<b>Investment in Mutual Funds (Unquoted)</b>				
BBVA BANCOMER S.A.-BMERGOB Serie E	1,08,664	41.43	31,206	40.42
Investment on a trust title	1	17.27	1	21.24
HDFC Banking & PSU Debt Fund	1,05,43,995	1,400.00	-	-
ICICI Prudential Equity Arbitrage Fund	1,40,06,454	2,000.00	-	-
Kotak Bond Short Term Fund	46,81,263	1,480.00	-	-
SBI Premier Liquid Fund	3,09,053	3,100.57	-	-
HDFC Arbitrage Fund	1,42,44,417	1,503.02	-	-
ICICI Prudential & PSU Debt Fund-Growth	1,05,70,333	2,000.00	-	-
HDFC Banking & PSU Debt Fund-Growth	83,29,295	1,100.00	-	-
ICICI Prudential Ultra Short Term Plan-Growth	38,86,932	650.00	-	-
Kotak Bond Short Term Fund-Growth	16,91,827	520.00	-	-
ICICI Prudential Flexible Income Plan-Growth	6,39,849	2,000.00	-	-
ICICI Prudential Ultra Short Term Plan-Growth	78,92,245	1,350.00	-	-
Tata Money Market Fund	1,45,002	1,452.22	-	-
		<b>18,614.51</b>		<b>61.66</b>
Aggregate amount of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate value of unquoted investments		<b>18,614.51</b>		<b>61.66</b>

**Notes forming part of the Consolidated Financial Statements****15. INVENTORIES**

(₹ in Lacs)

Particulars	As at 31/03/2017	As at 31/03/2016
Raw materials (Including Packing Material) (Including Goods in Transit ₹36.67 lacs, Previous year ₹ Nil)	1,488.13	1,077.75
Work-in-Progress	77.91	328.80
Finished Goods (Including Goods in Transit ₹1,129.69 lacs, Previous year ₹661.42 lacs)	2,615.09	2,231.30
Stock-In-Trade (Including Goods in Transit ₹189.05 lacs, Previous year ₹67.70 lacs)	3,552.30	1,869.39
	<b>7,733.43</b>	<b>5,507.24</b>

**16. TRADE RECEIVABLE**

Outstanding for more than six months		
Unsecured Considered good	96.30	230.77
Unsecured Considered Doubtful	25.59	115.86
Less : Provision for Doubtful Debts	(25.59)	(115.86)
Others		
Unsecured Considered good	5,134.59	4,456.14
	<b>5,230.89</b>	<b>4,686.91</b>

**17. CASH & BANK BALANCES**

Cash and Cash Equivalents		
Cash on Hand	3.09	24.25
Balance with employees Imprest account	-	0.25
Balance with banks in current accounts	4,319.72	1,796.65
	4,322.81	1,821.15
Other Bank Balances		
In Earmarked Accounts		
Unpaid Dividend Accounts	334.43	415.38
Margin Accounts	1.58	0.74
In Deposit Accounts	2.29	2,402.17
	<b>4,661.11</b>	<b>4,639.44</b>

## Notes forming part of the Consolidated Financial Statements

### 18. SHORT-TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at 31/03/2017	As at 31/03/2016
(Unsecured Considered Good Unless Otherwise Stated)		
Advance for supply of goods and rendering of services		
Considered good	4,257.96	1,563.89
Considered doubtful	75.49	75.49
Less: Provision for doubtful Advances	(75.49)	(75.49)
Prepaid Expenses	118.41	70.14
Loans and Advances to employees	17.55	29.88
Balance with statutory / government authorities	370.57	348.71
Other Loans and advances	68.94	171.91
	<b>4,833.43</b>	<b>2,184.53</b>

### 19. OTHER CURRENT ASSETS

Interest accrued but not due	257.73	523.92
Export Incentive Receivable	341.77	134.15
Others	-	1.17
	<b>599.50</b>	<b>659.24</b>

### 20. REVENUE FROM OPERATIONS

Particulars	Year Ended 31/03/2017	Nine Months Ended 31/03/2016
Revenue from Sale of Products	76,615.25	44,436.22
Other Operating Revenue	187.65	118.43
	<b>76,802.90</b>	<b>44,554.65</b>
Sale of products comprises of :		
Air Coolers	75,173.09	43,254.52
Others	1,442.16	1,181.70
	<b>76,615.25</b>	<b>44,436.22</b>



**Notes forming part of the Consolidated Financial Statements****21. OTHER INCOME**

(₹ in Lacs)

Particulars	Year Ended 31/03/2017	Nine Months Ended 31/03/2016
Interest Income	1,212.35	1,095.73
Dividend Income	565.82	767.27
Gain on Sale of Long Term Investments(Net)	766.24	3.00
Gain on Sale of Current Investments(Net)	922.80	39.10
Profit on sale of Fixed Assets	151.50	93.78
Other Non Operating Income	702.34	89.74
	<b>4,321.05</b>	<b>2,088.62</b>
Interest income pertains to:		
Interest Income from Non Current Investments	1,166.28	773.66
Interest Income from Current Investments	46.07	322.07
Dividend income pertains to:		
Dividend from Current Investments	410.91	691.45
Dividend from Non Current Investments	154.91	75.82

**22. COST OF MATERIAL CONSUMED**

Opening Stock of Raw Materials	1,077.75	460.98
Add: Purchases	9,537.06	4,707.53
Less: Closing Stock of Raw Materials	1,488.13	1,077.75
	<b>9,126.68</b>	<b>4,090.76</b>

Cost of material comprises of Moulded Parts & components of Air Cooler

**23. PURCHASE OF STOCK-IN-TRADE**

Air Coolers	28,260.82	15,931.80
Others	871.45	426.75
	<b>29,132.27</b>	<b>16,358.55</b>

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

Opening Stock		
Work-in-Progress	328.80	217.63
Finished Goods	2,231.30	1,843.19
Stock-In-Trade	1,869.39	2,048.53
Less:		
Closing Stock		
Work-in-Progress	77.91	328.80
Finished Goods	2,615.09	2,231.30
Stock-In-Trade	3,552.30	1,869.39
	<b>(1,815.81)</b>	<b>(320.14)</b>

## Notes forming part of the Consolidated Financial Statements

### 25. EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	Year Ended 31/03/2017	Nine Months Ended 31/03/2016
Salaries, Wages and Bonus	5,849.71	3,521.21
Contribution to Provident Fund and Other Funds	836.50	610.22
Staff Welfare Expenses	184.52	120.30
	<b>6,870.73</b>	<b>4,251.73</b>

### 26. FINANCE COSTS

Interest Expense	3.28	19.80
	<b>3.28</b>	<b>19.80</b>

### 27. ADVERTISEMENT AND SALES PROMOTION EXPENSE

Advertisement and Sales Promotion	4,303.20	787.87
Conference and Other Expenses	141.91	158.33
	<b>4,445.11</b>	<b>946.20</b>

### 28. OTHER EXPENSES

Stores, Spare parts and Packing Material consumed	110.82	88.59
Assembly and Labour Charges	385.42	325.26
Power and Fuel	149.59	76.69
Repairs & Maintenance		
Building	33.47	63.24
Machinery	132.69	47.07
Rent	584.78	213.24
Rates & Taxes	41.08	17.35
Travelling	1,145.19	741.86
Conveyance	253.74	162.09
Communication Expenses	171.09	112.12
Insurance	106.97	64.66
Printing and stationery charges	69.54	57.04
Legal & Professional Charges	682.15	374.53
Payment to Auditors (Refer Note no. 33)	59.18	41.23
Vehicle Expenses	71.04	26.91
CSR Expenditure	205.50	-
General Expenses	1,009.41	737.10
Provision for Doubtful Advances	-	63.69
Repairs Others	18.55	12.74

## Notes forming part of the Consolidated Financial Statements

### 28. OTHER EXPENSES (contd.)

Particulars	Year Ended 31/03/2017	Nine Months Ended 31/03/2016
Bank Charges	67.47	16.59
Foreign Exchange Fluctuation(Net)	232.68	221.81
Preliminary Expenses	1.18	0.39
Freight & Forwarding Charges	2,414.50	1,438.85
Warranty Expense	732.35	441.58
Sales Commission	81.80	24.34
CFA Handling Charges	207.69	157.75
Warehousing Charges	281.08	96.02
VAT and Sales Tax	36.09	5.20
	<b>9,285.05</b>	<b>5,627.94</b>

### 29. EARNINGS PER SHARE

Face value of Equity Shares (₹)	2	2
Net Profit available for Equity Shareholders (₹ in Lacs)	16,559.64	11,836.51
No. of Equity Shares	6,99,57,000	6,99,57,000
Basic and Diluted EPS (₹)	<b>23.67</b>	<b>16.92</b>

The Company has allotted 3,49,78,500 bonus equity shares of ₹2/- each fully paid up on September 17, 2016 in the proportion of one (1) bonus equity share for every fully Paid up equity share (1:1). As a result of the bonus issue the Paid up capital of the Company stands increased to ₹1,399.14 lacs from ₹699.57 lacs. Consequent to the above increase in Paid up capital, the earnings per share have been adjusted for previous period figure.

### 30. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for) :

(₹ in Lacs)

Particulars	2016-17	2015-16
<b>(i) Contingent Liabilities:</b>		
a) Claims against the Company not acknowledged as debt.	7.34	13.34
b) Demand on account of vat / sales tax matters.	96.64	96.86
c) Demand on account of Income Tax matters.	64.65	28.18
d) Demand on account of central excise matters.	91.50	91.50
e) Corporate Guarantee given for subsidiary company	3,246.50	-
	<b>3,506.63</b>	<b>229.88</b>
Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities. No amount is expected to be reimbursed from the above.		
<b>(ii) Commitments :</b>		
a) Estimated amount of contracts remaining to be executed and not provided for.	348.78	227.16

## Notes forming part of the Consolidated Financial Statements

### 31. SEGMENT REPORTING

#### (a) Primary Segment : Business

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

(₹ in Lacs)		
Particulars	2016-17	2015-16
(1) Segment Revenue		
Air Coolers	78,265.95	45,225.27
Corporate Funds	2,858.00	1,418.00
<b>Total</b>	<b>81,123.95</b>	<b>46,643.27</b>
(2) Segment Profit before Interest and Taxes (PBIT)		
Air Coolers	20,536.74	13,846.33
Corporate Funds	2,838.00	1,412.00
<b>Total</b>	<b>23,374.74</b>	<b>15,258.33</b>
Less: Finance Costs	3.28	19.80
Less: Exceptional Items	-	(1,246.66)
Less: Taxes	6,811.82	4,648.68
<b>Total Profit After Tax</b>	<b>16,559.64</b>	<b>11,836.51</b>
(3) Segment Assets		
Air Coolers	31,398.66	23,149.53
Corporate Funds	28,480.06	19,089.61
<b>Total</b>	<b>59,878.72</b>	<b>42,239.14</b>
(4) Segment Liabilities		
Air Coolers	13,979.90	9,324.24
Corporate Funds	-	1,052.59
<b>Total</b>	<b>13,979.90</b>	<b>10,376.83</b>
(5) Capital Employed		
Air Coolers	17,418.76	13,825.29
Corporate Funds	28,480.06	18,037.02
<b>Total</b>	<b>45,898.82</b>	<b>31,862.31</b>
Segment Profit (PBIT) % on Capital Employed		
Air Coolers	209.92%	219.10%
Corporate Funds	9.88%	5.41%

#### (b) Secondary Segment : Geographical segment

(₹ in Lacs)		
Particulars	2016-17	2015-16
(1) Segment Revenue		
India	59,687.29	36,841.32
Rest of the world	17,115.61	7,713.33
<b>Revenue from Operations</b>	<b>76,802.90</b>	<b>44,554.65</b>

## Notes forming part of the Consolidated Financial Statements

### 31. SEGMENT REPORTING (contd.)

(₹ in Lacs)

Particulars	2016-17	2015-16
(2) Segment Profit Before Interest and Taxes (PBIT)		
India	22,000.07	15,102.83
Rest of the world	1,374.67	155.50
<b>Total</b>	<b>23,374.74</b>	<b>15,258.33</b>
Less: Finance Costs	3.28	19.80
Less: Exceptional Items	-	(1,246.66)
Less: Taxes	6,811.82	4,648.68
<b>Total Profit After Tax</b>	<b>16,559.64</b>	<b>11,836.51</b>

#### Secondary Segment Capital Employed :

Fixed assets used in the Company's business and liabilities contracted have not been identified with any of the reportable segments, as the fixed assets and services are used interchangeably between segments. The Company believes that it is not practical to provide secondary segment disclosures relating to Capital employed.

