

August 31, 2018

To,
BSE Limited
Security Code - 517385

National Stock Exchange of India Limited
Symbol - SYMPHONY

Sub.: Compliance under Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

In compliance of Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Annual Report of the Company for the year 2017-18 duly approved and adopted by the shareholders at their 31st Annual General Meeting held on Friday, August 31, 2018.

Please take the same on your record and oblige.

Thanking you,

Yours Truly,

For, Symphony Limited



Mayur Barvadiya
Company Secretary



Email ID: companysecretary@symphonylimited.com



THE BEST WAY TO
PREDICT THE FUTURE?
CREATE IT.

Symphony enters Version 3.0 of its existence

Symphony Limited
Annual Report 2017-18

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It would have been simpler sending our stakeholders a 'business as usual' message that would have made them say 'Yayy' and not proceed with the rest of this report.



The truth is that last year's
story was different.

A new phase in the Company's existence is on the horizon. It has started with a turnaround in the Company's international operations.

Any discussion of the markets of the future must start with the most important factor – the turnaround in the financials of our international operations.

Before

Losing international operations
Drag on consolidated performance
They said 'Wrong decision'
They feared 'Extended gestation'
They said, 'How is this synergistic?'
They pronounced, 'No cultural fit'

After

Profitable international operations
Adding to our consolidated performance
Decision validated with positive numbers
Demonstrated moderate gestation
Visible synergy
Extended Symphony culture to global subsidiaries



There is one message
we wish to send out:
Symphony is prepared

Turnaround in international operations

Robust innovation engine

Strong Balance Sheet

Market-leading brand

Asset-light business model

Multi-country operations

Presence in two business verticals.*

Participatory management culture

Culture of excellence across functions

Be the first in everything we do

Continue to make products, customers never knew they wanted

Outsource and control manufactured quality

Preparedness for acquisitions (for knowledge, brands, presence, scale, network and market-readiness)

*Residential Coolers and Central Air Cooling Solutions

PS. Much of what we have done in the past - only quicker, deeper and more effectively



“Symphony 2.0 has ended.
Symphony 3.0 has begun.
This is the biggest message
that I wish to communicate
to our stakeholders this year.”

Achal Bakeri, Chairman & Managing Director,
explains the Company's direction



Symphony re-designed coolers, infused the kind of technology that one would have normally associated with gizmos and pulled off something most marketing experts considered impossible:

1

To indicate where we are going, it may be necessary to explain where we have come from.

There was a time when the performance of Symphony was largely about how the Indian engine of the Company was driving growth and profitability.

Thereafter, Symphony made two decisive initiatives: the Company acquired companies in Mexico and China, extended the elements of its validated business model to both, absorbed as much from them as it transmitted to them and the result is that the Company's international operations have turned around, enabling them to contribute in a bigger way to the Company's consolidated performance.

There was also a time when an air-cooler was waved off as a 'box', that dismissive reaction evoked by anything that is unwieldy, low-tech and low-priced.

Then the Merlin-touch happened:

Symphony re-designed coolers, infused the kind of technology that one would have normally associated with gizmos and pulled off something most marketing experts considered impossible: Despite being the most premium cooler brand, we maintained our market leadership.

In the market of the future, the increased presence of diverse brands will enlarge the market. What was considered until not too long as a peripheral cooling product could gravitate towards

centre-stage. When this transpires, Symphony will be best-placed to leverage its competitive advantage – and retain a leading share of the enlarged market.

At Symphony, we also believe that there can be two ways to address the future. Either play the same game better and then even better until we come to a point where the effort that goes into this is larger than the incremental benefits we can derive out of it.

Or change the game.



At Symphony, we had one firing engine for the last decade; we have two today and in a year and a half we will have three engines firing from different parts of the world.



At Symphony, we are already changing the game.

For most Indian cooler manufacturers, the market of choice is India, India and India.

The reasons are many.

Only 6% of Indian households own an air-conditioner even as only 14% own an air-cooler, whereas 85% own fans.

Now look at China where the penetration of air-conditioners grew from 8% in 1995 to more than 70% today.

There are two ways to look these numbers. One, stay convinced that whatever happened abroad will replicate in India, which may be a defensive way of looking at things.

Two, even while we were invested in India in anticipation of the China effect, we also invest in International facilities with the objective of leveraging global competencies and extending to geographies in anticipation of the India Effect.

As a result, the investment in the international business was not an afterthought to spread our eggs across different baskets; it was a natural extension to the global growth story: after all, people would feel as warm abroad or warmer as they would in India.

The Company invested in its international business with that perspective. The businesses were bought at a fraction of their intrinsic value. The

businesses were losing; they required a dose of Symphonyitis. I am pleased to note that companies accustomed for decades to their style of working caught the Symphony viral fairly quickly.

Within a few years of acquisitions we turned the Mexican business around. Transformation of our Chinese acquisition is already visible and we expect this to be completed in next 18-24 months.

At Symphony, we had one firing engine for the last decade; we have two today and in a year-and-a-half we will have three engines firing from different parts of the world.



Spaces are becoming larger – and here, one is not talking only of homes but of educational institutions, industrial shop-floors, hospitality spaces – where it would be one thing placing multiple coolers in corners but another replacing them with one overarching solution.

3 Over the last decade, we focused largely on the 'box'. We now believe that there is an exciting world beyond it.

In the last few years, a number of things have helped create a larger market for cooling even as most people have remained focused only on boxes in room-corners.

One, cooling appears to be rapidly emerging as a fundamental right, just the way most of us see smartphones being used by an economic class we never believed would have even afforded an ordinary mobile. The range of people who buy into Symphony today tells me that a structural shift is transpiring: the brand and product are touching a new kind of customer.

Two, the cost of cooling has declined; coolers have by and large under-performed inflation. The cooler is probably cheaper today compared to what it was a decade-and-a-half ago.

Three, a number of institutions are calling in with requests like 'We don't seek to buy 50 coolers but we would be keen to buy one cooling solution' or 'Can you air-cool our entire factory?' (They pay 'heat incentives' to workers in China each time the temperature crosses 32 degree Celsius, so I suppose we will get there in a few years).

Four, the world is graduating from 'product' to 'solution'. The world is also extending its preference: it is questioning the wisdom of buying a cooler for

one room when the rest of the office, institution or home remains non-cooled; it is questioning the idea that one corner of the house can be cooled for a short period when the residents need an affordable 24-hours solution.

Five, spaces are becoming larger – and here, one is not talking only of homes but of educational institutions, industrial shop-floors, hospitality spaces – where it would be one thing placing multiple coolers in corners but another thing replacing them with one overarching solution.

There is a magical term for the direction of the world that enhances the relevance of a company like ours.

Democratisation of comfort.



Symphony 3.0 will introduce India to the power of central air cooling, build on our early-mover success, leverage our experience in building markets (and then carving away market share) and in doing so, reinvent our company.

4

There are then two choices facing the Symphony of tomorrow.

Seek more of the linear. Or seek a mix of the linear and lateral.

Symphony Version 3.0 intends to address the latter.

On the one hand, we will intensify our presence in the linear cooler segment of our business. We intend by doing what we have always done: introduce new generations of coolers, introduce technology-led applications, keep extending the product in impact and aspiration towards air-conditioners, generate a large proportion of our revenues from products launched in the preceding three years and address the vast demand that we expect will come out

of increased incomes and affordable housing. The Symphony of tomorrow will do all this at a scale, scope and sophistication that will continue to surprise, grow the market and enlarge market share.

We intend to explore lateral opportunities as well. Symphony 3.0 will introduce India to the power of central air cooling, build on our early-mover success, leverage our experience in building markets (and then carving away market share) and in doing so, reinvent our company.

So Symphony 3.0 in one sentence: we will address the lateral in the linear and the linear in the lateral.

At Symphony it would be simplistic to say that we are creating products; the reality is that we are creating platforms for the future.

The big question then that shareholders are likely to ask is whether the lateral will dilute what we achieved in our pursuit of the linear.

The answer is no.

At Symphony, our air-coolers business will continue to be driven around asset-lightness, cash-richness, existing trade terms, superior technologies and brand distinctiveness – no change.

Our central air cooling business will be driven around the same principle of a high return on employed capital, so that whatever is added

to our numbers belongs to the same 'family' of financial efficiency.

Besides, one of the biggest changes that transpired in the last financial year was that our global operations reported a profit (propelled by our Mexico turnaround) and we expect a bigger contribution from this segment.

In Symphony 2.0, we generated value; in Symphony 3.0, we expect to report a combination of volume cum value that enriches our stakeholders in an even bigger way.

Stay plugged.

With warmth

Achal Bakeri,
Managing Director

5



At Symphony, our air-coolers business will continue to be driven around asset-lightness, cash-richness, existing trade terms, superior technologies and brand distinctiveness

How the Indian coolers market is expected to evolve

More spending power in the hands of Indians

₹1,11,782

India's per capita income in FY2017-18, a growth of 8.3% over 2016-17

2x

Rise in India's per capita income by 2027 as per Morgan Stanley

4x

Rise in number of middle-class households to 148 million by 2030 from 32 million in 2010

17%

CAGR growth from 2007-2016 in personal disposable income in India

12%

Expenditure growth in India, more than double the anticipated global rate of 5%

Urbanisation

590

Urban population (million) expected in 2030 (442 million, 2017)

404

Number of people (million) projected to be added to urban India by 2050

1.1

Urban population yearly growth (%) between 2010 and 2015, highest among major economies

20

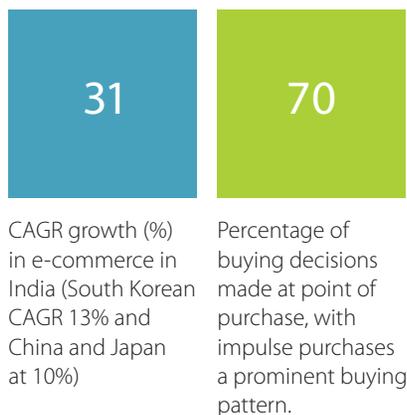
Expected time (years) to be taken by India to add 250 million people to population (took nearly 40 years to add 230 million till 2008)



More income in the hands of rural India



Stronger impulse spending



Cooler: Lowest-priced democratic lifestyle transformer

A scooter costs six times an air-cooler; a kitchenette costs more than an air-cooler; even attractive tiles cost more than an air-cooler. Besides, there is a lower threshold of Indian consumers to withstand heat discomfort. The incidence of global warming is translating into more intense summers. There has been an entry of air-conditioner brands into the air-cooler category.

(Source: derscienceonline.com, thewire.in, newindianexpress.com, statista.com, IBEF, Economic times)

This is the value that we bring to the third phase of our existence starting now

Symphony's Innovation Index	Market leadership	Brand investment
25% of revenues in 2017-18 derived from products launched in the last two years.	50% market share when our nearest company has a share of 12% at a time of growing competition (50+ cooler brands in the market).	₹185 cr invested in brand building in the ten years ending 2017-18 and ₹68 cr in the two years ending 2017-18; every rupee of brand spend generating ₹23 in sales coupled with an EBIDTA margin on sales of 32% (2017-18).
Service backbone	Distribution network	Financial foundation
Nearly 970 touch points, more than twice the size of the nearest brand; these points cover virtually the entire breadth of the country serviced by nearly 140,000 post offices (out of India's total 155,000 post offices).	Complement of the largest number of air-cooler retailers across India, making it possible to buy without having to travel far.	No debt; business largely funded by dealer advances; no manufacturing assets; relatively small Balance Sheet; Treasury investments ₹ 422 cr (as on 31 March 2018).



This is how our model has translated into consolidated revenue growth.

275*	852*	51	193	12,535	
Gross revenues (₹ cr), 2010-11	Gross revenues (₹ cr), 2017-18	Profit after tax (₹ cr), 2010-11	Profit after tax (₹ cr), 2017-18		Market capitalisation (₹ cr), 31 March 2018
12	422	29.54	32.10		
Treasury investments (₹ cr), 2010-11	Treasury investments (₹ cr), 2017-18	EBIDTA margin (%), 2010-11	EBIDTA margin (%), 2017-18		
86	581	7	10		
ROCE of core business (%), 2010-11	ROCE of core business (%), 2017-18	Inventory turns, 2010-11	Inventory turns, 2017-18		

* Net of VAT/CST



Management's
performance
review of 2017-18

During the last financial year, our international subsidiaries turned around and our consolidated numbers were better than our standalone numbers for the first time, which is in line with what we had assured the market.

QA Was the management pleased with the performance of the Company in 2017-18?

From one perspective, the Company reported profitable growth – the percentage increase in our consolidated bottomline was higher than the percentage increase in revenues. Permit me to provide a context: the first and

last quarters of the financial year under review – usually our bread and butter months on account of the summer influence – proved unusually benign climatically. In a business where much of the offtake is impulsive,

the sector under-performed and our performance mirrored this under-performance. Besides, the volumes of the country's air-conditioning segment is said to have contracted 10-15%.

QA What were some of the positives of this performance?

I must mention another point that most analysts have been questioning us about over the last few years – our consolidated performance. For the last few years, while we were restructuring our international businesses (Mexico and China), our standalone numbers were usually better than our consolidated

financials. During the last financial year, the reverse transpired: our international subsidiaries turned around and our consolidated numbers were better than our standalone numbers for the first time, which is in line with what we had assured the market.

Besides, even as we under-performed in the first and last quarters of

2017-18, we reported a 22% growth in the second quarter on account of post-GST re-stocking and 19% growth in the festive season of the third quarter.

So from one perspective, the performance of the Company was favourable while from another it could have been better.



The three phases of Symphony's evolution

Version 1.0

1988-2006

Launched coolers

Diversified into various products

Diversification affected viability



Do you expect a demand rebound?

Our management has been witness to such climatic aberrations. Each time our response has been the same: we have kept faith in the country's consumption engine, we have continued to trust that the demand curve would return to usual and that the usual factors

– increase in incomes and aspirations – would prevail. At such moments, we have sustained our production lines, convinced that it would be better to nurse excess inventory for a short period than face a stock-out when demand revives.



What are the various initiatives that the Company intends to implement?

At Symphony, we are investing in a vigorous counter-strategy.

One, there is a recognition that one phase in our existence (Symphony 2.0) is over and a new phase (Symphony 3.0) has begun. This recognition is evoking corresponding initiatives: forward-looking investments comprising the accelerated launch of new models (and ranges within those models).

Two, we intend to build on the turnaround of our Mexico operations.

The China operations provide cooler technologies, competitive manufacturing terrain and a large market; the Mexico operations provide industrial cooler technology and access to the America's market, while the Indian operations provide one of the largest under-penetrated markets for both businesses.



What gives the management the optimism that its Indian operations will perform better?

There are a number of reasons for this optimism: that the Company continued to lead competition in competing cooling segments, that the Company continued to protect its Balance Sheet, that the Company continued to protect its most valuable asset (brand) and that the Company reported robust advances for the 2018-19 season (post-Balance Sheet development).

Besides, in virtually every instance, our competitors are generalists who also market coolers, among a variety of other things they are engaged in, which indicates a dilution of corporate attention and resources. On the other hand, Symphony continues to remain specialised: we dream coolers, we design coolers

and, most importantly, we 'destroy' coolers – which means that we consciously phase our products out well before they are affected by competition.

We believe that our operating model, the basis of our competitiveness, remains robust. And in view of this, we believe that we are at the cusp of long-term growth in revenues and profits.

Version 2.0

2007-2018

Specialised around coolers
Turned the business around
Scaled the business
Enhanced global respect

Version 3.0

2019-

Focus on transformation
Launch technology-rich coolers
Extend into central air cooling solutions

The turnaround in our international operations represents the foundation of our global ambition

Strengths

China

We acquired Guangdong Symphony Keruilai Air Coolers Co. Ltd (Dongguan, China) in 2016. The acquired company possessed globally unparalleled air-cooler research capabilities and a statesmanlike approach: it helped frame China's air-cooler product quality standards; the General Manager of the Company

were selected to chair China's national committee for air-cooler standards; the Company possessed 50+ IP rights 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; the brand continues to generate superior recall; the products were designed around the premium and respected for their range (300 cubic metres an hour to 80,000 cubic metres an hour) with minimised sound emission.

Mexico

Symphony acquired IMPCO in Mexico in 2009 for its deep knowledge in industrial cooling, a space where Symphony was absent. The acquisition represented a synergistic fit: Symphony would absorb industrial cooler insights from IMPCO while IMPCO would

feed on Symphony's operating culture. The challenge was that the Mexican operations were losing money, revenue growth possibilities appeared limited and cost engineering appeared to be a non-starter. Symphony's Project Renovacion in Mexico comprised the outsourcing of production

activities and the divestment of surplus land, buildings and plants and relocation of the business to reduce overheads. We are pleased to report that these initiatives helped the business turn around in the last financial year.

Australia

In a post-Balance Sheet development, Symphony Limited widened its international footprint when it signed an agreement to purchase effectively 95% equity stake in Climate Technologies Pty Limited in June 2018.

The acquisition has been executed at a valuation range of 40 to 44 million AUD (Australian Dollars), subject to customary closing conditions. The acquisition is value accretive.

Climate Technologies is one of Australia's most recognised manufacturers and suppliers of

cooling and heating appliances. The Company commands 35% and 29% market share of the domestic Australian evaporative air coolers and ducted gas heaters markets, respectively.

The strategic acquisition will provide Symphony access to new geographies like Australia and US, which is one of the largest air cooler market in the world. It will provide the Company with an opportunity of moderating its business risk because of complimentary weather conditions prevailing in India and

Australia.

Symphony is uniquely placed to assist Climate Technologies in its next phase of growth by providing it with immediate access to an international distribution network across 60 countries to offer complementary products.

For the financial year ending 30 June 2018, Climate Technologies is estimated to report net sales of AUD 55 million (₹274 crore). Its revenues have consistently grown at a CAGR of ~9% over the last three years.

THE MARKETS OF THE FUTURE ARE LIKELY TO BE DRIVEN BY GLOBAL COMPANIES THAT DRAW KNOWLEDGE FROM ONE REGION, MANUFACTURE IN ANOTHER AND MARKET IN THE THIRD.



THIS REALITY WILL MAKE IT IMPERATIVE FOR COMPANIES TO BE GLOBAL IN SPIRIT AND MINDSET.

SYMPHONY STARTED TRAVERSING THIS LESS TRAVELLED ROAD A FEW YEARS AGO WHEN IT INVESTED IN TWO COUNTRIES WHERE IT HAD NO PRIOR EXPERIENCE.

Our global footprint



China

Draw on air cooling knowledge and manufacturing capabilities



Mexico

Draw on industrial cooling knowledge and marketing capabilities



Australia

Draw on Cooling and Heating technology and new market opportunities.

Version 3.0 preparedness

At Symphony, our international business complements are future-ready.

The acquired Chinese company has reported declining losses on account of lower overheads, stronger value-engineering, moderated manufacturing costs and reported higher revenues, now placed to turn around across the short-term.

As the global market becomes increasingly competitive, we are optimistic that we will be able to source components and knowledge more effectively from China, resulting in one of the most

compelling air-cooler price-performance ratios in the world. Besides, we would be able to pitch our products directly at one of the world's largest air-cooler market (China).

Our presence in these markets could increase global revenues as a proportion of our overall revenues to around 20%, helping reach deeper into new markets and broad-basing geographic presence.

Making us a global company of Indian origin.

Before

Asset-heavy
Focus on asset purchase
Losing global presence

After

Asset-light
Focus on knowledge arbitrage
Profitable operations

The age of the specialist has arrived

‘What is the confidence we are bringing to our business while morphing from Symphony 2.0 to Symphony 3.0?’

This is the first question we are likely to be asked.

Our assurance comes from the fact that specialisation is an irreversible movement.

An increasing number of consumers are more likely to buy from a company that only makes coolers as opposed to buying from companies that also make coolers.

That a cooler needs to cool is a given: an increasing number of consumers are asking ‘What else does the

cooler do?’ We believe that the ‘what else’ can be delivered only by companies with a singular focus.

At Symphony, portfolio narrowness has paid.

When we focused on coolers and coolers alone, we transformed from loss to profit. We graduated the product from side-stream to

The focus will remain; the specialisation will deepen.

Cloud	Sense
World's first wall mounted air cooler	World's first air cooler range with gesture control
Doesn't occupy precious floor space	The cooler can be operated in 3 ways - gesture, remote and manually
Looks like split AC	Unique black and gold colour combination
No outdoor unit	
Automatic water filling by Magic Fill device	
Online connection with overhead tank is also possible. No need to fill water, ever	

mainstream to deep-stream. We accelerated portfolio roll-out; we provided a wider choice than all our competition combined. We did not just participate in the coolers category; we navigated it. We did not just provide a standalone product; inspired by

the smartphone, we merged features to create hybrids. We were analysed, appreciated and valued as the only listed standalone and pure-play cooler company. We didn't just follow standards set by others; we emerged as the benchmark.

As we transition to Version 3.0, we intend to continue delivering all that we have mentioned. Besides, we expect to graduate cooling from a product to cooling as a solution.

i-Pure technology	Touch series
Positioned as more than an air-cooler	Cooler that talks and guides the user
Multi-stage pollution filters (Bacteria filter, Allergy filter, PM2.5 Wash filter, Smell filter and Dust filter) to purify ambient air.	Cooler that ultrasonically repels mosquitoes
Opportunity to enter a new category	Cooler that reminds about the next service date
Evolved coolers into a perennial product	Cooler that electronically controls humidity
Marketed coolers to those who may not want to buy coolers	Cooler with a removable water tank Sold out six months before launch Classified by modern trade dealers under the 'Digital' category





The power of a
unique financial engine

THE POWER OF A STRONG BALANCE SHEET IS LIKELY TO BE ONE OF THE MOST CRITICAL REQUIREMENTS OF SUCCESS IN THE FUTURE.

**Version
3.0-preparedness**

In the next phase, Symphony's Balance Sheet will revolve around asset-lightness. We will continue to outsource manufacture to proximate units. We will continue to be a manufacturing supervisor with allied competencies (product design and development, sourcing, branding, marketing and distribution).

We funded our growth through dealer advances, making us a negative working capital company for most of the year.

The result is that 90% of our profit after tax accounts for free cash flow. We have no net debt on our books.

We possess an earned corpus of ₹422 cr, which generated sizable returns of ₹36 cr in 2016-17 and ₹38 cr in 2017-18.

In the event that we encounter challenges in the third phase of our existence, our robust shock absorber – the Balance Sheet – should make it possible to ride through troughs with relative ease.

As breadth widens, the depth will endure.



Ironically, the value of our
biggest asset does not even
figure on our Balance Sheet

THE ONE REASON WHY WE EXPECT TO DO EVEN BETTER IN THE THIRD PHASE OF OUR EXISTENCE IS BECAUSE THE SYMPHONY BRAND IS NOT REALLY A BRAND; IT IS A GENERIC NAME.

There are hundreds of stories of consumers in places most people have never heard of - Wankaner, Moti Khavdi, Jhalod, Sagwara and Neem Ka Thana – where the usual walk-in is not the brand-slick catalogue-savvy credit card flipping customer. He or she comes with an uncluttered and unlettered mind. He or she has heard of only one name. And that is what she wants. Symphony.

The fact that we are a generic name is validated by some of the numbers we collect every year as a part of our annual brand MRI.

This is what it says: Symphony accounted for 60% Share of Voice in a media study; eight of ten consumers said 'Symphony *chaahiye*' when they went to buy an air-cooler.

We could keep quoting our 50% market share figure in a field of 50+ competitors but you would have known that already.

So surely, increased competition in the phase 3 of our existence will create noise and disturb the market.

But we ask: what can you do about a name that will keep coming back after the

cacophonous market has stilled into silence?

And we ask: What can you do about a company that has invested ₹185 cr in brand building in ten years, which is probably more than the rest of the sector combined?

We won't be arrogant enough to claim that we will prevail in the future only because we brand-invested in the past.

But we will say that we will need to be out-invested, out-branded and then out-sold.

No complacency, but that could take some doing.



Seeking wealth from
information: The magic of
data analytics

IN THE PAST, MOST PRODUCTS (CONSUMER APPLIANCES INCLUDED) WERE MARKETED AROUND A REASONABLE HUNCH RELATED TO POPULATION CLUSTERS AND INCOME PROFILES.

AS SYMPHONY GRADUATES INTO THE THIRD PHASE OF EXISTENCE, WE RECOGNISE THAT DECISION-MAKING NEEDS TO BE MORE INFORMED – AND HAVE ALREADY EMBARKED ON THE JOURNEY TO MAKE IT HAPPEN.

Challenges

At Symphony, we worked with our erstwhile web-based ERP technology (largely developed in-house) for around nine

years. The Company recognised the need to graduate to a full-fledged SAP thereafter. As the Company grew, the volume of

data increased and processing speed declined, warranting technology upgradation and GST compatibility.

Responsiveness

The Company invested to reinforce its Version 3.0-readiness.

The Company invested ₹10 cr, which was more than all the aggregate technology investments made until then in the Company's existence.

The Company implemented SAP in eight months,

one of the quickest implementation tenures.

The Company leveraged SAP to simulate various cycles (order-to-cash / procure-to-pay / plan-to-produce).

The result was more than just informed decision-making; it prompted creative 'possibilities thinking'.

This 'what if' analytics convenience graduated the Company towards systems-orientation; critical market data was now available at the click of a button; the system was integrated with the Human Resource Management System.

Applications

Symphony recognised that the magic lay in extending the system to the smartphone, which would translate into enhanced marketplace understanding; 'field' executives could respond with '500 cooler Banswara district *me teen din me chaahiye*' as opposed to returning to Head Office to extract information from computers: the stock position in various markets coupled with the nature of prevailing demand could be accessed within

minutes; reallocation proved quicker around lower logistic costs.

Besides, Symphony's e-Sampark app achieved something more unusual: it empowered retailers to bar-scan whatever models they sold and check which sales representative was at which retail store on which day. The Company derived access to retailer-wise service reports; product-wise replenishment reports were tracked; representative-wise productivity were

measured every day; whenever the retailer's stock level declined below 75% of the optimal level, the activated app transmitted automated alerts to the sales person to replenish material; the factory made what was sold.

Guess-work was history; real-time sales understanding of models, location, price-sensitivity and offtake correlation with prevailing temperatures emerged.

Version 3.0-preparedness

At Symphony, we believe that information will be power. The Company that captures a higher mind space and market share will not just be one that introduces more models, but the Company that knows exactly what to make/sell, where to sell, at what price and when.

Symphony's investment has enhanced computing power 10x; the same hardware will suffice for a wider multi-country roll-out; the Company will be

empowered to decode market complexity; the system will be periodically upgraded to address evolving tax and compliance requirements.

And just while all this 'internal brainstorming' is transpiring, the future will warrant the faster development of better products.

Symphony's decisive technology investment will strengthen product life-cycle management (ideation, creation and growth). The investment will deepen quality

management, linking feedback aggregation with product ideation. Result: declining mind-to-market and quicker payback.

Besides, Symphony's technology backbone will help create a common design library, and facilitate superior collaboration across countries: conceive in one region, design in another, manufacture in yet another and market everywhere.



What I am proud of at Symphony

"A number of analysts have told us that one of the best things about Symphony is that it has a clean Balance Sheet that is easy to understand: no debt, no intra-group lending and segregated presentation of core and treasury operations."

Bhadresh Mehta, Chief Financial Officer



"When I joined the Company in 2009, Symphony had a market capitalisation of ₹84 cr. This has increased to ₹12,535 crore as on 31-03-2018, validated by the presence of more than 100 global institutional investors."

Bhadresh Mehta, Chief Financial Officer

If our Balance Sheet was an engine, then all you would hear is the ticking of the clock

In a small market, it is as simple as sending a WhatsApp message and finding material delivered in three hours. What do you do when the market is the seventh-largest country, the second largest population cluster and the world's fastest growing major economy?

The answer: create a large distribution

pipe with a number of sub-pipes leading deep into districts, tehsils and talukas, making it possible to transmit various formats, models and ranges.

As Symphony graduates into a new phase, the challenge will revolve around leveraging what it already has on the ground and get products to customers

just when they need them.

The increase in competing brands will mean that even before Symphony can outsell others, it will need to out-distribute others.

The premium on out-distributing is underscored by an over-arching reality: the emergence of rural India as one of the

largest consumption opportunities in the world.

Strengths

Symphony is distribution-ready for Version 3.0.

Three of five consumer appliance distributors across most Indian cities distribute Symphony products.

We generally appoint one distributor in one location to market one range of our coolers (enhanced focus!).

We create a tiered annual distribution plan that allocates distribution cum sales responsibilities down to each district; we

appoint sales heads responsible for specific dealers, enhancing responsibility.

We invested in reaching customers flexibly (online and offline formats) based on their convenience.

We distributed products through an increasing number of retailers across a large number of Indian locations, which meant more retailers selling our consumer appliance product than most multi-product multinationals in India.

We employ an unconventional practice of liquidating our entire distribution network on 30 June each year, wiping the slate clean, drawing out our report card of who did and who could have done better - and then re-appointing an entirely new network the following morning (no distributor taking his or her position for granted).

Despite being perpetually pre-sold, each sales executive travels 15 days a

month to engage with intermediaries for a closer understanding of market moods, trends, preferences and nitty-gritty (shelf space, market share, promotions and advertising etc.)

We bar-scanned all our retail sales, capturing data of what was sold by whom to what customer kind in what region at what juncture - all the raw material we needed to crank our analytics engine.

Symphony's Version 3.0 preparedness

At Symphony, we believe we are 3.0-ready in 2.0 itself.

60% of our distributors have been with us for more than five years.

We intend to calibrate an already-scaled network.

We will grow our Symphony Air Lounge (exclusive Symphony product stores that showcase the entire cooler and industrial cooling product ranges).

So let us just say that we will introduce a larger throughput of cooler products that keep exciting trade channels, compel them to allocate more space to us and crowd out the competition.

The more competition increase, the less the customers see of them.

That's the idea.

What we are proud of at Symphony

“Someone described it interestingly: distributing televisions is like buying into a mutual fund; distributing Symphony coolers is like buying into a sovereign bond.”

”

“No channel partner ever loses money on a Symphony product.”

”

“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”

“It has been said that a ‘dealer would be hating his money to not buy into the Symphony scheme’”

”

“60% retail space is dedicated to Symphony products but generating 80% of shop revenues.”

Making it possible to send an SMS and get superior service



At Symphony, we believe that when a customer is vacillating between buying a Symphony or a non-Symphony, our dealer friend eases into the picture.

At Symphony, we believe that when competing products look largely the same (after they have attempted to copy our dimensions, that is), the one factor that continues to distinguish them from us (performance apart) is service.

Most people would say big deal, but here is why it actually is. Even as the cooler is installed in the room for a year, it is mostly used during one 90-day window of the year; if the product is down for even two days during this stretch with no service person

in sight, the hapless owner needs a wet towel on the forehead and assurance from well-wishers that all is indeed well with the world.

At Symphony, we believe that when a customer is vacillating between buying a Symphony or a non-Symphony, our dealer friend eases into the picture. The temporarily-confused customer turns to senior advice; the dealer looks towards the customer with a 'How can you even think about it?' look.

Because Symphony products are generally never returned by customers for under-performance. And in the rare instance, the product does encounter some malfunction, the downtime is addressed with speed and sensitivity.

At Symphony, service is no defensive function invoked in the event that something does not go right; it is an opportunity to delight the customer into believing she made the right decision when the dealer whispered 'Symphony' into her ear.

Version 3.0 preparedness

It is a world where customer impatience is rising (try getting someone on the phone to be on 'hold' for 43 seconds). In this space, we are happy to announce that we are Version 3.0-ready.

We send product demo video on customer mobiles when they register for warranty; we invested in customer relationship management software (web- and mobile-based) to enhance spare parts visibility;

indents now translate into dispatches within 24 hours.

The result is that there has been a sharp decline in product complaints, inspiring the observation that most of our ASPs have really no work to do!

Strengths

Over the years, we didn't just invest in research and products; we invested in service discipline as well.

One, the size of our service network, comprising nearly 1000 touch points, is more than twice our nearest brand; these points cover virtually the entire breadth of the country.

Two, our 100-person call centre responds with urgency, connecting immediately to the authorised service centre closest to the customer's location and then to the relevant service technician (including a mobile app

that indicates how far the service technician is from the customer, would you believe). Best of all, we reward these ASPs if the customer call is closed within 24 hours.

Three, the Company trained many technicians across 58 locations in theoretical and practical issues, creating an ecosystem to address new models. This statesmanlike training initiative has helped widen the industry talent pool through the creation of cooling solution professionals. The idea is not just to get someone to service the cooler with speed; the idea is to make the

person good enough to repair eyes closed (okay, if needed).

Four, the Company encouraged service centres to stock spare parts that we priced specially at a discount to help them service with speed; the Company brought these back if unused, enhancing systemic confidence.

Five, the Company made it convenient for customers with complaints to engage across diverse modes – call centre, IVRS, SMS, website and social media – resulting in timely responsiveness.



Over the years, we didn't just invest in research and products; we invested in service discipline as well.

Creating products that make customers go ‘OMG!’

At Symphony, we are not competing with coolers; we are competing with gizmos that guess your mood, the voice on the smartphone that promises all answers

and the driver-less car. In this ‘been there-done that’ world, we get back to work every Monday convinced that we need to make air-coolers that make

the jaw hit the floor; be the disruptor; ‘create markets’ as opposed to ‘carve market share’; conceive highly differentiated products. The result: If a concept

does not belong to a different generation, it is not productised. If a core competence cannot be extended into an adjacent business space, then what’s the use?

Strengths

At Symphony, the research function is driven by a Chief Innovation Officer and a team of research professionals from a DSIR-recognised laboratory, the only such recognition in the country’s air-cooler industry.

The marketing function ferrets product feedback from customers, creating the fodder for our design and development team. We sampled customer feedback of how the conventional cooler was eating into precious room space; the result was the slim Diet model.

Our ‘centre of excellence’ comprises capability experts (3D, prototyping, printing and drafting) and application champions (plastic injection moulding, motors, printed circuit boards, pumps and packaging).

Our principal occupation is to dream and translate into functional reality something that benefits the home maker (the Sense range was created to make it possible for someone with oily hands to operate the system without touching it; the colour black was introduced to hide stains).

Our objective is to combine technologies (a number of them never used in consumer appliances) to create way-out products.

Our research extends to an understanding of improved materials, substitutes, superior tolerances, better chemical properties, declining weight, effective component inter-play, evolving preferences, competing models, rising power costs, increasing temperatures, air-conditioner dynamics, declining room sizes, worsening air quality, sedentary lifestyles – and oppressive mosquitoes.

Our agenda is to develop products in collaboration with Group constituents from across businesses and countries, converging competencies.

The results are in the numbers: cooler product weight has progressively declined, energy consumption has moderated, the hybrid has been born and it has graduated to touch/voice-activated.

At Symphony, there is no room for small dreams.



What we are proud of at Symphony



“Diet model was slimmer and taller than the usual cooler. The first challenge was to enhance structural stability: what if the cooler toppled over? The result is that in addition to castor wheels we designed legs into the system – for the first time. The product proved to be a runaway success when launched in 2009.”



The Storm 100 was a disruptor: created around a different format with a 1.6m tower, positioned as a ‘*bade ghar ka cooler*’ to be used in large residential spaces, restaurants and gymnasiums. What made this a gutsy offering was that it dared to compete with the air-conditioner, priced around ₹20,000 a unit compared with the general cooler range priced between ₹3000 and ₹11,000 a unit. The created a price point and market, emerging as one of the most successful launches of 2012.”



“The Cloud was in response to the reality that a cooler is used for about three months a year but occupies floor space for 12 months. So we created an aspirational-product to occupy wall space resembling a split air-conditioner. The product became an instant success when launched in 2016-17.”



What made
me proudest

“The Diet range model occupied only one sq ft but cooled around 225 sq ft. The product proved a game-changer in a world where most viewed a cooler as a cube. For four years, the format grew without competition; after the design was extensively copied by competition,

the format grew into a market of 400,000 units a year.” – Rajesh Mishra

“The best part about Symphony is its ability to dream products that few can, backed by the appetite to back such ideas.” – Madhu Mohan

“At Symphony, every sales person

must compulsorily report marketplace observations: product gaps, opportunities and trade feedback. The result is that ideas may be drawn from one country or region, developed in another, validated in a third and launched in a fourth!” – Jayesh Gupta

**Symphony's
launches**

7
2014-15

12
2015-16

9
2016-17

19
2017-18

Finally a world where 'How much do you know?' is more valued than 'How much do you possess?'



The successful companies of the future will be ones that know more and retain people better.

At Symphony, our biggest strength is that it is a systemic repository; we have moved from individuals to institutionalisation.

Over the years, we have evolved our Human Resources

function from being completely back-end administrative to an involved, scientific performance driver.