### 32. RELATED PARTY DISCLOSURES

(₹ in Lacs)

Sr no	Name of the Related Parties	Nature of relationship with company	Nature of transaction	2016-17		2015-16	
				Volume of transaction	Balance at the end of the year	Volume of transaction	Balance at the end of the period
1	Mr. Achal Bakeri	Key Management Personnel	Remuneration and Perquisites	212.79	175.00	153.44	125.00
2	Mr. Nrupesh Shah	Key Management Personnel	Remuneration and Perquisites	149.49	130.00	98.42	83.69
3	Ms. Jonaki Bakeri	Relative of Key Management Personnel	Sitting Fees	2.30	-	0.68	0.61
4	Harmony Holdings Pvt. Ltd.	Enterprise in which Key Management Personnel has significant influence	Purchase of Intellectual Property	6.00	-	-	-

Note: Related parties have been identified by the Management.

Policy on dealing with Related party transactions:

The Company has made a list of related parties after considering the requirements and based on the annual declaration received from individuals like Directors and Key Managerial Personnel (KMP). All related party transactions are reported and referred for approval to the Audit Committee as per section 177 of the Companies Act, 2013. The Audit committee may grant general approval for repetitive related party transactions. Such general approval will be valid for a period of one year and a fresh approval shall be taken for every financial year. As per section 188 of the Companies Act, 2013, the consent of the Board/Shareholders' approval is required, by a special resolution in a general meeting, for entering into the specified transactions with a related party, if they are not in ordinary course of business of the Company or at arm's length and exceeds the threshold limits as specified in the Act.

## Notes forming part of the Consolidated Financial Statements

### 33. PAYMENT TO AUDITORS (Refer Note no. 28)

(₹ in Lacs)

Particulars	2016-17	2015-16
a) As Auditor	48.25	37.64
b) In other capacity, in respect of		
i) Certification	0.88	0.17
ii) Limited Review	5.17	2.57
iii) Others	0.10	0.85
	<b>54.40</b>	<b>41.23</b>

### 34. LEASES

Particulars	2016-17	2015-16
<b>Lease Rentals</b>		
Due within one year	167.26	106.97

### 35. EMPLOYEE BENEFITS

#### (A) India Operations:

##### (a-1) Defined contribution plans

The Company makes provident fund contribution which is defined contribution plan, for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The Company recognised ₹139.86 lacs (Year ended March 31, 2016 ₹90.11 lacs) for provident fund contributions in the Statement of Profit and Loss. The contribution payable to this plan by the Company is at rate specified in the rule of the scheme.

##### (a-2) Defined benefit plans

Gratuity included as a part of Contribution to Provident Fund and Other Funds in Note 25 Employee Benefit expenses.

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 Lacs)

Particulars	2016-17	2015-16
<b>I Expenses recognized during the period</b>		
Current service cost	71.70	44.49
Interest on obligation	35.30	20.28
Expected return on plan assets	(31.17)	(19.40)
Net actuarial losses (gains) recognised during the year	76.27	64.20
Total	152.10	109.57
Actual return on plan assets	40.91	19.91
<b>II Reconciliation of opening and closing balances of defined benefit obligation</b>		
Opening defined benefit obligation	449.65	326.56
Service cost	71.70	44.49

## Notes forming part of the Consolidated Financial Statements

## 35. EMPLOYEE BENEFITS (contd.)

(₹ in Lacs)

Particulars	2016-17	2015-16
Interest cost	35.30	20.28
Actuarial losses (gains)	86.01	64.71
Benefits paid	(9.90)	(6.39)
Closing defined benefit obligation	632.76	449.65
<b>III Reconciliation of Opening and Closing balances of fair value of plan assets</b>		
Opening fair value of plan assets	396.98	312.35
Expected return	31.17	19.40
Actuarial gains and (losses)	9.74	0.51
Contributions by employer	184.50	71.11
Benefits paid	(2.61)	(6.39)
Closing balance of fair value of plan assets	619.78	396.98
<b>IV Reconciliation of the present value of defined benefit obligation and fair value of planned assets</b>		
Present value of defined benefit obligations	632.76	449.65
Fair value of plan assets	(619.78)	(396.98)
Net liability recognised in Balance Sheet	12.98	52.67
<b>V Composition of Planned Assets</b>		
HDFC Group Traditional Plan	619.78	396.98
<b>VI Actuarial Assumptions</b>		
Discount rate	6.82%	7.85%
Expected return on plan assets	6.82%	7.85%
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.		
<b>VII Gratuity Benefit</b>		
Defined benefit obligation	(632.76)	(449.65)
Plan assets	619.78	396.98
Surplus/(deficit)	(12.98)	(52.67)
Experience adjustments on plan Liabilities	(44.32)	(43.94)
Experience adjustments on plan assets	(9.74)	(0.51)
<b>Movement in net liability recognised in Balance Sheet</b>		
Net opening liability	52.67	14.21
P&L Charge	152.10	109.57
Contribution paid / Benefits paid	(191.79)	(71.11)
closing net liability	12.98	52.67

## Notes forming part of the Consolidated Financial Statements

### 35. EMPLOYEE BENEFITS (contd.)

VIII Disclosure as required under para 120(n) of AS - 15					(₹ in Lacs)
Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
i) Present value of the defined benefit obligation	632.76	449.65	326.56	250.88	236.41
Fair value of the plant assets	619.78	396.98	312.35	214.07	172.45
(Surplus)/Deficit in the plan	12.98	52.67	14.21	36.81	63.96
ii) Experience Adjustments					
On Plan liabilities	(44.32)	(43.94)	(14.06)	(5.37)	(14.68)
On Plan assets	(9.74)	(0.51)	(11.13)	0.97	1.82

IX The expected contribution is based on the same assumptions used to measure the Company's gratuity obligations as of March 31, 2017.

#### (B) IMPCO S DE RL DE CV, Mexico Subsidiary:

The Company has non-contributory retirement plan covering all of its employees. Pension benefits are based on years of service and the employee's compensation. Such plan also includes seniority premiums and severance payments upon involuntary termination. Pension and statutory severance benefits are not funded.

The present values of the net projected liability of these obligations as of March 31, 2017 and March 31, 2016 are ₹274.30 lacs and ₹669.74 lacs, respectively.

Net discount rates used in actuarial calculations were as follows:

Particulars	2016-17	2015-16
Discount of the project benefit obligation at present value	7.00%	6.50%
Salary increase	4.50%	4.00%

Net period cost comprises for 2016-17 and 2015-16 is ₹(36.45) lacs and ₹61.01 lacs, respectively.

Under Mexican legislation, the Company must make payments equivalent to 2% of its workers' daily integrated salary (ceiling) to a defined contribution plan that is part of the retirement savings system. The expense in 2016-17 and 2015-16 was ₹15.28 lacs and ₹13.55 lacs, respectively.

### 36. LEAVE ENCASHMENT

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

37. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2017. 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.



## Notes forming part of the Consolidated Financial Statements

- 38.** Based on queries received from Securities Exchange Board of India ("SEBI"), the Company conducted a preliminary internal investigation and discovered certain irregularities by M/s Sharepro Services (India) Private Limited ("Sharepro"), the Company's erstwhile Registrar and Share Transfer Agent. Subsequently, the Company has filed a criminal complaint against Sharepro and its employees. Pursuant to the directions issued by SEBI in its interim order dated 22 March 2016, the Company appointed an independent external agency to conduct an audit of the records and systems of Sharepro with respect to certain past transactions. The Company has taken legal actions and will take additional steps, if any, based on and in accordance with the directions of SEBI or any other regulatory authorities. Based on consultations with its legal counsel, the Company has been advised that the liability will not evolve on the Company and thus no provision is considered necessary. Further, the Company has a right to claim losses, if any, from Sharepro and accordingly, the Company does not plan to make good the losses on its own account. Under the circumstances, the Company does not envisage any possible obligation in respect of the matter.
- 39.** 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 Lacs)

Particulars	April 01, 2016	Provision during the year	Utilised during the year	Reversal during the year	Foreign currency translation	March 31, 2017
Provision for 1 year Warranty	527.84	553.22	461.28	-	8.84	610.94

- 40.** Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule II to the Companies Act, 2013.

(Previous year figures are in brackets)

(₹ in Lacs)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Shares of profit / (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount
<b>Parent : Symphony Limited</b>	99.27%	45,563.05	105.01%	17,389.89
	(94.74%)	(30,187.16)	(101.26%)	(11,985.52)
<b>Subsidiaries:</b>				
<b>Foreign</b>				
(1) Sylvan Holdings Pte. Ltd., Singapore	0.46%	210.71	(-1.14%	(188.95)
	(2.35%)	(750.11)	(0.29%)	(34.28)
(2) IMPCO S DE RL DE CV, Mexico	3.86%	1,771.60	2.24%	370.49
	(5.41%)	(1,724.85)	(4.48%)	(530.52)
(3) Symphony USA INC., USA	0.00%	-	0.21%	34.38
	((-)0.24%)	((-)76.21)	((-)0.19%)	((-)22.64)
(4) Guangdong Symphony Keruilai Air Coolers Co., Ltd, China	(-)3.59%	(1,646.54)	(-)6.32%	(1,046.17)
	((-)2.27%)	((-)723.60)	((-)5.84%)	((-)691.17)
<b>Total</b>	100.00%	45,898.82	100.00%	16,559.64
	(100.00%)	(31,862.31)	(100.00%)	(11,836.51)

## Notes forming part of the Consolidated Financial Statements

### 41. DETAILS OF SPECIFIED BANK NOTES AS REQUIRED BY AMENDMENT TO THE SCHEDULE III TO THE COMPANIES ACT, 2013

(₹ in Lacs)

Particulars	SBNs	Other notes	Total
Closing balance as at November 08, 2016	11.93	4.07	16.00
Add: Permitted receipts	-	23.77	23.77
Less: Permitted payments	-	13.98	13.98
Less: Deposited in bank accounts	11.93	0.11	12.04
Closing balance as at December 30, 2016	-	13.75	13.75

42. The previous financial year was for a period of 9 months ended on 31st March, 2016 (Previous Period) and accordingly, the figures for the Previous Period are not comparable with figures for the Current Year ended 31st March, 2017 presented in Statement of Profit & Loss, Cash Flow Statement and related Notes. Previous Period's figures have been regrouped/reclassified, wherever necessary, to conform to classification of Current year.
43. The figures pertaining to subsidiary companies have been reclassified, where necessary, to bring them in line with the holding Company's financial statements.