Over the years, we have aligned individual deliverables with organisational performance through fixed cum variable remuneration structure complemented by key result areas and an Organisation Scorecard.

We have progressively strengthened recruitment through appraisals conducted for Symphony competencies and role competencies, a transparent assessment framework.

We help employees develop skills through certification courses and exposure to problem-solving tools.

Version 3.0 preparedness

At Symphony, we possess a critical mass of employees across three countries (India, Mexico and China).

Our employees are aligned around

the overarching fundamentals of asset-lightness, innovation, profitability and financial austerity.

We possess a distinctive organisational flavour

- 'Culture of excellence' and 'Can do!' and 'Compete with oneself' and 'It's possible!'

Some call it culture. At Symphony, we call it insurance.



My proudest moment

”

“At a Gallup event I was introduced as the ‘Symphony representative’ and that is when I realised what Symphony truly stood for: even through there were large multi-national companies in attendance at the event, they were curious about the people practices at our company. The one word that they kept using when referring to our company was ‘World leader.’”

Nitendra Patel,
Associate Vice President
– Human Resources

”

“We had created an advertisement and the usual thing would have been to get it cleared by one of the seniors. At Symphony we did the reverse: we got the front-office administration person to read it and give us an opinion. Only when he had cleared it, we were satisfied that the advertisement would gel with the common man.”

Chandradip Paitandi, AGM - Marketing

”

“On one occasion, there were 50 of us discussing the challenges of SAP implementation in the corridor including the Managing Director and the most frequently used sentence was ‘*Tumko kya lagta hai?*’ This is what makes Symphony an outlier: connectedness.”

Nitendra Patel, Associate
Vice President
– Human Resources

Board of Directors



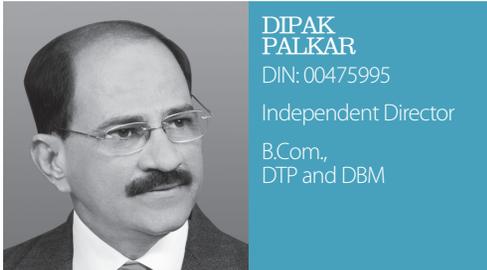
He has 32 years of experience in varied functions of the Company. He contributes to policy formation, strategy and provides overall direction to the Board and the management team in achieving aggressive corporate objectives.



He looks after overall corporate affairs, strategy, merger & acquisition, growth, finance, M.I.S., treasury etc. He has around 30 years of experience in varied corporate functions. He has been with the Company since 1993.

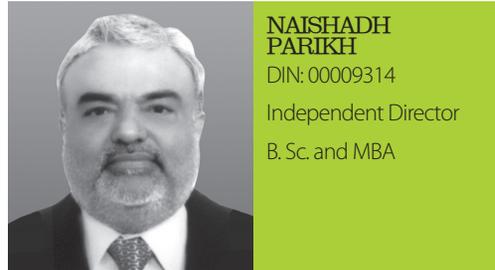


She has an experience spanning 13 years in various business functions namely marketing, service, accounts, finance, legal and product development.



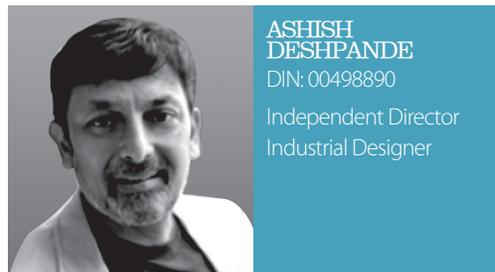
**DIPAK
PALKAR**
DIN: 00475995
Independent Director
B.Com.,
DTP and DBM

He has about 38 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 33 years in performing various roles at a corporate level in diverse sectors and expertise in strategy formulation and implementation for new businesses and market entries.



**ASHISH
DESHPANDE**
DIN: 00498890
Independent Director
Industrial Designer

He has a working experience of more than 29 years in the field of design practice. He leads Product & Retail Experience Innovation group and has led projects ranging from consumer appliances related to air, water & energy, medical equipment, wearable electronics, automotive and retail.

Management Team



**FALGUN
SHAH**

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

He has a varied work experience of over 32 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 31 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 35 years of experience. He is responsible for finance, audit, accounts, costing, taxation and info tech functions.



**MAYUR
BARVADIYA**

Company Secretary
B.Com, LLB, FCS

He has more than 17 years of experience and holds responsibility of company secretarial and insurance functions.



**JAYESH
GUPTA**

Vice President – Sales
B. Com.

He has over 35 years of experience in the field of sales. He is responsible for all India domestic sales, logistics and commercial functions.



**MADHU
MOHAN**

Associate Vice President –
International Markets
BE (Mech.), MBA
(International Business)

He has over 25 years of experience in international business.



**RAJESH
MISHRA**

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

He has over 23 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.



**NITENDRA
PATEL**

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

He has over 21 years of experience in the field of Human Resource. He is responsible for HRD and administration function.



**DWLJEN
BARUAH**

Associate Vice President
– Quality Assurance and
Business Excellence

BE (Hons in Mechanical
Engineer), PGDBM

He has over 28 years of experience and holds responsibility of Quality Assurance function.

 **MEXICO** (IMPCO S. DE. R. L. DE C. V.)



**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



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



**PROF.
XIN JUNZHE**

General Manager

Master's in fluid engineering. He has over 31 years of experience and oversees in operations, Engineering, Sales and Marketing, Finance, R & D, Human Resource and administration.



**ROSE
XU**

Human Resource
Manager

17 years working experience in the HR function.



MICHAEL GONG
Domestic Sales Director - IC

22 years experience in Sales and Marketing.



PETER ZHENG
Finance Manager

18 years experience in Finance



TIABAO ZHANG
Domestic Sales Director - HC

An expert on Household Coolers

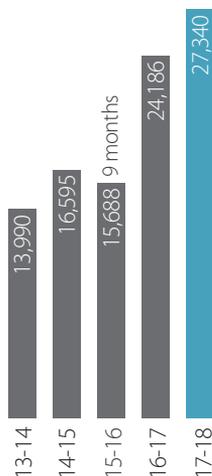
Our key performance indicators

Consolidated financial performance

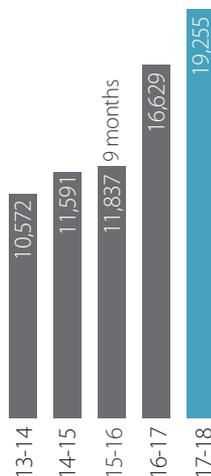
Gross revenue (₹ lacs)



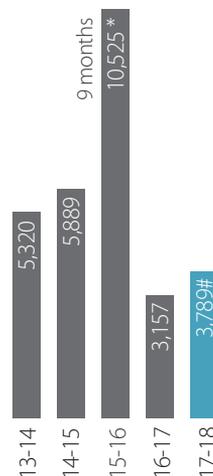
EBITDA (₹ lacs)



Net profit (₹ lacs)



Dividend Payout (₹ lacs)



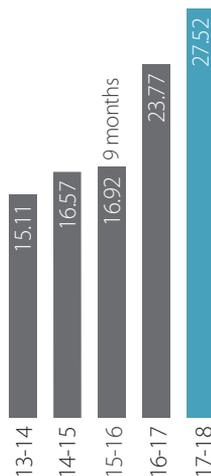
Reserve and surplus (₹ lacs)



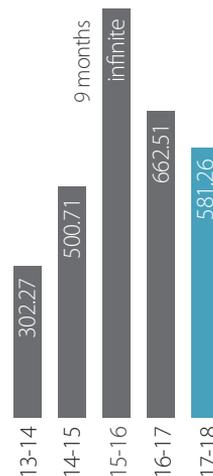
Book value per share** (₹)



Earnings per share** (₹)



PBIT % of core business##



* including special dividend payout of ₹4,210 lacs

** recalculated consequent to issue of bonus shares

including proposed dividend payout of ₹1,263 lacs

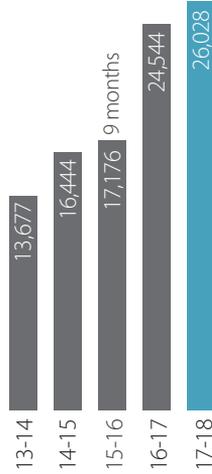
% of earlier periods are recalculated considering negative capital employed

Standalone financial performance

Gross revenues (₹ lacs)



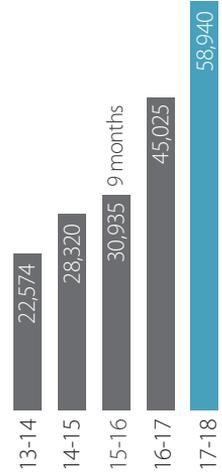
EBITDA (₹ lacs)



Net profit (₹ lacs)



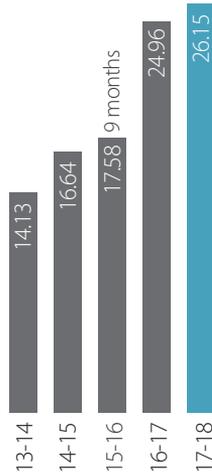
Reserve and surplus (₹ lacs)



Book value per share (₹)*



Earnings per share (₹)*



PBIT % of core business#



* recalculated consequent to issue of bonus shares

% of earlier periods are recalculated considering negative capital employed

Management discussion and analysis

GLOBAL ECONOMIC OVERVIEW

In 2017, a decade after the global meltdown, a revival was evident: reported 3.8% global growth in 2017, nearly 60 bps higher than the previous year. The one blip was an increase in crude oil prices in 2017 (beginning the year at \$54.13 per barrel and closing at \$61.02 per barrel, the highest since 2013), which affected oil importing countries where disposable incomes were affected.

Global economic growth

Year	2014	2015	2016	2017	2018 (f)	2019 (f)
Real GDP Growth (%)	3.5	3.2	3.1	3.8	3.9	3.0

[Source: World Economic Outlook, January 2018] f: forecasted]

US entered its ninth straight year of growth in 2017 (2.3% compared to 1.6% in 2016). The Euro zone experienced the upside arising out of cheap money provided by the central bank. In 2017, Euro zone is estimated to grow 2.4% compared with 1.8% in 2016. China grew faster than expected in the fourth quarter (October to December) of 2017 at 6.8%, its first annual growth in seven years. Emerging Asia GDP was estimated at 6.5% in 2017. GCC countries were affected by the oil price decline (~60% since 2013), resulting in macro-economic instability that affected job creation and growth - GDP of 1.8% in 2017. Russia appeared to have exited a two-year recession and was estimated to grow 1.9% following negative growth of 0.6% in 2016 (WEO) and a projected GDP growth of 1.8% in 2018.

[Source: MOMR] Brazil grew at 1.1% in 2017 following a deceleration of 3.5% in 2016, boosted by the agricultural sector which grew by 13%.]

Outlook

The outlook for advanced economies improved, notably for the Euro area, but in many countries GDP per capita was affected by weak productivity growth and rising old-age dependency ratios. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%.

[Source: WEO, IMF]

INDIAN ECONOMIC OVERVIEW

After registering a GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for slower growth at 6.7% in 2017-18. The year under review was marked by structural reforms: GST introduction, addressing bank non-performing assets, FDI liberalization, bank recapitalization and privatization of coal mines. Foreign exchange reserves rose to US\$ 414 billion as on January 2018.

[Source: CSO, economic survey 2017-18]

FY2017-18 Vs FY 2016-17

	2017-18	2016-17
GDP growth	6.7%	7.1%
GVA growth	6.4%	9.0%
Farm growth	3%	9.0%
Manufacturing growth	5.1%	9.3%
Power and gas growth	7.3%	6.5%
Construction growth	4.3%	3.5%
Trade, hotel, transport, telecom growth	8.3%	9.8%
Financials, realty growth	7.2%	9.8%
Per capita income growth	8.3%	9.7%

[Source: <http://pib.nic.in/newsite/PrintRelease.aspx?relid=163287>]

Outlook

The World Bank has projected that India's economic growth will accelerate to 7.3% in 2018-19 driven by strong private consumption and services and adjustment to GST. The recapitalisation package for public sector banks announced by the Government of India is expected to resolve banking sector Balance Sheets, enhance credit availability and spur investment.

[Source: IMF, World Bank]

THE INDIAN APPLIANCE AND CONSUMER ELECTRONICS INDUSTRY

The Indian consumer electronics market is vast, encompassing a widening range of household

appliances and convenience products, forecasted to reach \$118.4 billion by 2025. [Source: Grand View Research, Inc.]. The market has grown at 11% CAGR over FY12-17 and could double over five years catalysed by rising disposable incomes, rapid urbanization, opportunities for innovations, new market categories and ongoing premiumization which are some of the key factors that are expected to catalyse market growth in India (Source: Edelweiss). Much of the optimism is derived from the fact that with an 'emerging middle class' population of more than 500 million and 65% of the country's population aged 35 or below.

Growing population and GDP growth....

GDP and population growth 2016 –50 (P), billion USD and billion people, respectively

	2016 GDP PPP* billion USD (E)	CAGR - GDP PPP, 2016–50 (P)	2016 population estimates, billion (E)	CAGR - population 2016–50 (P)
USA	18,562	2.4%	0.3	0.6%
China	21,269	3.5%	1.4	-0.1%
India	8,721	5.0%	1.4	0.7%

* Estimated at 2016 constant prices

[Source: The World in 2050 – summary report, PwC, 2016; OECD]

...could churn the Indian economic pyramid

Population pyramid in India 2010–21 (P), population in millions

	Existing ($\Sigma = 1.19$ billion), 2010	Forecast ($\Sigma = 1.36$ billion), 2021 (P)
Upper middle	80	190
Middle	170	300
Emerging middle	470	570
Lower	460	290

Note: Annual Household income levels (INR) assumed: Upper middle (> 8,50,000), Middle (3,00,000–8,50,000), Emerging middle (1,50,000–3,00,000), Lower (1,50,000)

[Source: Profitable growth for the globally emerging middle, PwC, 2012]

...Resulting in higher appliance affordability

The Indian ACE market 2017-22(P), INR billion

	2017 (Existing)	2022 (Forecasted)	CAGR (2017-22)
Smartphones	900	1400	9%
Other Appliances	1150	1750	9%
Total	2050	3150	9%

THE INDIAN AIR COOLERS MARKET

The Indian air cooler market is one of the most exciting and competitive spaces within India's cooling segment. The air-cooler market is seen as a step leading to the air-conditioner market and generally seen as the first-time preference of all those needing a room-cooling solution. Over the last couple of decades, the air-cooler market in India has grown on account of growing incomes and aspirations coupled with large non-humid tracts where product suitability is relevant.

The market for air-coolers in India was estimated at around ₹3,500 crores; and nearly 30% was accounted for by organized players. It is estimated that around 65% of India's population owned ceiling and table fans, ~14% owned air coolers and 6% owned ACs, presenting a basis for the growth of the air-cooler market. The Indian air cooler market is anticipated to grow at a CAGR of 27%, in value-terms, during the period of 2017-2022, the low market penetration correcting on account of rising incomes, electrification, aspirations and lifestyle convenience. Besides, the

emphasis on affordable housing could represent an inflection moment for the air-cooler segment: the larger the sector grows, the faster it could grow.

Despite the growing market for ACs, Indian consumers prefer air coolers for its affordability and efficiency. The benefits of air-coolers comprise:

- Low-cost, eco-friendly, and energy-efficient over air-conditioners.
- Cools air through evaporation of water.
- Operates with maximum efficiency with free-flow of fresh air and adequate ventilation.
- Best suited for residences, showrooms, shops and offices where doors are opened and closed frequently.
- Consumes significantly less amount of electricity without producing harmful emissions.

The emergence of wall mounted and multi-functional air coolers are gradually contracting the gaps with ACs. While wall-mounted air-coolers are convenient

as they do not occupy floor space and can be easily fixed to the wall, they are also characterized by 10x lower consumption of electricity when compared to a split AC. Multi-functional air-coolers offer the

benefits of mosquito repellence; Symphony's i-PURE technology comprises bacteria filter that delivers cool and pure air.

DEMAND DRIVERS OF THE INDIAN AIR-COOLERS MARKET

Demographic dividend

India represents a demographic goldmine, with the emerging middle class being largely driven by a growing young population coupled with rising incomes and rapid urbanization.

India's population is expected to grow 21% over the next decade to

570 million, accounting for ~42% of the country's total population. India's median population age is 27.3 years. About 12 million people are added annually to the working age population and by 2025, India could account for 20% of the world's working-age population; by 2020, India could be the youngest country in the world with a median age of 29 years.

(Source: PWC)

21

Projected percentage growth of the country's youth population

65

Percentage of Indian population below 35

INCOME GROWTH

Rapid Indian economic growth has helped create a sizable consumption class - 53% of total households by 2025 and 800 mn+ individuals.

Household wealth in India has grown 9.2% annually since 2000, faster than 6% global average while taking into account the population growth of 2.2% per annum. India's total household wealth increased 10% to \$5 trillion by mid-2017

(Source: Credit Suisse).

India accounts for the eighth largest global wealth-gain with a growing affluence of \$451 billion. Domestic household wealth is anticipated to grow 7.5% annually, reaching \$7.1 trillion by 2022. The spurt in discretionary incomes with easy financing schemes has shortened product replacement cycles. Consumer durables are no longer perceived as luxury but utility, a transition in mindset that makes India one of the largest consumer durable markets.

10

Percentage increase in total household wealth in India

7.5

Percentage annual increase in households by 2022 (estimated)

URBANIZATION

India's urban population (33.5% of the country's population) accounts for 60% of India's GDP and is expected to contribute nearly 75% of a larger national GDP by 2030.

While we believe that much of India's air-cooler consumption will be driven by semi-urban and rural India, growing urbanization will drive offtake as well. Consider the realities: 85% of the country's

consumption class lives in urban areas. It is estimated that by 2050, the number of people living in Indian cities could touch 850 million. Enhancing lifestyle convenience would be central to urbanization extending to the use of interiors cooling. According to Census 2011, India comprised 64 cities with a population of a million or more; by 2031, that number is estimated to rise to more than 87 with some likely to emerge as megacities.

GROWING NUCLEARIZATION

The average Indian household size has been steadily shrinking due to rapid urbanization and growing working age population. Census

2011 indicated that about half of India's households are nuclear. Nuclear families in rural areas jumped 29% as against mere 9% in urban households, creating the basis for a change in consumption

and aspirations. Nuclearization itself is expected to add about 6-7 million households annually going ahead.

4.8x

The average household size in India (expected to decline to 4.6)

~2.5

New housing units (million) expected to be added

52%

of Indian families now nuclear

SHIFTING PREFERENCES

Indian consumers today are looking to improve their homes and lifestyles through global brands and experiences.

The market opportunity is expected to move from INR1.4tn to ~INR3.0tn over FY17-22 for ACs, air coolers, lighting and pumps.

Richer & younger India driving shift in consumption pattern towards discretionary consumption

	F&B	Housing	Apparel	Health	Education	Others
2017-2025	22	15.5	8	5	3.5	46
2006-2016	31	15	7	4	3	40
1990-2005	45	14	6	3	3	29

[Source: Mckinsey, World Bank Database, Edelweiss research]

DIGITAL TRANSFORMATION

As digital access becomes more affordable, consumer spending on home appliances could increase.

The Indian retail industry accounts for over 10% of the country's GDP and around 8% of employment. Indian retail is witnessing entry of new players at a speed never seen before and is expected to nearly double to US\$ 1.3 trillion by 2020 from current US\$ 672 billion. Equally fast paced, if not more is the growth trajectory of the Business to Business (B2B) e-commerce market, which is expected to reach US\$ 700 billion by 2020, whereas Business to Consumer (B2C) e-commerce market is expected to reach US\$ 102 billion by 2020.

Though we have experienced phenomenal growth over the past decade, the share of organized retail still hovers around 8%, while the unorganized sector constitutes 92% of the overall retail industry, retaining its dominance. However, in the coming years, it is expected that organized retail will no more be just an urban phenomenon and tier II and smaller cities will evolve at a fast rate to garner significant share of organized retail.

The Digital wave is further expected to accelerate this growth opening up possibilities for disruptive customer oriented business and operating models.

High Digital Influence Factor (DIF) across product categories

Electronics	24%
Apparel	24%
Books/ Music/ Entertainment	22%
Furniture/ Home Furnishing/ Home Improvement	21%
Food/ Beverages	21%
Health/ wellness/ Beauty	20%
Automobiles	19%
Baby/ Toddlers	19%
Miscellaneous Supplies	19%

Digital influence factor is the % of in-store retail sales influenced by shopper's use of any digital device (laptops, desktops, smartphones, tablets, wearables) and in-store devices (i.e. kiosk, mobile payment device)

There is an increase in the use of consumer appliances, increasing convenience for the home-market and the family, democratising comfort.

650

Number of internet users in India by 2021 (mn)

30

Percentage of smartphone penetration in India

50

Projected online retail spend by 2021 (\$ bn)

GOVERNMENT REFORMS

Household electrification: The government's push on public infrastructure, primarily housing/Power for All, rail/road infra, etc. is expected to boost consumer durables growth. Electricity generation grew 7.6% as compared to 5.1%. The government is targeting to complete >90% electrification by 2019 and an additional 26mn households to 350mn households by 2025.

Increasing % of villages electrified

	Rural electrification	Urban electrification	India electrification
2001	44	88	56
2011	55	93	67
2017	75	99	83
2019E	90	100	94

Electricity availability has been one of the key facilitators of demand growth for consumer durable & light electrical industry.

[Source: Census Data, Industry, Edelweiss research]

Ease of Doing Business (EoDB): The Government formulated an output-outcome framework to improve India's ranking on the World Bank's Doing Business Survey from 130. The ambitious measures proposed are aimed at helping it climb up 40 places in the world ranking by 2017-18 and another 60 places by 2020-21.

Policy reforms: Recognising the high potential of the sector, the government is creating a more holistic

and investor-friendly business environment. Policy reforms such as 100% FDI under the automatic route, no industrial license requirement and no payment of technical know-how fee and royalty for technology transfer under the automatic route have been instrumental in building a conducive investment climate. The government has supported domestic manufacturing with multiple initiatives in the mobile phone and consumer appliances industry.

Growth pillars	Key Initiatives
Reducing domestic manufacturing disabilities	<ul style="list-style-type: none"> Modified Special Incentive Package Scheme (M-SIPS) Differential duty structure through Basic Custom Duty (BCD) Export Promotion Capital Goods (EPCG) Scheme Preferred Market Access Policy
Promoting innovation and R&D	<ul style="list-style-type: none"> Electronics Development Fund Centre of Excellence for IoT Electropreneur Park for start-ups
Developing skills	<ul style="list-style-type: none"> Digital Saksharta Abhiyan (DISHA) Visvesvaraya PhD Scheme for Electronics & IT Electronic Sector Skills Council of India (ESSCI)
Enabling domestic ecosystem	<ul style="list-style-type: none"> Electronic Manufacturing Clusters (EMC) Semiconductor Policy Electronic product testing/quality control labs Electronics India B2B Platform

[Source: MeitY]

Impact of GST: Slated to be the biggest ever tax reform in India, the Goods and Services Tax (GST) is expected to create a harmonized taxation system, subsuming a host of indirect taxes. Through the implementation of the GST, the government intends to significantly increase tax compliance and expand the country's revenue base while providing ample space for India's expenditure on physical and social infrastructure. GST application will also significantly increase the focus on internal trade of goods which will lead to substantial gains in efficiency.

ADVANTAGE INDIA

Growing demand

- Demand growth is likely to accelerate with rising disposable incomes and easy access to credit.
- Increasing rural electrification and wide usability of online sales could aid demand growth.
- Rise in working age population could stimulate demand.

Opportunities

- Huge untapped market; currently only 29% of households in India own a refrigerator, 11% own a washing machine and 6% own a computer or a laptop.
- Emerging rural areas have a great potential for home appliances.

Policy support

- 100% FDI allowed in the electronics hardware-manufacturing sector under the automatic route; Approval of 51% in multi-brand would further fuel the growth in this sector.
- National Electronic Policy (2012) to boost investment in the sector.

- Modified special incentive package scheme (M-SIPS) has been introduced for growth of consumer durable industry.

Increasing investments

- The sector has attracted significant investments over the years (even during the global downturn of 2009-10).
- US\$ 1 billion worth investments in production, distribution and R&D in the next few years.

[Source: DIPP, Aranca Research]

INFLUENCE ON THE AIR-COOLER MARKET

Rising temperatures: Inefficient traditional methods of cooling and expensive cooling options are impacting the demand for air-coolers, especially in the present scenario where the increase in temperatures has made air-cooling devices a 'necessity'. Besides, a research by IIM-Ahmedabad revealed that worker's productivity can be enhance 12% by increasing workplace comfort. Research shows that the optimal range of ambient temperature for enhanced worker's productivity is about 23-30 degrees celcius, anything higher warranting the use of workplace cooling solutions.

Outlook

Despite the low cumulative value-addition, the future of the air cooler sector in the growing domestic market remains positive. Personal coolers are no longer used just in dry, hot and arid regions of India but have entered humid, coastal states of Tamil Nadu, West Bengal and Odisha. With growing consumer awareness and strong value-for-money orientation, demand is growing. A vibrant 1.34 billion population makes India attractive for the appliances and consumer electronics industry.

The impact of rising temperatures

2.5x

Number of times the world is more likely to experience a deadly heat wave than half a century ago

146%

of probability of heat-related mortality rising in 2016

50%

more heat wave occurrences in South & West India (lasting more than 3 days) in 1985-2009 compared with the previous 25 years

How heat affects productivity

25%

of workers who slow down when it turns hot

67%

of employees who socialize with co-workers when temperatures rise

.2%

rise in productivity for each 1°C drop in temperature

12%

higher productivity possible by maintaining comfortable conditions

[Source: ategroup.com]

How cool air enhances productivity

MICHAEL PORTER'S FIVE FORCE FRAMEWORK ANALYSIS

Threat of substitutes (NEUTRAL)

- Technology advancements
- Buyers have huge propensity to substitute

Bargaining power of suppliers (POSITIVE)

- Low product differentiation
- Difficult to reduce costs through input changes

Competitive rivalry (NEGATIVE)

- Continuous innovation leading to intense rivalry
- Product homogeneity and low brand switching cost

Bargaining power of buyers (NEGATIVE)

- Use of Internet to get competing prices
- Low buyer's product switching cost

Threat of new entrants (POSITIVE)

- Highly working-capital intensive
- Major players have developed brand equity
- Moderate brand loyalty

[Source: Aranca Research]

COMPANY OVERVIEW

Symphony's financial performance

The Company's consolidated gross revenue grew by 5% to ₹852 crore in 2017-18 following a visible improvement in sales. EBIDTA stood at ₹273 crores compared to ₹242 crores in the comparable period of previous year. The Company reported a post-tax profit of ₹193 crore in 2017-18 compared to a post-tax profit of ₹166 crore in the comparable period of previous year.

Residential air coolers: The domestic air cooler segment is largely fragmented with about 70-80% of sales accounted by unorganized players. The branded air cooler industry is competitive with the top-four players accounting ~90% of all sales. Symphony is the leading player in the space distantly followed by other players. The Company'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. 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 is a cost-effective and environmentally-friendly cooling solution designed for various industrial environments. The centralised air cooling market in India is Virgin and beyond any estimation 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 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, which 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 are inadequate.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place robust internal control systems and procedures. The internal controls of the Company are commensurate with the business requirements, its scale of operation and applicable statutes to ensure orderly and efficient conduct of business. These controls have been designed to provide a reasonable assurance with regard to maintaining proper accounting controls, safeguarding of resources, prevention and detection of frauds and errors, ensuring operating effectiveness, reliability of financial reporting and compliance with applicable regulations. In addition, internal audits are undertaken to review significant operational areas regularly.

The management believes that strengthening internal controls is a continuous process and it will therefore continue its effort to keep pace with changing business needs and environment.

INFORMATION TECHNOLOGY

Symphony, a global company has been constantly investing in to various IT initiatives as part of Digital transformation journey. Our constant focus on enhancement of business process in line with the best business practice of SAP HANA, are known leader ERP software having global scalability All core business functions like finance, supply chain and operation have been tightly integrated through SAP has result into available business information in form of single version of truth on a click.

During the year we have put significant efforts and implemented applications "Servitium -Service CRM" for measuring efficiency of our authorized service partner against customer complain, this will also help us to check turnaround time, nature of complain, root cause analysis etc

The implementation of product life cycle management has helped us to strengthen our design capability . This is product is known as "3D Experience" known word wide for PLM has been helping us to monitor complete history of product life cycle starting from idea, design, manufacturing, quality, project management with necessary work flow.

The implementation of software application for Human resource information system with mobility feature has helped us to record complete history of employee from hire to retire. This has also feature like e-recruitment, payroll processing, organization management, personal administration, time management, training etc.

The implementation of analytics & mobility platform have helped us to expedite our decision making process & predictive analysis

HUMAN RESOURCES

Symphony acknowledges the contribution of human resources to organizational effectiveness.

During the year human resource function worked on various projects to enhance the competence of employees through Competency framework project including designing Individual development plans. A fully integrated HRIS is also implemented for managing complete employee life cycle from hire to retirement. As a part of accountability building and aligning individual efforts with organization's goals an initiative 'Lakshya - Online Goal Setting and Performance Commitment' introduced for all managerial employees.

Symphony enjoyed cordial relations with its employees throughout the year.

RISK MANAGEMENT

Product risk

The Company's products may lose their marketplace relevance

Mitigation: The Company has consistently widened its portfolio through the introduction of innovative products (residential, packaged and central air cooling), translating into consumer delight.

Industry risk

A slowdown in downstream sectors could impact offtake

Mitigation: The value of the Indian air cooler market is anticipated to grow at a CAGR of 27%, between 2017 and 2022, ensuring steady offtake.

Geographic risk

Dependence on a specific geography could be a detrimental in the event of a localised downturn

Mitigation: Symphony has de-risked itself by establishing its footprint in >60 countries across five

continents, striking a balance between domestic and overseas revenues.

Logistics risk

Lack of efficient distribution channels could impact sales

Mitigation: The Company has around 30,000 dealers and 1,000 distributors which are spread across the length and breadth of the country, ensuring adequate product visibility.

Economic risk

A slowdown in the economy may impact the industry

Mitigation: With the impact of demonetisation and GST implementation fading, the Indian economy is poised to grow at a rate of 7.4% in FY19 and 7.8% in FY20.

Competition risk

Increasing competition may affect the Company's competitiveness

Mitigation: Symphony has carved a niche for itself by launching innovative and environment-friendly products, registering strong sales and launching effective marketing campaigns. Symphony's frugal engineering and qualitative excellence have meant that it has always stayed a step ahead of the competition.

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 31st Annual Report of the Company for the financial year ended on March 31, 2018.

The financial statements are prepared in accordance with Indian Accounting Standards ('Ind AS'). In accordance with the notification issued by Ministry Corporate Affairs, the Company has adopted Ind AS with effect from April 1, 2017 being first Ind AS financial statement with transition date of April 1, 2016. Accordingly, figures for the financial year 2016-17, has been restated in accordance with Ind AS.

1. A) HIGHLIGHTS OF RESULTS AND STATE OF COMPANY'S AFFAIRS

(₹ in lacs)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operations & Other Income	72,732	70,176	85,239	80,803
Profit before Financial Charges, Depreciation & Taxation	26,029	24,544	27,340	24,185
Less: Financial Charges	73	1	179	3
Less: Depreciation & Amortisation Expenses	435	351	681	688
Profit Before Tax	25,521	24,192	26,480	23,494
Less: Income Tax	6,788	6,475	6,788	6,614
Less: Deferred Tax Liability	493	255	493	255
Less: Provision for tax of earlier years	(56)	(3)	(56)	(3)
Profit After Tax	18,296	17,465	19,255	16,628
Other comprehensive income	(270)	240	(281)	185
Total Comprehensive income for the year	18,026	17,705	18,974	16,813

B) KEY FINANCIALS AS ON MARCH 31, 2018

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 Ind AS that are applicable. The consolidated revenue from operations along with other income stood at ₹85,239 lacs. The profit after tax was ₹19,255 lacs.

The highlights of the key financials are as under:

(₹ in lacs except per share data)

Particulars	Standalone	Consolidated
Equity Share Capital	1,399	1,399
Net worth	60,339	61,161
Book Value Per Equity Share	86	87
Earnings Per Share (EPS)	26.15	27.52
Investments	42,356	42,236
Contribution to Exchequer	19,502	19,967

2. DIVIDEND

During the year under review, the Board of Directors has declared three interim dividends aggregating to ₹3.00/- (150%) per share and bifurcation of the same is as under:

Date of Declaration	Interim Dividend Amount per share (in ₹)	% of dividend
August 10, 2017	1.00	50
October 31, 2017	1.00	50
January 23, 2018	1.00	50

The Board has recommended a final dividend of ₹1.50/- (75%) 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, 2018.

An aggregate dividend for the financial year ended on March 31, 2018 on approval at ensuing annual general meeting would be ₹4.5/- (225%) per share.

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).

- 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).
- 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 along with 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 along with 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.

Further, the said policy can be accessed at http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_13121322387.pdf

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. OPERATIONS REVIEW

During the year under review, gross revenue on standalone basis stood at ₹72,732 lacs. During the period 2017-18, your Company continued its thrust on distributor network expansion and increased the same by 28% thereby reaching almost all consumer durable and home appliances markets in the remotest parts of the country.

Your Company strongly believes in innovation in product design and features. During the year, as many as 19 new models were introduced in the market. With this, we now offer as many as 48 models making it by far the largest range not only in the country but across the world in this segment. The new models included Sense range of coolers which operate through Gesture Control, a first of its kind feature in Air cooler industry.

Your Company has also tied up with various Consumer and Channel Finance Companies to further penetrate the market and help trade partners as well as consumers to tie up for their fund requirements to purchase company's products.

After Sales Service

The distribution network expansion was also accompanied by the optimisation of After Sales Service centre network across the country. The year saw a sizeable investment of resources in introducing a new Service Customer Relationship Management (CRM) platform for better handling of Customer calls and managing the wide network of service centres across the country. With the new CRM platform and with enhanced call centre infrastructure, your Company has equipped itself to retain its leadership in Sales and Service.

The year also saw many Service Engineers and Sales Persons being trained through over 300 Sales and Service training programmes conducted throughout the country. This will help in ensuring better customer connect at all levels and help in further strengthening our leadership position in the market.

Modern Trade

During the period under review, your Company retained its leadership in the fast emerging Modern Trade and E-Commerce business. Besides retaining its market share, the Company has also added new customers in its portfolio.

Air Coolers - Overseas Business

During the year, revenue from Operation of International Business was ₹6,571.79 lacs

The meagre growth was due to a substantial amount of carry forward inventory by International distributors in Latin America and South East Asia due to relatively weak season in these regions. However, Industrial and Commercial Coolers in International markets picked up with the introduction of these coolers in almost 20 countries in the current year.

Overall, European markets showed robust growth and amongst the traditionally strong markets, Saudi

registered good growth. In the current year, your company's products were introduced in 5 new countries.

Your Company has also opened local warehouses in Europe and South Africa for faster deliveries. This has started paying dividends as we saw growth from these markets.

Net sales value improved in the current year as prices were increased in many markets. Improved realisations led to a better bottom line growth in International business.

Your Company continues to have several international quality certifications like CE, SASO, NOM etc. which provide access to other countries as well.

Advertising and Marketing

To create a significant customer pull, your Company has launched new TV campaigns to support the introduction of Cloud air cooler, Touch range and Sense range of air coolers. Your company maintained its dominance in print, electronic and digital media with almost 60% share of voice in these. Your Company also invested a considerable amount in conducting product feature training for dealer salespersons as part of Below-the-Line activities and also dealer tie up schemes aimed at improving dealer loyalty.

Central Air Cooling Solutions

The Central Air Cooling Solutions business was consolidated through focused efforts, increased manpower and expansion of nationwide dealer network as a result of this initiative many new prestigious customers have been added to our customer base in this segment.

During the year, a new range of coolers from China was introduced, which was accepted and received overwhelming response from both channel partners and customers. Your Company's continuous endeavour to introduce new models of coolers with higher performance and customer friendly features enabled it to further strengthen its market leadership in this category.

Your Company bagged orders in various sectors like

hotels, hospitals, educational institutes, malls, places of worship, engineering and auto industry, textiles, printing and packaging etc. Some of the prestigious orders included those from Tata Steel, Unilever group, FIAT, Eglo, L&T, Parle, Exide Industries, Hindalco, Ghadi Detergent, Chokhi Dhani, Bhatinda University, Dhoot Transmission, CEPT University and Incap.

During the year under review, your Company continued with many business development activities through advertisements in newspapers, journals, TV channels and participation in exhibitions across the country. Your Company continued its liaison with some key opinion makers like HVAC consultants and large MEP contractors and Architects. An All India Dealer training programme was also held at Ahmedabad to launch the new models and train the dealers and their technical staff to install and service the new range.