In terms of our Report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**Gaurav J Shah**  
Partner  
Membership No.. 35701

Place : Ahmedabad  
Date : May 16, 2017

**For and on behalf of the Board**

**Achal Bakeri**  
Chairman & Managing Director  
DIN-00397573

**Mayur Barvadiya**  
Company Secretary

**Nrupesh Shah**  
Executive Director  
DIN-00397701

**Bhadresh Mehta**  
Chief Financial Officer

## Independent Auditor's Report

To  
The Members of  
Symphony Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SYMPHONY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be

included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations 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 it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 28 and Note 36 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
    - iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells**  
*Chartered Accountants*  
(Firm's Registration No. 117365W)

**Gaurav J Shah**  
*Partner*  
(Membership No. 35701)

Ahmedabad  
May 16, 2017

## Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SYMPHONY LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of

Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally

accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**  
*Chartered Accountants*  
(Firm's Registration No. 117365W)

Ahmedabad  
May 16, 2017

**Gaurav J Shah**  
*Partner*  
(Membership No. 35701)

## Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of provisions of sections 73 to 76 of the Act and the rules framed there under and hence reporting under clause (v) of the CARO, 2016 is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the

Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- (c) There were no disputed amounts payable in respect of Provident Fund, Employees' State Insurance, Customs Duty and cess as at March 31, 2017. Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax and Entry Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ in Lacs)
Income Tax Act, 1961	Income Tax Demand	Commissioner of Income Tax (Appeals), Ahmedabad	2010-2014	64.65
Central Excise Act, 1944	Demand of Penalty	Central Excise and Service Tax Appellate Tribunal Ahmedabad	2009-2010	2.50
		Commissioner of Central Excise & Customs, Baroda	2009-2011	89.00
Central Sales Tax Act, 1956	Demand of Penalty	Joint Commissioner of Commercial Taxes Appeals, Mehsana, Gujarat	1993-1996, 1997-1998 & 1999-2000	70.80
Bihar Value Added Tax Act, 2005	Commercial Tax Demand	The Joint Commissioner of Commercial Taxes (Appeal), Bihar	2009-2011	10.86
Orissa Entry Tax Act, 1999	Entry Tax Demand	Hon'ble High Court of Orissa, Cuttack	2001-2004	18.46
Punjab Value Added Tax Act, 2005	Commercial Tax Demand	Office of the Commissioner Commercial Tax Punjab	2014-2015	2.97



- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 117365W)
- Gaurav J Shah**  
Partner  
(Membership No. 35701)
- Ahmedabad  
May 16, 2017

## Balance Sheet as at 31st March, 2017

(₹ in Lacs)

Particulars	Note	As at 31/03/2017	As at 30/06/2016
<b>EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share Capital	3	1,399.14	699.57
(b) Reserves and Surplus	4	44,396.64	30,095.26
		<b>45,795.78</b>	<b>30,794.83</b>
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	5	450.14	249.39
		<b>450.14</b>	<b>249.39</b>
(3) Current Liabilities			
(a) Trade Payables			
(i) To Micro and Small Enterprises	35	-	-
(ii) To Others		3,751.44	2,076.79
		3,751.44	2,076.79
(b) Other Current Liabilities	6	3,243.87	2,311.28
(c) Short-Term Provisions	7	825.19	980.87
		<b>7,820.50</b>	<b>5,368.94</b>
<b>TOTAL</b>		<b>54,066.42</b>	<b>36,413.16</b>
<b>ASSETS</b>			
(1) Non-Current Assets			
(a) Fixed Assets	8		
(i) Tangible Assets		6,335.38	5,800.12
(ii) Intangible Assets		428.69	42.87
(iii) Capital Work-In-Progress		-	301.15
		6,764.07	6,144.14
(b) Non-Current Investments	9	12,135.73	18,634.21
(c) Long-Term Loans and Advances	10	172.37	168.90
(d) Other Non-Current Assets	11	8.00	9.00
		<b>19,080.17</b>	<b>24,956.25</b>
(2) Current Assets			
(a) Current Investments	12	18,555.81	-
(b) Inventories	13	5,088.30	2,348.54
(c) Trade Receivables	14	4,606.59	3,273.50
(d) Cash and Bank Balances	15	1,918.88	3,654.70
(e) Short-Term Loans and Advances	16	4,258.32	1,522.78
(f) Other Current Assets	17	558.35	657.39
		<b>34,986.25</b>	<b>11,456.91</b>
<b>TOTAL</b>		<b>54,066.42</b>	<b>36,413.16</b>
See accompanying Notes forming part of the Financial Statements	1-46		

In terms of our Report attached

For Deloitte Haskins & Sells  
Chartered Accountants

Gaurav J Shah  
Partner  
Membership No.. 35701

Place : Ahmedabad  
Date : May 16, 2017

For and on behalf of the Board

Achal Bakeri  
Chairman & Managing Director  
DIN-00397573

Mayur Barvadiya  
Company Secretary

Nrupesh Shah  
Executive Director  
DIN-00397701

Bhadrash Mehta  
Chief Financial Officer

**Statement of Profit and Loss** for the year ended 31st March, 2017

(₹ in Lacs)

Particulars	Note	Year ended 31/03/2017	Nine Months Ended 31/03/2016 (Refer Note 40)
I Revenue from Operations	18	66,716.85	41,485.43
II Other Income	19	3,660.75	1,949.07
III <b>Total Revenue (I + II)</b>		<b>70,377.60</b>	<b>43,434.50</b>
IV <b>Expenses:</b>			
Cost of Material Consumed	20	3,432.96	2,033.92
Purchase of Stock-in-Trade	21	29,877.20	16,410.12
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	(2,281.62)	255.96
Employee Benefit Expense	23	4,695.16	2,973.12
Finance Costs	24	1.38	8.06
Depreciation and Amortization Expense	8	367.87	218.56
Advertisement and Sales Promotion Expense	25	4,138.60	844.78
Other Expenses	26	6,157.01	3,740.87
<b>Total Expenses (IV)</b>		<b>46,388.56</b>	<b>26,485.39</b>
V <b>Profit before Tax (III – IV)</b>		<b>23,989.04</b>	<b>16,949.11</b>
VI Tax Expense / (Benefits):			
(1) Current Tax		6,475.00	4,589.00
(2) Short / (Excess) Provision of tax relating to previous years		(3.12)	(3.87)
(3) Net Current Tax		6,471.88	4,585.13
(4) Deferred Tax		200.75	63.47
Net Tax Expense		6,672.63	4,648.60
VII <b>Profit for the year (V - VI)</b>		<b>17,316.41</b>	<b>12,300.51</b>
VIII Earnings per equity share of face value of ₹2/- each :			
(1) Basic	27	24.75	17.58
(2) Diluted	27	24.75	17.58
See accompanying notes forming part of the financial statements	1-46		

In terms of our Report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**Gaurav J Shah**  
Partner  
Membership No. 35701

Place : Ahmedabad  
Date : May 16, 2017

For and on behalf of the Board

**Achal Bakeri**  
Chairman & Managing Director  
DIN-00397573

**Mayur Barvadiya**  
Company Secretary

**Nrupesh Shah**  
Executive Director  
DIN-00397701

**Bhadresh Mehta**  
Chief Financial Officer

## Cash Flow Statement for the year ended 31st March, 2017

(₹ in Lacs)

Particulars	Year Ended 31/03/2017		Nine Months Ended 31/03/2016 (Refer Note 40)	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit Before Tax	23,989.04		16,949.11	
Adjustments For:				
Depreciation and Amortization Expense	367.87		218.56	
Finance Costs	1.38		8.06	
Wealth Tax Expenses (Net)	-		0.03	
Interest Income	(1,173.02)		(1,090.12)	
Dividend Income	(565.82)		(767.27)	
Gain on Sale of Long Term Investments (Net)	(766.24)		(3.00)	
Gain on Sale of Current Investments (Net)	(922.80)		(39.10)	
Other Non Operating Income	(7.80)		(11.34)	
Provision for Doubtful Debts	1.62		-	
Provisions / Liabilities no longer required return back	(97.71)		(14.00)	
Loss On Sale of Fixed Assets	1.60		37.97	
<b>Operating Profit Before Working Capital Changes</b>	<b>20,828.12</b>		<b>15,288.90</b>	
Adjustments For:				
Trade and Other Receivables	(1,334.70)		(2,613.36)	
Inventories	(2,739.77)		106.74	
Long Term Loans & Advances	(26.50)		2.56	
Short Term Loans & Advances	(2,735.54)		(205.20)	
Other Current Assets	(167.14)		(107.80)	
Trade Payables	1,772.35		(1,258.90)	
Other Current Liabilities	964.77		1,147.36	
Short Term Provisions	90.99		(192.94)	
Provision for Employee Benefit	(39.69)		38.46	
<b>Cash Generated from Operations</b>	<b>16,612.89</b>		<b>12,205.82</b>	
Net Income Tax paid	(6,678.86)		(4,093.60)	
<b>Net Cash Flow from Operating Activities (A)</b>		<b>9,934.03</b>		<b>8,112.22</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital Expenditure on Fixed Assets including capital advances	(921.28)		(554.79)	
Interest Received	1,439.21		1,328.97	
Dividend Received	565.82		767.27	
Wealth Tax paid	-		(1.35)	
Purchase of Long Term Investments				
Subsidiaries	-		(154.73)	
Others	(3,401.40)		(4,709.75)	
Proceeds from Sale of Long Term Investments				
Subsidiaries	-		0.46	
Others	10,666.12		1,701.25	
Current Investments not considered as Cash and Cash equivalents				
Purchased	(1,09,916.61)		(59,820.84)	
Proceeds from sale	92,291.40		70,838.11	
Investments in Fixed Deposit with Banks	2,399.88		(2,400.14)	
Earmarked deposits / balances with bank (Placed) / Realised	81.11		(207.24)	
Proceeds from Sale of Fixed Assets	3.69		3.24	
<b>Net Cash Flow from / (Cash Used in) Investing Activities (B)</b>		<b>(6,792.06)</b>		<b>6,790.46</b>

**Cash Flow Statement** for the year ended 31st March, 2017

(₹ in Lacs)

Particulars	Year Ended 31/03/2017	Nine Months Ended 31/03/2016 (Refer Note 40)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance Cost paid	(1.38)	(8.06)
Dividend Paid	(2,004.77)	(12,033.55)
Dividend Distribution Tax Paid	(391.65)	(2,492.28)
<b>Net Cash Used in Financing Activities (C)</b>	<b>(2,397.80)</b>	<b>(14,533.89)</b>
Net Increase in Cash & Cash Equivalents (A+B+C)	744.17	368.79
Cash & Cash Equivalents at the beginning of the year	836.41	467.62
Cash & Cash Equivalents at the end of the year	1,580.58	836.41
Cash on Hand	1.00	21.31
Balances with Schedule Bank in Current Account	1,579.58	815.10
Cash & Cash Equivalents included in Note no.15	1,580.58	836.41

In terms of our Report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

For and on behalf of the Board

**Gaurav J Shah**  
Partner  
Membership No.. 35701

**Achal Bakeri**  
Chairman & Managing Director  
DIN-00397573

**Nrupesh Shah**  
Executive Director  
DIN-00397701

Place : Ahmedabad  
Date : May 16, 2017

**Mayur Barvadiya**  
Company Secretary

**Bhadresh Mehta**  
Chief Financial Officer

## Notes forming part of the Financial Statements

### 1. CORPORATE INFORMATION

Symphony Limited, a premier air cooling company was established in the year 1988. The Company is in the field of residential, commercial and industrial air cooling both in the domestic and international markets.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### i) Basis of Accounting and Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### ii) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### iii) Revenue Recognition

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

##### a) Sales

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales is net of VAT and Central Sales Tax, wherever applicable and after making adjustments towards price variations, discounts etc.

##### 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

## Notes forming part of the Financial Statements

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

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on all tangible fixed assets is provided on Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013. 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 and the amortisation period is revised to reflect the changed pattern, if any. Based on the internal assessment carried out by the management, the salvage value and the useful lives as given above best represents the period over which management expects to use these assets.

### vii) Investments

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

## Notes forming part of the Financial Statements

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 "Moving Average" basis.

Work-in-process and Finished goods are valued at lower of cost or net realizable value. The cost includes direct materials and labour. Cost is determined on "Moving Average" basis.

### 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 and translations

#### Initial Recognition and Measurement:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

#### Measurement at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

#### Treatment of exchange difference on restatement / settlement

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

### 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.



## Notes forming part of the Financial Statements

### 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) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### xiv) Taxes on Income

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.

### 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.

## Notes forming part of the Financial Statements

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 historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

### xvii) Provisions and Contingencies

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 but are disclosed in the notes.