The Central Air Cooling Solutions segment has gained momentum and revenue from this segment are expected to increase substantially in the near future.

SEZ Units

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

5. OVERSEAS OPERATIONS

(a) Impco S. de R. L. de C.V, Mexico

The operational income increased 12.4% due to a strong summer and more aggressive commercial strategies, which led IMPCO to a total Profit before Tax of 39.6mn Mexican Pesos.

During the year, IMPCO sold the earlier plant premises/ properties and shifted to state of the art and modern new premises, which additionally meets the business requirements having all areas in one single building working on more efficient way. IMPCO successfully completed transition to outsourced manufacturing

during this year with desired quality levels, and, also liquidated all its machinery and equipment including paint line.

During the year, company developed and launched a first "All Plastic" window cooler in the Mexico market which received a very good response. Also, during the year, announced the new vision of the Company which seeks accelerated growth in the next 3 years, mainly with the incorporation of new product lines.

(b) Guangdong Symphony Keruilai Air Coolers Co. Ltd (GSK), China

The year under review was the second operating year after acquisition.

The operating loss during the calendar year 2017 as compared to previous year is drastically reduced on account of various steps taken by the Company to reduce overheads as well as raw material buying costs and also improve the operating efficiencies.

During the year, company shifted to new premises, which offered drastic improvement in operations efficiencies apart from reducing costs.

The Company has also developed and introduced several new products for industrial, commercial as well as household applications, and, also developed several new markets - both domestic as well as international. Introduction of complete new logo, and, harmonisation of color scheme, and, control graphics etc across entire product range allowed a complete new and fresh look for entire product portfolio.

GSK products also successfully introduced to Symphony's already established markets of India and Mexico, and, are received very well in these markets. Several senior and sales persons from Symphony's India and Mexico teams have visited GSK during the year for familiarization with products and technology.

GSK participated in several national as international exhibitions and these have resulted in very healthy order book as well as promising enquiries.

All these measures in 2017 have paved a solid foundation for sustainable growth in the coming

years. At this pace of improvement both in sales and costs, we hope to break-even within 18 - 24 months.

6. AWARDS AND ACCOLADES

- The Brand Trust Report India Study 2018 ranks 'SYMPHONY' India's Most Trusted Air Cooler Brand in a study covering 9000 brands across 16 cities from Trust Research Advisory (TRA).
- Received the YES BANK-BW (Business world) Best CFO Award for the year 2018.
- Air Cooler Models "Storm 70C" & "Touch 35" are awarded for CE LVD directive belongs to European Countries.
- The Models like "DiET" series, "Storm 100i", "Storm 70C" and "Winter XL" are awarded for EMC and ERP CE directive belongs to European Countries.
- "Hi Cool" Model is awarded for In-metro certificate for Brazil.
- Export models like DiET, series, Hi Cool variants, Ice cube variants, Ninja variants, Silver, Winter, Sumo, Siesta 70 etc. are awarded for Kingdome of Saudi Arabia (KSA) certificates, Soncap certificates for Nigeria and KUCAS certificate belongs to Kuwait.
- Air Coolers models of GSK China, are awarded for KSA Certificates like KD series, PAC series, Movicoool Series, KF series, LI series, MAC series.
- ISO 9001 : 2015 for QMS is successfully extended and renewed for next year.

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

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to provisions of Regulation 34 of the Listing Regulations, Management Discussion and Analysis Report for the financial year ended on March 31, 2018, is forming part of this annual report.

8. CORPORATE GOVERNANCE

Pursuant to provisions of Regulation 34(3) read with Schedule V of the Listing Regulations, Corporate Governance Report for the financial year ended on March 31, 2018, is annexed to this annual report.

The requisite certificate was obtained from the Practising Company Secretaries confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

9. SUBSIDIARIES

Your Company has two subsidiary companies, (i) Guangdong Symphony Keruilai Air Coolers Co. Ltd., China and (ii) IMPCO S. de R. L. de C.V., (IMPCO), México.

During the year under review, the Company had divested its investment in Sylvan Holding Pte Limited (Sylvan) Singapore, a wholly owned subsidiary. On the basis of an application for striking off the name of the Company filed by Sylvan, the name of Sylvan has been struck off from the Registrar of Companies, Singapore.

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 No. 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.

10. AUDITORS

Members of the Company, at its 28th 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.

The Company has received a consent letter along with certificate from the Auditor under the provisions of the Companies Act, 2013, stating that they are not disqualified from continuing as Auditors of the Company.

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

11. COST AUDITORS

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

12. CORPORATE SOCIAL RESPONSIBILITY

As required under Section 135 of the Companies Act and the rules made thereunder, the annual report on Corporate Social Responsibility containing details about composition of the Committee, CSR activities, amount spent / unspent during the year, reasons and other details is enclosed as **Annexure 1**. The Corporate Social Responsibility Policy is displayed on website of the Company.

13. SECRETARIAL AUDIT REPORT

As required under Section 204 of the Companies Act, 2013, the Board of Directors of your Company had appointed M/s. SPANJ & Associates, Practicing

Company Secretaries, to conduct Secretarial Audit. The Secretarial Audit Report for the financial year ended on March 31, 2018, 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.

As a part of good corporate governance practice adopted by the Company, the Company has voluntarily carried out audit of Karvy Computershare Private Limited (Karvy), Registrar and Transfer Agent of the Company in respect to various work related to Transfer, Transmission, Duplicate Issue of Shares, Name corrections / additions, Demat / Remat of shares etc. executed by Karvy to strengthen the verification and approval process and early detection of loopholes / leeway, if any, in the system.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Nrupesh Shah, Executive Director, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

The Board of Directors at its meeting held on May 22, 2018, has appointed Mr. Ashish Deshpande as an Additional Director (Independent) of the Company for a period of five years effective from May 22, 2018 subject to approval of members in their ensuing annual general meeting.

Brief profiles of Mr. Nrupesh Shah and Mr. Ashish Deshpande, as required under Regulation 36 (3) of the Listing Regulations and Secretarial Standards - 1, are annexed to the notice convening the 31st Annual General Meeting, which forms part of this Annual Report. Your directors recommend their appointment.

Mr. Satyen Kothari, an Independent Director has tendered his resignation w.e.f. closing hours of May 22, 2018. The Board has placed on record its appreciation for contribution received from Mr. Satyen Kothari during his tenure as an Independent Director of the Company.

15. EXTRACT OF ANNUAL RETURN

In accordance with Section 134 (3) (a) and Section 92 (3) of the Companies Act, 2013, the extract of Annual Return in prescribed Form No. MGT - 9 is annexed herewith as **Annexure 3**.

16. 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, 2018, the applicable Indian 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.

17. MEETINGS OF THE BOARD

Four meetings of the Board of Directors of the Company were held during the year under review. The details of composition, meetings, attendance and other details of the Board are reported under Corporate Governance Report which is forming part of the annual report.

Your Company has complied with the Secretarial Standards as applicable to the Company pursuant to the provisions of the Companies Act, 2013.

18. AUDIT COMMITTEE

The Committee comprises Mr. Dipak Palkar, Chairman, Mr. Naishadh Parikh and Ms. Jonaki Bakeri. In accordance with provisions of 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 2017-18.

The details of composition, meetings, attendance and other details of the Audit Committee and other committees are reported under Corporate Governance Report which is annexed to Board's Report.

19. 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 is forming part of Corporate Governance Report.

20. 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 as at March 31, 2018:

Sr. No.	Name of Entity	Investment/ Loan/ Guarantee	Relationship, if any.	Aggregate amount of investments made / loan / guarantee provided as at 31.03.2018 (₹ in lacs)	Purpose for which loans/ guarantee proposed to be utilized
1	Infrastructure Leasing and Financial Services Ltd. - NCRPS, 15.99%	Investment	-	108	-
2	Infrastructure Leasing and Financial Services Ltd. - NCRPS, 16.99%	Investment	-	260	-
3	Infrastructure Leasing and Financial Services Ltd. - NCRPS, 16.99%	Investment	-	161	-
4	Tata Capital Limited CRPS 12.50%	Investment	-	154	-
5	Infrastructure Leasing and Financial Services Ltd. - NCRPS, 16.46%	Investment	-	210	-
6	Infrastructure Leasing and Financial Services Ltd. - NCRPS, 16.06%	Investment	-	424	-
7	JM Financial Products Ltd - MLD	Investment	-	2,000	-
8	Wondrous Buildmart Pvt Ltd – NCD	Investment	-	704	-
9	JM Financial Products Ltd - MLD	Investment	-	1,000	-
10	JM Financial Products Ltd - MLD	Investment	-	1,000	-
11	Edelweiss Finvest Pvt Ltd – MLD	Investment	-	1,009	-
12	IIFL Wealth Finance Ltd - MLD	Investment	-	1,000	-
13	NHAI 7.28% 18.09.30 - Tax Free Bond	Investment	-	579	-
14	NHAI 8.30% 25.01.27 - Tax Free Bond	Investment	-	586	-
15	IRFC 7.35% 22.03.31 – Tax Free Bond	Investment	-	338	-
16	HUDCO 7.39%, Bonds	Investment	-	559	-
17	HUDCO 7.39%, Bonds	Investment	-	957	-
18	NHAI 7.28% 18.09.30 - Tax Free Bond	Investment	-	578	-
19	Zee Entertainment Enterprises Ltd 6% Preference Shares	Investment	-	2,700	-
20	IRFC 7.28% 21.12.30 – Tax Free Bond	Investment	-	270	-
21	NABARD 7.35% - Tax Free Bond	Investment	-	1169	-
22	NHAI 8.50% 05.02.29 - Tax Free Bond	Investment	-	590	-

Please refer Note No. 4 and 8 forming part of standalone financial statements for full details of investments made by the Company.

21. 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 No. AOC-2 are given in **Annexure 4** to the Board's Report.

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and the same were placed before the Audit Committee and also to the Board for their approval. The Company has also obtained omnibus approval on a yearly basis for transactions which are of repetitive nature. All Related Party Transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

22. 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.

23. 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, Committee 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.

24. DECLARATION BY INDEPENDENT DIRECTORS

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.

25. 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.

26. 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.

27. 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 Companies Act, 2013 read with Rule 5(2) and (3) of the Rules is forming 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.

28. 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 records 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.

29. 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.

30. 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, 2018.

31. 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.

32. SEBI ORDER AGAINST SHAREPRO SERVICES (I) PVT. LTD. (SHAREPRO)

The Company has filed FIR against Sharepro, their employees and others. Further, Investigating Officer has already filed a preliminary charge sheet before Hon'ble Metropolitan Magistrate Court, Ahmedabad in a Criminal case and the same is pending before the Hon'ble Court for further process.

33. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to provisions of 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 is annexed to this Report as **Annexure 6**.

34. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the financial year 2017-18, as stipulated under Regulation 34 of the Listing Regulations is annexed to this Report as **Annexure 7**.

35. 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: May 22, 2018

Achal Bakeri
*Chairman and
Managing Director*
DIN - 00397573

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

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: ₹17,977.75 lacs**

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹359.55 lacs**

5. **Details of CSR spent during the financial year:**

(a) Total amount to be spent for the financial year: ₹359.55lacs

(b) Amount unspent, if any: ₹181.75 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 Health-care and Promoting Healthcare	Health	Dr. Jivraj Mehta Smarak Health Foundation Ahmedabad, Gujarat	270.00	100.00	Nil	270.00	Direct
Preventive Health-care and Promoting Healthcare	Health	Muljibhai Patel Society for Research in Nephro Urology Nadiad, Gujarat	65.00	35.00	Nil	65.00	Direct
Setting up and maintenance of Old Age Homes	Setting up and maintenance of Old Age Homes	Avval Foundation, Ahmedabad, Gujarat	5.00	5.00	Nil	5.00	Direct
Preventive Health-care and Promoting Healthcare	Health	Sharnam Arogyam, Gujarat	30.00	30.00	Nil	30.00	Direct
Promoting education and Vocational Training	Education	Ahmedabad Management Association, Ahmedabad, Gujarat	0.50	0.50	Nil	0.50	Direct
Promoting education and empowerment of Women	Education and empowerment of Women	The National Indian Association, Ahmedabad, Gujarat	5.00	5.00	Nil	5.00	Direct
Promotion and development of traditional art	Promotion and development of Art	Abir Public Charitable Trust, Ahmedabad, Gujarat	2.30	2.30	Nil	2.30	Direct

6. In case the Company has failed to spending 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:

During the year, the Company's spend on the CSR activities has been less than the limits calculated as per the provisions of the Companies Act, 2013. It was proposed to spend substantial amount of CSR towards education sector for identified projects. However, due to delay in the implementation of the said education projects, Company could not spend the CSR amount earmarked specifically for the education project during the year 2017-18. The balance unspent amount of CSR is under consideration and will be spent appropriately and judiciously for the interest of the society at large.

The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavor to spend the complete amount on CSR activities in accordance with the statutory requirements.

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.

Naishadh Parikh

Chairman - CSR Committee

DIN - 00009314

Date: May 22, 2018

Place: Ahmedabad

Achal Bakeri

Chairman & Managing Director

DIN - 00397573

ANNEXURE - 2

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

[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
 {CIN: L32201GJ1988PLC010331}
 Regd. Off: "Symphony House",
 Third Floor, FP-12, TP-50,
 Off S.G. Highway, Bodakdev,
 Ahmedabad – 380 054.

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's 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, we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended on 31st March, 2018** has 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as per **Annexure - A** for the Financial Year ended on **31st March, 2018** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder read with notified provisions of Companies (Amendment) Act, 2017;
- (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 there under 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 (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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; and
- (h) The Securities and Exchange Board of India (Buyback of Securities Regulations, 1998;

However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at point (c), (d), (e), (g) and (h) of para (v) mentioned hereinabove during the period under review.

We 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 Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended).
- (vi). We further report that having regard to the compliance Management system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has compliance management system for the sector specific laws applicable specifically to the Company.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned hereinabove. We have relied on the representations

made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other sector specific laws applicable to the Company.

We 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.

Majority decision at the board meeting as represented by the management were carried through unanimously whereas as informed, there is system of capturing the views of dissenting members' and recording the same as part of the minutes, wherever required.

We 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), we are 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 rules, regulations and guidelines as referred hereinabove.

We further report that during the audit period there were no specific events / actions having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred above.

Place: Ahmedabad
Date: May 22, 2018

Name of practicing CS: **Ashish C. Doshi**, Partner
SPANJ & ASSOCIATES
Company Secretaries
FCS No.: F3544
C P No: 2356

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

SECRETARIAL AUDIT REPORT - ANNEXURE - A

List of documents verified:

1. Memorandum & Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors and Committees including Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee along with attendance register held during the period under report.
3. Minutes of General Body Meetings held during the period under report.
4. Statutory Registers/Records under the Act and rules made there under.
5. Agenda papers submitted to all the Directors / Members for the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Act.
7. Intimations / Disclosure / Declaration received from Directors under & The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
8. E-Forms filed by the Company, from time to time, under applicable provisions of the Act and attachments thereof during the period under report.
9. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the period under report.
10. Communications / Letters issued to and acknowledgements received from the Independent Directors for their appointment.
11. Various policies framed by the Company from time to time as required under the Act as well as Listing Agreement and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with circulars issued by the SEBI from time to time as mentioned hereunder:
 - Shareholders' reward policy
 - Shareholder Referencer
 - Code of Ethics & Business Conduct
 - Vigil Mechanism
 - CSR Policy
 - Familiarization Program Imparted
 - Policy for Materiality & Dealing with RPT
 - Policy for determining Material Subsidiaries
 - Code of Practices and Procedures for Fair Disclosure
 - Archival Policy
 - Materiality of Events Policy
 - Code of Corporate Governance

SECRETARIAL AUDIT REPORT - ANNEXURE - B

To,

The Members

SYMPHONY LIMITED

{CIN: L32201GJ1988PLC010331}

Regd. Off: "Symphony House",

Third Floor, FP-12, TP-50,

Off S.G. Highway, Bodakdev,

Ahmedabad – 380 054.

Sir,

Sub: Secretarial Audit Report for the Financial Year ended on 31st March, 2018.

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. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we 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 22, 2018

Signature:

Name of practicing C S: **Ashish C. Doshi**, *Partner*

SPANJ & ASSOCIATES

Company Secretaries

FCS No.: F3544

C P No: 2356

ANNEXURE - 3

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

[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: +91-79-6621 1111, Fax: +91-79-6621 1140 E-mail ID: investors@symphonylimited.com Website: 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 Website: www.karvycomputershare.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	98%

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.	Guangdong Symphony Keruilai Air Coolers Co. Ltd. Taiying Industrial Area, Hongmei Town, Dongguan, China, Zip Code: 523160.	-	Subsidiary	100.00	2(87)
2.	IMPCO S. de R. L. de C.V. AYAX 611, Parque Industrial, Kalos Guadalupe, Guadalupe, Nuevo Leon, 67205, Mexico.	-	Subsidiary	100.00	2(87)

IV. SHAREHOLDING 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, 2017)				No. of Shares held at the end of the year (March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters / Promoter Group									
Indian									
Individual/HUF	3,99,84,540	0	3,99,84,540	57.16	3,99,84,540	0	3,99,84,540	57.16	0.00
Bodies Corporate	1,24,83,200	0	1,24,83,200	17.84	1,24,83,200	0	1,24,83,200	17.84	0.00
Total shareholding of Promoter/ Promoter Group	5,24,67,740	0	5,24,67,740	75.00	5,24,67,740	0	5,24,67,740	75.00	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	36,02,243	13,000	36,15,243	5.17	52,31,253	6,500	52,37,753	7.49	2.32
b) Banks / FI	13,744	0	13,744	0.02	12,087	0	12,087	0.02	0.00
c) Foreign Portfolio / FIs	52,87,982	0	52,87,982	7.56	50,01,617	0	50,01,617	7.15	-0.41
Sub-total (B)(1):-	89,03,969	13,000	89,16,969	12.75	1,02,44,957	6,500	1,02,51,457	14.66	1.91
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	28,69,791	22,000	28,91,791	4.13	16,65,395	21,000	16,86,395	2.41	-1.72
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lacs	30,57,765	12,69,756	43,27,521	6.19	29,24,056	7,34,456	36,58,512	5.23	-0.96

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2017)				No. of Shares held at the end of the year (March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹2 lacs	1,22,712	0	1,22,712	0.18	122,712	0	122,712	0.18	0.00
c) Others									
i) Non Resident (Rep)	81,498	2,09,000	2,90,498	0.42	85,413	1,17,000	2,02,413	0.29	-0.13
ii) Non Resident (Non-Rep)	30,916	0	30,916	0.04	40,993	0	40,993	0.06	0.02
iii) Clearing Members	44,252	0	44,252	0.06	1,82,886	0	1,82,886	0.26	0.20
iv) Trust	2,060	0	2,060	0.00	570	0	570	0.00	0.00
v) Director and Director's relatives [Note 2]	7,72,942		7,72,942	1.11	7,50,480	0	7,50,480	1.07	-0.04
vi) IEPF	0	0	0	0.00	3,90,000	0	3,90,000	0.56	0.56
vii) Unclaimed or Suspend or Escrow Account	0	0	0	0.00	0	1,16,000	1,16,000	0.16	0.16
VII) HUF	87,358	0	87,358	0.12	85,155	0	85,155	0.12	0.00
VIII) NBFC	2,241	0	2,241	0.00	1,687	0	1,687	0.00	0.00
Sub-total (B)(2):-	70,71,535	15,00,756	85,72,291	12.25	62,49,347	9,88,456	72,37,803	10.35	-1.91
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1,59,75,504	15,13,756	1,74,89,260	25.00	1,64,94,304	9,94,956	1,74,89,260	25.00	0
Grand Total (A+B+C)	6,84,43,244	15,13,756	6,99,57,000	100.00	6,89,62,044	9,94,956	69,957,000	100.00	0

Notes:

- Company has not mentioned details of category whose holding is NIL.
- Shareholding of Mr. Nrupesh Shah, Executive Director:

Total 13,27,805 equity shares (1.90%) held by himself, spouse, two bodies corporate in which Mr. Nrupesh Shah, Executive Director, is substantially interested as a partner, 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 his holding is classified under following categories:

- 4,52,811 (out of which 2,549 shares are in transit on 31.03.2018, hence classified under "Clearing Members" category) equity shares held by two bodies corporate in which Mr. Nrupesh Shah is substantially interested have been classified under "Bodies Corporate" category.
- 5,50,480 equity shares in aggregate held by himself, spouse and father's HUF is classified under category "Any Others – Director and Director's Relatives".
- 3,24,514 (out of which 1,24,514 shares are in transit on 31.03.2018, hence classified under "Clearing Members" category) equity shares held by Family Trust in which he and his family members are beneficiaries is classified under category "Any others Director and Director's Relatives".

(ii) Shareholding of Promoters / Promoter Group

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2017)			Shareholding at the end of the year (March 31, 2018)			% change in shareholding 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	2,92,63,600	41.83	0	2,92,63,600	41.83	0	0
2	Oras Investments Pvt Ltd	64,43,600	9.21	0	0	0	0	-9.21
3	Paratam Investments Pvt Ltd	60,39,600	8.63	0	0	0	0	-8.63
4	Achal Anil Bakeri HUF	24,00,000	3.43	0	24,00,000	3.43	0	0
5	Pavan Bakeri Jt. Anil Bakeri	12,04,000	1.72	0	12,04,000	1.72	0	0
6	Rupa Achal Bakeri	70,96,940	10.15	0	70,96,940	10.15	0	0
7	Hansa Bakeri Jt. Anil Bakeri	20,000	0.03	0	20,000	0.03	0	0
8	Sanskrit Tradecom Pvt. Ltd.	0	0	0	1,24,83,200	17.84	0	17.84
	Total	5,24,67,740	75.00	0	5,24,67,740	75.00	0	0.00

Note: Change in Shareholding of Promoter / Promoter Group consequent upon amalgamation of Oras Investments Private Limited and Paratam Investments Private Limited with Sanskrut Tradecom Private Limited.

(iii) Change in Promoters / Promoter Group's Shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2017)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (March 31, 2018)	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Oras Investments Private Limited	64,43,600	9.21	11.01.2018	(64,43,600)	Amalgamation	Nil	Nil
2	Paratam Investments Private Limited	60,39,600	8.63	11.01.2018	(60,39,600)	Amalgamation	Nil	Nil
3	Sanskrit Tradecom Private Limited	0	0	11.01.2018	1,24,83,200	Amalgamation	1,24,83,200	17.84

Note: Change in Shareholding of Promoter / Promoter Group consequent upon amalgamation of Oras Investments Private Limited and Paratam Investments Private Limited with Sanskrut Tradecom Private Limited.

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

Sl. No.	Shareholder's Name	Shareholding		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Axis Mutual Fund Trustee Limited A/c. Axis Long Term Equity Fund				
	At the beginning of the year	22,46,837	3.21	22,46,837	3.21
	Bought during the year	6,51,314	0.93	28,98,151	4.14
	Sold during the year	(2,20,280)	(0.31)	26,77,871	3.83
	At the end of the year	26,77,871	3.83	26,77,871	3.83
2	Matthews India Fund				
	At the beginning of the year	21,16,214	3.03	21,16,214	3.03
	Bought during the year	0	0.00	21,16,214	3.03
	Sold during the year	(1,88,739)	(0.27)	19,27,4759	2.76
	At the end of the year	19,27,4759	2.76	19,27,4759	2.76
3	Rowenta Networks Private Limited				
	At the beginning of the year	19,94,119	2.85	19,94,119	2.85
	Bought during the year	0	0.00	19,94,119	2.85
	Sold during the year	(10,67,423)	(1.53)	9,26,696	1.32
	At the end of the year	9,26,696	1.32	9,26,696	1.32
4	HDFC Trustee Company Ltd - A/c. HDFC Mid Cap Opportunities Fund				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	9,99,600	1.43	9,99,600	1.43
	Sold during the year	0	0.00	9,99,600	1.43
	At the end of the year	9,99,600	1.43	9,99,600	1.43
5	UTI Mutual Fund				
	At the beginning of the year	7,04,154	1.01	7,04,154	1.01
	Bought during the year	2,60,933	0.37	9,65,087	1.38
	Sold during the year	(28,700)	(0.04)	9,36,387	1.34
	At the end of the year	9,36,387	1.34	9,36,387	1.34
6	Chandravadan B Shah-HUF				
	At the beginning of the year	5,02,462	0.72	5,02,462	0.72
	Bought during the year	0	0.00	5,02,462	0.72
	Sold during the year	(22,462)	(0.03)	4,80,000	0.69
	At the end of the year	4,80,000	0.69	4,80,000	0.69

Sl. No.	Shareholder's Name	Shareholding		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7	Mondrian Emerging Markets Small Cap Equity Fund,L.P.				
	At the beginning of the year	4,27,402	0.61	4,27,402	0.61
	Bought during the year	0	0.00	4,27,402	0.61
	Sold during the year	(97,981)	(0.14)	3,29,421	0.47
	At the end of the year	3,29,421	0.47	3,29,421	0.47
8	J P Morgan Funds				
	At the beginning of the year	4,02,398	0.58	4,02,398	0.58
	Bought during the year	56,040	0.08	4,58,438	0.66
	Sold during the year	(21,430)	(0.03)	4,37,008	0.62
	At the end of the year	4,37,008	0.62	4,37,008	0.62
9	DSP Blackrock Midcap Fund				
	At the beginning of the year	3,52,576	0.50	3,52,576	0.50
	Bought during the year	4,28,299	0.61	7,80,875	1.12
	Sold during the year	(3,97,529)	(0.57)	3,83,346	0.55
	At the end of the year	3,83,346	0.55	3,83,346	0.55
10	Nabab Consultants LLP				
	At the beginning of the year	3,50,000	0.50	3,50,000	0.50
	Bought during the year	10,000	0.01	3,60,000	0.51
	Sold during the year	(50,000)	(0.07)	3,10,000	0.44
	At the end of the year	3,10,000	0.44	3,10,000	0.44
11	Ontario Pension Board - Mondrian Investment Partner				
	At the beginning of the year	2,10,548	0.30	2,10,548	0.30
	Bought during the year	0	0.00	2,10,548	0.30
	Sold during the year	0	0.00	2,10,548	0.30
	At the end of the year	2,10,548	0.00	2,10,548	0.30
12	Neelam Professionals LLP				
	At the beginning of the year	2,10,362	0.30	2,10,362	0.30
	Bought during the year	31,958	0.05	2,42,320	0.35
	Sold during the year	(1,02,058)	(0.15)	1,40,262	0.20
	At the end of the year	1,40,262	0.20	1,40,262	0.20
13	Nrupesh Chandravadan Shah (Family Trust)				
	At the beginning of the year	2,00,000	0.29	2,00,000	0.29
	Bought during the year	0	0.00	2,00,000	0.29

Sl. No.	Shareholder's Name	Shareholding		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Sold during the year	0	0.00	2,00,000	0.29
	At the end of the year	2,00,000	0.29	2,00,000	0.29
14	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds				
	At the beginning of the year	1,99,171	0.28	1,99,171	0.28
	Bought during the year	2,32,002	0.33	4,31,173	0.62
	Sold during the year	(2,17,640)	0.31	2,13,533	0.31
	At the end of the year	2,13,533	0.31	2,13,533	0.31
15	Vanguard Total International Stock Index Fund				
	At the beginning of the year	1,88,679	0.27	1,88,679	0.27
	Bought during the year	17,033	0.02	2,05,712	0.29
	Sold during the year	0	0.00	2,05,712	0.29
	At the end of the year	2,05,712	0.29	2,05,712	0.29

Note:

- The above information is based on the weekly beneficiary position received from depositories;
- The date-wise increase or decrease in shareholding of top 10 shareholders is available on website of the Company at www.symphonylimited.com

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2017)		Date	Increase/ (Decrease) in shareholding	Reason	Shareholding at the end of the year (March 31, 2018)	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Mr. Achal Bakeri	2,92,63,600	41.83	-	-	-	2,92,63,600	41.83
2	Mr. Nrupesh Shah	65,480	0.09	-	-	-	65,480	0.09
3	Mr. Mayur Barvadiya	4	0.00	-	-	-	4	0.00

V) INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment: NIL

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
		Mr. Achal Bakeri, Chairman and Managing Director	Mr. Nrupesh Shah, Executive Director	
1	Gross salary			
	(a) Salary as per provisions contained in u/s. 17(1) of the Income-tax Act, 1961	24.12	13.07	37.19
	(b) Value of perquisites u/s. 17(2) of the 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	Stock option	-	-	-
3	Sweat equity	-	-	-
4	Commission /Performance Bonus			
	as % of profit	-	-	-
	Profit linked performance incentive	200.00*	141.42*	341.42
5	PF, Gratuity and others	13.16	6.20	19.36
	Total (A)	237.57	160.91	398.48
	Ceiling as per the Act: Being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013			2,352.34

* Provisions of profit linked performance incentives made for the year 2017-18.

B. Remuneration to other directors: (₹ in lacs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Dipak Palkar	Mr. Satyen Kothari	Mr. Naishadh Parikh	
1	Independent Directors				
	Fee for attending board / committee meetings	2.00	0.80	2.00	4.80
	Commission	-	-	-	-
	Others, please specify	2.00	0.80	2.00	4.80
	Total (1)				4.80
2	Non-Executive Directors		Ms. Jonaki Bakeri*		
	Fee for attending board / committee meetings		0.50		0.50
	Commission		-		-
	Others, please specify		-		-
	Total (2)		0.50		0.50
	Total (B)=(1+2)				5.30
	Total Managerial Remuneration				403.78
	Overall Ceiling as per the Act: Being 11% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013				2,587.58

Ms. Jonaki Bakeri has waived the sitting fees for attending Board and Committee Meetings held on or after July, 2017.

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. Mayur Barvadiya, Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in u/s. 17(1) of the Income-tax Act, 1961	41.28	25.70	66.98
	(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 the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify...	-	-	-
5	PF, Gratuity and others	7.99	2.95	10.94
	Total	49.27	28.65	77.92

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act, 2013 against the Company or its Directors or other Officers in default during the financial year 2017-18.

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, 2018, 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 on March 31, 2018, are as follows:

Sr. 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, Mexico	Subsidiary	Purchase / Sale of Goods	On-going	As per Transfer Pricing guidelines	February 10, 2017	-
2	Guangdong Symphony Keruilai Air Coolers Co. Ltd, China	Subsidiary	Purchase / Sale of Goods	On-going	As per Transfer Pricing guidelines	February 10, 2017	₹206.94 lacs

* Outstanding as on March 31, 2018

For and on behalf of the Board

Achal Bakeri

Chairman & Managing Director

DIN - 00397573

Place: Ahmedabad

Date: May 22, 2018

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
	2017-18 (₹ in lacs)	2016-17 (₹ in lacs)		
Managing Director & Executive Director				
Mr. Achal Bakeri, <i>Chairman & Managing Director</i>	237.57	212.79	11.75	31.20
Mr. Nrupesh Shah, <i>Executive Director</i>	160.91	149.49	7.64	21.11
Non-Executive Directors*				
Mr. Dipak Palkar, <i>Independent Director</i>	2.00	2.00	Not comparable	
Mr. Satyen Kothari, <i>Independent Director</i>	0.80	1.20	Not comparable	
Mr. Naishadh Parikh, <i>Independent Director</i>	2.00	2.00	Not comparable	
Ms. Jonaki Bakeri, <i>Non-Executive Director</i>	0.50	2.00	Not comparable	
Key Managerial Personnel				
Mr. Bhadresh Mehta, <i>Chief Financial Officer</i>			15%	Not Applicable
Mr. Mayur Barvadiya, <i>Company Secretary</i>			14%	

~ Details provided in the above table is pertaining to directors on the board as on March 31, 2018.

*Non-Executive Directors are paid only sitting fees for attending meetings of Board and Audit Committee, hence not comparable.

-
- 2 The percentage increase in the median remuneration of employees in the financial year: **15.74 %**

 - 3 The number of permanent employees on the rolls of Company as on March 31, 2018: **460.**

 - 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 15.82% and increase in remuneration of Managerial Personnel is 9.69%. 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.
-

Note:

1. Managerial Personnel includes Chairman and Managing Director and Whole-time Director.
2. Median remuneration calculated on the basis of number of employees who were in employment of the Company throughout the year for better comparison.

ANNEXURE - 6

Conservation of Energy, Technology absorption, Foreign Exchange Earning & outgo:

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, 2018.

(A) CONSERVATION OF ENERGY

(a) Steps taken or impact on conservation of energy:

- i. Redesigning the products to reduce the power consumption.
- ii. All our products are having RoHS compliance.
- iii. Company is using PCBA which is in compliance to ErP directive of CE marking.
- iv. Introduced bearing in all our motors to avoid friction enhance energy consumption.
- v. Relocation of OEM products to avoid logistics and saving of Energy and carbon footprint.
- vi. Use of polymers which are 100% recyclable.
- vii. Focused towards family kind of mould so that maximum output can be achieved with minimum use of energy.
- viii. Replaced metallic components by global specialty plastics.
- ix. Introduced changes in electrical distribution system viz. LT Panels, cable routing etc.
- x. Replacement of ballasts (chokes) by more efficient ones and pumps with energy efficient pumps and also Development of smaller and more efficient pumps.
- xi. Reduction of inwards and online inspection by bringing manufacturing procedures under statistical quality control [SQC].
- xii. Redesigning the product and packaging

dimensions to allow optimum quantity of transportation per truck or container. This leads to lower fuel consumption per piece.

- xiii. Designing of Motor (Most critical part of coolers) to consume minimum power.
- xiv. Use of Dura pump technology which cuts off the power supply to save power as well as the component.
- xv. Lead free PCB developed for saving the environment and thus energy.

(b) Steps taken by the Company for utilizing alternate sources of energy: NIL

(c) Capital investment on energy conservation equipment: Nil

(B) TECHNOLOGY ABSORPTION:

(i) The Efforts made in technology absorption

- a. 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.
- b. In house development of aesthetically designed full plastic body air coolers/storage.
- c. In house testing of all types of plastic materials for their development, reliability and usability. Also stagewise check of product and parts for validation and approvals.
- d. Intelligent electronic components with user friendly features.

- e. Revolutionary water distribution technology.
 - f. Special plastic alloy developed for the fan blades which has drastically reduced its breakage.
 - g. LCD display technology in coolers.
 - h. Introduction of power PCB to work even in fluctuating voltage in various parts of the country.
 - i. Developed and adopted new RPT to avoid the laser cutting of plastic pollution flames and save power.
 - j. 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**
- a. Reduced part / component replacement in field.
- b. Enhanced customer satisfaction.
 - c. Improvement in quality and reliability.
 - d. Cost Reduction.
 - e. Improvement in productivity.
 - f. Reduction in wastage/rework.
 - g. New product development as well as enhancement of features in existing products resulting in higher sales and market shares.
 - h. Improved serviceability and improved field service
 - i. 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	
	2017-18	2016-17	2017-18	2016-17
1. Revenue	326	276	374	316
2. Capital	43	54	43	54
3. Total	369	330	417	370
4. Total R&D expenditure (as % of turnover)	0.54	0.50	0.52	0.48

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of Foreign Exchange Earnings and Outgo are mentioned below:

(₹ in lacs)

Particulars	2017-18	2016-17
Foreign Exchange Earnings	6,302.81	7046.26
Foreign Exchange Outgo	1,781.80	1696.00

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	investors@symphonylimited.com
6.	Financial Year reported	April 1, 2017 to March 31, 2018
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)	Two International 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)	68,702.58
3.	Total profit after taxes (₹ in lacs)	18,295.67
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Details of CSR spending 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 CSR spending given in CSR report forming part of Board's Report.

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?
Yes, Company is having two wholly owned subsidiaries namely Impco S de RL de CV in Mexico and Guangdong Symphony Kerulai Air Coolers Co., Ltd. China.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary companies.
No. None of the subsidiaries of the Company is in India.
- 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%]
The Company always encourages its suppliers, distributors, dealers, associates etc. to take BR initiatives at their end.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

- 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

- Details of the BR head

Sr. No.	Particulars	Details
1.	DIN (if applicable)	00397573
2.	Name	Mr. Achal Bakeri
3.	Designation	Chairman and Managing Director
4.	Telephone number	+91-79-6621 1111
5.	e-mail id	investors@symphonylimited.com

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

- Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- Businesses should promote the wellbeing of all employees
- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- Businesses should respect and promote human rights
- Business should respect, protect, and make efforts to restore the environment
- Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- Businesses should support inclusive growth and equitable development
- 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	-	-	-
		Yes. The policies are based on the "National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business" released by the Ministry of Corporate Affairs.								
4.	Has the policy being approved by the Board?	Yes.								
	Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	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.								
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?	<ol style="list-style-type: none"> http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_131213223941.pdf http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_72701231.pdf http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_131213224045.pdf http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_13121322489.pdf 								
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	Yes

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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									Not applicable
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)									

3. Governance related to BR

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

The Board/Committee will review the BR performance at least annually.

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 Sustainability Report. However the BRR is part of the Annual Report which is available on the website of the Company i.e. <http://www.symphonylimited.com/investor-annual-reports.aspx>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. **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?**

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. **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.**

Nil.

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

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 series of air coolers launched by the Company also provides air purification over and above efficient air cooling.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- i. 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.

- ii. Polymers used in Symphony Coolers are 100% recyclable as Symphony has a long history of environmental stewardship. Our growth is guided by the core belief of doing right for the business by doing right for people and our planet.

- iii. Over the years, we have been embracing the challenge of developing energy-efficient products while minimizing the adverse impact on the environment. This is important to us as we believe innovation is key to a sustainable future for our planet.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

- i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

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.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes

Company has a policy and ensures localisation and outsourcing to a competitive supplier for quality products. The Company provides necessary hands-on Training to the suppliers/ OEMs.

5. 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 <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Not applicable

Principle 3

1. Please indicate the Total number of employees.

Total number of Employees as of March 31, 2018 is 460.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

NIL

3. Please indicate the Number of permanent women employees.

8 (Eight)

4. Please indicate the Number of permanent employees with disabilities.

NIL

5. Do you have an employee association that is recognized by management?

The Company does not have any employee association.

6. What percentage of your permanent employees is members of this recognized employee association?

Not Applicable.

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 upgradation training in the last year?

Permanent Employees - 66.24%

Permanent Women Employees - 100%

Casual/Temporary/Contractual Employees - N.A.

Employees with Disabilities - N.A.

Principle 4

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its key internal and external stakeholders.

(i) Employees, (ii) Original Equipment Manufacturers, (iii) Distributors, (iv) Dealers

(v) Customers, (vi) Governments and their authorities, (vii) Shareholders,

(viii) Suppliers, (ix) Bankers and (x) Lenders.

-
2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.**

As per Company's information, there are no disadvantaged or vulnerable or marginalised stakeholders.

3. **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.**

Nil

Principle 5

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Company's Policy on Human Rights covers not only the Company but also extends to its Subsidiaries and Group Companies, Suppliers, etc.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The Company did not receive any complaint for financial year ended on March 31, 2018.

Principle 6

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The Company has a policy to adhere to ISO Standards.

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:

1. Energy-efficient,
2. Eco-friendly,
3. Use minimal water,
4. Do not emit harmful CFCs.

2. **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.**

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. **Does the Company identify and assess potential environmental risks? Y/N**

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. **Does the Company have any project related to Clean Development Mechanism?**

If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

All Products are ErP (Energy-related Products) Directive Compliant as we believe in 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. So, all our products including packing are in compliant RoHS (Restriction of Hazardous Substances) Directive.

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 and (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 (dropdown: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).**

No

Principle 8

1. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**
The CSR Committee has decided to spend CSR amount mainly for preventive health and promoting health care, Women empowerment, Promoting in Setting up of Old Age Homes etc. It may also consider CSR spend in other permitted area as and when it may deem fit.
2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**
The Company, through various NGOs and Charitable Trust supports various CSR initiatives in a project/ program mode or directly contributing to their corpus fund.
3. **Have you done any impact assessment of your initiative?**
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. **What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**
₹177.80 lacs. Details of the programme are given in CSR report forming part of Board's Report.
5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**
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. **What percentage of customer complaints /consumer cases are pending as on the end of financial year.**
The Company is committed to provide world class products and services to its customers. 44 cases / complaints were pending as on March 31, 2018 for decision.
2. **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)**
Yes. Company adheres to all the applicable laws, regulations regarding product labelling and displays relevant information on it.
3. **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.**
No.
4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**
Yes. The Company continuously carries out consumer surveys to understand consumer feedback, product satisfaction and consumer's latest trend.

Corporate Governance Report

Your Directors present the Company's Corporate Governance Report for the year ended March 31, 2018, in terms of Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

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's philosophy on Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values.

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 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 Listing Regulations and the Companies Act, 2013. The Company continues to focus on good Corporate Governance, in line with the best practices in the areas of Corporate Governance.

(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, 2018, Out of which 50% directors are 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, 2018.

The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 and Listing Regulations. All the independent directors have confirmed that they meet with the criteria as mentioned under Regulation 16(1)(b) of the 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, 2018 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, 2018
Mr. Achal Bakeri [§]	Chairman & Managing Director	4	4	-	-	Yes	5,24,67,740#
Mr. Nrupesh Shah	Executive Director	4	4	-	-	Yes	13,27,805*
Mr. Dipak Palkar	Non-Executive Independent Director	4	4	1	1	Yes	-
Mr. Satyen Kothari	Non-Executive Independent Director	4	2	-	-	Yes	-
Mr. Naishadh Parikh	Non-Executive Independent Director	4	4	5	2	Yes	-
Ms. Jonaki Bakeri [^]	Non-Executive Director	4	4	-	-	Yes	5,24,67,740#

[§] Mr. Achal Bakeri is father of Ms. Jonaki Bakeri, Non-Executive Director.

[#] Mr. Achal Bakeri and Ms. Jonaki Bakeri are part of promoter group which holds 75% of total share capital of the Company.

^{*} includes shares held by Mr. Nrupesh Shah, his spouse, two bodies corporate in which he is substantially interested as a partner, father' HUF and family trust in which he and his family members are beneficiaries.

[^] 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 16, 2017, August 10, 2017, October 31, 2017 and January 23, 2018.

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. The objective of the programme is to familiarise the Directors to enable them to understand the Company, its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. 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

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 of conduct.

Declaration of code of ethics and business conduct for financial year 2017-18:

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, 2018.

Place: Ahmedabad

Achal Bakeri

Date: May 22, 2018 *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 regulations 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 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. As on March 31, 2018, the Audit Committee consists of Mr. Dipak Palkar, Chairman, Mr. Naishadh Parikh and Ms. Jonaki Bakeri, as Members.
 3. All Members of Committee are financially literate as specified in Regulation 18 of the Listing

- Regulations. The Company Secretary acts as Secretary to the Committee.
4. Executive summary of the proceedings of Audit Committee Meetings are placed before the Board Meeting held after the Audit Committee Meeting for deliberation and the full minutes of the same are placed before the next Board Meeting for record. The Chairman of the Audit Committee apprises the Board on the recommendations made by the Committee.
 5. 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.
 6. Mr. Dipak Palkar being Chairman of the Committee has attended the last annual general meeting held on September 8, 2017.
-
7. During the year under review, the committee met four times on May 16, 2017, August 10, 2017, October 31, 2017 and January 23, 2018 and attendance of the members is shown below:

Name of Member	Membership	Meetings Held	Meetings Attended
Mr. Dipak Palkar	Chairman	4	4
Mr. Naishadh Parikh	Member	4	4
Ms. Jonaki Bakeri	Member	4	4

(D) Nomination and Remuneration Committee

1. 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:
 - (i) 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.
 - (ii) Formulation of criteria for evaluation of independent directors, the Board and its committees.
 - (iii) Devising a policy on Board diversity.
 - (iv) 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.
 - (v) 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.
 - (vi) Any other terms of reference as per the provisions of the Companies Act, 2013 and Listing Regulations.
2. The Nomination and Remuneration Committee of the Company as on March 31, 2018 comprised of the following members:

Mr. Dipak Palkar, Chairman, Mr. Satyen Kothari and Mr. Naishadh Parikh, as members, all are non executive and independent directors.
3. Executive summary of the Nomination and Remuneration Committee Meetings are generally placed before next Board Meeting held after

the Nomination and Remuneration Committee Meeting for deliberation and the full minutes of the same are placed before the next Board Meeting for record. The Chairman of the

Nomination and Remuneration Committee apprise the Board on the recommendations made by the Committee.

4. During the year under review, the committee met two times on May 16, 2017 and August 10, 2017 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

5. Nomination and Remuneration Policy

5.1 Appointment

5.1.1 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.

5.1.2 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.

5.2 Evaluation

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

5.3 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.

5.4 Policy on Remuneration

5.4.1 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.

5.4.2 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.

6. The criteria for performance evaluation of directors, board and its committee are part of the Board's Report.

7. 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 / commission*	Total
Mr. Achal Bakeri	24.12	13.45	200.00	237.57
Mr. Nrupesh Shah	13.07	6.42	141.42	160.91

* Provision for the year 2017-18 and payable in the year 2018-19.

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.

8. 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. Satyen Kothari	0.80	-
Ms. Jonaki Bakeri*	0.40	0.10

* Ms. Jonaki Bakeri has waived the sitting fees in respect to Board and Audit committee meetings held on or after July, 2017.

9. Mr. Dipak Palkar being Chairman of the Committee has attended the last annual general meeting held on September 8, 2017.

10. 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

(a) The Board has constituted a Stakeholders Relationship Committee pursuant to Section 178 of Companies Act, 2013, and Listing Regulations.

(b) The terms of reference of Committee are to consider and resolve grievances of shareholders of the Company.

(c) The Stakeholders Relationship Committee of the Company as on March 31, 2018 comprised of the following members:

Mr. Naishadh Parikh, Chairman, Mr. Nrupesh Shah and Ms. Jonaki Bakeri as members.

(d) Mr. Mayur Barvadiya, Company Secretary of the Company is a Compliance Officer of the Company.

(e) During the year, the Committee met nine times on April 15, 2017, May 16, 2017, June 6, 2017, July 10, 2017, August 10, 2017, October 6, 2017, October 31, 2017, January 23, 2018 and February 5, 2018.

(f) 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 at 01.04.2017	Received during the year	Resolved during the year	Closing balance as at 31.03.2018
2	12	14	0

(F) Other Committees

1. Corporate Social Responsibility Committee

- a. Corporate Social Responsibility 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.
- c. During the year, the Committee met two times on May 16, 2017 and October 31, 2017.
- d. Meeting and attendance during the year:

Name of Member	Membership	Meeting details	
		Held	Attended
Mr. Naishadh Parikh	Chairman	2	2
Mr. Achal Bakeri	Member	2	2
Mr. Nrupesh Shah	Member	2	2

2. Risk Management Committee

Pursuant to the provisions of Regulation 21 of the Listing Regulations and other applicable provisions, if any, the Board of Directors has voluntarily constituted the Risk Management Committee in their meeting held on May 22, 2018. The Company satisfies the requirement of Regulation 21 of the Listing Regulations, which states that the majority of Committee shall consist of members of the Board of Directors; senior executives of the Company may be members of the said committee but Chairman of the Risk Committee shall be member of the Board of Directors. The Company is having well defined Risk Management Policy and Risk Management Framework.

The composition of the Risk Management Committee is as under:

Mr. Naishadh Parikh, Chairman, Mr. Nrupesh Shah and Mr. Achal Bakeri as Member

3. Management Committee

- a. During the year, the Board has constituted Management Committee consists of Mr. Achal Bakeri, Chairman, Mr. Nrupesh Shah, Mr. Naishadh Parikh and Ms. Jonaki Bakeri as members of the Committee.
- b. Management Committee deals with day to day business operations such as banking, treasury, insurance, legal, GST, customs, authorisation, administration and dealing with other

government/non-government authorities.

The broad terms of reference of Committee are as under:

- (i) to authorize directors/ officials for the operation of banking accounts;
- (ii) to authorize directors/ officials for legal matters, including signing of agreements, deeds;
- (iii) to authorize to avail investment advisory services, portfolio management services, wealth management services;

(iv) to give authority under the GST Act, Excise, VAT, Sales Tax, Income Tax, Custom etc.

(v) to give authority for Insurance related matters.

(vi) to give authority for all other administrative work.

- c. During the year, the Committee met three times on August 10, 2017, October 31, 2017 and January 23, 2018.

d. Meeting and attendance during the year:

Name of Member	Membership	Meeting details	
		Held	Attended
Mr. Achal Bakeri	Chairman	3	3
Mr. Nrupesh Shah	Member	3	3
Mr. Naishadh Parikh	Member	3	3
Ms. Jonaki Bakeri	Member	3	3

(G) Separate Meetings of Independent Directors

During the year, separate meetings of independent directors were held on May 16, 2017 and January 23, 2018 in which majority independent directors were present. In this meetings, they have discussed and evaluated:

- (i) performance of Non-Independent Directors, Independent Directors and the Board of Directors as a whole;
- (ii) performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- (iii) performance of the various committees of the Board;
- (iv) Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to

effectively and reasonably perform its duties.

(H) 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 approves related party transactions and also grants omnibus approval as per the terms and conditions of the Listing Regulations. The details showing related party transactions are provided in Note 33 of Notes forming part of the standalone financial statement for financial year ended on March 31, 2018 in accordance with the provisions of Ind AS 24.
- 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 statements, the Company has followed the applicable Indian Accounting Standards. The significant accounting policies applied in preparation and presentation of financial statements have been set out in Note 2 of Notes forming part of the financial statement for financial year ended on March 31, 2018.

4. **CEO/CFO Certification:**

Pursuant to Regulation 17(8) of the 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:**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and directors

who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. This policy has been posted on the Company's website 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 audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

8. The policy for determining material subsidiaries may be accessed on website of the Company at following link:

http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_131213224727.pdf

9. The policy on materiality and dealing with related party transactions may be accessed on website of the Company at following link: 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 the 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 the 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 statements.
- 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.

(I) General Body Meeting

1. Annual General Meeting

Financial Year	Date of AGM	Venue	Time	Special resolution passed at AGM
2014-15	October 27, 2015	Ahmedabad	10.00 a.m.	-
2015-16	August 31, 2016	Management Association, ATIRA Campus,	10.00 a.m.	Issue of Bonus Equity Shares
2016-17	September 8, 2017	Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	10.00 a.m.	Re-appointment of Mr. Achal Bakeri as Managing Director

2. No extra ordinary general meeting was held during the year under review.
3. No resolution has been passed through postal ballot during the financial year 2017-18.
4. None of the businesses proposed to be transacted in the ensuing Annual General Meeting requires passing a special resolution through postal ballot.

to the Stock Exchanges as per requirement of the 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, The Hindu, Business Line, Times of India and Times Business as per requirements of the Listing Regulations.

(J) MEANS OF COMMUNICATIONS

1. Quarterly Results

Quarterly results are approved and taken on record by the Board of Directors and submitted

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

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.

(K) Dividend Payment History (eight years)(including year under review):

Financial year		Date of declaration of dividend	Dividend per share (amount in ₹)
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 st Interim	January 28, 2016	5.00
	2 nd Interim	March 10, 2016	20.00

Financial year		Date of declaration of dividend	Dividend per share (amount in ₹)
2016-17	1 st Interim	July 26, 2016	1.50
	2 nd Interim	October 25, 2016	1.00
	3 rd Interim	February 10, 2017	1.00
	Final Dividend	September 8, 2017	1.00
2017-18	1 st Interim	August 10, 2017	1.00
	2 nd Interim	October 31, 2017	1.00
	3 rd Interim	January 23, 2018	1.00
	Final Dividend#	August 31, 2018	1.50

* shares having face value of ₹10 per share

Final dividend of ₹1.50 per share having face value of ₹2 recommended by Board at its meeting held on May 22, 2018, is subject to approval by members at ensuing annual general meeting.

(L) Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with provisions of IEPF (Accounting, Audit, Transfer & Refund) Rules 2016 (as amended/modified from time to time), all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more, has been transferred by the Company into IEPF. The Company had communicated to all the concerned shareholders individually whose shares were liable to be transferred to IEPF. The Company had also given newspaper advertisements, before such transfer in favour of IEPF. The Company had also uploaded the details of such shareholders and shares transferred to IEPF on the website of the Company at <http://www.symphonylimited.com/investor-shareholders-information-iepf.aspx>.

Shareholders to take note that both the unclaimed dividend and corresponding shares transferred to the IEPF Authority including all benefits accruing on such shares, if any, can be claimed back by them from IEPF Authority after following the stipulated procedure viz., an application in E-form No. IEPF-5 prescribed in the Rules is to filed with IEPF authority.

The unclaimed dividend for the financial year 2009-10 amounting to ₹4,32,745 has been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government and no claim shall lie with the Company in respect of the unclaimed dividend transferred to IEPF for the financial year 2009-10. The Company used to send individual reminders to all the members at their registered address whose dividend have remained unclaimed, before transferring the monies to the IEPF. The information on unclaimed dividend is also posted on the website of the Company.

(M) Unclaimed Shares Suspense Account

As per Regulations 39(4), 34(3) read with Schedule V of the Listing Regulations, during the year the Company has transferred 1,16,000 equity shares in respect to share certificates which have been returned undelivered and remained unclaimed to "Symphony Limited Unclaimed Shares Demat Suspense Account" after completing due procedure prescribed under Schedule VI of the Listing Regulations. The details of the shares in the Suspense Account are as follows:

Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the beginning of the year	N.A.
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Nil
Number of shareholders to whom shares were transferred from suspense account during the year	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	No. of Shareholders – 149 No. of Shares - 1,16,000
That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	1,16,000

(N) General Shareholders Information

1. Annual General Meeting

Date	Time	Venue
August 31, 2018	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 2018-19):

Quarterly Results	Tentative Schedule
Quarter ending on June 30, 2018	On or before August 14, 2018
Quarter ending on September 30, 2018	On or before November 14, 2018
Quarter ending on December 31, 2018	On or before January 31, 2019
Quarter ending on March 31, 2019	On or before May 30, 2019

4. Book Closure: Saturday August 4, 2018 to Tuesday, August 7, 2018 (both the days inclusive).

5. Dividend Payment date:

For interim dividends 2017-18:

1 st Interim dividend declared on August 10, 2017	: August 31, 2017
2 nd Interim dividend declared on October 31, 2017	: November 15, 2017
3 rd Interim dividend declared on January 23, 2018	: February 9, 2018
Final dividend 2017-18 recommended by the Board of Directors at its meeting held on May 22, 2018 (subject to approval of the members)	: within 30 days from the date of AGM.

6. Listing on stock exchange: BSE Limited - Stock Code: 517385 National Stock Exchange of India Limited - Symbol: SYMPHONY

7. Payment of Listing Fees: The Company has paid the Listing fee to BSE and NSE for the year 2017-18. The Company has also paid the listing fees to BSE and NSE for the year 2018-19.

8. Corporate Identity No.: L32201GJ1988PLC010331

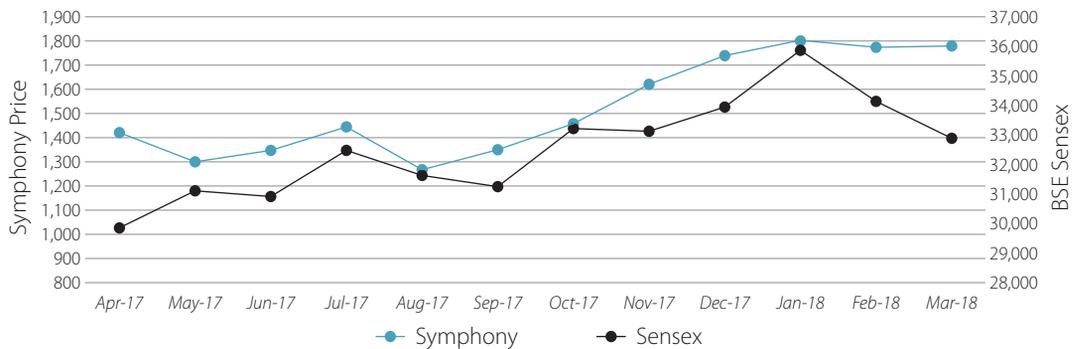
9. Market Price Data Monthly high and low during financial year ended on March 31, 2018, is as under:

(Amount in ₹)

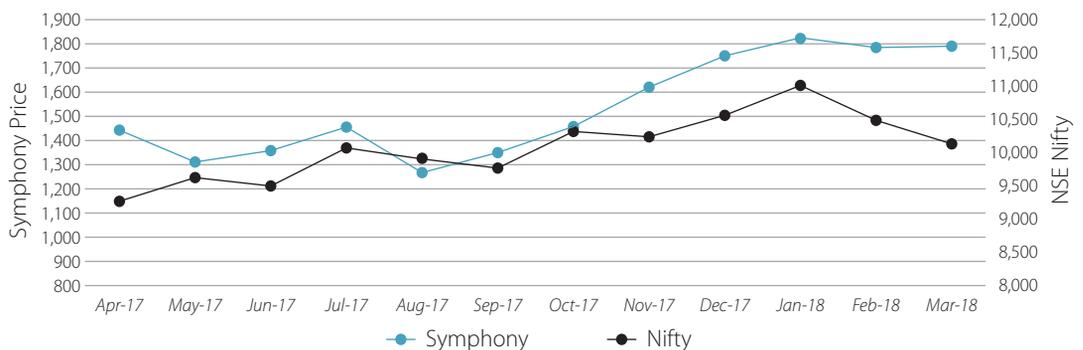
Month	BSE		NSE	
	High	Low	High	Low
April, 2017	1552.85	1400.00	1546.00	1396.50
May, 2017	1518.00	1301.05	1520.00	1300.00
June, 2017	1395.00	1255.00	1397.80	1252.20
July, 2017	1499.00	1301.00	1507.00	1299.05
August, 2017	1444.30	1153.75	1450.00	1151.85
September, 2017	1467.85	1254.50	1471.00	1250.00
October, 2017	1544.40	1300.00	1548.00	1300.00
November, 2017	1649.00	1414.00	1650.00	1415.45
December, 2017	1848.00	1549.35	1848.00	1550.15
January, 2018	2212.75	1680.00	2209.00	1680.00
February, 2018	1870.00	1636.50	1868.95	1631.00
March, 2018	1991.95	1692.85	1847.50	1690.00

10. Performance in comparison to broad-based indices

Symphony Vs. Sensex (Month end closing)



Symphony Vs. Nifty (Month end closing)



11. ISIN of the Company: INE225D01027

12. Registrar and Share 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

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 as on March 31, 2018 is as under:

No. of shares	No. of holders	% of holders	No. of shares	% of total shares
1 - 2500	18196	98.42	28,96,456	4.14
2500 - 5000	124	0.67	4,54,470	0.65
5001 - 10000	66	0.36	4,94,393	0.71
10001 - 15000	23	0.12	2,84,218	0.41
15001 - 20000	15	0.08	2,73,255	0.39
20001 - 25000	5	0.03	1,11,149	0.16
25001 - 50000	18	0.10	6,76,409	0.97
50001 & Above	41	0.22	6,47,66,650	92.58
Total	18,488	100.00%	6,99,57,000	100.00%

15. Category wise holding as on March 31, 2018 is as under:

Category	No. of shares	% of total shares
Promoter and Promoter Group	5,24,67,740	75.00
Mutual Funds	52,37,753	7.49
FPIs / FIIIs	50,01,617	7.15
Bodies Corporate	16,86,395	2.41
Bank/ FI/NBFC	13,774	0.02
NRIs	2,43,406	0.35
Trust	570	0.00
Clearing Members	1,82,886	0.26
Resident Individuals	41,67,704	5.96
HUF	5,65,155	0.80
IEPF	3,90,000	0.56
Total	6,99,57,000	100.00

16. Dematerialization of Shares and Liquidity:

As on March 31, 2018, 6,89,62,044 equity shares of the Company equivalent to 98.58% of total shares are held in electronic form. The shares of the Company are traded on BSE and NSE in electronic form.

17. Plant Locations:

- (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- 6621 1140
Email ID: investors@symphonylimited.com

(O) 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 is 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 dividend 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 email and support the green initiative.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
SYMPHONY LIMITED
{CIN: L32201GJ1988PLC010331}
Ahmedabad.

We have examined the compliance of conditions of Corporate Governance by SYMPHONY LIMITED, for the year ended 31st March, 2018, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 and representation made by the management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 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.

Name of practicing C S: **Ashish C. Doshi**, *Partner*

SPANJ & ASSOCIATES

Company Secretaries

FCS No.: F3544

C P No.: 2356

Place: Ahmedabad

Date: May 22, 2018

Independent Auditor's Report

To
The Members of
Symphony Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Symphony Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's

judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS 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 Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS 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 consolidated Ind AS 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 below in the Other Matters paragraph, the aforesaid consolidated Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of ₹8,266.40 lacs as at 31st March, 2018, total revenues of ₹14,539.28 lacs and net cash outflows amounting to ₹2,377.49 lacs for the year ended on that date, as considered in the

consolidated Ind AS 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 Ind AS 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 sub-section (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 Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors

(b) The comparative financial statements for the year ended 31st March 2017 in respect of 3 subsidiaries and the related transition date opening balance sheet as at 1st April 2016 prepared in accordance with the Ind AS and included in these consolidated Ind AS financial statements have been audited by other auditors, whose reports have been furnished to us by the Management and in so far as it relates to the comparative amounts and disclosures included in respect of these subsidiaries made in these consolidated Ind AS financial statements, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matter on the comparative financial information.

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 Ind AS financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2018 taken on record by the Board of Directors of the Parent, being the only company in the group to which such requirements of the Act are applicable, none of the directors of the parent is disqualified as on 31st March 2018 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 separate Report in "Annexure A", which is based on the auditors' report of the Parent 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 internal financial controls over financial reporting of the parent, for the reasons stated therein.
- (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 Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note. 33 for disclosures as contingent liabilities
 - ii. The Group did 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 Parent being the only company in the group to which such requirements of the Act are applicable.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

Gaurav J. Shah
Partner

Ahmedabad
Date: May 22, 2018

(Membership No. 35701)

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”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of Symphony Limited (hereinafter referred to as “the Parent”), as of that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Parent, 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 Parent’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 Parent’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 Parent’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 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 Parent 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 31st March, 2018, 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)

Ahmedabad
Date: May 22, 2018

Gaurav J. Shah
Partner
(Membership No. 35701)

Consolidated Balance Sheet as at 31st March, 2018

(₹ in Lacs)

Particulars	Note	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
I ASSETS				
(1) Non-Current Assets				
(a) Property, plant and equipment	3(A)	7,185.51	6,984.10	6,841.03
(b) Capital work - in - Progress	3(C)	-	-	301.15
(c) Goodwill		389.02	386.80	392.38
(d) Other Intangible Assets	3(B)	603.49	571.73	340.66
(e) Financial Assets				
(i) Investments				
a) Other investments	4	17,200.65	10,499.58	17,637.44
(ii) Other financial assets	5	86.21	85.33	44.15
		25,464.88	18,527.54	25,556.81
(f) Other non-current assets	6	505.47	494.04	397.68
Total Non-Current Assets		25,970.35	19,021.58	25,954.49
(2) Current Assets				
(a) Inventories	7	7,956.99	7,733.43	5,507.24
(b) Financial assets				
(i) Other investments	8	25,035.83	18,654.16	40.42
(ii) Trade receivables	9	6,150.70	5,230.89	4,686.91
(iii) Cash and cash equivalents	10	1,882.63	4,340.36	1,851.04
(iv) Bank balances other than (iii) above	10	374.58	355.58	2,840.09
(v) Other financial assets	11	334.80	414.57	135.32
(c) Other Current Assets	12	7,949.28	4,769.82	2,020.19
Total Current Assets		49,684.81	41,498.81	17,081.21
TOTAL ASSETS		75,655.16	60,520.39	43,035.70
II EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital	13	1,399.14	1,399.14	699.57
(b) Other Equity	14	59,762.12	45,106.13	32,125.87
Total Equity		61,161.26	46,505.27	32,825.44
(2) Non-Current Liabilities				
(a) Provisions	15	230.98	232.31	394.49
(b) Deferred Tax Liabilities (Net)	16	891.26	526.90	358.07
Total Non-Current Liabilities		1,122.24	759.21	752.56
(3) Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	17	2,555.15	1,934.61	-
(ii) Trade payables	18	5,834.80	5,478.31	4,957.71
(iii) Others Financial Liabilities	19	491.84	482.25	492.18
		8,881.79	7,895.17	5,449.89
(b) Provisions	20	1,055.61	623.92	580.51
(c) Current tax liabilities (Net)	21	549.18	289.99	498.05
(d) Other Current Liabilities	22	2,885.08	4,446.83	2,929.25
Total Current Liabilities		13,371.66	13,255.91	9,457.70
Total Liabilities		14,493.90	14,015.12	10,210.26
Total Equity and Liabilities		75,655.16	60,520.39	43,035.70
See accompanying notes forming part of the consolidated financial statements	1-48			

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J Shah
Partner
Membership No. 35701

Place : Ahmedabad
Date : May 22, 2018

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

Consolidated Statement of Profit and Loss for the year ended 31st March, 2018

(₹ in Lacs)

Particulars	Note	Year Ended 31/03/2018	Year Ended 31/03/2017
I Revenue from Operations	23	79,825.45	76,475.25
II Other Income	24	5,413.78	4,327.32
III Total Revenue (I + II)		85,239.23	80,802.57
IV Expenses:			
Cost of Material Consumed	25	9,388.88	9,172.03
Purchase of Stock-in-Trade	26	29,313.69	29,132.27
Changes in Inventories of Finished Goods, Work- in-Progress and Stock-in-Trade	27	(169.54)	(1,815.81)
Employee Benefit Expense	28	7,268.78	6,827.28
Finance Costs	29	179.35	3.28
Depreciation and Amortization Expense	3	680.94	687.81
Advertisement and Sales Promotion Expense		3,283.25	4,117.46
Other Expenses	30	8,813.49	9,183.64
Total Expenses (IV)		58,758.84	57,307.96
V Profit before Tax (III - IV)		26,480.39	23,494.61
VI Tax Expense / (Benefits):			
(1) Current Tax	32.1	6,788.59	6,614.19
(2) Excess Provision of tax relating to previous years	32.1	(56.01)	(3.12)
(3) Net Current Tax		6,732.58	6,611.07
(4) Deferred Tax	32.1	492.90	255.17
Net Tax Expense (VI)		7,225.48	6,866.24
VII Profit for the year (V - VI)		19,254.91	16,628.37
VIII Other comprehensive income			
Items that will not to be reclassified to profit or loss :			
(i) Remeasurements of the defined benefit plans	38	(22.66)	(131.92)
(ii) Income tax effect on above	32.2	3.97	26.40
Items that will be reclassified to profit or loss :			
(i) Gain / (Loss) on Items designated as Fair Value Through Other Comprehensive Income	14.4	(289.20)	308.36
(ii) Income tax effect on above	32.2	26.74	(18.29)
Total other comprehensive income (VIII)		(281.15)	184.55
IX Total comprehensive income for the year (VII+VIII)		18,973.76	16,812.92
X Earnings per equity share of face value of ₹2/- each :			
(1) Basic	32	27.52	23.77
(2) Diluted	32	27.52	23.77
See accompanying notes forming part of the consolidated financial statements	1-48		

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Gaurav J Shah

Partner

Membership No. 35701

Place : Ahmedabad

Date : May 22, 2018

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

Consolidated Statement of Change in Equity for the year ended 31st March, 2018

A. EQUITY SHARE CAPITAL

	No. of Shares	Amount (₹ in lacs)
Balance as at April 01, 2016	3,49,78,500	699.57
Add: Issue of Bonus Shares (Refer Note no.13)	3,49,78,500	699.57
Balance as at March 31, 2017	6,99,57,000	1,399.14
Add: Issue during the year	-	-
Balance as at March 31, 2018	6,99,57,000	1,399.14

B. OTHER EQUITY

Particulars	General Reserve	Securities Premium	Capital Reserve	Reserve for Debt Instruments through Other Comprehensive Income	Translation Reserve	Retained Earnings	Total
Balance as on April 01, 2016	3,500.00	694.47	904.43	913.87	-	26,113.10	32,125.87
Profit during the year	-	-	-	-	(217.73)	16,628.37	16,410.64
Other Comprehensive Income for the year, net of income tax	-	-	-	290.07	-	(105.52)	184.55
Total Comprehensive Income for the year	-	-	-	290.07	(217.73)	16,522.85	16,595.19
Reclassification to Profit & Loss on disposal of Instruments designated as FVTOCI	-	-	-	(599.90)	-	-	(599.90)
Issue of Bonus Shares	-	(694.47)	-	-	-	(5.10)	(699.57)
Interim Dividend on Equity Shares	-	-	-	-	-	(1,923.82)	(1,923.82)
Tax on Interim Dividend	-	-	-	-	-	(391.64)	(391.64)
Balance as on March 31, 2017	3,500.00	-	904.43	604.04	(217.73)	40,315.39	45,106.13
Profit during the year	-	-	-	-	(50.95)	19,254.91	19,203.96
Other Comprehensive Income for the year, net of income tax	-	-	-	(262.46)	-	(18.69)	(281.15)
Total Comprehensive Income for the year	-	-	-	(262.46)	(50.95)	19,236.22	18,922.81
Reclassification to Profit & Loss on disposal of Instruments designated as FVTOCI	-	-	-	(742.76)	-	-	(742.76)
Reclassification to Profit & Loss on disposal of subsidiary	-	-	-	-	-	(156.12)	(156.12)
Interim Dividend on Equity Shares	-	-	-	-	-	(2,798.28)	(2,798.28)
Tax on Interim Dividend	-	-	-	-	-	(569.66)	(569.66)
Balance as on March 31, 2018	3,500.00	-	904.43	(401.18)	(268.68)	56,027.55	59,762.12

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J Shah
Partner
Membership No. 35701

Place : Ahmedabad
Date : May 22, 2018

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

Consolidated Cash Flow Statement for the year ended 31st March, 2018

(₹ in Lacs)

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	19,254.91	16,628.37
Adjustment For:		
Income tax expenses recognised in profit or loss	7,225.48	6,866.24
Depreciation and Amortization Expense	680.94	687.81
Finance costs recognised in profit or loss	179.35	3.28
Interest Income recognised in profit or loss	(736.35)	(1,254.43)
Dividend Income recognised in profit or loss	(719.10)	(497.16)
Net gain on disposal of instruments designated at FVTOCI	(700.46)	(829.29)
Net gain on disposal of instruments designated at FVTPL	(635.66)	(922.80)
Net gain on financial assets mandatorily measured at FVTPL	(991.64)	(90.00)
Remeasurements of the defined benefit plans	(22.66)	(131.92)
Gain on disposal of interest in subsidiary	(112.82)	-
Other Non Operating Income	-	(7.80)
Adjustment on Foreign Currency Translation	(261.44)	(71.40)
Provision for Doubtful Debts	30.95	25.59
Provisions / Liabilities no longer required return back	(308.43)	(215.16)
Gain on disposal of property, plant and equipment	(879.41)	(151.50)
Operating Profit Before Working Capital Changes	22,003.66	20,039.83
Movements in working capital:		
(Increase) in trade and other receivables	(950.76)	(569.56)
(Increase) in inventories	(223.56)	(2,226.19)
(Increase) in other assets	(3,209.21)	(3,116.93)
Increase in trade payables	664.91	618.31
Increase/(Decrease) in other liabilities	(1,555.98)	1,539.83
Increase/(Decrease) in provisions	430.36	(1.31)
Cash Generated from Operations	17,159.42	16,283.98
Income taxes paid	(6,473.38)	(6,819.13)
Net Cash generated by Operating Activities (A)	10,686.04	9,464.85
B CASH FLOW FROM INVESTING ACTIVITIES		
Payments to acquire property, plant and equipment	(1,070.13)	(953.08)
Proceeds from disposal of property, plant and equipment	1,211.04	268.58

Consolidated Cash Flow Statement for the year ended 31st March, 2018

(₹ in Lacs)

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
Interest Received	466.25	1,478.54
Dividend Received	873.34	497.17
Net payments to acquire mutual funds	(4,606.21)	(17,630.53)
Payments to acquire financial assets	(19,630.08)	(3,394.84)
Proceeds on sale of financial assets	12,520.53	13,223.71
Net Cash Used in Investing Activities (B)	(10,235.26)	(6,510.45)
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid on equity shares	(2,780.05)	(2,004.77)
Dividend Distribution Tax Paid	(569.66)	(391.64)
Proceeds from borrowings	620.55	1,934.61
Finance Cost paid	(179.35)	(3.28)
Net Cash Used in Financing Activities (C)	(2,908.51)	(465.08)
Net Increase in Cash & Cash Equivalents (A+B+C)	(2,457.73)	2,489.32
Cash & Cash Equivalents at the beginning of the year	4,340.36	1,851.04
Cash & Cash Equivalents at the end of the year	1,882.63	4,340.36
Cash on Hand	27.88	20.64
Balances with Schedule Bank in Current Account	1,854.75	4,319.72
Cash & Cash Equivalents included in Note no.10	1,882.63	4,340.36

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Gaurav J Shah

Partner

Membership No. 35701

Place : Ahmedabad

Date : May 22, 2018

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 Company"), a premier air cooling company was established in the year 1988. Symphony Limited ("The Holding Company"), and its subsidiaries (together the holding company and its subsidiaries constitute "the Group") are in the field of residential, commercial and industrial air cooling both in the domestic and international markets. The addresses of its registered office and principal place of business are disclosed under corporate information in the annual report.