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

### xviii) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## Notes forming part of the Financial Statements

### 3. SHARE CAPITAL

(₹ in Lacs)

Particulars	As at 31/03/2017	As at 31/03/2016
<b>Authorised :</b>		
7,50,00,000 Equity Shares of ₹2/- each	1,500.00	1,500.00
<b>Issued, Subscribed &amp; Paid up :</b>		
6,99,57,000 Equity Shares of ₹2/- each fully paid up	1,399.14	699.57
(Previous Year 3,49,78,500 Equity Shares of ₹2/- each fully paid up)		
	<b>1,399.14</b>	<b>699.57</b>

The Company has allotted 3,49,78,500 bonus equity shares of ₹2/- each fully paid up on September 17, 2016 in the proportion of one (1) bonus equity share for every fully Paid up equity share (1:1). As a result of the bonus issue the Paid up capital of the Company stands increased to ₹1,399.14 lacs from ₹699.57 lacs.

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, except in case of Interim Dividend.

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 March 31, 2017 is set out below :

Name of the shareholder	No. of shares*	% held as at March 31, 2017	No. of shares	% held as at March 31, 2016
Mr. Achal A. Bakeri	2,92,63,600	41.83%	1,46,31,800	41.83%
Ms. Rupa A. Bakeri	70,96,940	10.14%	3,89,750	1.11%
Oras Investments Pvt. Ltd.	64,43,600	9.21%	32,21,800	9.21%
Paratam Investments Pvt. Ltd.	60,39,600	8.63%	30,19,800	8.63%

\* Including bonus shares issued on September 17, 2016

The reconciliation of the number of shares outstanding as at March 31, 2017 is set out below:

Particulars	As at 31/03/2017		As at 31/03/2016	
	No. of shares	Amount (₹ in lacs)	No. of shares	Amount (₹ in lacs)
Opening Balance	3,49,78,500	699.57	3,49,78,500	699.57
Add: Issue of Bonus Shares	3,49,78,500	699.57	-	-
<b>Closing Balance</b>	<b>6,99,57,000</b>	<b>1,399.14</b>	<b>3,49,78,500</b>	<b>699.57</b>

Aggregate number of fully paid up equity shares allotted by way of Bonus Shares in the immediately preceding five years 3,49,78,500 equity shares of ₹2 each fully paid up.

## Notes forming part of the Financial Statements

### 4. RESERVES AND SURPLUS

(₹ in Lacs)

Particulars	As at 31/03/2017	As at 31/03/2016
<b>General Reserve</b>		
Closing Balance	3,500.00	3,500.00
<b>Surplus in Statement of Profit and Loss</b>		
Opening Balance	24,996.36	23,220.68
Add: Profit for the year	17,316.41	12,300.51
Amount available for appropriation	42,312.77	35,521.19
Less: Appropriations		
Utilised for issue of Bonus Shares	5.10	-
Interim Dividend on Equity Shares	1,923.82	8,744.63
[Dividend per share ₹3.5/- (Previous year ₹25/-) on face value of ₹2/-]		
Tax on Interim Dividend	391.64	1,780.20
Closing Balance	39,992.21	24,996.36
<b>Securities Premium Account</b>		
Opening Balance	694.47	694.47
Less: Utilised for issue of Bonus Shares	(694.47)	-
Closing Balance	-	694.47
<b>Capital Reserve</b>		
Closing Balance	904.43	904.43
<b>Total</b>	<b>44,396.64</b>	<b>30,095.26</b>

### 5. 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	485.44	284.17
<b>Total (A)</b>	<b>485.44</b>	<b>284.17</b>
(B) Deferred Tax Asset		
(i) Disallowances under section 43B/40A(7) of Income Tax Act, 1961	9.18	8.66
(ii) Provision for doubtful advance	26.12	26.12
<b>Total (B)</b>	<b>35.30</b>	<b>34.78</b>
(C) Deferred Tax Liability Net (A-B)	<b>450.14</b>	<b>249.39</b>

**Notes forming part of the Financial Statements****6. OTHER CURRENT LIABILITIES**

(₹ in Lacs)

Particulars	As at 31/03/2017	As at 31/03/2016
Trade Deposits	98.61	76.36
Unclaimed Dividends	334.43	415.38
Creditors for Capital Goods	49.21	0.43
Advance from customers	1,783.92	1,052.17
Statutory Dues	977.70	762.78
Other Payables	-	4.16
	<b>3,243.87</b>	<b>2,311.28</b>

**7. SHORT-TERM PROVISIONS**

Provision for		
Gratuity (Refer to Note no. 32)	12.98	52.67
Warranty (Refer to Note no. 38)	522.22	431.23
Income Taxes (Net of Advance Tax)*	289.99	496.97
	<b>825.19</b>	<b>980.87</b>

\* Provision for income tax (Net of Advance Tax ₹6,227.43 lacs (As at March 31, 2016 ₹4,738.45 lacs)).

## Notes forming part of the Financial Statements

### 8. FIXED ASSETS

8. FIXED ASSETS															(₹ in Lacs)
Particulars	Tangible								Total (A)	Intangible (B)	Total (B) (C)	Capital WIP (C)	Grand Total (A+B+C)		
	Free Hold Land	Lease Hold Land (SEZ)	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments	Computers							
Gross Block															
As at 01/07/2015	1,962.85	260.49	1,868.89	1,716.86	330.52	270.10	98.09	101.90	6,609.70	43.14	43.14	-	6,652.84		
Additions	-	-	2.86	109.95	19.91	-	3.51	4.56	140.79	19.60	19.60	301.15	461.54		
Adjustments / Sold	-	-	-	106.89	0.90	11.67	4.33	0.13	123.92	-	-	-	123.92		
As at 01/04/2016	1,962.85	260.49	1,871.75	1,719.92	349.53	258.43	97.27	106.33	6,626.57	62.74	62.74	301.15	6,990.46		
Additions	-	-	0.37	727.68	18.02	86.55	2.40	16.32	851.34	442.90	442.90	63.64	1,357.88		
Adjustments / Sold	-	-	-	1.09	-	5.53	2.34	0.72	9.68	-	-	364.79	374.47		
As at 31/03/2017	1,962.85	260.49	1,872.12	2,446.51	367.55	339.45	97.33	121.93	7,468.23	505.64	505.64	-	7,973.87		
Accumulated Depreciation and Amortization															
As at 01/07/2015	-	72.79	240.94	199.52	13.89	110.75	23.39	33.78	695.06	15.40	15.40	-	710.46		
Depreciation and Amortization For The Period	-	13.05	28.62	89.66	24.60	25.86	12.63	19.67	214.09	4.47	4.47	-	218.56		
Adjustments / Sold	-	-	-	70.72	0.57	7.18	4.11	0.12	82.70	-	-	-	82.70		
As at 01/04/2016	-	85.84	269.56	218.46	37.92	129.43	31.91	53.33	826.45	19.87	19.87	-	846.32		
Depreciation and Amortization For The Year	-	17.37	38.01	138.51	33.65	39.92	16.63	26.70	310.79	57.08	57.08	-	367.87		
Adjustments / Sold	-	-	-	-	-	1.48	2.22	0.69	4.39	-	-	-	4.39		
As at 31/03/2017	-	103.21	307.57	356.97	71.57	167.87	46.32	79.34	1,132.85	76.95	76.95	-	1,209.80		
Net Block															
As at 31/03/2016	1,962.85	174.65	1,602.19	1,501.46	311.61	129.00	65.36	53.00	5,800.12	42.87	42.87	301.15	6,144.14		
As at 31/03/2017	1,962.85	157.28	1,564.55	2,089.54	295.98	171.58	51.01	42.59	6,335.38	428.69	428.69	-	6,764.07		

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.

## Notes forming part of the Financial Statements

## 9. NON-CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at 31/03/2017		As at 31/03/2016	
	Nos.		Nos.	
<b>Non-current Investments</b>				
<b>Long term investments Trade (Unquoted)</b>				
In fully paid equity shares of subsidiaries				
Sylvan Holdings PTE. Ltd, Singapore (Equity Shares \$ 1/- each, fully paid)	43,50,000	2,312.01	43,50,000	2,312.01
IMPCO S DE RL DE CV, Mexico		0.28		0.28
Guangdong Symphony Kerulail Air Coolers Co., Ltd		154.73		154.73
<b>Long term investments - Non Trade (Unquoted)</b>				
In fully paid cumulative redeemable preference shares				
Tata Capital Ltd	50,000	503.50	50,000	503.50
Tata Capital Ltd	1,00,000	1,000.00	-	-
<b>Long term investments - Non Trade (Quoted)</b>				
In fully paid up bonds				
Tax Free Bond of IIFC Ltd.	1,36,000	1,458.38	1,36,000	1,458.38
Tax Free Bond of IIFC Ltd.	-	-	100	1,068.30
Tax Free Bond of IIFC Ltd.	1,00,000	998.90	1,00,000	998.90
Tax Free Bond of IRFC Ltd.	-	-	50	551.25
Tax Free Bond of NHAI	-	-	37,086	370.86
Tax Free Bond of NHAI	-	-	100	1,000.60
Tax Free Bond of NHB	7,220	361.00	7,220	361.00
Tax Free Bond of NHB	-	-	150	1,655.25
Tax Free Bond of NTPC Ltd.	31,664	316.64	31,664	316.64
Tax Free Bond of PFC Ltd.	32,389	323.89	32,389	323.89
Tax Free Bond of PFC Ltd.	-	-	150	1,653.75
Tax Free Bond of REC Ltd.	-	-	10,00,000	1,001.80
Tax Free Bond of REC Ltd.	50,000	500.00	50,000	500.00
Tax Free Bond of REC Ltd.	-	-	92,500	948.67
Tax Free Bond of REC Ltd.	-	-	1,50,000	1,649.40
IDBI Perpetual Bond	80	800.00	80	800.00
In fully paid non convertible debentures				
IIFL Wealth Finance Ltd	1,000	1,000.00	-	-
Dewan Housing Finance Cor.Ltd(Series-IIIA)	1,00,000	1,000.00	-	-
Dewan Housing Finance Cor.Ltd(Series-IIIB)	40,000	401.40	-	-
In fully paid cumulative redeemable preference shares				
IL&FS Ltd.	6,700	1,005.00	6,700	1,005.00
		<b>12,135.73</b>		<b>18,634.21</b>
Aggregate amount of quoted investments		<b>8,165.21</b>		<b>15,663.70</b>
Aggregate market value of quoted investments		<b>8,856.38</b>		<b>15,707.28</b>
Aggregate value of unquoted investments		<b>3,970.52</b>		<b>2,970.51</b>

The Company has pledged tax free bonds out of the above mentioned investments in favour of Standard Chartered Bank, India towards issuance of irrevocable standby letter of credit upto ₹3,500 Lacs in favour of Standard Chartered Bank, China for availing working capital facility by Guangdong Symphony Kerulail Air Cooler Co Ltd (wholly owned subsidiary) upto US \$ 50 Lacs.