(2) Significant Accounting Policies

i) Statement of compliance

The consolidated financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2017, the Group prepared its consolidated financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 2.xxiv) for the details of first-time adoption exemptions availed by the Group.

ii) Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Notes forming part of the Consolidated Financial Statements

(2) Significant Accounting Policies (Contd.)

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

iii) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

Notes forming part of the Consolidated Financial Statements

(2) Significant Accounting Policies (Contd.)

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, 2018
1	Sylvan Holdings PTE. Ltd *	Singapore	100 (upto November 30, 2017)
2	IMPCO S DE RL DE C V.	Mexico	100
3	Guangdong Symphony Keruilai Air Coolers Co., Ltd	China	100

* During the year, the Company's investment in Sylvan Holdings Pte. Ltd., Singapore, a wholly owned subsidiary of the Company, has been disposed off.

iv) 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.

v) Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Notes forming part of the Consolidated Financial Statements

(2) Significant Accounting Policies (Contd.)

vi) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

a) Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales of goods that result in point credits for customers, are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the point credits granted. The consideration allocated to the point credits is measured by reference to the treatment as prescribed in Appendix B to the Ind AS – 18 “Revenue”. Such consideration is not recognised as revenue at the time of the initial sale transaction – but is deferred and recognised as revenue when the point credits are redeemed and the Group’s obligations have been fulfilled.

b) Dividend and interest income

Dividend income from investments is recognised when the shareholder’s right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

vii) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases, such increases are recognised in the

Notes forming part of the Consolidated Financial Statements

(2) Significant Accounting Policies (Contd.)

year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

viii) Foreign currencies

In preparing the consolidated financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

ix) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

x) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Notes forming part of the Consolidated Financial Statements

(2) Significant Accounting Policies (Contd.)

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

xi) Employee Benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Notes forming part of the Consolidated Financial Statements

(2) Significant Accounting Policies (Contd.)

Liabilities recognised in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

xii) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

xiii) Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Notes forming part of the Consolidated Financial Statements

(2) Significant Accounting Policies (Contd.)

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Useful lives of tangible assets

Estimated useful lives of the tangible assets are as follows:

Buildings	30-60 years
Plant & Machinery	10-15 years
Furniture & Fixtures	10 years
Vehicles	8 years
Office Equipments	5 years
Computers	3-6 years

Capital work in progress is stated at cost less accumulated impairment loss, if any.

Depreciation of the tangible fixed assets of the Group's foreign subsidiaries, IMPCO S DE RL DE CV, Mexico 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	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

(2) Significant Accounting Policies (Contd.)

xiv) Intangible Fixed Assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Notes forming part of the Consolidated Financial Statements

(2) Significant Accounting Policies (Contd.)

Softwares	6 years
Trademarks	5 years
Designs	5 years
Copy Rights	5 years

Deemed cost on transition to Ind AS

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

xv) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

xvi) 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

Notes forming part of the Consolidated Financial Statements

(2) Significant Accounting Policies (Contd.)

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.

xvii) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

xviii) Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Group's obligation.

xix) Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

xx) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

Notes forming part of the Consolidated Financial Statements

(2) Significant Accounting Policies (Contd.)

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer para of Impairment of financial assets.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI, refer para of Impairment of financial assets.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other

Notes forming part of the Consolidated Financial Statements

(2) Significant Accounting Policies (Contd.)

income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

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(2) Significant Accounting Policies (Contd.)

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

xxi) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial

Notes forming part of the Consolidated Financial Statements

(2) Significant Accounting Policies (Contd.)

liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

xxii) 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.

Notes forming part of the Consolidated Financial Statements

(2) Significant Accounting Policies (Contd.)

xxiii) 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.

xxiv) First-time adoption – mandatory exceptions, optional exemptions

Overall principle

The Group has prepared the opening consolidated balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below.

Derecognition of financial assets and financial liabilities

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

Classification of debt instruments

The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Deemed cost for property, plant and equipment, and intangible assets

The Group has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Cumulative translation differences on foreign operations

The Group has elected the option to reset the cumulative translation differences on foreign operations that exist as of the transition date to zero.

Notes forming part of the Consolidated Financial Statements

4. NON-CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
	Nos.		Nos.		Nos.	
Non-current Investments						
Quoted Investments						
In fully paid bonds						
Tax Free Bond of HUDCO Ltd.	86,477	954.17	-	-	-	-
Tax Free Bond of HUDCO Ltd.	50,000	570.51	-	-	-	-
Tax Free Bond of IIFC Ltd.	-	-	1,36,000	1,847.97	1,36,000	1,578.53
Tax Free Bond of IIFC Ltd.	-	-	-	-	100	1,106.30
Tax Free Bond of IIFC Ltd.	-	-	1,00,000	1,120.00	1,00,000	1,035.05
Tax Free Bond of IRFC Ltd.	-	-	-	-	50	623.48
Tax Free Bond of IRFC Ltd.	30,000	329.71	-	-	-	-
Tax Free Bond of IRFC Ltd.	24,157	263.93	-	-	-	-
Tax Free Bond of NABARD	1,00,000	1,100.32	-	-	-	-
Tax Free Bond of NHAI	-	-	-	-	37,086	405.35
Tax Free Bond of NHAI	-	-	-	-	100	1,129.20
Tax Free Bond of NHAI	100	1,090.08	-	-	-	-
Tax Free Bond of NHAI	50,000	570.78	-	-	-	-
Tax Free Bond of NHAI	50,000	589.78	-	-	-	-
Tax Free Bond of NHB	-	-	7,220	499.62	7,220	489.19
Tax Free Bond of NHB	-	-	-	-	150	1,860.25
Tax Free Bond of NTPC Ltd.	-	-	31,664	433.48	31,664	368.35
Tax Free Bond of PFC Ltd.	-	-	32,389	443.57	32,389	434.27
Tax Free Bond of PFC Ltd.	-	-	-	-	150	1,860.25
Tax Free Bond of REC Ltd.	-	-	-	-	10,00,000	1,240.12
Tax Free Bond of REC Ltd.	-	-	50,000	540.04	50,000	520.38
Tax Free Bond of REC Ltd.	-	-	-	-	92,500	1,056.77
Tax Free Bond of REC Ltd.	-	-	-	-	1,50,000	1,670.25
IDBI Perpetual Bond	-	-	80	810.32	80	793.60
In fully paid non convertible debentures						
IIFL Wealth Finance Ltd	-	-	1,000	1,016.36	-	-
Dewan Housing Finance Cor.Ltd(Series-III A)	-	-	1,00,000	1,050.33	-	-
Dewan Housing Finance Cor.Ltd (Series-IIIB)	-	-	40,000	421.98	-	-
JM Financial Products Ltd	100	1,058.69	-	-	-	-
JM Fin. Products Ltd-Tranche Be-2017(XX)-MLD	100	1,014.53	-	-	-	-
JM Fin. Products Ltd-MLD-9%	100	1,015.47	-	-	-	-

Notes forming part of the Consolidated Financial Statements

4. NON-CURRENT INVESTMENTS (Contd.)

(₹ in Lacs)

Particulars	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
IIFL Wealth Finance Ltd MLD 8.45% 21-06-2019	1,000	966.39	-	-	-	-
Edelweiss Finvest Private Limited MLD 8.40%29	1,000	1,007.20	-	-	-	-
In fully paid cumulative redeemable preference shares						
IL&FS Ltd.	6,700	1,005.00	6,700	1,005.00	6,700	1,005.00
IL&FS Ltd.	800	100.00	-	-	-	-
IL&FS Ltd.	2,699	404.85	-	-	-	-
IL&FS Ltd.	680	102.00	-	-	-	-
IL&FS Ltd.	3,123	390.38	-	-	-	-
IL&FS Ltd.	660	99.00	-	-	-	-
Zee Entertainment Enterprises Ltd.	3,50,00,000	2,828.00	-	-	-	-
Unquoted Investments						
In fully paid cumulative redeemable preference shares						
Tata Capital Ltd		-	50,000	492.86	50,000	461.10
Tata Capital Ltd	1,00,000	862.39	1,00,000	818.05	-	-
Tata Capital Ltd	10,000	150.00	-	-	-	-
In fully paid non convertible debentures						
Wondrous Buildmart Pvt Ltd-NCD	700	727.47	-	-	-	-
		<u>17,200.65</u>		<u>10,499.58</u>		<u>17,637.44</u>
Aggregate book value of quoted investments		15,460.79		9,188.67		17,176.34
Aggregate market value of quoted investments		15,460.79		9,188.67		17,176.34
Aggregate carrying value of unquoted investments		<u>1,739.86</u>		<u>1,310.91</u>		<u>461.10</u>

For category-wise classification of Non-Current Investments Refer note 44.

5. OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
Balance held as Margin Money	10.42	10.20	10.48
Deposit Others	75.79	75.13	33.67
	<u>86.21</u>	<u>85.33</u>	<u>44.15</u>

Notes forming part of the Consolidated Financial Statements

6. OTHER NON-CURRENT ASSETS

(₹ in Lacs)

Particulars	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
Unsecured, considered good			
Capital advances	87.96	112.59	135.61
Prepaid Expenses	415.48	379.42	242.88
Other loans and advances			
Balance with statutory / government authorities	2.03	2.03	19.19
	505.47	494.04	397.68

7. INVENTORIES

(₹ in Lacs)

Particulars	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
Raw materials (Including Packing Material) (Including Goods in Transit ₹6.97 lacs, Previous year ₹36.67 lacs)	1,542.15	1,488.13	1,077.75
Work-in-Progress	48.51	77.91	328.80
Finished Goods (Including Goods in Transit ₹1,105.37 lacs, Previous year ₹1,129.69 lacs)	2,317.66	2,615.09	2,231.30
Stock-In-Trade (Including Goods in Transit ₹546.47 lacs, Previous year ₹189.05 lacs)	4,048.67	3,552.30	1,869.39
	7,956.99	7,733.43	5,507.24

8. OTHER INVESTMENTS

(₹ in Lacs)

Particulars	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
	Nos.		Nos.		Nos.	
Current Investments						
Unquoted Investments						
Investment in Mutual Funds						
BBVA BANCOMER S.A.-BMRGOBP Series E	85,596	35.73	1,08,664	41.43	31,206	40.42
HDFC Banking & PSU Debt Fund	1,05,43,995	1,496.04	1,05,43,995	1,400.00	-	-
HDFC Floating Rate Income – ST-WP-Direct DDR	23,16,643	703.85	-	-	-	-
ICICI Prudential Equity Arbitrage Fund	-	-	1,40,06,454	2,043.09	-	-
Reliance Arbitrage Advantage Fund	1,85,26,238	2,011.75	-	-	-	-
Kotak Bond Short Term Fund	46,81,263	1,576.57	46,81,263	1,481.19	-	-
SBI Premier Liquid Fund	-	-	3,09,053	3,100.57	-	-
HDFC Arbitrage Fund	-	-	1,42,44,417	1,513.50	-	-

Notes forming part of the Consolidated Financial Statements

8. OTHER INVESTMENTS (Contd.)

(₹ in Lacs)

Particulars	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
ICICI Prudential & PSU Debt Fund-Growth	-	-	1,05,70,333	2,000.90	-	-
HDFC Banking & PSU Debt Fund-Growth	-	-	83,29,295	1,100.71	-	-
ICICI Prudential Ultra Short Term Plan-Growth	38,86,932	692.65	38,86,932	650.00	-	-
ICICI Prudential Corporate Bond Fund-Growth	37,85,656	1,070.97	-	-	-	-
Kotak Bond Short Term Fund-Growth	16,91,827	548.78	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	1,443.76	78,92,245	1,350.55	-	-
ICICI Prudential Short Term Plan-Growth	1,00,03,512	3,751.74	-	-	-	-
DSP BlackRock Credit Risk Fund-Growth	18,06,378	532.57	-	-	-	-
DSP BlackRock Credit Risk Fund-Growth	18,51,077	529.62	-	-	-	-
IDFC Corporate Bond Fund-Growth	3,03,93,360	3,638.17	-	-	-	-
Reliance Short Term Fund-Growth	1,07,34,560	3,615.94	-	-	-	-
Tata Money Market Fund	3,38,255	3,387.69	1,45,002	1,452.22	-	-
		<u>25,035.83</u>		<u>18,654.16</u>		<u>40.42</u>
Aggregate amount of quoted investments		-		-		-
Aggregate market value of quoted investments		-		-		-
Aggregate value of unquoted investments		<u>25,035.83</u>		<u>18,654.16</u>		<u>40.42</u>

For category-wise classification of Current Investments Refer note 44.

The Parent has pledged units of mutual funds worth ₹4,181 lacs 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.

9. TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
Unsecured Considered good	6,150.70	5,230.89	4,686.91
Unsecured Considered Doubtful	30.95	25.59	115.86
Less : Allowance for Doubtful Debts	(30.95)	(25.59)	(115.86)
	<u>6,150.70</u>	<u>5,230.89</u>	<u>4,686.91</u>

Majority business of the Group is on Cash and Carry basis, for credit business the Group trades with recognised and credit worthy third parties. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant. The Group has used a practical expedient by

Notes forming part of the Consolidated Financial Statements

9. TRADE RECEIVABLES (Contd.)

computing the expected credit loss allowance for trade receivables for credit sales based on provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected credit loss (%)
Within the credit period	
1-90 days past due	0.00%
91-180 days past due	0.00%-7.04%
181-360 days past due	0.00%-7.14%
More than 360 days past due	0.00%
Age of receivables	

	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
Within the credit period			
1-90 days past due	6,053.41	4,774.56	4,428.38
91-180 days past due	87.29	448.95	61.19
181-360 days past due	5.40	7.84	178.53
More than 360 days past due	35.55	25.13	134.67

No allowance has been made for expected credit loss as there are no trade receivables outstanding, at the end of the year, in the buckets that require an allowance.

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

10. CASH & CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
Cash and Cash Equivalents			
Cash on Hand	3.50	3.09	24.26
Balance with employees Imprest account	24.38	17.55	30.13
Balance with banks in current accounts	1,854.75	4,319.72	1,796.65
	1,882.63	4,340.36	1,851.04
Other Bank Balances			
In Earmarked Accounts			
Unpaid Dividend Accounts	352.66	334.43	415.38
Margin Accounts	19.51	18.85	21.98
In Deposit Accounts	2.41	2.30	2,402.73
	2,257.21	4,695.94	4,691.13

Notes forming part of the Consolidated Financial Statements

11. OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
Interest Receivable	-	72.80	-
Export Incentive Receivable	334.80	341.77	134.15
Others	-	-	1.17
	334.80	414.57	135.32

12. OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
Advance for supply of goods and rendering of services			
Unsecured, considered good	5,468.94	4,257.97	1,563.88
Unsecured, considered doubtful	75.49	75.49	75.49
Less: Provision for doubtful Advances	(75.49)	(75.49)	(75.49)
Prepaid Expenses	101.80	135.76	87.49
Balance with statutory / government authorities	2,378.54	371.01	348.71
Other Loans and advances	-	5.08	20.11
	7,949.28	4,769.82	2,020.19

13. EQUITY SHARE CAPITAL

(₹ in Lacs)

Particulars	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
Authorised :			
750,00,000 Equity Shares of ₹2/- each	1,500.00	1,500.00	1,500.00
Issued, Subscribed & Paid up :			
699,57,000 (As at March 31, 2017 699,57,000 :	1,399.14	1,399.14	699.57
As at April 01, 2016 349,78,500) Equity Shares of ₹2/- each fully paid up	1,399.14	1,399.14	699.57

The Company has allotted 349,78,500 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.

Notes forming part of the Consolidated Financial Statements

13. EQUITY SHARE CAPITAL (Contd.)

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, 2018 is set out below :

(₹ in Lacs)

Name of the shareholder	No. of shares *	% held as at March 31, 2018	No. of shares *	% held as at March 31, 2017	No. of shares	% held as at April 01, 2016
Mr. Achal A. Bakeri	2,92,63,600	41.83%	2,92,63,600	41.83%	1,46,31,800	41.83%
Ms. Rupa A. Bakeri	70,96,940	10.14%	70,96,940	10.14%	3,89,750	1.11%
Sanskrut Tradecom Pvt. Ltd.#	1,24,83,200	17.84%	-	-	-	-
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

Consequent upon amalgamation of Oras Investments Pvt. Ltd. and Paratam Investments Pvt. Ltd. with Sanskrut Tradecom Pvt. Ltd.

The reconciliation of the number of shares outstanding as at March 31, 2018 is set out below:

Particulars	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
	No. of Shares	Amount (₹ in lacs)	No. of Shares	Amount (₹ in lacs)	No. of Shares	Amount (₹ in lacs)
Opening Balance	6,99,57,000	1,399.14	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	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 349,78,500 equity shares of ₹2 each fully paid up.

14. OTHER EQUITY

(₹ in Lacs)

Particulars	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
General Reserve	3,500.00	3,500.00	3,500.00
Securities Premium Account	-	-	694.47
Capital Reserve	904.43	904.43	904.43
Reserve for Debt Instruments through Other Comprehensive Income	(401.18)	604.04	913.87

Notes forming part of the Consolidated Financial Statements

14. OTHER EQUITY (Contd.)

(₹ in Lacs)

Particulars	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
Translation Reserve	(268.68)	(217.73)	-
Retained Earnings	56,027.55	40,315.39	26,113.10
	59,762.12	45,106.13	32,125.87

14.1 General Reserve

(₹ in Lacs)

Particulars	As at	As at
	31/03/2018	31/03/2017
Closing balance	3,500.00	3,500.00

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

14.2 Securities Premium Account

(₹ in Lacs)

Particulars	As at	As at
	31/03/2018	31/03/2017
Opening balance	-	694.47
Issue of Bonus Shares	-	(694.47)
Closing balance	-	-

14.3 Capital Reserve

(₹ in Lacs)

Particulars	As at	As at
	31/03/2018	31/03/2017
Closing balance	904.43	904.43

14.4 Reserve for Debt Instruments through Other Comprehensive Income

(₹ in Lacs)

Particulars	As at	As at
	31/03/2018	31/03/2017
Opening balance	604.04	913.87
Net fair value gain on investments in debt instruments at FVTOCI	(289.20)	308.36
Income tax on net fair value gain on investments in debt instruments at FVTOCI	26.74	(18.29)
Cumulative gain reclassified to profit or loss on sale of debt instruments at FVTOCI	(840.59)	(678.13)
Income tax on gain reclassified to profit or loss on sale of debt instruments at FVTOCI	97.83	78.23
Closing balance	(401.18)	604.04

Notes forming part of the Consolidated Financial Statements

14. OTHER EQUITY (Contd.)

This reserve represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or impairment losses on such instruments.

14.5 Translation Reserve			(₹ in Lacs)
Particulars	As at	As at	
	31/03/2018	31/03/2017	
Opening balance	(217.73)	-	
Movement during the year	(50.95)	(217.73)	
Closing balance	(268.68)	(217.73)	

14.5 Retained Earnings			(₹ in Lacs)
Particulars	As at	As at	
	31/03/2018	31/03/2017	
Opening balance	40,315.39	26,113.10	
Profit for the year	19,254.91	16,628.37	
Other Comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(18.69)	(105.52)	
Reclassification to Profit & Loss on disposal of subsidiary	(156.12)	-	
Issue of bonus shares	-	(5.10)	
Dividend on Equity Shares	(2,798.28)	(1,923.82)	
Tax on Dividend	(569.66)	(391.64)	
Closing balance	56,027.55	40,315.39	

The Board of Directors has recommended, subject to approval of shareholders, a final dividend of ₹1.50/- per equity share of ₹2/- each for the year ended March 31, 2018. Further, three interim dividends aggregating ₹3.00/- per equity share were paid during the year. Total Dividend proposed/paid is ₹4.50/- per equity share (225%) (previous year ₹4.50/- per equity share (225%)). The total dividend appropriation for the year ended March 31, 2018 amounts to ₹3,788.94 lacs including dividend distribution tax of ₹640.87 lacs.

15. LONG-TERM PROVISIONS			(₹ in Lacs)
Particulars	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
Provision for Employee benefits (Refer note (i) below)	230.98	232.31	394.49
	230.98	232.31	394.49

(i) The provision for employee benefits includes seniority premium and pension plan. The decrease in the carrying amount of the provision for the current year results from benefits being paid in the current year. For other disclosures, refer note no. 38.

Notes forming part of the Consolidated Financial Statements

16. DEFERRED TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
Deferred Tax Liabilities/(Assets) on			
(i) Property, plant and equipment and intangible assets	658.51	485.44	284.17
(ii) Financial Assets at FVTOCI	(70.58)	53.99	113.93
(iii) Financial Assets at FVTPL	329.45	22.77	(5.25)
(iv) Disallowances under section 43B/40A(7) of Income Tax Act, 1961	-	(9.18)	(8.66)
(v) Provision for doubtful advance	(26.12)	(26.12)	(26.12)
Deferred Tax Liability Net	891.26	526.90	358.07

Movement of Deferred Tax Liabilities / Assets

(₹ in Lacs)

For the twelve months ended March 31, 2018

Particulars	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Reclassified from Other Equity to Profit or Loss	Closing Balance
Deferred Tax Liabilities/(Assets) on					
(i) Property, plant and equipment and intangible assets	485.44	173.07	-	-	658.51
(ii) Financial Assets at FVTOCI	53.99	-	(26.74)	(97.83)	(70.58)
(iii) Financial Assets at FVTPL	22.77	306.68	-	-	329.45
(iv) Disallowances under section 43B/40A(7) of Income Tax Act, 1961	(9.18)	9.18	-	-	-
(v) Remeasurements of the defined benefit plans	-	3.97	(3.97)	-	-
(vi) Provision for doubtful advance	(26.12)	-	-	-	(26.12)
Deferred Tax Liability Net	526.90	492.90	(30.71)	(97.83)	891.26

Notes forming part of the Consolidated Financial Statements

16. DEFERRED TAX LIABILITIES (NET) (contd.)

For the twelve months ended March 31, 2017 (₹ in Lacs)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Reclassified from Other Equity to Profit or Loss	Closing Balance
Deferred Tax Liabilities/(Assets) on					
(i) Property, plant and equipment and intangible assets	284.17	201.27	-	-	485.44
(ii) Financial Assets at FVTOCI	113.93	-	18.29	(78.23)	53.99
(iii) Financial Assets at FVTPL	(5.25)	28.02	-	-	22.77
(iv) Disallowances under section 43B/40A(7) of Income Tax Act, 1961	(8.66)	(0.52)	-	-	(9.18)
(v) Remeasurements of the defined benefit plans	-	26.40	(26.40)	-	-
(vi) Provision for doubtful advance	(26.12)	-	-	-	(26.12)
Deferred Tax Liability Net	358.07	255.17	(8.11)	(78.23)	526.90

17. BORROWINGS

(₹ in Lacs)

Particulars	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
Unsecured			
Loan from Bank	2,555.15	1,934.61	-
	2,555.15	1,934.61	-

18. TRADE PAYABLES

(₹ in Lacs)

Particulars	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
Trade Payables (Refer to Note no. 40)	5,834.80	5,478.31	4,957.71
	5,834.80	5,478.31	4,957.71

Notes forming part of the Consolidated Financial Statements

19. OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
Trade Deposits	104.39	98.61	76.36
Unclaimed Dividends	352.66	334.43	415.38
Creditors for Capital Goods	34.79	49.21	0.44
	491.84	482.25	492.18

20. PROVISIONS

(₹ in Lacs)

Particulars	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
Provision for			
Employee benefits (Refer note (i) below)	4.72	12.98	52.67
Warranty (Refer note (ii) below)	1,050.89	610.94	527.84
	1,055.61	623.92	580.51

Warranty

Balance at April 01, 2017	610.94
Additional provisions recognised	1,046.72
Reductions arising from payments	(615.65)
Foreign currency translation	8.88
Balance at March 31, 2018	1,050.89

- (i) The provision for employee benefits includes gratuity provision. The decrease in the carrying amount of the provision for the current year results from benefits being paid in the current year. For other disclosures, refer note no. 38.
- (ii) The provision for warranty claims represents the present value of the directors' best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under local sale of goods legislation. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

21. CURRENT TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
Tax liabilities			
Provision for income tax	6,830.42	6,517.42	5,236.50
Total	6,830.42	6,517.42	5,236.50
Tax assets			
Advance income tax	6,281.24	6,227.43	4,738.45
Total	6,281.24	6,227.43	4,738.45
Net	549.18	289.99	498.05

Notes forming part of the Consolidated Financial Statements

22. OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
Advance from customers	1,353.64	2,104.59	1,376.83
Statutory Dues	687.27	1,320.46	1,014.19
Deferred Revenue (Refer note (i) below)	291.00	594.85	-
Other Payables	553.17	426.93	538.23
	2,885.08	4,446.83	2,929.25

(i) The deferred revenue arises in respect of the Group's Point Credits Scheme recognised in accordance with Appendix B to Ind AS 18 Customer Loyalty Programmes.

23. REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year Ended	Year Ended
	31/03/2018	31/03/2017
Revenue from Sale of Products	79,614.57	76,287.60
Other Operating Revenue	210.88	187.65
	79,825.45	76,475.25
Sale of products comprises of :		
Air Coolers	77,345.32	74,845.44
Others	2,269.25	1,442.16
	79,614.57	76,287.60

24. OTHER INCOME

(₹ in Lacs)

Particulars	Year Ended	Year Ended
	31/03/2018	31/03/2017
Interest Income:		
Bank deposits (at amortised cost)	18.57	45.97
Investments in debt instruments measured at FVTOCI	554.73	1,209.06
Other financial assets carried at amortised cost	163.05	(0.60)
Dividend Income		
Dividend income from investments measured at FVTPL	719.10	497.16
Other gains and losses		
Gain on disposal of property, plant and equipment	879.41	151.50
Gain on disposal of interest in subsidiary	112.82	-
Gain on disposal of instruments designated at FVTOCI	(137.82)	151.16
Cumulative gain reclassified from equity on disposal of debt instruments designated at FVTOCI	838.28	678.13
Net foreign exchange gains	146.41	-
Net gain on disposal of instruments designated at FVTPL	635.66	922.80

Notes forming part of the Consolidated Financial Statements

24. OTHER INCOME (Contd.)

(₹ in Lacs)

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
Net gain on financial assets mandatorily measured at FVTPL	991.64	90.00
Other Non Operating Income	491.93	582.14
	5,413.78	4,327.32

25. COST OF MATERIAL CONSUMED

(₹ in Lacs)

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
Opening Stock of Raw Materials	1,488.13	1,077.75
Add: Purchases	9,442.90	9,582.41
Less: Closing Stock of Raw Materials	1,542.15	1,488.13
	9,388.88	9,172.03

Cost of material comprises of Moulded Parts & components of Air Cooler

26. PURCHASE OF STOCK-IN-TRADE

(₹ in Lacs)

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
Air Coolers	27,699.98	28,260.82
Others	1,613.71	871.45
	29,313.69	29,132.27

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

(₹ in Lacs)

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
Opening 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
Less:		
Closing Stock		
Work-in-Progress	48.51	77.91
Finished Goods	2,317.66	2,615.09
Stock-In-Trade	4,048.67	3,552.30
	(169.54)	(1,815.81)

Notes forming part of the Consolidated Financial Statements

28. EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
Salaries, Wages and Bonus	6,378.80	5,849.71
Contribution to Provident Fund and Other Funds (Refer Note no. 38)	795.99	793.05
Staff Welfare Expenses	93.99	184.52
	7,268.78	6,827.28

29. FINANCE COSTS

(₹ in Lacs)

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
Interest Expenses	179.35	3.28
	179.35	3.28

30. OTHER EXPENSES

(₹ in Lacs)

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
Stores and Spare parts consumed	39.28	62.44
Assembly and Labour Charges	300.95	385.42
Power and Fuel	90.53	149.59
Repairs & Maintenance		
Building	22.09	33.47
Machinery	85.96	132.69
Rent (Refer Note no. 37)	842.26	881.62
Rates & Taxes	36.04	41.08
Travelling	1,070.45	1,145.19
Conveyance	201.81	253.74
Communication Expenses	142.41	171.09
Insurance	116.37	106.97
Printing and stationery charges	43.11	69.54
Legal & Professional Charges	576.43	684.63
Payment to Auditors (Refer Note no. 36)	53.38	56.70
Vehicle Expenses	34.85	71.04
CSR Expenditure	177.80	205.50
General Expenses	1,009.22	842.84
Provision for Doubtful Advances	6.01	-

Notes forming part of the Consolidated Financial Statements

30. OTHER EXPENSES (Contd.)

(₹ in Lacs)

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
Repairs Others	23.13	18.55
Bank Charges	42.23	67.47
Foreign Exchange Fluctuation(Net)	-	232.68
Preliminary Expenses	-	1.18
Freight & Forwarding Charges	2,483.76	2,414.50
Warranty Expense	1,180.68	830.13
Sales Commission	105.89	81.80
CFA Handling Charges	128.85	207.69
VAT and Sales Tax	-	36.09
	8,813.49	9,183.64

31. EARNINGS PER SHARE

(₹ in Lacs)

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
Face value of Equity Shares (₹)	2	2
Net Profit available for Equity Shareholders (₹ In Lacs)	19,254.91	16,628.37
No. of Equity Shares	6,99,57,000	6,99,57,000
Basic and Diluted EPS (₹)	27.52	23.77

32. TAX EXPENSE

(30.1) Income tax recognised in statement of profit and loss

(₹ in Lacs)

Sr. No.	Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
(a)	Current tax		
	In respect of the current year	6,788.59	6,614.19
	In respect of prior years	(56.01)	(3.12)
		6,732.58	6,611.07
(b)	Deferred tax		
	In respect of the current year	492.90	255.17
		492.90	255.17
	Total income tax recognised in statement of profit and loss	7,225.48	6,866.24

Notes forming part of the Consolidated Financial Statements

32. TAX EXPENSE (Contd.)

The income tax expense for the year can be reconciled to the accounting profit as follows: (₹ in Lacs)

Sr. No.	Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
	Profit before tax	26,480.39	23,494.61
	Income tax expense calculated at 34.608%	9,164.33	8,131.01
(a)	Effect of income that is exempt from taxation		
	Dividend income	(400.78)	(195.82)
	Interest on tax free bonds	(36.24)	(374.05)
(b)	Effect of expense that are not deductible in taxable profit		
	Expenses in relation to exempt income	5.50	5.87
(c)	Effect of additional deduction of research and product development cost	(73.31)	(118.02)
(d)	Effect of additional deduction of Contribution to scientific research project u/s 35(1)(ii)	(35.04)	(53.21)
(e)	Effect of lower tax on long term capital gain from investment in Bonds & Market Linked Debentures	(186.89)	(176.79)
(f)	Effect of income tax exemption u/s 10(AA) being profit of SEZ units	(818.68)	(762.72)
(g)	Effect of profits of subsidiaries not taxable due to carry forward business loss	(468.41)	(125.32)
(h)	Effect of loss of subsidiaries	136.24	366.60
(i)	Others	(5.23)	171.81
	Current Year Income tax expense	7,281.49	6,869.36
	Prior Year Income tax expense	(56.01)	(3.12)
	Total income tax recognised in statement of profit and loss	7,225.48	6,866.24

(30.2) Income tax recognised in Other Comprehensive Income (₹ in Lacs)

Sr. No.	Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
	Deferred tax		
(a)	Arising on income and expenses recognised in other comprehensive income:		
	Re-measurement of defined benefit obligation	(3.97)	(26.40)
	Net fair value gain on investments in debt instruments at FVTOCI	(26.74)	18.29
	Total income tax recognised in other comprehensive income	(30.71)	(8.11)
	Bifurcation of the income tax recognised in other comprehensive income into:-		
	Items that will not be reclassified to profit or loss	(3.97)	(26.40)
	Items that may be reclassified to profit or loss	(26.74)	18.29
		(30.71)	(8.11)

Notes forming part of the Consolidated Financial Statements

33. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

(₹ in Lacs)

Sr. Particulars No.	2017-18	2016-17
(i) Contingent Liabilities:		
a) Claims against the Group not acknowledged as debt.	7.34	7.34
b) Demand on account of vat / sales tax matters.	108.00	96.64
c) Demand on account of Income Tax matters.	26.71	64.65
d) Demand on account of central excise matters.	91.50	91.50
e) Corporate Guarantee given for subsidiary company	3,252.21	3,246.50
	3,485.76	3,506.63
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.		
(ii) Commitments :		
a) Estimated amount of Property, plant and equipment contracts remaining to be executed and not provided for.	8.98	348.78

34. SEGMENT REPORTING

(a) Primary Segment :

As per recognition criteria mentioned in Ind AS - 108, Operating Segment, the Group has identified only one operating segment i.e. Air Coolers Business. However substantial portion of Corporate Funds remained invested in various financial instruments. The Group has considered Corporate Funds as a separate segment so as to provide better understanding of performance of Air Cooler Business.

Particulars	2017-18	2016-17
		(₹ in Lacs)
(1) Segment Revenue		
Air Coolers	81,474.82	77,241.64
Corporate Funds	3,764.41	3,560.93
Total	85,239.23	80,802.57
(2) Segment Profit before Interest and Taxes (PBIT)		
Air Coolers	22,922.78	19,957.12
Corporate Funds	3,736.96	3,540.77
Total	26,659.74	23,497.89
Less: Finance Costs	179.35	3.28
Less: Taxes	7,225.48	6,866.24
Total Profit After Tax	19,254.91	16,628.37
(3) Segment Assets		
Air Coolers	33,454.41	31,337.45
Corporate Funds	42,200.75	29,182.94
Total	75,655.16	60,520.39

Notes forming part of the Consolidated Financial Statements

34. SEGMENT REPORTING (Contd.)

(₹ in Lacs)

Particulars	2017-18	2016-17
(4) Segment Liabilities		
Air Coolers	14,493.90	14,015.12
Corporate Funds	-	-
Total	14,493.90	14,015.12
(5) Capital Employed		
Air Coolers	18,960.52	17,322.33
Corporate Funds	42,200.75	29,182.94
Total	61,161.26	46,505.27
(6) Capital Employed (Monthly Average)		
Air Coolers	3,943.66	3,005.64
Corporate Funds	49,017.51	36,790.83
Total	52,961.17	39,796.47
(7) Segment Results (PBIT) % on Capital Employed (Monthly Average)		
Air Coolers	581.26%	662.51%
Corporate Funds	7.62%	9.62%
(b) Secondary Segment : Geographical segment		
(1) Segment Revenue		
India	62,214.74	59,687.29
Rest of the world	17,610.71	16,787.96
Revenue from operations	79,825.45	76,475.25
(2) Segment Profit before Interest and Taxes (PBIT)		
India	23,337.14	22,158.49
Rest of the world	3,322.60	1,339.40
Total	26,659.74	23,497.89
Less: Finance Costs	179.35	3.28
Less: Taxes	7,225.48	6,866.24
Total Profit After Tax	19,254.91	16,628.37

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.

Notes forming part of the Consolidated Financial Statements

35. RELATED PARTY DISCLOSURES

(₹ in Lacs)

Sr no	Name of the Related Parties	Nature of relationship with company	Nature of transaction	2017-18		2016-17	
				Volume of transaction	Balance at the end of the year	Volume of transaction	Balance at the end of the year
1	Ms. Jonaki Bakeri	Relative of Key Management Personnel	Sitting Fees	0.58	-	2.30	-
2	Harmony Holdings Pvt. Ltd.	Enterprise in which Key Management Personnel has significant influence	Purchase of Intellectual Property	-	-	6.00	-

35.1 Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year was as follow :

(₹ in Lacs)

	2017-18		2016-17	
	Mr. Achal Bakeri, Chairman and Managing Director	Mr. Nrupesh Shah, Executive Director	Mr. Achal Bakeri, Chairman and Managing Director	Mr. Nrupesh Shah, Executive Director
Short-term benefits	236.29	159.30	211.29	147.88
Post-employment benefits	1.28	1.61	1.51	1.61
	237.57	160.91	212.80	149.49
Balance outstanding at the end of the year	200.00	141.42	175.00	130.00

Policy on dealing with Related party transactions:

The Group 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 Group or at arm's length and exceeds the threshold limits as specified in the Act.

36. PAYMENT TO AUDITORS (refer note no. 30)

(₹ in Lacs)

Particulars	2017-18	2016-17
a) As Auditor	44.40	50.64
b) In other capacity, in respect of		
i) Certification	0.98	0.88
ii) Limited Review	8.00	5.18
	53.38	56.70

Notes forming part of the Consolidated Financial Statements

37. LEASES

37.1 : Leasing Arrangement

Operating lease is related to

- i) Lease of Land of Surat SEZ with lease term 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 is charged to Statement of Profit & Loss account over a period of 15 years.
- ii) Lease of Land at Kandla SEZ for 48 months from Sept,16.
- iii) Lease of CFA premises at various location of India with a lease period of one year.
- iv) Operating lease is related to factory rental and temporary warehouse located at China and Mexico pertaining to subsidiaries.