## Notes forming part of the Financial Statements

### 10. LONG-TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at 31/03/2017	As at 31/03/2016
<b>Unsecured, considered good</b>		
Capital advances	112.58	135.61
Prepaid Expenses	3.71	3.82
Other loans and advances		
Balance with statutory / government authorities	2.03	19.19
Deposit Others	54.05	10.28
	<b>172.37</b>	<b>168.90</b>

### 11. OTHER NON-CURRENT ASSETS

Balance held as Margin Money	8.00	9.00
	<b>8.00</b>	<b>9.00</b>

### 12. CURRENT INVESTMENTS

Particulars	As at 31/03/2017		As at 31/03/2016	
<b>Current Investments</b>	<b>Nos.</b>		<b>Nos.</b>	
<b>Investment in Mutual Funds (Unquoted)</b>				
HDFC Banking & PSU Debt Fund	1,05,43,995	1,400.00	-	-
ICICI Prudential Equity Arbitrage Fund	1,40,06,454	2,000.00	-	-
Kotak Bond Short Term Fund	46,81,263	1,480.00	-	-
SBI Premier Liquid Fund	3,09,053	3,100.57	-	-
HDFC Arbitrage Fund	1,42,44,417	1,503.02	-	-
ICICI Prudential & PSU Debt Fund-Growth	1,05,70,333	2,000.00	-	-
HDFC Banking & PSU Debt Fund-Growth	83,29,295	1,100.00	-	-
ICICI Prudential Ultra Short Term Plan-Growth	38,86,932	650.00	-	-
Kotak Bond Short Term Fund-Growth	16,91,827	520.00	-	-
ICICI Prudential Flexible Income Plan-Growth	6,39,849	2,000.00	-	-
ICICI Prudential Ultra Short Term Plan-Growth	78,92,245	1,350.00	-	-
Tata Money Market Fund	1,45,002	1,452.22	-	-
		<b>18,555.81</b>		-
Aggregate amount of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate value of unquoted investments		<b>18,555.81</b>		-



**Notes forming part of the Financial Statements****13. INVENTORIES**

(₹ in Lacs)

Particulars	As at 31/03/2017	As at 31/03/2016
Raw materials (Including Packing Material) (Including Goods in Transit ₹36.67 lacs, Previous year ₹ Nil)	723.75	265.61
Work-in-Progress	-	0.40
Finished Goods (Including Goods in Transit ₹ Nil, Previous year ₹44.78 lacs)	350.18	163.89
Stock-In-Trade (Including Goods in Transit ₹321.46 lacs, Previous year ₹67.70 lacs)	4,014.37	1,918.64
	<b>5,088.30</b>	<b>2,348.54</b>

**14. TRADE RECEIVABLE**

Outstanding for more than six months		
Unsecured Considered good	7.39	7.80
Unsecured Considered Doubtful	1.62	-
Less : Provision for Doubtful Debts	(1.62)	-
Others		
Unsecured Considered good	4,599.20	3,265.70
	<b>4,606.59</b>	<b>3,273.50</b>

**15. CASH & BANK BALANCES**

Cash and Cash Equivalents		
Cash on Hand	1.00	21.06
Balance with employees Imprest account	-	0.25
Balance with banks in current accounts	1,579.58	815.10
	1,580.58	836.41
Other Bank Balances		
In Earmarked Accounts		
Unpaid Dividend Accounts	334.43	415.38
Margin Accounts	1.58	0.74
In Deposit Accounts	2.29	2,402.17
	<b>1,918.88</b>	<b>3,654.70</b>

## Notes forming part of the Financial Statements

### 16. SHORT-TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at 31/03/2017	As at 31/03/2016
(Unsecured Considered Good Unless Otherwise Stated)		
Advance for supply of goods and rendering of services		
Considered good	3,967.50	1,250.44
Considered doubtful	75.49	75.49
Less: Provision for doubtful Advances	(75.49)	(75.49)
Prepaid Expenses	96.65	69.53
Loans and Advances to employees	10.93	11.34
Balance with statutory / government authorities	183.24	191.47
	<b>4,258.32</b>	<b>1,522.78</b>

### 17. OTHER CURRENT ASSETS

Interest accrued but not due	257.73	523.92
Export Incentive Receivable	300.62	133.47
	<b>558.35</b>	<b>657.39</b>

### 18. REVENUE FROM OPERATIONS

Particulars	Year Ended 31/03/2017	Nine Months Ended 31/03/2016
Revenue from Sale of Products	66,529.20	41,367.00
Other Operating Revenue	187.65	118.43
	<b>66,716.85</b>	<b>41,485.43</b>
Sale of products comprises of :		
Air Coolers	65,856.28	40,614.40
Others	672.92	752.60
	<b>66,529.20</b>	<b>41,367.00</b>

**Notes forming part of the Financial Statements****19. OTHER INCOME**

(₹ in Lacs)

Particulars	Year Ended 31/03/2017	Nine Months Ended 31/03/2016
Interest Income	1,173.02	1,090.12
Dividend Income	565.82	767.27
Foreign Exchange Fluctuation(Net)	-	2.77
Gain on Sale of Long Term Investments(Net)	766.24	3.00
Gain on Sale of Current Investments(Net)	922.80	39.10
Other Non Operating Income	232.87	46.81
	<b>3,660.75</b>	<b>1,949.07</b>
Interest income pertains to:		
Interest Income from Non Current Investments	1,166.28	773.66
Interest Income from Current Investments	6.74	316.46
Dividend income pertains to:		
Dividend from Current Investments	410.91	691.45
Dividend from Non Current Investments	154.91	75.82

**20. COST OF MATERIAL CONSUMED**

Opening Stock of Raw Materials	265.61	116.39
Add: Purchases	3,891.10	2,183.14
Less: Closing Stock of Raw Materials	723.75	265.61
	<b>3,432.96</b>	<b>2,033.92</b>

Cost of material comprises of Moulded Parts & components of Air Cooler

**21. PURCHASE OF STOCK-IN-TRADE**

Air Coolers	28,995.53	15,966.04
Others	881.67	444.08
	<b>29,877.20</b>	<b>16,410.12</b>

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

Opening Stock		
Work-in-Progress	0.40	8.04
Finished Goods	163.89	114.49
Stock-In-Trade	1,918.64	2,216.36
Less:		
Closing Stock		
Work-in-Progress	-	0.40
Finished Goods	350.18	163.89
Stock-In-Trade	4,014.37	1,918.64
	<b>(2,281.62)</b>	<b>255.96</b>

## Notes forming part of the Financial Statements

### 23. EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	Year Ended 31/03/2017	Nine Months Ended 31/03/2016
Salaries, Wages and Bonus	4,311.63	2,714.74
Contribution to Provident Fund and Other Funds	306.17	209.02
Staff Welfare Expenses	77.36	49.36
	<b>4,695.16</b>	<b>2,973.12</b>

### 24. FINANCE COSTS

Interest Expense	1.38	8.06
	<b>1.38</b>	<b>8.06</b>

### 25. ADVERTISEMENT AND SALES PROMOTION EXPENSE

Advertisement and Sales Promotion	3,996.89	717.75
Conference and Other Expenses	141.71	127.03
	<b>4,138.60</b>	<b>844.78</b>

### 26. OTHER EXPENSES

Stores, Spare parts and Packing Material consumed	2.61	3.34
Assembly and Labour Charges	61.21	47.15
Power and Fuel	7.43	4.04
Repairs & Maintenance		
Building	21.27	32.70
Machinery	16.71	3.16
Rent	69.90	11.52
Rates & Taxes	14.12	11.63
Travelling	991.12	663.99
Conveyance	253.74	162.09
Communication Expenses	125.90	81.27
Insurance	76.44	41.94
Printing and stationery charges	55.45	47.51
Legal & Professional Charges	603.00	343.07
Payment to Auditors (Refer Note no. 31)	24.16	16.19
Vehicle Expenses	17.20	10.12
CSR Expenditure (Refer Note no. 41)	205.50	-
General Expenses	299.92	232.33
Repairs Others	11.04	5.86
Foreign Exchange Fluctuation(Net)	54.38	-

**Notes forming part of the Financial Statements****26. OTHER EXPENSES (contd.)**

Particulars	Year Ended 31/03/2017	Nine Months Ended 31/03/2016
Loss on Sale of Fixed Assets	1.60	37.97
Bank Charges	21.63	9.95
Freight & Forwarding Charges	2,001.87	1,278.60
Warranty Expense	715.81	441.30
Sales Commission	16.23	-
CFA Handling Charges	207.69	157.75
Warehousing Charges	281.08	96.02
VAT and Sales Tax	-	1.37
	<b>6,157.01</b>	<b>3,740.87</b>

**27. EARNINGS PER SHARE**

Face value of Equity Shares (₹)	2	2
Net Profit available for Equity Shareholders (₹ In Lacs)	17,316.41	12,300.51
No. of Equity Shares	6,99,57,000	6,99,57,000
Basic and Diluted EPS (₹)	<b>24.75</b>	<b>17.58</b>

The Company has allotted 3,49,78,500 bonus equity shares of ₹2/- each fully paid up on September 17, 2016 in the proportion of one (1) bonus equity share for every fully Paid up equity share (1:1). As a result of the bonus issue the Paid up capital of the Company stands increased to ₹1,399.14 lacs from ₹699.57 lacs. Consequent to the above increase in Paid up capital, the earnings per share have been adjusted for previous period figure.

**28. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for) :**

(₹ in Lacs)

Particulars	2016-17	2015-16
<b>(i) Contingent Liabilities:</b>		
a) Claims against the Company not acknowledged as debt.	7.34	13.34
b) Demand on account of vat / sales tax matters.	96.64	96.86
c) Demand on account of Income Tax matters.	64.65	28.18
d) Demand on account of central excise matters.	91.50	91.50
e) Corporate Guarantee given for subsidiary company	3,246.50	-
	<b>3,506.63</b>	<b>229.88</b>
Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities. No amount is expected to be reimbursed from the above.		
<b>(ii) Commitments :</b>		
a) Estimated amount of contracts remaining to be executed and not provided for.	348.78	227.16

## Notes forming part of the Financial Statements

### 29. SEGMENT REPORTING

#### (a) Primary Segment : Business

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

(₹ in Lacs)		
Particulars	2016-17	2015-16
(1) Segment Revenue		
Air Coolers	67,519.60	42,016.50
Corporate Funds	2,858.00	1,418.00
<b>Total</b>	<b>70,377.60</b>	<b>43,434.50</b>
(2) Segment Profit before Interest and Taxes (PBIT)		
Air Coolers	21,152.42	15,545.17
Corporate Funds	2,838.00	1,412.00
<b>Total</b>	<b>23,990.42</b>	<b>16,957.17</b>
Less: Finance Costs	1.38	8.06
Less: Taxes	6,672.63	4,648.60
<b>Total Profit After Tax</b>	<b>17,316.41</b>	<b>12,300.51</b>
(3) Segment Assets		
Air Coolers	25,586.36	17,323.55
Corporate Funds	28,480.06	19,089.61
<b>Total</b>	<b>54,066.42</b>	<b>36,413.16</b>
(4) Segment Liabilities		
Air Coolers	8,270.64	4,565.74
Corporate Funds	-	1,052.59
<b>Total</b>	<b>8,270.64</b>	<b>5,618.33</b>
(5) Capital Employed		
Air Coolers	17,315.72	12,757.81
Corporate Funds	28,480.06	18,037.02
<b>Total</b>	<b>45,795.78</b>	<b>30,794.83</b>
Segment Profit (PBIT) % on Capital Employed		
Air Coolers	237.40%	333.19%
Corporate Funds	9.88%	5.41%

#### (b) Secondary Segment : Geographical segment

(₹ in Lacs)		
Particulars	2016-17	2015-16
(1) Segment Revenue		
India	59,508.14	36,791.31
Rest of the world	7,208.71	4,694.12
<b>Revenue from Operations</b>	<b>66,716.85</b>	<b>41,485.43</b>

## Notes forming part of the Financial Statements

### 29. SEGMENT REPORTING (contd.)

(₹ in Lacs)

Particulars	2016-17	2015-16
(2) Segment Profit Before Interest and Taxes (PBIT)		
India	21,534.10	15,055.57
Rest of the world	2,456.32	1,901.60
<b>Total</b>	<b>23,990.42</b>	<b>16,957.17</b>
Less: Finance Costs	1.38	8.06
Less: Taxes	6,672.63	4,648.60
<b>Total Profit After Tax</b>	<b>17,316.41</b>	<b>12,300.51</b>

#### Secondary Segment Capital Employed :

Fixed assets used in the Company's business and liabilities contracted have not been identified with any of the reportable segments, as the fixed assets and services are used interchangeably between segments. The Company believes that it is not practical to provide secondary segment disclosures relating to Capital employed.