37.2: Payment recognised as an expenses

Particulars	2017-18	2016-17
Minimum Lease Payments	842.26	881.62

37.3: Non-cancellable operating lease commitments

Particulars	2017-18	2016-17
Note later than 1 year	316.69	249.13
Later than 1 year and not later than 5 years	867.28	473.77
	1,183.97	722.90

38. EMPLOYEE BENEFITS

(A) Defined contribution plans

The Group makes provident fund contribution which is defined contribution plan, for qualifying employees. Under the scheme, the Group is required to contribute a specified percentage of payroll costs to fund the benefits. The Group recognised ₹144.87 lacs (Year ended March 31, 2017 ₹139.86 lacs) for provident fund contributions in the Statement of Profit and Loss. The contribution payable to this plan by the Group is at rate specified in the rule of the scheme.

(B) Defined benefit plans

The defined benefit plan of the Group includes entitlement of gratuity for each year of service until the retirement age, seniority premium and pension plan.

The plan typically expose the Group to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities and other debt instruments.

Notes forming part of the Consolidated Financial Statements

38. EMPLOYEE BENEFITS (Contd)

- Interest risk:** A fall in the discount rate which is linked to the Government Securities. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
- Longevity risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
- Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

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.

- i. The principal assumptions used for the purposes of actuarial valuation were as follows:

Particulars	(₹ in Lacs)								
	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	Gratuity	Seniority Premium	Pension Plan	Gratuity	Seniority Premium	Pension Plan	Gratuity	Seniority Premium	Pension Plan
Expected return on plan assets	7.71%	-	-	6.82%	-	-	7.85%	-	-
Discount rate	7.71%	7.50%	7.50%	6.82%	7.75%	8.00%	7.85%	7.00%	7.75%
Rate of salary increase	7.00%	4.50%	4.50%	7.00%	4.50%	4.50%	7.00%	4.50%	4.50%
Rate of employee turnover	7.00%			7.00%			7.00%		

- ii. Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

	(₹ in Lacs)					
	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Gratuity	Seniority Premium	Pension Plan	Gratuity	Seniority Premium	Pension Plan
Current service cost	96.30	2.61	16.64	71.70	3.17	21.64
Net interest expense	0.88	2.16	16.29	4.13	2.53	24.68
Actuarial (gains)/losses arising from experience adjustments	-	-	(18.59)	-	-	-
Adjustment in OCI due to extinction of obligations.	-	-	(12.34)	-	-	-
Components of defined benefit cost recognised in profit or loss	97.18	4.77	2.00	75.83	5.70	46.32

Notes forming part of the Consolidated Financial Statements

38. EMPLOYEE BENEFITS (Contd)

(₹ in Lacs)

	For the year ended			For the year ended		
	March 31, 2018			March 31, 2017		
	Gratuity	Seniority Premium	Pension Plan	Gratuity	Seniority Premium	Pension Plan
Actuarial (gains)/losses on obligation for the period	17.06	(2.04)	3.20	86.01	(4.40)	(51.25)
Adjustment in OCI due to extinction of obligations.		-	(12.34)		-	-
Return on plan assets (excluding interest income)	(5.58)	-	-	(9.74)	-	-
Components of defined benefit costs recognised in other comprehensive income	11.48	(2.04)	(9.14)	76.27	(4.40)	(51.25)
Total	108.66	2.73	(7.14)	152.10	1.30	(4.93)

- iii. The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in Lacs)

	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	Gratuity	Seniority Premium	Pension Plan	Gratuity	Seniority Premium	Pension Plan	Gratuity	Seniority Premium	Pension Plan
Present value of funded defined benefit obligation	(744.81)	(28.42)	(202.56)	(632.76)	(28.46)	(203.85)	(449.65)	(40.98)	(353.51)
Fair value of plan assets	740.09	-	-	619.78	-	-	396.98	-	-
Deficit or Surplus	(4.72)	(28.42)	(202.56)	(12.98)	(28.46)	(203.85)	(52.67)	(40.98)	(353.51)
Net liability arising from defined benefit obligation	(4.72)	(28.42)	(202.56)	(12.98)	(28.46)	(203.85)	(52.67)	(40.98)	(353.51)

- iv. Movements in the present value of the defined benefit obligation are as follows:

(₹ in Lacs)

	As at March 31, 2018			As at March 31, 2017		
	Gratuity	Seniority Premium	Pension Plan	Gratuity	Seniority Premium	Pension Plan
Opening defined obligation	632.76	28.46	203.85	449.65	40.98	353.51
Current service cost	96.30	2.61	16.64	71.70	3.17	21.64
Interest cost	43.15	2.16	16.29	35.30	2.53	24.68
Benefits paid	(44.46)	(7.76)	(18.30)	(9.90)	(18.01)	(207.28)
Actuarial (gains)/losses arising from changes in financial assumptions	(43.65)	-	-	41.69	-	-
Actuarial (gains)/losses arising from experience adjustments	60.71	2.04	(21.79)	44.32	4.40	51.25
Translation exchange difference	-	0.91	5.87	-	(4.61)	(39.95)
Closing defined benefit obligation	744.81	28.42	202.56	632.76	28.46	203.85

Notes forming part of the Consolidated Financial Statements

38. EMPLOYEE BENEFITS (Contd)

- v. Movements in the fair value of the plan assets are as follows:

(₹ in Lacs)

	As at March 31, 2018	As at March 31, 2017
	Gratuity	Gratuity
Opening fair value of plan assets	619.78	396.98
Interest income	42.27	31.16
Return on plan assets (excluding amounts included in net interest expense)	5.58	9.74
Contributions from the employer	105.78	184.50
Benefits paid	(33.32)	(2.60)
Closing fair value of plan assets	740.09	619.78

- vi. The fair value of the plan assets at the end of reporting period for each category are as follows:

(₹ in Lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Gratuity	Gratuity	Gratuity
HDFC Group Traditional Plan	740.09	619.78	396.98
Closing fair value of plan assets	740.09	619.78	396.98

- vii. The following payments are expected contributions to the defined benefit plan in future years:

(₹ in Lacs)

	As at March 31, 2018	As at March 31, 2017
	Gratuity	Gratuity
1st following year	118.28	80.44
2nd following year	51.24	38.46
3rd following year	74.17	52.21
4th following year	69.55	65.44
5th following year	73.07	56.85
Sum of years 6 to 10	325.09	284.55
Sum of years 11 and above	675.54	554.27

39. LEAVE ENCASHMENT

As per the policy followed by the Group, 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.

Notes forming part of the Consolidated Financial Statements

40. There are no Micro and Small Enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at 31st March, 2018. 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 Group.

41. Pursuant to the directions issued by Securities and Exchange Board of India, (SEBI) in its interim order dated 22 March 2016, the Group had appointed an independent external agency to conduct an audit of the records and systems of Sharepro with respect to certain past transactions. The Group has found irregularities in certain transactions as per the special audit carried out by an independent external agency which was also submitted to the SEBI. The Group 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 Group has been advised that the liability will not evolve on the Group and thus no provision is considered necessary. Further, the Group has a right to claim losses, if any, from Sharepro and accordingly, the Group does not plan to make good the losses on its own account. Under the circumstances, the Group does not envisage any possible obligation in respect of the matter.

42. 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
	Parent : Symphony Limited	98.64%	60,333.60	95.58%
	(99.33%)	(46,191.35)	(105.47%)	(17,538.21)
Subsidiaries:				
Foreign				
(1) Sylvan Holdings Pte. Ltd., Singapore	0.00%	-	(-)0.07%	(14.36)
	(0.45%)	(210.71)	((-)1.14%)	((-)188.95)
(2) IMPCO S DE RL DE CV, Mexico	5.02%	3,068.53	7.16%	1,378.11
	(3.76%)	(1,749.75)	(1.75%)	(290.90)
(3) Symphony USA INC., USA	0.00%	-	0.00%	-
	(0.00%)	-	(0.21%)	(34.38)
(4) Guangdong Symphony Keruilai Air Coolers Co., Ltd, China	(-)3.66%	(2,240.86)	(-)2.67%	(511.78)
	((-)3.54%)	((-)1,646.54)	((-)6.29%)	((-)1,046.17)
Total	100.00%	61,161.27	100.00%	19,254.91
	(100.00%)	(46,505.27)	(100.00%)	(16,628.37)

Notes forming part of the Consolidated Financial Statements

43. The figures pertaining to subsidiary companies have been reclassified, where necessary, to bring them in line with the holding Company's financial statements.

44. FINANCIAL INSTRUMENTS

Capital Management

The Group manages its capital to ensure that the Group will be able to continue as going concern, while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options.

The Group is not subject to any externally imposed capital requirements.

The management of the Group reviews the capital structure of the Group on regular basis.

The following table summarises the capital of the Group.

	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Debts	2,555.15	1,934.61	-
Total Equity	61,161.26	46,505.27	32,825.44
Net debt to equity ratio	4.18%	4.16%	-

Other disclosure pursuant to Ind AS 107 "Financial instruments: Disclosures":

(a) Category-wise classification for applicable financial assets:

		(₹ in Lacs)		
Sr. No.	Particulars	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
I	Measured at fair value through Profit or Loss (FVTPL):			
	(i) Investment in mutual funds	25,035.83	18,654.16	40.42
	(ii) Investment in bonds	-	810.32	793.60
	(ii) Investment in NCD	5,062.28	1,016.36	-
		30,098.11	20,480.84	834.02
II	Measured at amortised cost:			
	(i) Investment in equity shares of subsidiaries	-	-	-
	(ii) Investment in NCD	727.47	-	-
	(iii) Trade receivables	6,150.70	5,230.89	4,686.91
	(iv) Cash and cash equivalents and bank balances	2,257.21	4,695.94	4,691.13
	(v) Other financial assets	421.01	499.90	179.47
		9,556.39	10,426.72	9,557.51
III	Measured at fair value through Other Comprehensive Income (FVTOCI):			
	(i) Investment in bonds	5,469.28	4,884.68	15,377.74

Notes forming part of the Consolidated Financial Statements

44. FINANCIAL INSTRUMENTS (Contd.)

(₹ in Lacs)

Sr. No.	Particulars	As at	As at	As at
		31/03/2018	31/03/2017	01/04/2016
(ii)	Investment in NCD	-	1,472.31	-
(iii)	Investment in preference shares	5,941.62	2,315.91	1,466.10
		11,410.90	8,672.90	16,843.84
	Total	51,065.40	39,580.47	27,235.37

(b) Category-wise classification for applicable financial liabilities:

(₹ in Lacs)

Sr. No.	Particulars	As at	As at	As at
		31/03/2018	31/03/2017	01/04/2016
Measured at amortised cost:				
(i)	Borrowings	2,555.15	1,934.61	-
(ii)	Trade payables	5,834.80	5,478.31	4,957.71
(iii)	Others Financial Liabilities	491.84	482.25	492.18
	Total	8,881.79	7,895.17	5,449.89

Notes forming part of the Financial Statements

45. FAIR VALUE MEASUREMENTS

(a) Fair value Hierarchy of the Group's financial assets that are measured at fair value on a recurring basis:

Particulars	As at 31/03/2018			As at 31/03/2017			As at 01/04/2016					
	Level1	Level2	Level3	Total	Level1	Level2	Level3	Total	Level1	Level2	Level3	Total
I Financial assets at FVTPL												
(i) Investment in mutual funds	25,035.83	-	-	25,035.83	18,654.16	-	-	18,654.16	40.42	-	-	40.42
(ii) Investment in bonds & NCD	5,062.28	-	-	5,062.28	1,826.68	-	-	1,826.68	793.60	-	-	793.60
II Financial assets at FVTOCI												
(i) Investment in bonds & NCD	4,898.77	570.51	-	5,469.28	1,660.04	4,696.95	-	6,356.99	6,684.21	8,693.53	-	15,377.74
(ii) Investment in preference shares	2,828.00	3,113.62	-	5,941.62	-	2,315.91	-	2,315.91	-	1,466.10	-	1,466.10
Total	37,824.88	3,684.13	-	41,509.01	22,140.88	7,012.86	-	29,153.74	7,518.23	10,159.63	-	17,677.86

Valuation technique and key inputs used to determine fair value:

- A. Level 1 : Mutual funds, Bonds, NCD - Quoted prices in active market.
 B. Level 2 : Bonds, NCD, Preference shares - Discounted cash flow at discount rate that reflects the issuer's current borrowing rate at the end of the reporting period.

(b) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

I Financial assets measured at amortised cost

The carrying amount of Trade receivables, Loans, Cash and cash equivalents and bank balances & Other current financial assets are considered to be the same as their fair value due to their short term nature. The carrying amount of Other non-current financial assets are considered to be close to the fair value.

II Financial liabilities measured at amortised cost

The carrying amount of Trade payables and Other financial liabilities are considered to be the same as their fair values due to their short term nature.

Notes forming part of the Consolidated Financial Statements

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management objectives

The Group's management monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's risk management is done in close co-ordination with the board of directors and focuses on actively securing the Group's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The most significant risks to which the Group is exposed are described below:

Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates risk, liquidity risk, credit risk and price risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group minimise foreign currency risk by taking 100% advance in majority cases. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(All figures in Lacs)

Foreign currency exposure	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Foreign currency monetary assets	Foreign currency monetary liabilities	Foreign currency monetary assets	Foreign currency monetary liabilities	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	16.50	1.90	12.78	2.32	9.78	0.06
EURO	0.45	-	-	-	2.59	-
GBP	-	-	0.07	-	1.23	-

Foreign currency sensitivity

The following table details the Group's sensitivity to a 5% increase and decrease in the ₹ against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their transaction at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Notes forming part of the Consolidated Financial Statements

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

(₹ in Lacs)

Currency	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	5% increase	5% decrease	5% increase	5% decrease	5% increase	5% decrease
Foreign currency monetary assets						
USD	(53.58)	53.58	(41.94)	41.94	(32.42)	32.42
EURO	(1.82)	1.82	-	-	(9.71)	9.71
GBP	-	-	(0.28)	0.28	(5.84)	5.84
Foreign currency monetary liabilities						
USD	6.17	(6.17)	7.78	(7.78)	0.19	(0.19)
Impact on profit or loss at the end of the reporting year	(49.23)	49.23	(34.44)	34.44	(47.78)	47.78
Impact on total equity as at the end of the reporting year (net of tax)	(49.23)	49.23	(33.42)	33.42	(47.76)	47.76

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments (Bond, NCD, preference share and mutual fund), trade receivables, loans and advances. None of the financial instruments of the Group result in material concentrations of credit risks.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed in the Note No. 9 above.

The Group has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information.

Since majority business of the Group is on Cash and Carry basis, for credit business the Group trades with recognised and credit worthy third parties. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant and hence no adjustment is made for expected credit loss allowance.

Price risk

The Group's exposure to price risk arises from investments in Bond, NCD, preference share and mutual fund held by the Group and classified in the balance sheet at fair value through OCI and at fair value through profit or loss. To manage its price risk arising from investments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Notes forming part of the Consolidated Financial Statements

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

Price risk sensitivity

The table below summarises the impact of increases / decreases of the index on the Group's equity and profit for the year.

(₹ in Lacs)

	Movement in Rate	As at March 31, 2018		As at March 31, 2017	
		Impact on Profit	Impact on Other Comprehensive Income	Impact on Profit	Impact on Other Comprehensive Income
Bonds					
Increase	+2%	-	109.39	16.21	97.69
Decrease	-2%	-	(109.39)	(16.21)	(97.69)
Preference Shares					
Increase	+2%	-	118.83	-	46.32
Decrease	-2%	-	(118.83)	-	(46.32)
NCD					
Increase	+2%	101.24	-	20.33	29.45
Decrease	-2%	(101.24)	-	(20.33)	(29.45)
Mutual Funds					
Increase	+2%	500.72	-	373.08	-
Decrease	-2%	(500.72)	-	(373.08)	-
Total					
Increase	+2%	601.96	228.22	409.62	173.46
Decrease	-2%	(601.96)	(228.22)	(409.62)	(173.46)
Impact on total equity as at the end of the reporting year (net of tax)					
Increase	+2%		616.80		420.20
Decrease	-2%		(616.80)		(420.20)

Interest rate risk

- (i) The Group's majority investments are primarily in fixed rate interest bearing investments. Except in case of Market Linked Debentures the Group is not significantly exposed to interest rate risk.
- (ii) Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group's policy is to minimise interest rate cash flow risk exposures on working capital financing. As at March 31, 2018, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rate.

Notes forming part of the Consolidated Financial Statements

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

(₹ in Lacs)

	Movement in Rate	As at March 31, 2018	As at March 31, 2017
Interest rates	+0.50%	(12.78)	(9.67)
Interest rates	-0.50%	12.78	9.67

Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturities of financial assets:

The tables below analyse the Group's financial assets into relevant maturity groupings base on their contractual maturities for all non-derivative financial assets.

(₹ in Lacs)

Particulars	As at March 31, 2018			
	Less than 1 year	1 to 5 years	>5 years	Total
Non-Current				
(i) Bonds	-	-	5,469.28	5,469.28
(ii) Preference Shares	700.00	4,379.23	862.39	5,941.62
(iii) NCD	2,793.36	2,996.39	-	5,789.75
Current				
(i) Mutual Funds	25,035.83	-	-	25,035.83

Maturities of financial liabilities:

The tables below analyse the Group's financial liabilities into relevant maturity groupings base on their contractual maturities for all non-derivative financial liabilities.

(₹ in Lacs)

Particulars	As at March 31, 2018			
	Less than 1 year	1 to 5 years	>5 years	Total
Current				
(i) Borrowings	2,555.15	-	-	2,555.15
(ii) Trade payables	5,834.80	-	-	5,834.80
(iii) Others Financial Liabilities	491.84	-	-	491.84

Notes forming part of the Consolidated Financial Statements

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

(₹ in Lacs)

Particulars	As at March 31, 2017			Total
	Less than 1 year	1 to 5 years	>5 years	
Current				
(i) Borrowings	1,934.61	-	-	1,934.61
(ii) Trade payables	5,478.31	-	-	5,478.31
(iii) Others Financial Liabilities	482.25	-	-	482.25

(₹ in Lacs)

Particulars	As at April 01, 2016			Total
	Less than 1 year	1 to 5 years	>5 years	
Current				
(i) Borrowings	-	-	-	-
(ii) Trade payables	4,957.71	-	-	4,957.71
(iii) Others Financial Liabilities	492.18	-	-	492.18

The surplus funds with the Group and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.

47. FIRST TIME IND AS ADOPTION RECONCILIATIONS

47.1 Effect of Ind AS Adoption on the balance sheet as at March 31, 2017 and April 01, 2016

(₹ in Lacs)

Particulars	Refer Notes in 47.6	As at March 31, 2017		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
I ASSETS				
(1) Non-Current Assets				
(a) Property, plant and equipment	(a)	7,141.38	(157.28)	6,984.10
(b) Capital work - in - Progress		-	-	-
(c) Goodwill on Consolidation		386.80	-	386.80
(d) Other Intangible Assets		571.73	-	571.73
(e) Financial Assets				
(i) Investments				
a) Other investments	(b),(d)	9,668.72	830.86	10,499.58
(ii) Other financial assets	(c)	83.13	2.20	85.33
		17,851.76	675.78	18,527.54
(f) Other non-current assets	(a)	354.11	139.93	494.04
Total Non-Current Assets		18,205.87	815.71	19,021.58

Notes forming part of the Consolidated Financial Statements

47. FIRST TIME IND AS ADOPTION RECONCILIATIONS (Contd)

(₹ in Lacs)

Particulars	Refer Notes in 47.6	As at March 31, 2017		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
(2) Current Assets				
(a) Inventories		7,733.43	-	7,733.43
(b) Financial assets				
(i) Other investments	(d)	18,597.24	56.92	18,654.16
(ii) Trade receivables		5,230.89	-	5,230.89
(iii) Cash and Bank Balances		4,340.36	-	4,340.36
(iv) Bank balances other than (iii) above	(c)	355.57	0.01	355.58
(v) Other financial assets	(b),(c)	599.50	(184.93)	414.57
(c) Other Current Assets	(a),(h)	4,816.32	(46.50)	4,769.82
Total Current Assets		41,673.31	(174.50)	41,498.81
Total Assets		59,879.18	641.21	60,520.39
II EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital		1,399.14	-	1,399.14
(b) Other Equity	(b), (d), (e), (h),(i)	44,499.70	606.43	45,106.13
Total Equity		45,898.84	606.43	46,505.27
(2) Non-Current Liabilities				
(a) Provisions	(i)	274.30	(41.99)	232.31
(b) Deferred Tax Liabilities (Net)	(e)	450.14	76.77	526.90
Total Non-Current Liabilities		724.43	34.78	759.21
(3) Current Liabilities				
(a) Financial liabilities				
(i) Borrowings		1,934.61	-	1,934.61
(ii) Trade payables		5,478.31	-	5,478.31
(iii) Others Financial Liabilities		482.25	-	482.25
		7,895.17	-	7,895.17
(b) Provisions		623.92	-	623.92
(c) Current tax liabilities (Net)		289.99	-	289.99
(d) Other Current Liabilities		4,446.83	-	4,446.83
Total Current Liabilities		13,255.91	-	13,255.91
Total Liabilities		13,980.34	34.78	14,015.12
Total Equity and Liabilities		59,879.18	641.21	60,520.39

Notes forming part of the Consolidated Financial Statements

47. FIRST TIME IND AS ADOPTION RECONCILIATIONS (Contd.)

47.1 Effect of Ind AS Adoption on the balance sheet as at March 31, 2017 and April 01, 2016 (contd.)

(₹ in Lacs)

Particulars	Refer Notes in 47.6	As at April 01, 2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
I ASSETS				
(1) Non-Current Assets				
(a) Property, plant and equipment	(a)	7,015.68	(174.65)	6,841.03
(b) Capital work - in - Progress		301.15	-	301.15
(c) Goodwill on Consolidation		392.38	-	392.38
(d) Other Intangible Assets		340.66	-	340.66
(d) Financial Assets				
(i) Investments				
a) Other investments	(b),(d)	16,167.20	1,470.24	17,637.44
(ii) Other financial assets	(c)	42.67	1.48	44.15
		24,259.74	1,297.07	25,556.81
(e) Other non-current assets	(a)	240.38	157.30	397.68
Total Non-Current Assets		24,500.12	1,454.37	25,954.49
(2) Current Assets				
(a) Inventories		5,507.24	-	5,507.24
(b) Financial assets				
(i) Other investments		40.42	-	40.42
(ii) Trade receivables		4,686.91	-	4,686.91
(iii) Cash and Bank Balances		1,851.04	-	1,851.04
(iv) Bank balances other than (iii) above	(c)	2,839.52	0.57	2,840.09
(v) Other financial assets	(b),(c)	659.25	(523.93)	135.32
(c) Other Current Assets	(a),(h)	2,154.64	(134.45)	2,020.19
Total Current Assets		17,739.02	(657.81)	17,081.21
Total Assets		42,239.14	796.56	43,035.70
II EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital		699.57	-	699.57
(b) Other Equity	(b),(d), (e), (h),(i)	31,162.74	963.13	32,125.87
Total Equity		31,862.31	963.13	32,825.44
(2) Non-Current Liabilities				
(a) Provisions	(i)	669.74	(275.25)	394.49
(b) Deferred Tax Liabilities (Net)	(e)	249.39	108.68	358.07
Total Non-Current Liabilities		919.13	(166.57)	752.56

Notes forming part of the Consolidated Financial Statements

47. FIRST TIME IND AS ADOPTION RECONCILIATIONS (Contd.)

47.1 Effect of Ind AS Adoption on the balance sheet as at March 31, 2017 and April 01, 2016 (contd.)

(₹ in Lacs)

Particulars	Refer Notes in 47.6	As at April 01, 2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
(3) Current Liabilities				
(a) Financial liabilities				
(i) Borrowings		-	-	-
(ii) Trade payables		4,957.71	-	4,957.71
(iii) Others Financial Liabilities		492.18	-	492.18
		5,449.89	-	5,449.89
(b) Provisions		580.51	-	580.51
(c) Current tax liabilities (Net)		498.05	-	498.05
(d) Other Current Liabilities		2,929.25	-	2,929.25
Total Current Liabilities		9,457.70	-	9,457.70
Total Liabilities		10,376.83	(166.57)	10,210.26
Total Equity and Liabilities		42,239.14	796.56	43,035.70

47.2 Reconciliation of total equity as at March 31, 2017 and April 01, 2016

(₹ in Lacs)

Particulars	Refer Notes in 47.6	As at March 31, 2017	As at April 01, 2016
Total equity under previous GAAP		45,898.84	31,862.31
Impact of measuring investments at fair value through Other Comprehensive Income (FVTOCI)	(b)	660.58	993.88
Impact of measuring investments at fair value through Profit or Loss (FVTPL)	(d)	44.49	(45.51)
Effect of Deferred ESPS	(h)	(63.86)	(151.80)
Effect of remeasurement of provision for employee benefits	(i)	41.98	275.25
Deferred and Current tax effect	(e)	(76.76)	(108.69)
Total equity under Ind AS		46,505.27	32,825.44

Notes forming part of the Consolidated Financial Statements

47. FIRST TIME IND AS ADOPTION RECONCILIATIONS (Contd.)

47.3 Effect of Ind AS Adoption on the statement of profit and loss for the twelve months ended March 31, 2017

(₹ in Lacs)

Particulars	Refer Notes in 47.6	As at March 31, 2017		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Statement of profit and loss
I Revenue from Operations	(g)	76,802.90	(327.65)	76,475.25
II Other Income	(b),(d),(i)	4,321.05	6.27	4,327.32
III Total Revenue (I + II)		81,123.95	(321.38)	80,802.57
IV Expenses:				
Cost of Material Consumed		9,172.03	-	9,172.03
Purchase of Stock-in-Trade		29,132.27	-	29,132.27
Changes in Inventories of Finished Goods, Work- in-Progress and Stock-in-Trade		(1,815.81)	-	(1,815.81)
Employee Benefit Expense	(f),(h),(i)	6,870.74	(43.46)	6,827.28
Finance Costs		3.28	-	3.28
Depreciation and Amortization Expense	(a)	705.18	(17.37)	687.81
Advertisement and Sales Promotion Expense	(g)	4,445.11	(327.65)	4,117.46
Other Expenses	(a),(i)	9,239.69	(56.05)	9,183.64
Total Expenses (IV)		57,752.49	(444.53)	57,307.96
V Profit before Tax (III – IV)		23,371.46	123.15	23,494.61
VI Tax Expense / (Benefits):				
(1) Current Tax		6,614.19	-	6,614.19
(2) Excess Provision of tax relating to previous years		(3.12)	-	(3.12)
(3) Net Current Tax		6,611.07	-	6,611.07
(4) Deferred Tax	(e),(f)	200.75	54.42	255.17
Net Tax Expense (VI)		6,811.82	54.42	6,866.24
VII Profit for the year (V - VI)		16,559.64	68.73	16,628.37
VIII Other comprehensive income				
Items that will not to be reclassified to profit or loss :				
(i) Remeasurements of the defined benefit plans	(f),(i)	-	(131.92)	(131.92)
(ii) Income tax effect on above	(f)	-	26.40	26.40
Items that will be reclassified to profit or loss :				

Notes forming part of the Consolidated Financial Statements

47. FIRST TIME IND AS ADOPTION RECONCILIATIONS (Contd.)

47.3 Effect of Ind AS Adoption on the statement of profit and loss for the twelve months ended March 31, 2017 (Contd.)

Particulars	Refer Notes in 47.6	As at March 31, 2017		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Statement of profit and loss
(i) Gain / (Loss) on Items designated as Fair Value Through Other Comprehensive Income	(b)	-	308.36	308.36
(ii) Income tax effect on above	(e)	-	(18.29)	(18.29)
Total other comprehensive income (VIII)		-	184.55	184.55
IX Total comprehensive income for the year (VII+VIII)		16,559.64	253.28	16,812.92

(₹ in Lacs)

47.4 Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Refer Notes in 47.6	For the twelve months ended March 31, 2017
Profit as per previous GAAP		16,559.64
Impact of Fair Valuation of Investments	(b), (d)	126.47
Re-measurement of defined benefit obligation recognised in other comprehensive income	(f)	76.27
Effect of Deferred ESPs	(h)	87.94
Effect of remeasurement of provision for employee benefits	(i)	(167.53)
Deferred and Current tax effect	(e), (f)	(54.42)
Profit after tax as reported under Ind AS		16,628.37
Other comprehensive income/(expense) (net of tax)	(b), (e), (f)	184.55
Total comprehensive income as reported under Ind AS		16,812.92

(₹ in Lacs)

Note : Under Previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under previous GAAP.

47.5 Cash flow statements

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

(47.6) Notes to the reconciliations

- (a) Under IGAPP, Leasehold land at Surat SEZ is recognised as fixed assets where as under Ind AS the same is considered as operating lease. This has resulted in decrease in fixed assets by ₹157.28 lacs as on March 31, 2017 (₹174.65 lacs as on April 01, 2016) and increase in Other Non-Current Assets by ₹157.28 lacs

Notes forming part of the Consolidated Financial Statements

47. FIRST TIME IND AS ADOPTION RECONCILIATIONS (Contd.)

- as on March 31, 2017 (₹174.65 lacs as on April 01, 2016). This change does not affect Profit before tax or Profit for the year ended March 31, 2017 because expense have been regrouped from Depreciation and Amortization Expense to Other Expenses by ₹17.37 lacs.
- (b) All Non-Current investments except investments in group companies, MLD and perpetual bond have been fair valued in accordance with Ind AS 109. Investment in debt securities measured at amortised cost are fair valued through OCI (FVTOCI) and reclassified to profit or loss on their sale. Under IGAAP the Non-Current investments were carried at cost net of permanent diminution, if any. This has resulted in increase in Other Non-Current Investments by ₹843.30 lacs as on March 31, 2017 (₹1,515.75 lacs as on April 01, 2016) and decrease in Other Current Financial Assets by ₹182.72 lacs as on March 31, 2017 (₹521.87 lacs as on April 01, 2016) and increase in Other Equity by ₹660.58 lacs as on March 31, 2017 (₹993.88 lacs as on April 01, 2016). This has resulted in increase of Profit before tax for the year ended March 31, 2017 by ₹69.55 lacs and increase in Other Comprehensive income by ₹308.36 lacs.
- (c) Under IGAAP interest accrued on fixed deposits was disclosed under Other Current Financial Assets, where as under Ind AS it is included in the fixed deposit balance grouped under Other Non-Current Financial Assets and Other Bank Balances. This has resulted in decrease in Other Current Financial Assets by ₹2.20 lacs as on March 31, 2017 (₹1.49 lacs as on April 01, 2016) and increase in Other Non-Current Financial Assets by ₹2.20 lacs as on March 31, 2017 (₹2.05 lacs as on April 01, 2016), and increase in Other Bank balances by ₹ Nil lacs as on March 31, 2017 (₹0.56 lacs as on April 01, 2016).
- (d) Under Ind AS investments in mutual funds have been fair valued through Profit or loss. Under IGAAP the current investments were carried at cost net of diminution in their value as at the Balance Sheet date. This has resulted in increase in Current Investments by ₹56.93 lacs as on March 31, 2017 (₹ Nil as on April 01, 2016) and increase in Other Equity by ₹56.93 lacs as on March 31, 2017 (₹ Nil as on April 01, 2016). This has resulted in increase of Profit before tax for the year ended March 31, 2017 by ₹56.93 lacs. Under Ind AS investments in MLD & Perpetual Bonds have been fair valued through Profit or loss. Under IGAAP the Non current investments were carried at cost net of diminution in their value as at the Balance Sheet date. This has resulted in increase in Non Current Investments by ₹33.07 lacs as on March 31, 2017 (Decrease in Non Current Investments by ₹45.49 as on April 01, 2016) and decrease in Other Equity by ₹12.44 lacs as on March 31, 2017 (₹45.49 as on April 01, 2016). This has resulted in increase of Profit before tax for the year ended March 31, 2017 by ₹90.00 lacs.
- (e) Under Ind AS Deferred tax liability / asset is required to be recognised on change in fair value of investments which was not required to be recognised under previous GAAP. This has resulted in increase in Deferred Tax liability by ₹76.77 lacs as on March 31, 2017 (₹108.69 lacs as on April 01, 2016) and decrease in Other Equity by ₹76.77 lacs as on March 31, 2017 (₹108.69 lacs as on April 01, 2016). This has resulted in decrease of Profit after tax for the year ended March 31, 2017 by ₹28.02 lacs and decrease in Other Comprehensive income by ₹18.29 lacs.
- (f) Under IGAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of re-measurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been

Notes forming part of the Consolidated Financial Statements

recognised in other comprehensive income under Ind AS instead of profit or loss. The actuarial gains for the year ended March 31, 2017 were ₹31.95 lacs and the tax effect thereon ₹11.06 lacs. This change does not affect total other equity, but there is an increase in profit before tax of ₹31.95 lacs, and in total profit of ₹20.89 lacs for the year ended March 31, 2017.

- (g) Under IGAPP, sales promotion expense related to sales is recognised as Advertisement and Sales Promotion Expense whereas under Ind AS the same is considered by way of deduction from Revenue from Operations. This change does not affect Profit before tax or Profit for the year ended March 31, 2017 because expense have been regrouped by decrease from Advertisement and Sales Promotion Expense by ₹327.65 lacs and decrease in Revenue from Operations by ₹327.65 lacs.
- (h) Under Mexican Financial Reporting Standards Deferred Employee Statutory Profit Sharing (Deferred ESPS) Asset/Liability was recognised by way of income/expense in profit and loss account. Under Ind AS, Deferred Employee Statutory Profit Sharing Asset is not required to be recognised. This has resulted in an increase in Deferred ESPS by ₹87.94 lacs as on March 31, 2017 (decrease by ₹151.80 lacs as on April 01, 2016) and increase in other equity by ₹87.94 lacs as on March 31, 2017 (decrease by ₹151.80 lacs as on April 01, 2016). This has resulted in an increase of Profit after tax for the year ended March 31, 2017 by ₹87.94 lacs.
- (i) Effect of remeasurement of provision for employee benefits from Mexican Financial Reporting Standards to Ind AS. This has resulted in an increase in Provision for employee benefits by ₹233.27 lacs as on March 31, 2017 (decrease by ₹275.25 lacs as on April 01, 2016) and decrease in other equity by ₹233.27 lacs as on March 31, 2017 (increase by ₹275.25 lacs as on April 01, 2016). This has resulted in a decrease of Profit after tax for the year ended March 31, 2017 by ₹167.53 lacs and decrease in Other Comprehensive income by ₹55.65 lacs.

(48) APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved for issue by the board of directors on May 22, 2018.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Gaurav J Shah

Partner

Membership No. 35701

Place : Ahmedabad

Date : May 22, 2018

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 Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Symphony Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 Ind AS 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 Ind AS 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS 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 Ind AS 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 Ind AS financial statements.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity 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 referred to in the Other Matters paragraph above 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.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 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 Ind AS financial statements – Refer Note 31 for disclosures as contingent liabilities.
 - 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.
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
Ahmedabad
May 22, 2018
(Membership No. 35701)

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 31st March, 2018 in conjunction with our audit of the standalone Ind AS 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, including adherence to respective 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 Company’s internal financial controls over financial reporting of the Company 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 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 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 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 31st March, 2018, based on the criteria for internal financial control over financial reporting established by the respective 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

Ahmedabad

Date: May 22, 2018

(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 Ind AS 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) The Company has not granted any 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.
- (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, Goods & Service 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, Goods & Service Tax, Sales Tax, Service Tax, Customs

Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) There were no disputed amounts payable in respect of Goods & Service Tax, Customs Duty and cess as at March 31, 2018. 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, 2018 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(Appeal), Ahmedabad	2009-2014	24.02
		Income Tax Appellate Tribunal	2008-2009	1.91
Central Excise Act, 1944	Demand of Penalty	Central Excise and Service Tax Appellate Tribunal, Ahmedabad	2009-2010	2.50
		Commissioner of Central Excise and Customs, Baroda	2009-2011	89.00
Central Sales Tax Act, 1956	Demand of Penalty	Joint Commissioner of Commercial Tax Appeals, Mehsana	1993-1996, 1997-1998 & 1999-2000	70.80
Bihar Value Added Tax Act, 2005	Commercial Tax Demand	Commercial Taxes Tribunal, Bihar	2010-2011 & 2014-2015	12.94
		Joint Commissioner of Commercial Taxes(Appeals),Central Division, Patna	2009-2010	6.00
Orissa Entry Tax, 1999	Commercial Tax Demand	Deputy Commissioner, Circle office, Cuttack	2001-2004	9.51
Punjab Value Added Tax Act,2005	Demand of Penalty	VAT Tribunal, Punjab	2014-2015	2.23
Kerala Value Added Tax Act, 2003	Commercial Tax Demand	Deputy Commissioner (Appeals)	2012-2013	1.99

- (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 Ind AS financial statements 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 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
Ahmedabad
Date: May 22, 2018 (Membership No. 35701)

Balance Sheet as at 31st March, 2018

(₹ in Lacs)

Particulars	Note	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
I ASSETS				
(1) Non-Current Assets				
(a) Property, plant and equipment	3(A)	6,230.32	6,178.10	5,625.47
(b) Capital work - in - Progress	3(C)	-	-	301.15
(c) Other Intangible Assets	3(B)	507.18	428.69	42.87
(d) Financial Assets				
(i) Investments				
a) Investments in subsidiaries	4	155.01	2,467.02	2,467.02
b) Other investments	4	17,200.65	10,499.58	17,637.43
(ii) Other financial assets	5	61.44	64.25	20.77
		24,154.60	19,637.64	26,094.71
(e) Other non-current assets	6	143.62	258.25	315.92
Total Non-Current Assets		24,298.22	19,895.89	26,410.63
(2) Current Assets				
(a) Inventories	7	5,143.16	5,088.30	2,348.54
(b) Financial assets				
(i) Other investments	8	25,000.10	18,612.73	-
(ii) Trade receivables	9	4,406.21	4,606.59	3,273.50
(iii) Cash and cash equivalents	10	1,511.27	1,591.51	847.75
(iv) Bank balances other than (iii) above	10	356.50	338.31	2,818.85
(v) Other financial assets	11	328.02	373.42	133.47
(c) Other Current Assets	12	7,459.16	4,265.19	1,528.79
Total Current Assets		44,204.42	34,876.05	10,950.90
Total Assets		68,502.64	54,771.94	37,361.53
II EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital	13	1,399.14	1,399.14	699.57
(b) Other Equity	14	58,939.95	45,024.95	30,934.95
Total Equity		60,339.09	46,424.09	31,634.52
(2) Non-Current Liabilities				
(a) Deferred Tax Liabilities (Net)	15	891.27	526.91	358.07
Total Non-Current Liabilities		891.27	526.91	358.07
(3) Current Liabilities				
(a) Financial liabilities				
(i) Trade payables	16	3,791.34	3,156.59	2,076.79
(ii) Others Financial Liabilities	17	491.83	482.25	492.18
		4,283.17	3,638.84	2,568.97
(b) Provisions	18	920.20	535.20	483.90
(c) Current tax liabilities (Net)	19	549.18	289.99	496.97
(d) Other Current Liabilities	20	1,519.73	3,356.91	1,819.10
Total Current Liabilities		7,272.28	7,820.94	5,368.94
Total Liabilities		8,163.55	8,347.85	5,727.01
Total Equity and Liabilities		68,502.64	54,771.94	37,361.53
See accompanying notes forming part of the Financial Statements	1-47			

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J Shah
Partner
Membership No. 35701

Place : Ahmedabad
Date : May 22, 2018

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

Statement of Profit and Loss for the year ended 31st March, 2018

(₹ in Lacs)

Particulars	Note	Year Ended 31/03/2018	Year Ended 31/03/2017
I Revenue from Operations	21	68,702.58	66,389.20
II Other Income	22	4,029.79	3,787.23
III Total Revenue (I + II)		72,732.37	70,176.43
IV Expenses:			
Cost of Material Consumed	23	3,123.25	3,432.96
Purchase of Stock-in-Trade	24	28,922.81	29,877.20
Changes in Inventories of Finished Goods, Work- in-Progress and Stock-in-Trade	25	(11.87)	(2,281.62)
Employee Benefit Expense	26	5,199.83	4,618.89
Finance Costs	27	72.92	1.38
Depreciation and Amortization Expense	3	435.11	350.50
Advertisement and Sales Promotion Expense		3,040.91	3,810.95
Other Expenses	28	6,428.85	6,174.38
Total Expenses (IV)		47,211.81	45,984.64
V Profit before Tax (III – IV)		25,520.56	24,191.79
VI Tax Expense / (Benefits):			
(1) Current Tax	30.1	6,788.00	6,475.00
(2) Excess Provision of tax relating to previous years	30.1	(56.01)	(3.12)
(3) Net Current Tax		6,731.99	6,471.88
(4) Deferred Tax	30.1	492.90	255.17
Net Tax Expense (VI)		7,224.89	6,727.05
VII Profit for the year (V - VI)		18,295.67	17,464.74
VIII Other comprehensive income			
Items that will not to be reclassified to profit or loss :			
(i) Remeasurements of the defined benefit plans	36	(11.48)	(76.27)
(ii) Income tax effect on above	30.2	3.97	26.39
Items that will be reclassified to profit or loss :			
(i) Gain / (Loss) on Items designated as Fair Value Through Other Comprehensive Income	14.4	(289.20)	308.36
(ii) Income tax effect on above	30.2	26.74	(18.29)
Total other comprehensive income (VIII)		(269.97)	240.19
IX Total comprehensive income for the year (VII+VIII)		18,025.70	17,704.93
X Earnings per equity share of face value of ₹2/- each :			
(1) Basic	29	26.15	24.96
(2) Diluted	29	26.15	24.96
See accompanying notes forming part of the financial statements	1-47		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J Shah
Partner
Membership No. 35701

Place : Ahmedabad
Date : May 22, 2018

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

Statement of Change in Equity for the year ended 31st March, 2018

A. EQUITY SHARE CAPITAL

	No. of Shares	Amount (₹ in lacs)
Balance as at April 01, 2016	3,49,78,500	699.57
Add: Issue of Bonus Shares (Refer Note no.13)	3,49,78,500	699.57
Balance as at March 31, 2017	6,99,57,000	1,399.14
Add: Issue during the year	-	-
Balance as at March 31, 2018	6,99,57,000	1,399.14

B. OTHER EQUITY

(₹ in Lacs)

Particulars	General Reserve	Securities Premium	Capital Reserve	Reserve for Debt Instruments through Other Comprehensive Income	Retained Earnings	Total
Balance as on April 01, 2016	3,500.00	694.47	904.43	913.87	24,922.18	30,934.95
Profit during the year	-	-	-	-	17,464.74	17,464.74
Other Comprehensive Income for the year, net of income tax	-	-	-	290.07	(49.88)	240.19
Total Comprehensive Income for the year	-	-	-	290.07	17,414.86	17,704.93
Reclassification to Profit & Loss on disposal of Instruments designated as FVTOCI	-	-	-	(599.90)	-	(599.90)
Issue of Bonus Shares	-	(694.47)	-	-	(5.10)	(699.57)
Interim Dividend on Equity Shares	-	-	-	-	(1,923.82)	(1,923.82)
Tax on Interim Dividend	-	-	-	-	(391.64)	(391.64)
Balance as on March 31, 2017	3,500.00	-	904.43	604.04	40,016.48	45,024.95
Profit during the year	-	-	-	-	18,295.67	18,295.67
Other Comprehensive Income for the year, net of income tax	-	-	-	(262.46)	(7.51)	(269.97)
Total Comprehensive Income for the year	-	-	-	(262.46)	18,288.16	18,025.70
Reclassification to Profit & Loss on disposal of Instruments designated as FVTOCI	-	-	-	(742.76)	-	(742.76)
Interim Dividend on Equity Shares	-	-	-	-	(2,798.28)	(2,798.28)
Tax on Interim Dividend	-	-	-	-	(569.66)	(569.66)
Balance as on March 31, 2018	3,500.00	-	904.43	(401.18)	54,936.70	58,939.95

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J Shah
Partner
 Membership No. 35701

Place : Ahmedabad
 Date : May 22, 2018

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, 2018

(₹ in Lacs)

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	18,295.67	17,464.74
Adjustments For:		
Income tax expenses recognised in profit or loss	7,224.89	6,727.05
Depreciation and Amortization Expense	435.11	350.50
Finance costs recognised in profit or loss	72.92	1.38
Interest Income recognised in profit or loss	(719.02)	(1,215.10)
Dividend Income recognised in profit or loss	(719.10)	(497.16)
Gain on disposal of interest in subsidiary	(66.76)	-
Net gain on disposal of instruments designated at FVTOCI	(700.46)	(829.29)
Net gain on disposal of instruments designated at FVTPL	(635.66)	(922.80)
Net gain on financial assets mandatorily measured at FVTPL	(991.64)	(90.00)
Remeasurements of the defined benefit plans	(11.48)	(76.27)
Other Non Operating Income	-	(7.80)
Provision for Doubtful Debts	0.62	1.62
Provisions / Liabilities no longer required return back	(105.61)	(97.71)
Loss on disposal of property, plant and equipment	9.78	1.60
Operating Profit Before Working Capital Changes	22,089.26	20,810.76
Movements in working capital:		
(Increase)/Decrease in trade and other receivables	199.76	(1,334.71)
(Increase) in inventories	(54.86)	(2,739.76)
(Increase) in other assets	(3,207.24)	(2,912.68)
Increase in trade payables	740.35	1,177.50
Increase/(Decrease) in other liabilities	(1,831.41)	1,560.06
Increase in provisions	384.99	51.31
Cash Generated from Operations	18,320.85	16,612.48
Income taxes paid	(6,472.79)	(6,678.86)
Net Cash generated by Operating Activities (A)	11,848.06	9,933.62
B CASH FLOW FROM INVESTING ACTIVITIES		
Payments to acquire property, plant and equipment	(489.56)	(921.28)
Interest Received	448.92	1,439.21
Dividend Received	873.34	565.82
Net payments to acquire mutual funds	(4,613.12)	(17,625.21)

Cash Flow Statement for the year ended 31st March, 2018

(₹ in Lacs)

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
Payments to acquire financial assets	(19,627.61)	(3,401.40)
Proceeds on sale of financial assets	12,520.53	13,147.11
Proceeds from disposal of property, plant and equipment	3.06	3.69
Proceeds from disposal of interest in former subsidiary	2,378.77	-
Net Cash Used in Investing Activities (B)	(8,505.67)	(6,792.06)
C CASH FLOW FROM FINANCING ACTIVITIES		
Finance Cost paid	(72.92)	(1.38)
Dividend paid on equity shares	(2,780.05)	(2,004.77)
Dividend Distribution Tax Paid	(569.66)	(391.65)
Net Cash Used in Financing Activities (C)	(3,422.63)	(2,397.80)
Net Increase in Cash & Cash Equivalents (A+B+C)	(80.24)	743.76
Cash & Cash Equivalents at the beginning of the year	1,591.51	847.75
Cash & Cash Equivalents at the end of the year	1,511.27	1,591.51
Cash on Hand	17.20	11.93
Balances with Schedule Bank in Current Account	1,494.07	1,579.58
Cash & Cash Equivalents included in Note no.10	1,511.27	1,591.51

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Gaurav J Shah

Partner

Membership No. 35701

Place : Ahmedabad

Date : May 22, 2018

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 Financial Statements

(1) Corporate Information

Symphony Limited ("The Company"), 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. The addresses of its registered office and principal place of business are disclosed under corporate information in the annual report.

(2) Significant Accounting Policies

i) Statement of compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 2.xix) for the details of first-time adoption exemptions availed by the Company.

ii) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Notes forming part of the Financial Statements

(2) Significant Accounting Policies (Contd.)

The principal accounting policies are set out below.

iii) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

a) Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales of goods that result in point credits for customers, are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the point credits granted. The consideration allocated to the point credits is measured by reference to the treatment as prescribed in Appendix B to the Ind AS – 18 "Revenue". Such consideration is not recognised as revenue at the time of the initial sale transaction – but is deferred and recognised as revenue when the point credits are redeemed and the Company's obligations have been fulfilled.

b) Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

iv) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the

Notes forming part of the Financial Statements

(2) Significant Accounting Policies (Contd.)

year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

v) Foreign currencies

In preparing the financial statements of each individual Company entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

vi) Employee Benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Notes forming part of the Financial Statements

(2) Significant Accounting Policies (Contd.)

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

vii) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Notes forming part of the Financial Statements

(2) Significant Accounting Policies (Contd.)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

viii) Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Useful lives of tangible assets

Estimated useful lives of the tangible assets are as follows:

Buildings	30-60 years
Plant & Machinery	10-15 years
Furniture & Fixtures	10 years
Vehicles	8 years
Office Equipments	5 years
Computer	3-6 years

Capital work in progress is stated at cost less accumulated impairment loss, if any.

Notes forming part of the Financial Statements

(2) Significant Accounting Policies (Contd.)

ix) Intangible Fixed Assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Notes forming part of the Financial Statements

(2) Significant Accounting Policies (Contd.)

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Softwares	6 years
Trademarks	5 years
Designs	5 years
Copy Rights	5 years

Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

x) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Notes forming part of the Financial Statements

(2) Significant Accounting Policies (Contd.)

xi) 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.

xii) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

xiii) Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Company's obligation.

xiv) Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

xv) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Notes forming part of the Financial Statements

(2) Significant Accounting Policies (Contd.)

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer para of Impairment of financial assets.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI, refer para of Impairment of financial assets. All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

Notes forming part of the Financial Statements

(2) Significant Accounting Policies (Contd.)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Notes forming part of the Financial Statements

(2) Significant Accounting Policies (Contd.)

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

xvi) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Notes forming part of the Financial Statements

(2) Significant Accounting Policies (Contd.)

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

xvii) 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.

Notes forming part of the Financial Statements

(2) Significant Accounting Policies (Contd.)

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.

xix) First-time adoption – mandatory exceptions, optional exemptions

Overall principle

The Company has prepared the opening consolidated balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Deemed cost for property, plant and equipment, and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Notes forming part of the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK-IN-PROGRESS & OTHER INTANGIBLE ASSETS

(₹ in Lacs)

	Plant Property/Equipment						Total (A)	Other Intangible Assets			Total (B)	Capital WIP (C)	Grand Total (A+B+C)		
	Free Hold		Plant & Furniture & Vehicles		Office Equipments			Softwares	Trademarks	Designs				Copy Rights	
	Land	Buildings	Machinery	Fixtures	Plant	Furniture & Vehicles									Office Equipments
Gross Block															
As at 01/04/2016	1,962.85	1,871.75	1,719.92	349.53	258.43	97.27	106.33	6,366.08	60.64	1.00	0.85	0.25	62.74	301.15	6,729.97
Additions	-	0.37	727.68	18.02	86.55	2.40	16.32	851.34	436.90	6.00	-	-	442.90	63.64	1,357.88
Disposals	-	-	1.09	-	5.53	2.34	0.72	9.68	-	-	-	-	-	364.79	374.47
As at 01/04/2017	1,962.85	1,872.12	2,446.51	367.55	339.45	97.33	121.93	7,207.74	497.54	7.00	0.85	0.25	505.64	-	7,713.38
Additions	-	-	385.35	6.97	-	5.65	0.95	398.92	179.55	0.20	-	-	179.75	-	578.67
Disposals	-	-	15.14	0.45	8.64	0.27	0.70	25.20	-	-	-	-	-	-	25.20
As at 31/03/2018	1,962.85	1,872.12	2,816.72	374.07	330.81	102.71	122.18	7,581.46	677.09	7.20	0.85	0.25	685.39	-	8,266.85
Accumulated Depreciation and Amortization															
As at 01/04/2016	-	269.56	218.46	37.92	129.43	31.91	53.33	740.61	18.86	0.48	0.41	0.12	19.87	-	760.48
Depreciation and Amortization For The Year	-	38.01	138.51	33.65	39.92	16.63	26.70	293.42	56.56	0.30	0.17	0.05	57.08	-	350.50
Eliminated on disposals of assets	-	-	-	-	1.48	2.22	0.69	4.39	-	-	-	-	-	-	4.39
As at 01/04/2017	-	307.57	356.97	71.57	167.87	46.32	79.34	1,029.64	75.42	0.78	0.58	0.17	76.95	-	1,106.59
Depreciation and Amortization For The Year	-	38.58	180.05	35.69	37.12	15.79	26.62	333.85	99.62	1.42	0.17	0.05	101.26	-	435.11
Eliminated on disposals of assets	-	-	5.22	0.26	6.00	0.21	0.66	12.35	-	-	-	-	-	-	12.35
As at 31/03/2018	-	346.15	531.80	107.00	198.99	61.90	105.30	1,351.14	175.04	2.20	0.75	0.22	178.21	-	1,529.35
Net Block															
As at 01/04/2016	1,962.85	1,602.19	1,501.46	311.61	1,290.00	65.36	53.00	5,625.47	41.78	0.52	0.44	0.13	42.87	301.15	5,969.49
As at 31/03/2017	1,962.85	1,564.55	2,089.54	295.98	1,715.8	51.01	42.59	6,178.10	422.12	6.22	0.27	0.08	428.69	-	6,606.79
As at 31/03/2018	1,962.85	1,525.97	2,284.92	267.07	1,318.2	40.81	16.88	6,230.32	502.05	5.00	0.10	0.03	507.18	-	6,737.50

Notes forming part of the Financial Statements

4. NON-CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
Non-current Investments						
Investments in subsidiaries (Unquoted)	Nos.		Nos.		Nos.	
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	-	0.28
Guangdong Symphony Keruilai Air Coolers Co., Ltd	-	154.73	-	154.73	-	154.73
Quoted Investments						
In fully paid up bonds						
Tax Free Bond of HUDCO Ltd.	86,477	954.17	-	-	-	-
Tax Free Bond of HUDCO Ltd.	50,000	570.51	-	-	-	-
Tax Free Bond of IIFC Ltd.	-	-	1,36,000	1,847.97	1,36,000	1,578.53
Tax Free Bond of IIFC Ltd.	-	-	-	-	100	1,106.30
Tax Free Bond of IIFC Ltd.	-	-	1,00,000	1,120.00	1,00,000	1,035.05
Tax Free Bond of IRFC Ltd.	-	-	-	-	50	623.48
Tax Free Bond of IRFC Ltd.	30,000	329.71	-	-	-	-
Tax Free Bond of IRFC Ltd.	24,157	263.93	-	-	-	-
Tax Free Bond of NABARD	1,00,000	1,100.32	-	-	-	-
Tax Free Bond of NHAI	-	-	-	-	37,086	405.35
Tax Free Bond of NHAI	-	-	-	-	100	1,129.20
Tax Free Bond of NHAI	100	1,090.08	-	-	-	-
Tax Free Bond of NHAI	50,000	570.78	-	-	-	-
Tax Free Bond of NHAI	50,000	589.78	-	-	-	-
Tax Free Bond of NHB	-	-	7,220	499.62	7,220	489.19
Tax Free Bond of NHB	-	-	-	-	150	1,860.25
Tax Free Bond of NTPC Ltd.	-	-	31,664	433.48	31,664	368.35
Tax Free Bond of PFC Ltd.	-	-	32,389	443.57	32,389	434.27
Tax Free Bond of PFC Ltd.	-	-	-	-	150	1,860.25
Tax Free Bond of REC Ltd.	-	-	-	-	10,00,000	1,240.12
Tax Free Bond of REC Ltd.	-	-	50,000	540.04	50,000	520.38
Tax Free Bond of REC Ltd.	-	-	-	-	92,500	1,056.76
Tax Free Bond of REC Ltd.	-	-	-	-	1,50,000	1,670.25
IDBI Perpetual Bond	-	-	80	810.32	80	793.60
In fully paid non convertible debentures						
IIFL Wealth Finance Ltd	-	-	1,000	1,016.36	-	-

Notes forming part of the Financial Statements

4. NON-CURRENT INVESTMENTS (Contd.)

(₹ in Lacs)

Particulars	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
Dewan Housing Finance Cor.Ltd (Series-III A)	-	-	1,00,000	1,050.33	-	-
Dewan Housing Finance Cor.Ltd (Series-III B)	-	-	40,000	421.98	-	-
JM Financial Products Ltd	100	1,058.69	-	-	-	-
JM Fin. Products Ltd-Tranche Be-2017(XX)-MLD	100	1,014.53	-	-	-	-
JM Fin. Products Ltd-MLD-9%	100	1,015.47	-	-	-	-
IIFL Wealth Finance Ltd MLD 8.45% 21-06-2019	1,000	966.39	-	-	-	-
Edelweiss Finvest Private Limited MLD 8.40%29	1,000	1,007.20	-	-	-	-
In fully paid cumulative redeemable preference shares						
IL&FS Ltd.	6,700	1,005.00	6,700	1,005.00	6,700	1,005.00
IL&FS Ltd.	800	100.00	-	-	-	-
IL&FS Ltd.	2,699	404.85	-	-	-	-
IL&FS Ltd.	680	102.00	-	-	-	-
IL&FS Ltd.	3,123	390.38	-	-	-	-
IL&FS Ltd.	660	99.00	-	-	-	-
Zee Entertainment Enterprises Ltd.	3,50,00,000	2,828.00	-	-	-	-
Unquoted Investments						
In fully paid cumulative redeemable preference shares						
Tata Capital Ltd	-	-	50,000	492.86	50,000	461.10
Tata Capital Ltd	1,00,000	862.39	1,00,000	818.05	-	-
Tata Capital Ltd	10,000	150.00	-	-	-	-
In fully paid non convertible debentures						
Wondrous Buildmart Pvt Ltd-NCD	700	727.47	-	-	-	-
		<u>17,355.66</u>		<u>12,966.60</u>		<u>20,104.45</u>
Aggregate book value of quoted investments		<u>15,460.79</u>		<u>9,188.67</u>		<u>17,176.33</u>
Aggregate market value of quoted investments		<u>15,460.79</u>		<u>9,188.67</u>		<u>17,176.33</u>
Aggregate carrying value of unquoted investments		<u>1,894.87</u>		<u>3,777.93</u>		<u>2,928.12</u>

For category-wise classification of Non-Current Investments Refer note 43.

* During the year, the Company's investment in Sylvan Holdings Pte. Ltd., Singapore, a wholly owned subsidiary of the Company, has been disposed off, the value of the investment has been realized and the resultant gain of ₹66.76 lacs has been accounted for.

Notes forming part of the Financial Statements

5. OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
Balance held as Margin Money	10.42	10.20	10.49
Deposit Others	51.02	54.05	10.28
	61.44	64.25	20.77

6. OTHER NON-CURRENT ASSETS

(₹ in Lacs)

Particulars	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
Unsecured, considered good			
Capital advances	9.05	112.58	135.61
Prepaid Expenses	132.54	143.64	161.12
Other loans and advances			
Balance with statutory / government authorities	2.03	2.03	19.19
	143.62	258.25	315.92

7. INVENTORIES

(₹ in Lacs)

Particulars	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
Raw materials (Including Packing Material) (Including Goods in Transit ₹6.06 lacs, Previous year ₹36.67 lacs)	766.74	723.75	265.61
Work-in-Progress	-	-	0.40
Finished Goods (Including Goods in Transit ₹ Nil, Previous year ₹ Nil)	211.98	350.18	163.89
Stock-In-Trade (Including Goods in Transit ₹546.47 lacs, Previous year ₹321.46 lacs)	4,164.44	4,014.37	1,918.64
	5,143.16	5,088.30	2,348.54

Notes forming part of the Financial Statements

8. OTHER INVESTMENTS

(₹ in Lacs)

Particulars	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
	Nos.		Nos.		Nos.	
Current Investments						
Unquoted Investments						
Investment in Mutual Funds						
HDFC Banking & PSU Debt Fund	1,05,43,995	1,496.04	1,05,43,995	1,400.00	-	-
HDFC Floating Rate Income – ST-WP-Direct DDR	23,16,643	703.85	-	-	-	-
ICICI Prudential Equity Arbitrage Fund	-	-	1,40,06,454	2,043.09	-	-
Reliance Arbitrage Advantage Fund	1,85,26,238	2,011.75	-	-	-	-
Kotak Bond Short Term Fund	46,81,263	1,576.57	46,81,263	1,481.19	-	-
SBI Premier Liquid Fund	-	-	3,09,053	3,100.57	-	-
HDFC Arbitrage Fund	-	-	1,42,44,417	1,513.50	-	-
ICICI Prudential & PSU Debt Fund-Growth	-	-	1,05,70,333	2,000.90	-	-
HDFC Banking & PSU Debt Fund-Growth	-	-	83,29,295	1,100.71	-	-
ICICI Prudential Ultra Short Term Plan-Growth	38,86,932	692.65	38,86,932	650.00	-	-
ICICI Prudential Corporate Bond Fund-Growth	37,85,656	1,070.97	-	-	-	-
Kotak Bond Short Term Fund-Growth	16,91,827	548.78	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	1,443.76	78,92,245	1,350.55	-	-
ICICI Prudential Short Term Plan-Growth	1,00,03,512	3,751.74	-	-	-	-
DSP BlackRock Credit Risk Fund-Growth	18,06,378	532.57	-	-	-	-
DSP BlackRock Credit Risk Fund-Growth	18,51,077	529.62	-	-	-	-
IDFC Corporate Bond Fund-Growth	3,03,93,360	3,638.17	-	-	-	-
Reliance Short Term Fund-Growth	1,07,34,560	3,615.94	-	-	-	-
Tata Money Market Fund	3,38,255	3,387.69	1,45,002	1,452.22	-	-
		<u>25,000.10</u>		<u>18,612.73</u>		
Aggregate book value of quoted investments		-		-		-
Aggregate market value of quoted investments		-		-		-
Aggregate carrying value of unquoted investments		25,000.10		18,612.73		-

For category-wise classification of Current Investments Refer note 43.

The Company has pledged units of mutual funds worth ₹4,181 lacs 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 Financial Statements

9. TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
Unsecured Considered good	4,406.21	4,606.59	3,273.50
Unsecured Considered Doubtful	0.50	1.62	-
Less : Allowance for Doubtful Debts	(0.50)	(1.62)	-
	4,406.21	4,606.59	3,273.50

Majority domestic business of the Company is on Cash and Carry basis, for credit business the Company trades with recognised and credit worthy third parties. In addition, receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is not significant. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables for Exports Sales based on provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected credit loss (%)
Within the credit period	
1-90 days past due	0.00%
91-180 days past due	7.04%
181-360 days past due	7.14%
More than 360 days past due	0.00%
Age of receivables for export sales	

	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
Within the credit period			
1-90 days past due	986.80	702.57	1,355.48
91-180 days past due	-	-	-
181-360 days past due	-	-	-
More than 360 days past due	-	-	-

No allowance has been made for expected credit loss as export business trade receivables are outstanding for less than 90 days.

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Notes forming part of the Financial Statements

10. CASH & CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
Cash and Cash Equivalents			
Cash on Hand	1.00	1.00	21.06
Balance with employees Imprest account	16.20	10.93	11.59
Balance with banks in current accounts	1,494.07	1,579.58	815.10
	1,511.27	1,591.51	847.75
Other Bank Balances			
In Earmarked Accounts			
Unpaid Dividend Accounts	352.66	334.43	415.38
Margin Accounts	1.43	1.58	0.74
In Deposit Accounts	2.41	2.30	2,402.73
	1,867.77	1,929.82	3,666.60

11. OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
Interest Receivable	-	72.80	-
Export Incentive Receivable	328.02	300.62	133.47
	328.02	373.42	133.47

12. OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
Advance for supply of goods and rendering of services			
Unsecured, considered good	5,166.34	3,967.50	1,250.43
Unsecured, considered doubtful	75.49	75.49	75.49
Less: Provision for doubtful Advances	(75.49)	(75.49)	(75.49)
Prepaid Expenses	86.79	114.00	86.88
Balance with statutory / government authorities	2,206.03	183.69	191.48
	7,459.16	4,265.19	1,528.79

Notes forming part of the Financial Statements

13. EQUITY SHARE CAPITAL

(₹ in Lacs)

Particulars	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
Authorised :			
750,00,000 Equity Shares of ₹2/- each	1,500.00	1,500.00	1,500.00
Issued, Subscribed & Paid up :			
699,57,000 (As at March 31, 2017 699,57,000 :	1,399.14	1,399.14	699.57
As at April 01, 2016 349,78,500) Equity Shares of ₹2/- each fully paid up			
	1,399.14	1,399.14	699.57

The Company has allotted 349,78,500 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, 2018 is set out below :

(₹ in Lacs)

Name of the shareholder	No. of shares *	% held as at March 31, 2018	No. of shares *	% held as at March 31, 2017	No. of shares	% held as at April 01, 2016
Mr. Achal A. Bakeri	2,92,63,600	41.83%	2,92,63,600	41.83%	1,46,31,800	41.83%
Ms. Rupa A. Bakeri	70,96,940	10.14%	70,96,940	10.14%	3,89,750	1.11%
Sanskrit Tradecom Pvt. Ltd.#	1,24,83,200	17.84%	-	-	-	-
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

Consequent upon amalgamation of Oras Investments Pvt. Ltd. and Paratam Investments Pvt. Ltd. with Sanskrut Tradecom Pvt. Ltd.

Notes forming part of the Financial Statements

13. EQUITY SHARE CAPITAL (Contd.)

The reconciliation of the number of shares outstanding as at March 31, 2018 is set out below:

Particulars	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
	No. of Shares	Amount (₹ in lacs)	No. of Shares	Amount (₹ in lacs)	No. of Shares	Amount (₹ in lacs)
Opening Balance	6,99,57,000	1,399.14	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	6,99,57,000	1,399.14	3,49,78,500	699.57

14. OTHER EQUITY

(₹ in Lacs)

Particulars	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
General Reserve	3,500.00	3,500.00	3,500.00
Securities Premium Account	-	-	694.47
Capital Reserve	904.43	904.43	904.43
Reserve for Debt Instruments through Other Comprehensive Income	(401.18)	604.04	913.87
Retained Earnings	54,936.70	40,016.48	24,922.18
	58,939.95	45,024.95	30,934.95

14.1 General Reserve

(₹ in Lacs)

Particulars	As at	As at
	31/03/2018	31/03/2017
Closing balance	3,500.00	3,500.00

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

14.2 Securities Premium Account

(₹ in Lacs)

Particulars	As at	As at
	31/03/2018	31/03/2017
Opening balance	-	694.47
Issue of Bonus Shares	-	(694.47)
Closing balance	-	-

14.3 Capital Reserve

(₹ in Lacs)

Particulars	As at	As at
	31/03/2018	31/03/2017
Closing balance	904.43	904.43

Notes forming part of the Financial Statements

14. OTHER EQUITY (Contd.)

14.4 Reserve for Debt Instruments through Other Comprehensive Income (₹ in Lacs)

Particulars	As at	As at
	31/03/2018	31/03/2017
Opening balance	604.04	913.87
Net fair value gain on investments in debt instruments at FVTOCI	(289.20)	308.36
Income tax on net fair value gain on investments in debt instruments at FVTOCI	26.74	(18.29)
Cumulative gain reclassified to profit or loss on sale of debt instruments at FVTOCI	(840.59)	(678.13)
Income tax on gain reclassified to profit or loss on sale of debt instruments at FVTOCI	97.83	78.23
Closing balance	(401.18)	604.04

This reserve represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or impairment losses on such instruments.

14.5 Retained Earnings (₹ in Lacs)

Particulars	As at	As at
	31/03/2018	31/03/2017
Opening balance	40,016.48	24,922.18
Profit for the year	18,295.67	17,464.74
Other Comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(7.51)	(49.88)
Issue of bonus shares	-	(5.10)
Dividend on Equity Shares	(2,798.28)	(1,923.82)
Tax on Dividend	(569.66)	(391.64)
Closing balance	54,936.70	40,016.48

The Board of Directors has recommended, subject to approval of shareholders, a final dividend of ₹1.50/- per equity share of ₹2/- each for the year ended March 31, 2018. Further, three interim dividends aggregating ₹3.00/- per equity share were paid during the year. Total Dividend proposed/paid is ₹4.50/- per equity share (225%) (previous year ₹4.50/- per equity share (225%)). The total dividend appropriation for the year ended March 31, 2018 amounts to ₹3,788.94 lacs including dividend distribution tax of ₹640.87 lacs.

Notes forming part of the Financial Statements

15. DEFERRED TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
Deferred Tax Liabilities/(Assets) on			
(i) Property, plant and equipment and intangible assets	658.51	485.44	284.17
(ii) Financial Assets at FVTOCI	(70.58)	53.99	113.93
(iii) Financial Assets at FVTPL	329.46	22.77	(5.25)
(iv) Disallowances under section 43B/40A(7) of Income Tax Act, 1961	-	(9.17)	(8.66)
(v) Provision for doubtful advance	(26.12)	(26.12)	(26.12)
Deferred Tax Liability Net	891.27	526.91	358.07

Movement of Deferred Tax Liabilities / Assets For the twelve months ended March 31, 2018

(₹ in Lacs)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Reclassified from Other Equity to Profit or Loss	Closing Balance
Deferred Tax Liabilities/(Assets) on					
(i) Property, plant and equipment and intangible assets	485.44	173.07	-	-	658.51
(ii) Financial Assets at FVTOCI	53.99	-	(26.74)	(97.83)	(70.58)
(iii) Financial Assets at FVTPL	22.77	306.69	-	-	329.46
(iv) Disallowances under section 43B/40A(7) of Income Tax Act, 1961	(9.17)	9.17	-	-	-
(v) Remeasurements of the defined benefit plans	-	3.97	(3.97)	-	-
(vi) Provision for doubtful advance	(26.12)	-	-	-	(26.12)
Deferred Tax Liability Net	526.91	492.90	(30.71)	(97.83)	891.27

Notes forming part of the Financial Statements

15. DEFERRED TAX LIABILITIES (NET) (contd.)

For the twelve months ended March 31, 2017

(₹ in Lacs)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Reclassified from Other Equity to Profit or Loss	Closing Balance
Deferred Tax Liabilities/(Assets) on					
(i) Property, plant and equipment and intangible assets	284.17	201.27	-	-	485.44
(ii) Financial Assets at FVTOCI	113.93	-	18.29	(78.23)	53.99
(iii) Financial Assets at FVTPL	(5.25)	28.02	-	-	22.77
(iv) Disallowances under section 43B/40A(7) of Income Tax Act, 1961	(8.66)	(0.51)	-	-	(9.17)
(v) Remeasurements of the defined benefit plans	-	26.39	(26.39)	-	-
(vi) Provision for doubtful advance	(26.12)	-	-	-	(26.12)
Deferred Tax Liability Net	358.07	255.17	(8.10)	(78.23)	526.91

16. TRADE PAYABLES

(₹ in Lacs)

Particulars	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
Trade Payables (Refer to Note no. 38)	3,791.34	3,156.59	2,076.79
	3,791.34	3,156.59	2,076.79

17. OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
Trade Deposits	104.38	98.61	76.36
Unclaimed Dividends	352.66	334.43	415.38
Creditors for Capital Goods	34.79	49.21	0.44
	491.83	482.25	492.18

Notes forming part of the Financial Statements

18. PROVISIONS

(₹ in Lacs)

Particulars	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
Provision for			
Employee benefits (Refer note (i) below)	4.72	12.98	52.67
Warranty (Refer note (ii) below)	915.48	522.22	431.23
	920.20	535.20	483.90
	Warranty		
Balance at April 01, 2017	522.22		
Additional provisions recognised	954.83		
Reductions arising from payments	(561.57)		
Balance at March 31, 2018	915.48		

- (i) The provision for employee benefits includes gratuity provision. The decrease in the carrying amount of the provision for the current year results from benefits being paid in the current year. For other disclosures, refer note no. 36.
- (ii) The provision for warranty claims represents the present value of the directors' best estimate of the future outflow of economic benefits that will be required under the Company's obligations for warranties under local sale of goods legislation. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

19. CURRENT TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
Tax liabilities			
Provision for income tax	6,830.42	6,517.42	5,235.42
Total	6,830.42	6,517.42	5,235.42
Tax assets			
Advance income tax	6,281.24	6,227.43	4,738.45
Total	6,281.24	6,227.43	4,738.45
Net	549.18	289.99	496.97

20. OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at	As at	As at
	31/03/2018	31/03/2017	01/04/2016
Advance from customers	899.89	1,783.92	1,052.16
Statutory Dues	328.84	978.14	762.78
Deferred Revenue (Refer note (i) below)	291.00	594.85	-
Other Payables	-	-	4.16
	1,519.73	3,356.91	1,819.10

- (i) The deferred revenue arises in respect of the Company's Point Credits Scheme recognised in accordance with Appendix B to Ind AS 18 Customer Loyalty Programmes.