### 30. RELATED PARTY DISCLOSURES

(₹ in Lacs)

Sr no	Name of the Related Parties	Nature of relationship with company	Nature of transaction	2016-17		2015-16	
				Volume of transaction	Balance at the end of the year	Volume of transaction	Balance at the end of the period
1	Mr. Achal Bakeri	Key Management Personnel	Remuneration and Perquisites	212.79	175.00	153.44	125.00
2	Mr. Nrupesh Shah	Key Management Personnel	Remuneration and Perquisites	149.49	130.00	98.42	83.69
3	Ms. Jonaki Bakeri	Relative of Key Management Personnel	Sitting Fees	2.30	-	0.68	0.61
4	Sylvan Holdings Pte Ltd., Singapore	Subsidiary / Entity controlled by Holding Company	Investment in Capital	-	2,312.01	-	2,312.01
5	IMPCO S DE RL DE C.V., Mexico	Subsidiary / Entity controlled by Holding Company	Sale of Goods	1,919.45	1,569.46	1,229.85	263.40
6	IMPCO S DE RL DE C.V., Mexico	Subsidiary / Entity controlled by Holding Company	Purchase of Goods	282.39	106.39	50.58	(0.16)
7	IMPCO S DE RL DE C.V., Mexico	Subsidiary / Entity controlled by Holding Company	Purchase of Moulds / Machinery	-	-	4.53	-

## Notes forming part of the Financial Statements

### 30. RELATED PARTY DISCLOSURES (contd.)

(₹ in Lacs)

Sr no	Name of the Related Parties	Nature of relationship with company	Nature of transaction	2016-17		2015-16	
				Volume of transaction	Balance at the end of the year	Volume of transaction	Balance at the end of the period
8	IMPCO S DE RL DE C V, Mexico	Subsidiary / Entity controlled by Holding Company	Investment in Capital	-	0.28	-	0.28
9	IMPCO S DE RL DE C V, Mexico	Subsidiary / Entity controlled by Holding Company	Loan Given	99.63	-	-	-
			Loan Received back	102.74	-	-	-
			Interest Income	1.66	-	-	-
10	Guangdong Symphony Keruilai Air Coolers Co., Ltd	Subsidiary / Entity controlled by Holding Company	Investment in Capital	-	154.73	154.73	154.73
11	Guangdong Symphony Keruilai Air Coolers Co., Ltd	Subsidiary / Entity controlled by Holding Company	Guarantee Charges	(15.81)	(184.90)	-	0.02
			Purchase of Goods	462.15	-	0.73	-
12	Guangdong Symphony Keruilai Air Coolers Co., Ltd	Subsidiary / Entity controlled by Holding Company	Corporate Guarantee given in favour of Standard Chartered Bank	-	3,246.50	-	-
13	Symphony Aircoolers Inc, USA	Subsidiary / Entity controlled by Holding Company	Investment in Capital received back	-	-	(0.46)	-
14	Harmony Holdings Pvt. Ltd.	Enterprise in which Key Management Personnel has significant influence	Purchase of Intellectual Property	6.00	-	-	-

Note: Related parties have been identified by the Management.

Policy on dealing with Related party transactions:

The Company has made a list of related parties after considering the requirements and based on the annual declaration received from individuals like Directors and Key Managerial Personnel (KMP). All related party transactions are reported and referred for approval to the Audit Committee as per section 177 of the Companies Act, 2013. The Audit committee may grant general approval for repetitive related party transactions. Such general approval will be valid for a period of one year and a fresh approval shall be taken for every financial year. As per section 188 of the Companies Act, 2013, the consent of the Board/Shareholders' approval is required, by a special resolution in a general meeting, for entering into the specified transactions with a related party, if they are not in ordinary course of business of the Company or at arm's length and exceeds the threshold limits as specified in the Act.



**Notes forming part of the Financial Statements****31. PAYMENT TO AUDITORS** (Refer Note no. 26)

(₹ in Lacs)

Particulars	2016-17	2015-16
a) As Auditor	13.23	12.60
b) In other capacity, in respect of		
i) Certification	0.88	0.17
ii) Limited Review	5.17	2.57
iii) Others	0.10	0.85
	<b>19.38</b>	<b>16.19</b>

**32. EMPLOYEE BENEFITS****(A) Defined contribution plans**

The Company makes provident fund contribution which is defined contribution plan, for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The Company recognised ₹139.86 lacs (Year ended March 31, 2016 ₹90.11 lacs) for provident fund contributions in the Statement of Profit and Loss. The contribution payable to this plan by the Company is at rate specified in the rule of the scheme.

**(B) Defined benefit plans**

Gratuity included as a part of Contribution to Provident Fund and Other Funds in Note 23 Employee Benefit expenses.

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 Lacs)

Particulars	2016-17	2015-16
<b>I Expenses recognized during the period</b>		
Current service cost	71.70	44.49
Interest on obligation	35.30	20.28
Expected return on plan assets	(31.17)	(19.40)
Net actuarial losses (gains) recognised during the year	76.27	64.20
Total	152.10	109.57
Actual return on plan assets	40.91	19.91
<b>II Reconciliation of opening and closing balances of defined benefit obligation</b>		
Opening defined benefit obligation	449.65	326.56
Service cost	71.70	44.49
Interest cost	35.30	20.28
Actuarial losses (gains)	86.01	64.71
Benefits paid	(9.90)	(6.39)
Closing defined benefit obligation	632.76	449.65

## Notes forming part of the Financial Statements

### 32. EMPLOYEE BENEFITS (contd.)

(₹ in Lacs)

Particulars	2016-17	2015-16
<b>III Reconciliation of Opening and Closing balances of fair value of plan assets</b>		
Opening fair value of plan assets	396.98	312.35
Expected return	31.17	19.40
Actuarial gains and (losses)	9.74	0.51
Contributions by employer	184.50	71.11
Benefits paid	(2.61)	(6.39)
Closing balance of fair value of plan assets	619.78	396.98
<b>IV Reconciliation of the present value of defined benefit obligation and fair value of planned assets</b>		
Present value of defined benefit obligations	632.76	449.65
Fair value of plan assets	(619.78)	(396.98)
Net liability recognised in Balance Sheet	12.98	52.67
<b>V Composition of Planned Assets</b>		
HDFC Group Traditional Plan	619.78	396.98
<b>VI Actuarial Assumptions</b>		
Discount rate	6.82%	7.85%
Expected return on plan assets	6.82%	7.85%
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.		
<b>VII Gratuity Benefit</b>		
Defined benefit obligation	(632.76)	(449.65)
Plan assets	619.78	396.98
Surplus/(deficit)	(12.98)	(52.67)
Experience adjustments on plan Liabilities	(44.32)	(43.94)
Experience adjustments on plan assets	(9.74)	(0.51)
<b>Movement in net liability recognised in Balance Sheet</b>		
Net opening liability	52.67	14.21
P&L Charge	152.10	109.57
Contribution paid / Benefits paid	(191.79)	(71.11)
closing net liability	12.98	52.67

## Notes forming part of the Financial Statements

### 32. EMPLOYEE BENEFITS (contd.)

#### VIII Disclosure as required under para 120(n) of AS - 15

(₹ in Lacs)

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
i) Present value of the defined benefit obligation	632.76	449.65	326.56	250.88	236.41
Fair value of the plant assets	619.78	396.98	312.35	214.07	172.45
(Surplus)/Deficit in the plan	12.98	52.67	14.21	36.81	63.96
ii) Experience Adjustments					
On Plan liabilities	(44.32)	(43.94)	(14.06)	(5.37)	(14.68)
On Plan assets	(9.74)	(0.51)	(11.13)	0.97	1.82

IX The expected contribution is based on the same assumptions used to measure the Company's gratuity obligations as of March 31, 2017.

### 33. LEAVE ENCASHMENT

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

### 34. PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE AS AT THE BALANCE SHEET DATE

(₹ in Lacs)

Particulars	2016-17			2015-16		
	Currency	Amount in Foreign Currency	₹ in lacs	Currency	Amount in Foreign Currency	₹ in lacs
Trade Payables	US\$	2,32,164	155.60	US\$	5,678	3.75
Trade Receivable	US\$	32,29,034	2,159.00	US\$	12,57,817	834.31
	GBP	6,729	5.64	GBP	1,22,894	116.86
	EURO	-	-	EURO	2,58,517	194.15

35. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2017. 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.
36. Based on queries received from Securities Exchange Board of India ("SEBI"), the Company conducted a preliminary internal investigation and discovered certain irregularities by M/s Sharepro Services (India) Private Limited ("Sharepro"), the Company's erstwhile Registrar and Share Transfer Agent. Subsequently, the Company has filed a criminal complaint against Sharepro and its employees. Pursuant to the directions issued by SEBI in its interim order dated 22 March 2016, the Company appointed an independent external agency to conduct an audit of the records and systems of Sharepro with respect to certain past transactions. The Company has

## Notes forming part of the Financial Statements

taken legal actions and will take additional steps, if any, based on and in accordance with the directions of SEBI or any other regulatory authorities. Based on consultations with its legal counsel, the Company has been advised that the liability will not evolve on the Company and thus no provision is considered necessary. Further, the Company has a right to claim losses, if any, from Sharepro and accordingly, the Company does not plan to make good the losses on its own account. Under the circumstances, the Company does not envisage any possible obligation in respect of the matter.

### 37. EXPENDITURE ON RESEARCH & DEVELOPMENT ACTIVITIES ARE AS UNDER

The amount of expenditure as shown in respective heads of account is as under:

(₹ in Lacs)

Particulars	2016-17		2015-16	
Capital Expenditure		54.05		11.85
Revenue Expenditure				
Material Consumed	5.65		4.15	
Employee Benefit Expenses	227.20		152.50	
Other Expenses	43.04	275.89	21.95	178.60
<b>Total</b>		<b>329.94</b>		<b>190.45</b>

38. 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 Lacs)

Particulars	April 01, 2016	Provision during the year	Utilised during the year	Reversal during the year	March 31, 2017
Provision for 1 year Warranty	431.23	522.22	431.23	-	522.22

39. The Board of Directors has recommended, subject to approval of shareholders, a final dividend of ₹1/- per equity share of ₹2/- each for the year ended March 31, 2017. Further an interim dividend of ₹3.50/- per equity share was paid during the year. Total Dividend proposed/paid is ₹4.50/- per equity share (225%) (previous year ₹25/- per equity share (1,250%) which included special dividend of ₹10/-). The total dividend appropriation for the year ended March 31, 2017 amounts to ₹3,157.45 lacs including dividend distribution tax of ₹534.06 lacs.
40. The previous financial year was for a period of 9 months ended on 31st March, 2016 (Previous Period) and accordingly, the figures for the Previous Period are not comparable with figures for the Current Year ended 31st March, 2017 presented in Statement of Profit & Loss, Cash Flow Statement and related Notes. Previous Period's figures have been regrouped/reclassified, wherever necessary, to conform to classification of Current year.

**Notes forming part of the Financial Statements****41. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY ARE AS UNDER**

- (a) Gross amount required to be spent by the Company during the year ₹300.40 lacs (Previous year ₹253.17 lacs).  
 (b) Amount spent during the year on

(₹ in Lacs)

Particulars	In Cash		Yet to be paid in Cash		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purpose other than (i) above						
Scientific Research	205.00	-	-	-	205.00	-
Others	0.50	-	-	-	0.50	-
<b>Total</b>	<b>205.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>205.50</b>	<b>-</b>

**42. (I) VALUE AND % OF IMPORTED & INDIGENOUS RAW MATERIALS CONSUMED**

Particulars	2016-17		2015-16	
	Value in (₹ in Lacs)	% of total Consumption	Value in (₹ in Lacs)	% of total Consumption
Imported	711.52	20.73	473.92	23.30
Indigenous	2,721.44	79.27	1,560.00	76.70
	<b>3,432.96</b>	<b>100.00</b>	<b>2,033.92</b>	<b>100.00</b>

**(II) C.I.F. VALUE OF IMPORTS**

(₹ in Lacs)

Particulars	2016-17	2015-16
Raw Materials & Trading Goods	1,576.19	602.10
Capital Items	646.57	82.95
	<b>2,222.76</b>	<b>685.05</b>

**43. EXPENDITURE IN FOREIGN CURRENCY**

(₹ in Lacs)

Particulars	2016-17	2015-16
Professional & consultation fees	103.84	55.84
Sales Promotion	32.01	105.17
Travelling	111.05	65.40
Advertisement, Freight & Others	95.78	77.90

## Notes forming part of the Financial Statements

### 44. EARNING IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	2016-17	2015-16
F.O.B. of Exports	6,958.54	4,530.79
Interest Income	1.66	-
Other Income	97.15	51.06

### 45. DETAILS OF SPECIFIED BANK NOTES AS REQUIRED BY AMENDMENT TO THE SCHEDULE III TO THE COMPANIES ACT, 2013

(₹ in Lacs)

Particulars	SBNs	Other notes	Total
Closing balance as at November 08, 2016	11.93	4.07	16.00
Add: Permitted receipts	-	23.77	23.77
Less: Permitted payments	-	13.98	13.98
Less: Deposited in bank accounts	11.93	0.11	12.04
Closing balance as at December 30, 2016	-	13.75	13.75

### 46. DISCLOSURE UNDER REGULATION 34(3) OF THE LISTING AGREEMENT

Amount of loans and advances in nature of loans outstanding from subsidiaries as at March 31, 2017:

Subsidiary Company	Outstanding as at March 31, 2017	Maximum amount outstanding during the year	Outstanding as at March 31, 2016	Maximum amount outstanding during the period
IMPCO S DE RL DE C.V., Mexico	-	100.80	-	-

In terms of our Report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**Gaurav J Shah**  
Partner  
Membership No.. 35701

Place : Ahmedabad  
Date : May 16, 2017

**For and on behalf of the Board**

**Achal Bakeri**  
Chairman & Managing Director  
DIN-00397573

**Mayur Barvadiya**  
Company Secretary

**Nrupesh Shah**  
Executive Director  
DIN-00397701

**Bhadresh Mehta**  
Chief Financial Officer

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries:

(₹ in Lacs)

Sr. No.		Sylvan Holdings Pte. Ltd., Singapore	Guangdong Symphony Keruilai Air Coolers Co., Ltd, China	IMPCO S DE RL DE CV, Mexico	Symphony USA Inc, USA
1	Reporting period	31-12-2016	31-12-2016	31-12-2016	31-12-2016
2	(i) Reporting currency	US Dollar	RMB	Mexican Peso	US Dollar
	(ii) Exchange rate as on the last date of the relevant Financial year	64.84	9.41	3.39	64.84
3	Share Capital	2,820.48	7,998.26	33.86	3.24
4	Reserves & Surplus	(381.64)	(9,267.00)	2,546.21	(3.24)
5	Total Assets	2,444.15	2,241.99	3,491.23	-
6	Total Liabilities	5.32	3,510.72	1,321.89	-
7	Investments (Excl. Investment in Subsidiaries)	-	-	410.73	-
8	Turnover	-	3,951.04	7,072.76	355.96
9	Profit before taxation	(439.96)	(1,056.39)	365.06	95.31
10	Provision for taxation	(106.82)	-	-	-
11	Profit after taxation	(546.78)	(1,056.39)	365.06	95.31
12	Proposed Dividend	Nil	Nil	Nil	Nil
13	% of shareholding	100%	100%	100%*	100%**

\* 99.90% held by Sylvan Holdings Pte. Ltd., Singapore (Upto January 27, 2017)

\*\* 100% held by IMPCO S DE RL DE CV, Mexico (Upto December 31, 2016)

#### For and on behalf of the Board

**Achal Bakeri**  
Chairman & Managing Director  
DIN-00397573

**Nrupesh Shah**  
Executive Director  
DIN-00397701

Place : Ahmedabad  
Date : May 16, 2017

**Mayur Barvadiya**  
Company Secretary

**Bhadresh Mehta**  
Chief Financial Officer



## Symphony Limited

CIN – L32201GJ1988PLC010331

Regd. Office: Symphony House, Third Floor, FP-12, TP-50, Off S.G. Highway, Bodakdev,  
Ahmedabad – 380 054, Gujarat, India.

Phone: +91-79-66211111 • Fax: +91-79-66211140

E-mail ID: corporate@symphonylimited.com • Website: www.symphonylimited.com

## NOTICE

**Notice** is hereby given that the Thirtieth 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 Friday, the September 08, 2017, at 10.00 A.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - (i) Audited Standalone Financial Statements of the Company for the financial year ended on March 31, 2017 and the Reports of the Board of Directors and Auditors thereon; and
  - (ii) Audited Consolidated Financial Statements of the Company for the financial year ended on March 31, 2017, together with the Report of the Auditors thereon.
2. To confirm payment of three interim dividends aggregating to ₹3.5 per share and to declare a final dividend on equity shares for financial year ended on March 31, 2017.

3. To appoint a Director in place of Ms. Jonaki Bakeri (DIN – 06950998) who retires by rotation and being eligible, offers herself for re-appointment.
4. To ratify appointment of Auditors and to determine 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 provision 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), the consent of members be and is accorded to ratify appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm Reg. No. 117365W) Ahmedabad, Auditors of the Company, to hold office from the conclusion of this annual general meeting until the conclusion of thirty first annual general meeting of the Company on such remuneration as may be mutually agreed between the Board of Directors of the Company and Auditors.”



**SPECIAL BUSINESS:**

5. To consider and, if thought fit, to pass the following resolution with or without modification(s) as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V and rule made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the relevant provisions of the Articles of Association of the Company and subject to approval of concerned authorities including Central Government, as may be required, the consent of the members of the Company be and is hereby accorded to re-appoint Mr. Achal Bakeri (DIN – 00397573) as a Managing Director the Company for a further period of 5 (Five) years w.e.f. December 1, 2017 upon the terms and conditions, including the remuneration

to be paid in the event of inadequacy of profits in any financial year, as set out in the Statement annexed to the notice convening this annual general meeting, with authority / liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors and Mr. Achal Bakeri."

**"RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof of the Company, be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

By Order of the Board  
For, **SYMPHONY LIMITED**

Date: August 10, 2017  
Place: Ahmedabad

**Mayur Barvadiya**  
*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/HERSELF. 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. THE PROXY HOLDER SHALL PROVE HIS IDENTITY AT THE TIME OF ATTENDING THE ANNUAL GENERAL MEETING.

- (b) Corporate members intending to send their authorized representatives to attend the meeting are requested to send certified copy of board resolution, power of attorney or authority letter 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 Friday, August 25, 2017 to Thursday, August 31, 2017 (both the days inclusive) for the purpose of payment of final dividend and annual general meeting.
- (d) 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.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) 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 Annual Report is without PIN Code, members are requested to kindly inform their PIN Code immediately.
- (i) Members are requested to bring their copies of Annual Report to the meeting, as the same will not be circulated at the meeting.
- (j) 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.
- (k) Details of directors seeking appointment/re-appointment at ensuing annual general meeting of the Company are given in this Notice in compliance of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meeting.
- (l) 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, Quarterly results, Circulars, etc. by electronic mode.

- (m) Transfer of Unclaimed / Unpaid amounts to the Investor Education and Protection Fund:

Members who have not yet encashed their dividend(s) for the financial year 2009-10 onwards are requested to lodge their claims with the Company or Registrar and Share Transfer Agent. It may be noted that the unclaimed dividend for the financial year 2009-10 declared by the Company on December 21, 2010 can be claimed by the members by January 24, 2018.

The Company has been sending reminders to those members having unpaid/unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/unclaimed dividend are also uploaded, as per the requirements, on the Company's website: <http://www.symphonylimited.com/investor-shareholders-information.aspx>

- (n) The Ministry of Corporate Affairs ('MCA') had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from September 7, 2016 ('IEPF Rules'). Amongst other things, the Rules provides for the manner of transfer of the unpaid and unclaimed dividends to the IEPF and the manner of transfer of shares in case any dividend has not been encashed by the shareholders on such shares during the last seven consecutive years to the designated IEPF Suspense Account as may prescribed by the IEPF Authority.

Further, the MCA had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 on 28<sup>th</sup> February,

2017, substituting, amongst other things, Rule 6 of IEPF Rules and providing that where the period of seven years provided under the sub section (5) of Section 124 of the Companies Act, 2013 has been completed during the period from September 7, 2016 to May 31, 2017, the due date of transfer of such shares shall be May 31, 2017.

As per the requirement of Rule 6 of the IEPF Rules 2016, the Company had sent information / reminders to all the shareholders who had not claimed/ encashed dividends in the last seven consecutive years intimating, amongst other things, the requirements of the IEPF Rules, with regard to transfer of shares and that in the event those shareholders do not claim any unclaimed/unpaid dividends for the past seven consecutive years, the Company will be required to transfer the respective shares to the IEPF Suspense Account by the due date prescribed under the IEPF Rules, 2016 or such other extended date as may be notified. The Company has also simultaneously published a notice in the leading newspaper in English and regional language having wide circulation on March 28, 2017 to such shareholders and uploaded details of such shareholders and shares due to transfer on the website of the Company <http://www.symphonylimited.com/investor-shareholders-information.aspx>.

In case, valid claim is not received by May 31, 2017 or such other extended date as may be notified, the respective shares will be credited to the designated Demat Account of the IEPF Authority.

(o) Voting through electronic means

- (I) In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company provides to its members, the facility to exercise their rights to vote on resolutions proposed to be considered at the Thirtieth Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Karvy Computershare Private Limited (Karvy).
- II. The facility for voting through ballot paper shall also be made available at the AGM and the members attending the meeting shall be able to exercise their rights to vote at the meeting through ballot papers in case they have not casted their votes by remote e-voting.
- III. The members who have cast their votes by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their votes again.
- IV. The remote e-voting period commences on September 04 2017 (9:00 am) and ends on September 07, 2017 (5:00 pm). During this period, the

members of the Company, holding shares either in physical form or dematerialised form, as on the cut-off date i.e. September 01 2017, may cast their votes by remote e-voting. The remote e-voting module shall be disabled by Karvy for voting thereafter.

- V. Once the vote on a resolution is cast by the member, such member shall not be allowed to change it subsequently.
- VI. A person who is not a member as on cut-off date should treat this Notice for information purpose only.
- VII. The process and manner for remote e-voting is as under:
  - A. Members whose email IDs are registered with the Company/DPs will receive an email from Karvy informing them of their User-ID and Password. Once the Member receives the email, he or she will need to go through the following steps to complete the remote e-voting process:
    - (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
    - (ii) Enter the login credentials (i.e. User ID and password) which will be sent separately. However, if you are already registered with Karvy for remote e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number

- 1-800-3454-001 for your existing password.
- (iii) After entering these details appropriately, click on "LOGIN".
  - (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (az), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - (v) You need to login again with the new credentials.
  - (vi) On successful login, the system will prompt you to select the remote E-Voting Event Number for Symphony Limited.
  - (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
  - (viii) Members holding shares under multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
  - (ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
  - (x) You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
  - (xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).

- (xii) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: csdoshiac@gmail.com or evoting@karvy.com. They may also upload the same in the remote e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Symphony Limited\_ EVENT NO." The documents should reach scrutinizer on or before September 07, 2017.
- B. In case, a member receives physical copy of the Notice of AGM [for members whose email IDs are not registered or have requested the physical copy]:
  - a) User ID and initial password is provided in separate letter :
  - b) Please follow all steps from Sl. No. (i) to Sl. No. (xii) above to cast vote.
- VIII. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>
- IX. If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.
- X. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication.
- XI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 01, 2017.
- XII. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. September 01, 2017, may obtain the User ID and password in the manner as mentioned below:
  - a) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - b) Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com). If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.
  - c) Member may call Karvy's toll free number 1-800-3454-001.

- d) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399

Example for NSDL: MYEPWD <SPACE>  
IN12345612345678

Example for CDSL: MYEPWD <SPACE>  
1402345612345678

Example for Physical: MYEPWD <SPACE>  
XXXX1234567890

XIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. September 01, 2017, only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIV. Mr. Ashish Doshi, Practicing Company Secretary (Membership No. F3544), Ahmedabad, has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at annual general meeting in a fair and transparent manner.

XV. Voting shall be allowed at the end of discussion on the resolutions on which voting is to be held, with the assistance of Scrutiniser, by use of ballot paper for

all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XVI. The Scrutiniser shall, immediately after the conclusion of voting at the meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in employment of the Company, and make, not later than 48 hours from the conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.

XVII. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.symphonylimited.com](http://www.symphonylimited.com) and on the website of Karvy immediately after result is declared and the same shall be communicated to the National Stock Exchange of India Limited and BSE Limited.

XVIII. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the AGM i.e. September 08, 2017.

## Statement pursuant to Section 102(1) of the Companies Act, 2013 ("The Act")

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice:

### Item No 5

The members, at their Annual General Meeting of the Company held on November 30, 2012, had approved the re-appointment of Mr. Achal Bakeri as a Managing Director for a period of five years effective December 1, 2012 and pursuant to which his present term will be expiring on November 30, 2017.

Accordingly, the Board of Directors has, subject to approval of members and concerned authorities including Central Government, as may be required, re-appointed Mr. Achal Bakeri as a Managing Director for a further period of five years w.e.f. December 1, 2017, at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

The key terms and conditions of his re-appointment are as under:

#### (A) Nature of duties:

Mr. Achal Bakeri, shall, subject to the supervision and control of the Board, be entrusted with substantial powers of Management and shall also perform such duties as may, from time to time, be entrusted to him and the business of any one or more of its subsidiaries and/or associate companies.

#### (B) Remuneration:

- a. Monthly Basic Salary: not exceeding ₹10,00,000/- (Rupees ten lacs).

- b. Other allowances as per the policies of the Company from time to time.
- c. Reimbursement of Expenses: Up to 50% of Basic Salary.
- d. Ex-Gratia: 5% of Basic Salary.
- e. On completion of the year, in eventuality of profits, consolidated profits linked performance incentive to the extent that the total remuneration is within applicable statutory ceiling of remuneration.

#### f. Perquisites:

- i. Housing: Free furnished accommodation or HRA in lieu of Company provided accommodation.
- ii. Reimbursement of expenses on actuals pertaining to electricity, gas, water, telephone and other reasonable expenses for the upkeep and maintenance in respect of such accommodation.
- iii. Car: Two cars for use of Company's business.
- iv. Medical Expenses Reimbursement: Reimbursement of all expenses incurred for self and family at actuals (including domiciliary and medical expenses and insurance premium for medical and hospitalisation policy as applicable).
- v. Club fees: Fees of Two Clubs in India (including admission and annual membership fee).



- vi. Personal accident insurance premium – as per the policy of the Company.
- vii. Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company as per the policy of the Company.

The following perquisites will not be included in the computation of the ceiling on the remuneration specified above:

1. Contribution to provident fund, superannuation fund or annuity fund, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
2. Gratuity not exceeding half month's salary for each completed year of service.

The above remuneration is subject to the limit of 5% or 10% of the net profit of the Company during the year, as the case may be, as laid down in Section 197 of the Act.

#### **(C) Minimum Remuneration:**

Where, in any financial year, the Company has no profit or its profits are inadequate, the Company shall pay to Mr. Achal Bakeri in respect of such financial year, remuneration by way of salary, allowance, perquisites and other benefits subject to further approvals as required under Schedule V of the Act as existing or modified or re-enacted from time to time.

#### **(D) Other terms and conditions:**

- (i) The terms and conditions of the said re-appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, subject to such approvals as may be required.
- (ii) The employment may be terminated by either party by giving 3 (Three) months' notice or the Company paying three months' remuneration in lieu thereof.
- (iii) All policies of the Company and the related Rules shall be applicable to Managing Director unless specifically provided otherwise.

This statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act.

The Board recommends the Resolution at Item No. 5 for approval of the members.

Except Mr. Achal Bakeri, Ms. Jonaki Bakeri and their relatives, none of the directors, key managerial personnel and their relatives are in any way interested or concerned, financially or otherwise, in the said resolution/s.

By Order of the Board  
For, **SYMPHONY LIMITED**

Date: August 10, 2017  
Place: Ahmedabad

**(Mayur Barvadiya)**  
Company Secretary

## Details of the directors seeking Re-appointment in the forthcoming Annual General Meeting

(in compliance of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meeting)

The brief resume and other information of Mr. Achal Bakeri and Ms. Jonaki Achal Bakeri are as under:

Name	Mr. Achal Anil Bakeri DIN:00397573	Ms. Jonaki Achal Bakeri DIN:06950998
Age	57 years	31 years
Qualification	Architect, MBA (University of Southern California)	B.A.
Date of Appointment	February 5, 1988	August 20, 2014
Relationship with Director	Father of Ms. Jonaki Bakeri	Daughter of Mr. Achal Bakeri
Brief Resume, Functional Expertise and experience	Having experience of more than 31 years 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.	Experience on Sales, Marketing new product development and finance.
No. of Shares held in the company	5,24,67,740*	Nil*
Directorship in other company	1. Sanskrut Tradecom Private Limited 2. Paratam Investments Private Limited 3. Oras Investments Private Limited 4. Harmony Holding Private Limited 5. Bakeri Real Estate Private Limited 6. Sanskrut Finance Private Limited	1. Oras Investment Private Limited
Chairman / Member of the committee of the Company	Symphony Limited – - Corporate Social Responsibility Committee	Symphony Limited - Audit Committee Stakeholders Relationship Committee
No. of Board Meeting attended during 2016-17	He has attended all four board meetings held during the year 2016-17.	She has attended all four board meetings held during the year 2016-17.
Remuneration drawn during 2016-17	212.79#	Nil

\* Mr. Achal Bakeri and Ms. Jonaki Achal Bakeri are part of promoter group which holds 75% of total share capital of the Company.

# including profit linked performance incentives, as approved by the Board, payable for the year 2016-17.



# Symphony Limited

CIN – L32201GJ1988PLC010331

Regd. Office: Symphony House, Third Floor, FP-12, TP-50, Off S.G. Highway,  
Bodakdev, Ahmedabad – 380 054, Gujarat, India

## 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]

CIN	L32201GJ1988PLC010331
Name of the Company	Symphony Limited
Registered Office	Symphony House, 3 <sup>rd</sup> Floor, FP-12, TP-50, Bodakdev, Off S.G. Highway, Ahmedabad – 380 054
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 30<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, September 08, 2017 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 Financial Statement of the Company for the Financial year ended on March 31, 2017 and the Reports of the Board of Directors and Auditors thereon; and (b) Audited Consolidated Financial Statement of the Company for the Financial year ended on March 31, 2017 together with the Report of the Auditors thereon.
2	To confirm payment of three interim dividends aggregating to ₹3.5 per share and to declare a final dividend on equity shares for financial year ended on March 31, 2017.
3	Appointment of a Director in place of Ms. Jonaki Bakeri, who retires by rotation, and being eligible, offers herself for re-appointment.
4	Ratification of appointment of Auditors and fixation of their remuneration.
5	Re-appointment of Mr. Achal Bakeri as a Managing Director.

Signed this ..... day of ..... 2017

Affix  
Revenue  
Stamp

Signature of Proxy holder(s)

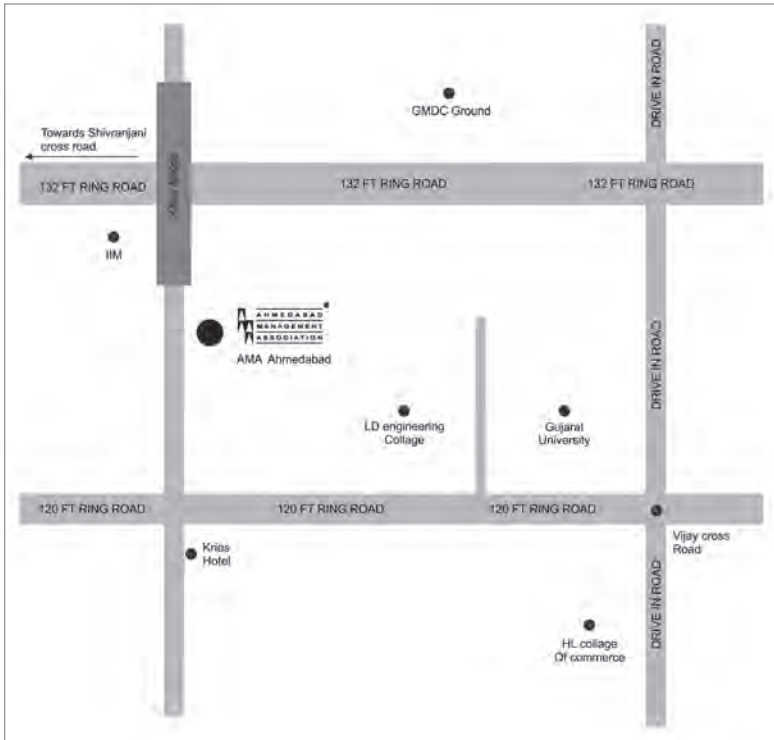
Signature of Shareholder

### Note:

This form of proxy in order to be effective should be duly filled in, stamped & signed across the Stamp as per specimen signature registered with the Company and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



## AGM Location Map





## Symphony Limited

CIN – L32201GJ1988PLC010331

Regd. Office: Symphony House, Third Floor, FP-12, TP-50, Off S.G. Highway,  
Bodakdev, Ahmedabad – 380 054, Gujarat, India

### Attendance slip

To be handed over at the entrance of the meeting venue:

Full name of the attending members	Folio No.	
	DP ID	
	Client ID	
Name of proxy (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 Thirtieth Annual General Meeting of the Company held on Friday, September 08, 2017 at 10.00 a.m. at Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad -380 015.

---

Member's / Proxy's Signature

(to be signed at the time of handing over this slip)



# CORPORATE INFORMATION

## Board of Directors

**Achal Bakeri**

*Chairman & Managing Director*

DIN: 00397573

**Nrupesh Shah**

*Executive Director*

DIN: 00397701

**Satyen Kothari**

*Independent Director*

DIN: 01817020

**Naishadh Parikh**

*Independent Director*

DIN: 00009314

**Dipak Palkar**

*Independent Director*

DIN: 00475995

**Jonaki Bakeri**

*Non-Executive Director*

DIN: 06950998

## Chief Financial Officer

**Bhadresh Mehta**

## Company Secretary

**Mayur Barvadiya**

## Auditors

**Deloitte Haskins & Sells**

*Chartered Accountants*

## Registered and corporate office

Symphony House,  
Third Floor, FP-12,  
TP-50, Off. S.G. Highway,  
Bodakdev, Ahmedabad - 380  
054, Gujarat, India.

Phone : +91-79-6621 1111

Fax : +91-79-6621 1140

Email: [investors@symphonylimited.com](mailto:investors@symphonylimited.com)  
CIN:L32201GJ1988PLC010331

## Factory

703/704, Sanand Kadi

Highway,

Village Thol, Taluka Kadi,

District Mehsana, Gujarat.

PIN – 382728

## SEZ Units

### (1) Surat

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

### (2) Kandla

C/o. Commodities Trading  
(Warehousing Division)  
Plot No. 351, 352, 368 & 369,  
Sector IV,  
Kandla SEZ, Gandhidham,  
Kutch – 370230.

## Connect us

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Connect with us on:

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## Registrar & Share Transfer Agent

**Karvy Computershare Pvt. Ltd.**

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Fax No. +91-40-2342 0814  
E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

## 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 organization 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 estimated. 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.

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