Notes forming part of the Financial Statements

21. REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year Ended	Year Ended
	31/03/2018	31/03/2017
Revenue from Sale of Products	68,491.70	66,201.55
Other Operating Revenue	210.88	187.65
	68,702.58	66,389.20
Sale of products comprises of :		
Air Coolers	66,938.87	65,528.63
Others	1,552.83	672.92
	68,491.70	66,201.55

22. OTHER INCOME

(₹ in Lacs)

Particulars	Year Ended	Year Ended
	31/03/2018	31/03/2017
Interest Income:		
Bank deposits (at amortised cost)	1.24	4.38
Investments in debt instruments measured at FVTOCI	554.73	1,209.06
Other financial assets carried at amortised cost	163.05	1.66
Dividend Income		
Dividend income from investments measured at FVTPL	719.10	497.16
Other gains and losses		
Gain on disposal of instruments designated at FVTOCI	(137.82)	151.17
Gain on disposal of interest in subsidiary	66.76	-
Cumulative gain reclassified from equity on disposal of debt instruments designated at FVTOCI	838.28	678.13
Net gain on disposal of instruments designated at FVTPL	635.66	922.80
Net gain on financial assets mandatorily measured at FVTPL	991.65	90.00
Other Non Operating Income	197.14	232.87
	4,029.79	3,787.23

23. COST OF MATERIAL CONSUMED

(₹ in Lacs)

Particulars	Year Ended	Year Ended
	31/03/2018	31/03/2017
Opening Stock of Raw Materials	723.75	265.61
Add: Purchases	3,166.24	3,891.10
Less: Closing Stock of Raw Materials	766.74	723.75
	3,123.25	3,432.96

Cost of material comprises of Moulded Parts & components of Air Cooler

Notes forming part of the Financial Statements

24. PURCHASE OF STOCK-IN-TRADE

(₹ in Lacs)

Particulars	Year Ended	Year Ended
	31/03/2018	31/03/2017
Air Coolers	27,398.77	28,995.53
Others	1,524.04	881.67
	28,922.81	29,877.20

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

(₹ in Lacs)

Particulars	Year Ended	Year Ended
	31/03/2018	31/03/2017
Opening Stock		
Work-in-Progress	-	0.40
Finished Goods	350.18	163.89
Stock-In-Trade	4,014.37	1,918.64
Less:		
Closing Stock		
Work-in-Progress	-	-
Finished Goods	211.98	350.18
Stock-In-Trade	4,164.44	4,014.37
	(11.87)	(2,281.62)

26. EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	Year Ended	Year Ended
	31/03/2018	31/03/2017
Salaries, Wages and Bonus	4,880.00	4,311.63
Contribution to Provident Fund and Other Funds (Refer Note no. 36)	279.10	229.90
Staff Welfare Expenses	40.73	77.36
	5,199.83	4,618.89

27. FINANCE COSTS

(₹ in Lacs)

Particulars	Year Ended	Year Ended
	31/03/2018	31/03/2017
Interest Expenses	72.92	1.38
	72.92	1.38

Notes forming part of the Financial Statements

28. OTHER EXPENSES

(₹ in Lacs)

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
Assembly and Labour Charges	43.27	61.21
Power and Fuel	6.00	7.43
Repairs & Maintenance		
Building	19.67	21.27
Machinery	8.45	16.71
Rent (Refer Note no. 35)	472.29	366.74
Rates & Taxes	16.52	14.12
Travelling	911.87	991.12
Conveyance	201.81	253.74
Communication Expenses	101.89	125.90
Insurance	87.34	76.44
Printing and stationery charges	30.38	55.45
Legal & Professional Charges	510.79	607.87
Payment to Auditors (Refer Note no. 34)	17.98	19.29
Vehicle Expenses	13.75	17.20
CSR Expenditure (Refer Note no. 41)	177.80	205.50
General Expenses	390.75	304.14
Repairs Others	14.96	11.04
Foreign Exchange Fluctuation(Net)	30.14	54.38
Loss on Sale of Fixed Assets	9.78	1.60
Bank Charges	18.85	21.63
Freight & Forwarding Charges	2,109.52	2,001.87
Warranty Expense	1,088.78	715.81
Sales Commission	17.41	16.23
CFA Handling Charges	128.85	207.69
	6,428.85	6,174.38

29. EARNINGS PER SHARE

(₹ in Lacs)

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
Face value of Equity Shares (₹)	2	2
Net Profit available for Equity Shareholders(₹ In Lacs)	18,295.67	17,464.74
No. of Equity Shares	6,99,57,000	6,99,57,000
Basic and Diluted EPS (₹)	26.15	24.96

Notes forming part of the Financial Statements

30. TAX EXPENSE

(30.1) Income tax recognised in statement of profit and loss

		(₹ in Lacs)	
Sr. No.	Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
(a)	Current tax		
	In respect of the current year	6,788.00	6,475.00
	In respect of prior years	(56.01)	(3.12)
		6,731.99	6,471.88
(b)	Deferred tax		
	In respect of the current year	492.90	255.17
		492.90	255.17
	Total income tax recognised in statement of profit and loss	7,224.89	6,727.05

The income tax expense for the year can be reconciled to the accounting profit as follows:

		(₹ in Lacs)	
Sr. No.	Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
	Profit before tax	25,520.56	24,191.79
	Income tax expense calculated at 34.608%	8,832.16	8,372.29
(a)	Effect of income that is exempt from taxation		
	Dividend income	(400.78)	(195.82)
	Interest on tax free bonds	(36.24)	(374.05)
(b)	Effect of expense that are not deductible in taxable profit		
	Expenses in relation to exempt income	5.50	5.87
(c)	Effect of additional deduction of research and product development cost	(73.31)	(118.02)
(d)	Effect of additional deduction of Contribution to scientific research project u/s 35(1)(ii)	(35.04)	(53.21)
(e)	Effect of lower tax on long term capital gain from investment in Bonds & Market Linked Debentures	(186.89)	(176.79)
(f)	Effect of income tax exemption u/s 10(AA) being profit of SEZ units	(818.68)	(762.72)
(g)	Others	(5.82)	32.62
	Current Year Income tax expense	7,280.90	6,730.17
	Prior Year Income tax expense	(56.01)	(3.12)
	Total income tax recognised in statement of profit and loss	7,224.89	6,727.05

Notes forming part of the Financial Statements

30. TAX EXPENSE (Contd.)

(30.2) Income tax recognised in Other Comprehensive Income

(₹ in Lacs)

Sr. No.	Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
	Deferred tax		
(a)	Arising on income and expenses recognised in other comprehensive income:		
	Re-measurement of defined benefit obligation	(3.97)	(26.39)
	Net fair value gain on investments in debt instruments at FVTOCI	(26.74)	18.29
	Total income tax recognised in other comprehensive income	(30.71)	(8.10)
	Bifurcation of the income tax recognised in other comprehensive income into:-		
	Items that will not be reclassified to profit or loss	(3.97)	(26.39)
	Items that may be reclassified to profit or loss	(26.74)	18.29
		(30.71)	(8.10)

31. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for) :

(₹ in Lacs)

Sr. No.	Particulars	2017-18	2016-17
(i)	Contingent Liabilities:		
a)	Claims against the Company not acknowledged as debt.	7.34	7.34
b)	Demand on account of vat / sales tax matters.	108.00	96.64
c)	Demand on account of Income Tax matters.	26.71	64.65
d)	Demand on account of central excise matters.	91.50	91.50
e)	Corporate Guarantee given for subsidiary company	3,252.21	3,246.50
		3,485.76	3,506.63
	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.		
(ii)	Commitments :		
a)	Estimated amount of Property, plant and equipment contracts remaining to be executed and not provided for.	8.98	348.78

Notes forming part of the Financial Statements

32. SEGMENT REPORTING

(a) Primary Segment :

As per recognition criteria mentioned in Ind AS - 108, Operating Segment, the Company has identified only one operating segment i.e. Air Coolers Business. However substantial portion of Corporate Funds remained invested in various financial instruments. The Company has considered Corporate Funds as a separate segment so as to provide better understanding of performance of Air Cooler Business.

Particulars	(₹ in Lacs)	
	2017-18	2016-17
(1) Segment Revenue		
Air Coolers	68,967.96	66,615.50
Corporate Funds	3,764.41	3,560.93
Total	72,732.37	70,176.43
(2) Segment Profit before Interest and Taxes (PBIT)		
Air Coolers	21,856.52	20,652.40
Corporate Funds	3,736.96	3,540.77
Total	25,593.48	24,193.17
Less: Finance Costs	72.92	1.38
Less: Taxes	7,224.89	6,727.05
Total	18,295.67	17,464.74
(3) Segment Assets		
Air Coolers	26,301.90	25,589.00
Corporate Funds	42,200.75	29,182.94
Total	68,502.64	54,771.94
(4) Segment Liabilities		
Air Coolers	8,163.55	8,347.85
Corporate Funds	-	-
Total	8,163.55	8,347.85
(5) Capital Employed		
Air Coolers	18,138.34	17,241.15
Corporate Funds	42,200.75	29,182.94
Total	60,339.09	46,424.09
(6) Capital Employed (Monthly Average)		
Air Coolers	3,124.92	1,979.65
Corporate Funds	49,017.51	36,790.83
Total	52,142.43	38,770.48
(7) Segment Results (PBIT) % on Capital Employed (Monthly Average)		
Air Coolers	699.43%	1,041.00%
Corporate Funds	7.62%	9.62%

Notes forming part of the Financial Statements

(Contd.)

(₹ in Lacs)

Particulars	2017-18	2016-17
Secondary Segment : Geographical segment		
(1) Segment Revenue		
India	62,130.79	59,180.49
Rest of the world	6,571.79	7,208.71
Revenue from operations	68,702.58	66,389.20
(2) Segment Profit before Interest and Taxes (PBIT)		
India	23,303.60	21,736.85
Rest of the world	2,289.88	2,456.32
Total	25,593.48	24,193.17
Less: Finance Costs	72.92	1.38
Less: Taxes	7,224.89	6,727.05
Total Profit After Tax	18,295.67	17,464.74

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.

33. RELATED PARTY DISCLOSURES

(₹ in Lacs)

Sr no	Name of the Related Parties	Nature of relationship with company	Nature of transaction	2017-18		2016-17	
				Volume of transaction	Balance at the end of the year	Volume of transaction	Balance at the end of the year
1	Ms. Jonaki Bakeri	Relative of Key Management Personnel	Sitting Fees	0.58	-	2.30	-
2	Sylvan Holdings Pte Ltd., Singapore	Subsidiary / Entity controlled by Holding Company (Upto November 30, 2017)	Investment in Capital	-	-	-	-
			Disposal of Investment	2,312.01	-	-	2,312.01
			Gain recognised on disposal of interest in former subsidiary	66.76	-	-	-
3	IMPCO S DE RL DE C V., Mexico	Subsidiary / Entity controlled by Holding Company	Sale of Goods / Receivables	1,377.44	397.28	1,919.45	1,569.46
4	IMPCO S DE RL DE C V., Mexico	Subsidiary / Entity controlled by Holding Company	Purchase of Goods / Payables	31.37	-	282.39	106.39
5	IMPCO S DE RL DE C V., Mexico	Subsidiary / Entity controlled by Holding Company	Investment in Capital	-	0.28	-	0.28

Notes forming part of the Financial Statements

33. RELATED PARTY DISCLOSURES

(₹ in Lacs)

Sr no	Name of the Related Parties	Nature of relationship with company	Nature of transaction	2017-18		2016-17	
				Volume of transaction	Balance at the end of the year	Volume of transaction	Balance at the end of the year
6	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	-
7	Guangdong Symphony Keruilai Air Coolers Co., Ltd	Subsidiary / Entity controlled by Holding Company	Investment in Capital	-	154.73	-	154.73
8	Guangdong Symphony Keruilai Air Coolers Co., Ltd	Subsidiary / Entity controlled by Holding Company	Guarantee Charges recovered	19.14	206.94	15.81	184.90
			Purchase of Goods / Advances	49.90	-	462.15	-
9	Guangdong Symphony Keruilai Air Coolers Co., Ltd	Subsidiary / Entity controlled by Holding Company	Corporate Guarantee given in favour of Standard Chartered Bank	-	3,252.21	-	3,246.50
10	Harmony Holdings Pvt. Ltd.	Enterprise in which Key Management Personnel has significant influence	Purchase of Intellectual Property	-	-	6.00	-

33.1 Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows: (₹ in Lacs)

	2017-18		2016-17	
	Mr. Achal Bakeri, Chairman and Managing Director	Mr. Nrupesh Shah, Executive Director	Mr. Achal Bakeri, Chairman and Managing Director	Mr. Nrupesh Shah, Executive Director
Short-term benefits	236.29	159.30	211.29	147.88
Post-employment benefits	1.28	1.61	1.51	1.61
	237.57	160.91	212.80	149.49
Balance outstanding at the end of the year	200.00	141.42	175.00	130.00

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

34. PAYMENT TO STATUTORY AUDITORS (excluding GST) (refer note no. 28)

(₹ in Lacs)

Particulars	2017-18	2016-17
a) As Auditor	9.00	13.23
b) In other capacity, in respect of		
i) Certification	0.98	0.88
ii) Limited Review	8.00	5.18
	17.98	19.29

35. LEASES

35.1 : Leasing Arrangement

The company does not have any Non-cancellable lease.

Operating lease is related to

- Lease of Land of Surat SEZ with lease term 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 is charged to Statement of Profit & Loss account over a period of 15 years.
- Lease of Land at Kandla SEZ for 48 months from Sept,16.
- Lease of CFA premises at various location of India with a lease period of one year.

35.2 : Payment recognised as an expenses

	2017-18	2016-17
Minimum Lease Payments	472.29	366.74

36. 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 ₹144.87 lacs (Year ended March 31, 2017 ₹139.86 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

The defined benefit plan of the Company includes entitlement of gratuity for each year of service until the retirement age.

The plan typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities and other debt instruments.

Interest risk: A fall in the discount rate which is linked to the Government Securities. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Notes forming part of the Financial Statements

36. EMPLOYEE BENEFITS (Contd)

Longevity risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

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.

i. The principal assumptions used for the purposes of actuarial valuation were as follows:

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 01, 2016
Expected return on plan assets	7.71%	6.82%	7.85%
Discount rate	7.71%	6.82%	7.85%
Rate of salary increase	7.00%	7.00%	7.00%
Rate of employee turnover	7.00%	7.00%	7.00%

ii. Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

Particulars	₹ in Lacs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	96.30	71.70
Net interest expense	0.88	4.13
Components of defined benefit cost recognised in profit or loss	97.18	75.83
Actuarial (gains)/losses on obligation for the period	17.06	86.01
Return on plan assets (excluding interest income)	(5.58)	(9.74)
Components of defined benefit costs recognised in other comprehensive income	11.48	76.27
Total	108.66	152.10

iii. The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 01, 2016
Present value of funded defined benefit obligation	(744.81)	(632.76)	(449.65)
Fair value of plan assets	740.09	619.78	396.98
Funded status	(4.72)	(12.98)	(52.67)
Net liability arising from defined benefit obligation	(4.72)	(12.98)	(52.67)

Notes forming part of the Financial Statements

36. EMPLOYEE BENEFITS (Contd)

iv. Movements in the present value of the defined benefit obligation are as follows:

Particulars	(₹ in Lacs)	
	As at March 31, 2018	As at March 31, 2017
Opening defined obligation	632.76	449.65
Current service cost	96.30	71.70
Interest cost	43.15	35.30
Benefits paid	(44.46)	(9.90)
Actuarial (gains)/losses arising from changes in financial assumptions	(43.65)	41.69
Actuarial (gains)/losses arising from experience adjustments	60.71	44.32
Closing defined benefit obligation	744.81	632.76

v. Movements in the fair value of the plan assets are as follows:

Particulars	(₹ in Lacs)	
	As at March 31, 2018	As at March 31, 2017
Opening fair value of plan assets	619.78	396.98
Interest income	42.27	31.16
Return on plan assets (excluding amounts included in net interest expense)	5.58	9.74
Contributions from the employer	105.78	184.50
Benefits paid	(33.32)	(2.60)
Closing fair value of plan assets	740.09	619.78

vi. The fair value of the plan assets at the end of reporting period for each category are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	HDFC Group Traditional Plan	740.09	619.78
Closing fair value of plan assets	740.09	619.78	396.98

vii. The following payments are expected contributions to the defined benefit plan in future years:

Particulars	(₹ in Lacs)	
	As at March 31, 2018	As at March 31, 2017
1st following year	118.28	80.44
2nd following year	51.24	38.46
3rd following year	74.17	52.21
4th following year	69.55	65.44
5th following year	73.07	56.85
Sum of years 6 to 10	325.09	284.55
Sum of years 11 and above	675.54	554.27

Notes forming part of the Financial Statements

36. EMPLOYEE BENEFITS (Contd)

viii. Sensitivity analysis:

Particulars	(₹ in Lacs)	
	As at March 31, 2018	As at March 31, 2017
Discount rate increase by 1%	(43.62)	(40.55)
Discount rate decrease by 1%	49.40	46.15
Rate of salary increase by 1%	49.26	45.61
Rate of salary decrease by 1%	(44.28)	(40.84)
Rate of employee turnover increase by 1%	0.16	(2.66)
Rate of employee turnover decrease by 1%	(0.38)	2.77

37. 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.

38. 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, 2018. 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.

39. Pursuant to the directions issued by Securities and Exchange Board of India, (SEBI) in its interim order dated 22 March 2016, the Company had 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 found irregularities in certain transactions as per the special audit carried out by an independent external agency which was also submitted to the SEBI. 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.

40. 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	2017-18		2016-17	
Capital Expenditure	43.34		54.05	
Revenue Expenditure				
Material Consumed	6.75		5.65	
Employee Benefit Expenses	274.84		227.20	
Other Expenses	43.86	325.45	43.04	275.89
Total	368.79		329.94	

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 ₹359.55 lacs (Previous year ₹300.40 lacs).
 (b) Amount spent during the year on

Particulars	(₹ in Lacs)					
	In Cash		Yet to be paid in Cash		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purpose other than (i) above						
Scientific Research	135.00	205.00	-	-	135.00	205.00
Others	42.80	0.50	-	-	42.80	0.50
Total	177.80	205.50	-	-	177.80	205.50

42. DISCLOSURE UNDER REGULATION 34(3) OF THE LISTING REGULATIONS

Amount of loans and advances outstanding from subsidiaries as at March 31, 2018:

Subsidiary Company	Outstanding as at March 31, 2018	Maximum amount outstanding during the year	Outstanding as at March 31, 2017	Maximum amount outstanding during the year
IMPCO S DE RL DE C V., Mexico	-	-	-	100.80

43. FINANCIAL INSTRUMENTS

Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern, while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options. The Company does not have any debt to meet its capital requirement and uses the operational cash flows and equity to meet its capital requirements.

The Company is not subject to any externally imposed capital requirements.

The management of the Company reviews the capital structure of the Company on regular basis.

The following table summarises the capital of the Company.

Particulars	(₹ in Lacs)		
	As at	As at	As at
	March 31, 2018	March 31, 2017	April 01, 2016
Equity Share Capital	1,399.14	1,399.14	699.57
Other equity	58,939.95	45,024.95	30,934.95
Total Equity	60,339.09	46,424.09	31,634.52

Notes forming part of the Financial Statements

43. FINANCIAL INSTRUMENTS (Contd.)

Other disclosure pursuant to Ind AS 107 "Financial instruments: Disclosures":

(a) Category-wise classification for applicable financial assets:

		(₹ in Lacs)		
Sr. No.	Particulars	As at	As at	As at
		31/03/2018	31/03/2017	01/04/2016
I	Measured at fair value through Profit or Loss (FVTPL):			
	(i) Investment in mutual funds	25,000.10	18,612.73	-
	(ii) Investment in bonds	-	810.32	793.60
	(ii) Investment in NCD	5,062.28	1,016.36	-
		30,062.38	20,439.41	793.60
II	Measured at amortised cost:			
	(i) Investment in equity shares of subsidiaries	155.01	2,467.02	2,467.02
	(ii) Investment in NCD	727.47	-	-
	(iii) Trade receivables	4,406.21	4,606.59	3,273.50
	(iv) Cash and cash equivalents and bank balances	1,867.77	1,929.82	3,666.60
	(v) Other financial assets	389.46	437.67	154.24
		7,545.92	9,441.10	9,561.36
III	Measured at fair value through Other Comprehensive Income (FVTOCI):			
	(i) Investment in bonds	5,469.28	4,884.68	15,377.73
	(ii) Investment in NCD	-	1,472.31	-
	(iii) Investment in preference shares	5,941.62	2,315.91	1,466.10
		11,410.90	8,672.90	16,843.83
	Total	49,019.20	38,553.41	27,198.79

(b) Category-wise classification for applicable financial liabilities:

		(₹ in Lacs)		
Sr. No.	Particulars	As at	As at	As at
		31/03/2018	31/03/2017	01/04/2016
	Measured at amortised cost:			
	(i) Trade payables	3,791.34	3,156.59	2,076.79
	(ii) Others Financial Liabilities	491.83	482.25	492.18
	Total	4,283.17	3,638.84	2,568.97

Notes forming part of the Financial Statements

44. FAIR VALUE MEASUREMENTS

(a) Fair value Hierarchy of the Company's financial assets that are measured at fair value on a recurring basis:

(₹ in Lacs)

Particulars	As at 31/03/2018			As at 31/03/2017			As at 01/04/2016					
	Level1	Level2	Level3	Total	Level1	Level2	Level3	Total	Level1	Level2	Level3	Total
I Financial assets at FVTPL												
(i) Investment in mutual funds	25,000.10	-	-	25,000.10	18,612.73	-	-	18,612.73	-	-	-	-
(ii) Investment in bonds & NCD	5,062.28	-	-	5,062.28	1,826.68	-	-	1,826.68	793.60	-	-	793.60
II Financial assets at FVTOCI												
(i) Investment in bonds & NCD	4,898.77	570.51	-	5,469.28	1,660.04	4,696.95	-	6,356.99	6,684.20	8,693.53	-	15,377.73
(ii) Investment in preference shares	2,828.00	3,113.62	-	5,941.62	-	2,315.91	-	2,315.91	-	1,466.10	-	1,466.10
Total	37,789.15	3,684.13	-	41,473.28	22,099.45	7,012.86	-	29,112.31	7,477.80	10,159.63	-	17,637.43

Valuation technique and key inputs used to determine fair value:

- A. Level 1 : Mutual funds, Bonds, NCD - Quoted prices in active market.
 B. Level 2 : Bonds, NCD, Preference shares - Discounted cash flow at discount rate that reflects the issuer's current borrowing rate at the end of the reporting period.

(b) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

I Financial assets measured at amortised cost

The carrying amount of Trade receivables, Loans, Cash and cash equivalents and bank balances & Other current financial assets are considered to be the same as their fair value due to their short term nature. The carrying amount of Other non-current financial assets are considered to be close to the fair value.

II Financial liabilities measured at amortised cost

The carrying amount of Trade payables and Other financial liabilities are considered to be the same as their fair values due to their short term nature.

Notes forming part of the Financial Statements

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management objectives

The Company's management monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's risk management is done in close co-ordination with the board of directors and focuses on actively securing the Company's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The most significant risks to which the Company is exposed are described below:

Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates risk, liquidity risk, credit risk and price risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The company minimise foreign currency risk by taking 100% advance in majority cases. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(All figures in Lacs)

Foreign currency exposure	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Foreign currency monetary assets	Foreign currency monetary liabilities	Foreign currency monetary assets	Foreign currency monetary liabilities	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	20.77	-	32.29	2.32	12.58	0.06
EURO	0.45	-	-	-	2.59	-
GBP	-	-	0.07	-	1.23	-

Foreign currency sensitivity

The following table details the Company's sensitivity to a 5% increase and decrease in the ₹ against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their transaction at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Notes forming part of the Financial Statements

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

(₹ in Lacs)

Currency	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	5% increase	5% decrease	5% increase	5% decrease	5% increase	5% decrease
Foreign currency monetary assets						
USD	(67.38)	67.38	(107.95)	107.95	(41.72)	41.72
EURO	(1.82)	1.82	-	-	(9.71)	9.71
GBP	-	-	(0.28)	0.28	(5.84)	5.84
Foreign currency monetary liabilities						
USD	-	-	7.78	(7.78)	0.19	(0.19)
Impact on profit or loss at the end of the reporting year	(69.20)	69.20	(100.45)	100.45	(57.08)	57.08
Impact on total equity as at the end of the reporting year (net of tax)	(69.20)	69.20	(99.43)	99.43	(57.05)	57.05

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments (Bond, NCD, preference share and mutual fund), trade receivables, loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed in the Note No. 9 above.

The Company has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information.

Since majority business of the Company is on Cash and Carry basis, for credit business the Company trades with recognised and credit worthy third parties. In addition, receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is not significant and hence no adjustment is made for expected credit loss allowance.

Price risk

The Company's exposure to price risk arises from investments in Bond, NCD, preference share and mutual fund held by the Company and classified in the balance sheet at fair value through OCI and at fair value through profit or loss. To manage its price risk arising from investments, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Notes forming part of the Financial Statements

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

Price risk sensitivity

The table below summarises the impact of increases / decreases of the index on the Company's equity and profit for the year.

(₹ in Lacs)

	Movement in Rate	As at March 31, 2018		As at March 31, 2017	
		Impact on Profit	Impact on Other Comprehensive Income	Impact on Profit	Impact on Other Comprehensive Income
Bonds					
Increase	+2%	-	109.39	16.21	97.69
Decrease	-2%	-	(109.39)	(16.21)	(97.69)
Preference Shares					
Increase	+2%	-	118.83	-	46.32
Decrease	-2%	-	(118.83)	-	(46.32)
NCD					
Increase	+2%	101.25	-	20.33	29.45
Decrease	-2%	(101.25)	-	(20.33)	(29.45)
Mutual Funds					
Increase	+2%	500.00	-	372.25	-
Decrease	-2%	(500.00)	-	(372.25)	-
Total					
Increase	+2%	601.25	228.22	408.79	173.46
Decrease	-2%	(601.25)	(228.22)	(408.79)	(173.46)
Impact on total equity as at the end of the reporting year (net of tax)					
Increase	+2%		616.08		419.37
Decrease	-2%		(616.08)		(419.37)

Interest rate risk

The Company's majority investments are primarily in fixed rate interest bearing investments. Except in case of Market Linked Debentures the Company is not significantly exposed to interest rate risk.

Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturities of financial assets:

The tables below analyse the Company's financial assets into relevant maturity groupings base on their contractual maturities for all non-derivative financial assets.

Notes forming part of the Financial Statements

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

(₹ in Lacs)

Particulars	As at March 31, 2018			Total
	Less than 1 year	1 to 5 years	>5 years	
Non-Current				
(i) Bonds	-	-	5,469.28	5,469.28
(ii) Preference Shares	700.00	4,379.23	862.39	5,941.62
(iii) NCD	2,793.36	2,996.39	-	5,789.75
Current				
(i) Mutual Funds	25,000.10	-	-	25,000.10

Maturities of financial liabilities:

The tables below analyse the Company's financial liabilities into relevant maturity groupings base on their contractual maturities for all non-derivative financial liabilities.

(₹ in Lacs)

Particulars	As at March 31, 2018			Total
	Less than 1 year	1 to 5 years	>5 years	
Current				
(i) Trade payables	3,791.34	-	-	3,791.34
(ii) Others Financial Liabilities	491.83	-	-	491.83

(₹ in Lacs)

Particulars	As at March 31, 2017			Total
	Less than 1 year	1 to 5 years	>5 years	
Current				
(i) Trade payables	3,156.59	-	-	3,156.59
(ii) Others Financial Liabilities	482.25	-	-	482.25

(₹ in Lacs)

Particulars	As at April 01, 2016			Total
	Less than 1 year	1 to 5 years	>5 years	
Current				
(i) Trade payables	2,076.79	-	-	2,076.79
(ii) Others Financial Liabilities	492.18	-	-	492.18

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.

Notes forming part of the Financial Statements

46. FIRST TIME IND AS ADOPTION RECONCILIATIONS

46.1 Effect of Ind AS Adoption on the balance sheet as at March 31, 2017 and April 01, 2016

(₹ in Lacs)

Particulars	Refer Notes in 46.6	As at March 31, 2017		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
I ASSETS				
(1) Non-Current Assets				
(a) Property, plant and equipment	(a)	6,335.38	(157.28)	6,178.10
(b) Capital work - in - Progress		-	-	-
(c) Other Intangible Assets		428.69	-	428.69
(d) Financial Assets				
(i) Investments				
a) Investments in subsidiaries		2,467.02	-	2,467.02
b) Other investments	(b),(d)	9,668.71	830.87	10,499.58
(ii) Other financial assets	(c)	62.05	2.20	64.25
		18,961.85	675.79	19,637.64
(e) Other non-current assets	(a)	118.32	139.93	258.25
Total Non-Current Assets		19,080.17	815.72	19,895.89
(2) Current Assets				
(a) Inventories		5,088.30	-	5,088.30
(b) Financial assets				
(i) Other investments	(d)	18,555.81	56.92	18,612.73
(ii) Trade receivables		4,606.59	-	4,606.59
(iii) Cash and Bank Balances		1,591.51	-	1,591.51
(iv) Bank balances other than (iii) above	(c)	338.30	0.01	338.31
(v) Other financial assets	(b),(c)	558.35	(184.93)	373.42
(c) Other Current Assets	(a)	4,247.84	17.35	4,265.19
Total Current Assets		34,986.70	(110.65)	34,876.05
Total Assets		54,066.87	705.07	54,771.94
II EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital		1,399.14	-	1,399.14
(b) Other Equity	(b),(d),(e)	44,396.64	628.31	45,024.95
Total Equity		45,795.78	628.31	46,424.09

Notes forming part of the Financial Statements

46. FIRST TIME IND AS ADOPTION RECONCILIATIONS (Contd.)

(₹ in Lacs)

Particulars	Refer Notes in 46.6	As at March 31, 2017		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
(2) Non-Current Liabilities				
(a) Deferred Tax Liabilities (Net)	(e)	450.15	76.76	526.91
Total Non-Current Liabilities		450.15	76.76	526.91
(3) Current Liabilities				
(a) Financial liabilities				
(i) Trade payables		3,156.59	-	3,156.59
(ii) Others Financial Liabilities		482.25	-	482.25
		3,638.84	-	3,638.84
(b) Provisions		535.20	-	535.20
(c) Current tax liabilities (Net)		289.99	-	289.99
(d) Other Current Liabilities		3,356.91	-	3,356.91
Total Current Liabilities		7,820.94	-	7,820.94
Total Liabilities		8,271.09	76.76	8,347.85
Total Equity and Liabilities		54,066.87	705.07	54,771.94

46.1 Effect of Ind AS Adoption on the balance sheet as at March 31, 2017 and April 01, 2016 (contd.)

(₹ in Lacs)

Particulars	Refer Notes in 46.6	As at April 01, 2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
I ASSETS				
(1) Non-Current Assets				
(a) Property, plant and equipment	(a)	5,800.12	(174.65)	5,625.47
(b) Capital work - in - Progress		301.15	-	301.15
(c) Other Intangible Assets		42.87	-	42.87
(d) Financial Assets				
(i) Investments				
a) Investments in subsidiaries		2,467.02	-	2,467.02
b) Other investments	(b),(d)	16,167.20	1,470.23	17,637.43
(ii) Other financial assets	(c)	19.28	1.49	20.77
		24,797.64	1,297.07	26,094.71
(e) Other non-current assets	(a)	158.62	157.30	315.92
Total Non-Current Assets		24,956.26	1,454.37	26,410.63

Notes forming part of the Financial Statements

46. FIRST TIME IND AS ADOPTION RECONCILIATIONS (Contd.)

46.1 Effect of Ind AS Adoption on the balance sheet as at March 31, 2017 and April 01, 2016 (contd.)

Particulars	Refer Notes in 46.6	As at April 01, 2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
(₹ in Lacs)				
(2) Current Assets				
(a) Inventories		2,348.54	-	2,348.54
(b) Financial assets				
(i) Trade receivables		3,273.50	-	3,273.50
(ii) Cash and Bank Balances		847.75	-	847.75
(iii) Bank balances other than (iii) above	(c)	2,818.29	0.56	2,818.85
(iv) Other financial assets	(b),(c)	657.39	(523.92)	133.47
(c) Other Current Assets	(a)	1,511.43	17.36	1,528.79
Total Current Assets		11,456.90	(506.00)	10,950.90
Total Assets		36,413.16	948.37	37,361.53
II EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital		699.57	-	699.57
(b) Other Equity	(b), (d),(e)	30,095.26	839.69	30,934.95
Total Equity		30,794.83	839.69	31,634.52
(2) Non-Current Liabilities				
(a) Deferred Tax Liabilities (Net)	(e)	249.39	108.68	358.07
Total Non-Current Liabilities		249.39	108.68	358.07
(3) Current Liabilities				
(a) Financial liabilities				
(i) Trade payables		2,076.79	-	2,076.79
(ii) Others Financial Liabilities		492.18	-	492.18
		2,568.97	-	2,568.97
(b) Provisions		483.90	-	483.90
(c) Current tax liabilities (Net)		496.97	-	496.97
(d) Other Current Liabilities		1,819.10	-	1,819.10
Total Current Liabilities		5,368.94	-	5,368.94
Total Liabilities		5,618.33	108.68	5,727.01
Total Equity and Liabilities		36,413.16	948.37	37,361.53

Notes forming part of the Financial Statements

46. FIRST TIME IND AS ADOPTION RECONCILIATIONS (Contd.)

46.2 Reconciliation of total equity as at March 31, 2017 and April 01, 2016

Particulars	Refer Notes in 46.6	(₹ in Lacs)	
		As at March 31, 2017	As at April 01, 2016
Total equity under previous GAAP		45,795.78	30,794.83
Impact of measuring investments at fair value through Other Comprehensive Income (FVTOCI)	(b)	660.58	993.88
Impact of measuring investments at fair value through Profit or Loss (FVTPL)	(d)	44.49	(45.51)
Deferred and Current tax effect	(e)	(76.76)	(108.68)
Total equity under Ind AS		46,424.09	31,634.52

46.3 Effect of Ind AS Adoption on the statement of profit and loss for the twelve months ended March 31, 2017

Particulars	Refer Notes in 46.6	(₹ in Lacs)		
		As at March 31st, 2017		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Statement of profit and loss
I Revenue from Operations	(g)	66,716.85	(327.65)	66,389.20
II Other Income	(b),(d)	3,660.75	126.48	3,787.23
III Total Revenue (I + II)		70,377.60	(201.17)	70,176.43
IV Expenses:				
Cost of Material Consumed		3,432.96	-	3,432.96
Purchase of Stock-in-Trade		29,877.20	-	29,877.20
Changes in Inventories of Finished Goods, Work- in-Progress and Stock-in-Trade		(2,281.62)	-	(2,281.62)
Employee Benefit Expense	(f)	4,695.16	(76.27)	4,618.89
Finance Costs		1.38	-	1.38
Depreciation and Amortization Expense	(a)	367.87	(17.37)	350.50
Advertisement and Sales Promotion Expense	(g)	4,138.60	(327.65)	3,810.95
Other Expenses	(a)	6,157.01	17.37	6,174.38
Total Expenses (IV)		46,388.56	(403.92)	45,984.64
V Profit before Tax (III – IV)		23,989.04	202.75	24,191.79
VI Tax Expense / (Benefits):				
(1) Current Tax		6,475.00	-	6,475.00
(2) Excess Provision of tax relating to previous years		(3.12)	-	(3.12)

Notes forming part of the Financial Statements

46. FIRST TIME IND AS ADOPTION RECONCILIATIONS (Contd.)

46.3 Effect of Ind AS Adoption on the statement of profit and loss for the twelve months ended March 31, 2017 (Contd.)

(₹ in Lacs)				
Particulars	Refer Notes in 46.6	As at March 31st, 2017		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Statement of profit and loss
(3) Net Current Tax		6,471.88	-	6,471.88
(4) Deferred Tax	(e),(f)	200.75	54.42	255.17
Net Tax Expense (VI)		6,672.63	54.42	6,727.05
VII Profit for the year (V - VI)		17,316.41	148.33	17,464.74
VIII Other comprehensive income				
Items that will not to be reclassified to profit or loss :				
(i) Remeasurements of the defined benefit plans	(f)	-	(76.27)	(76.27)
(ii) Income tax effect on above	(f)	-	26.39	26.39
Items that will be reclassified to profit or loss :				
(i) Gain / (Loss) on Items designated as Fair Value Through Other Comprehensive Income	(b)	-	308.36	308.36
(ii) Income tax effect on above	(e)	-	(18.29)	(18.29)
Total other comprehensive income (VIII)		-	240.19	240.19
IX Total comprehensive income for the year (VII+VIII)		17,316.41	388.52	17,704.93

46.4 Reconciliation of total comprehensive income for the year ended March 31, 2017

(₹ in Lacs)		
Particulars	Refer Notes in 46.6	For the twelve months ended March 31, 2017
Profit as per previous GAAP		17,316.41
Impact of Fair Valuation of Investments	(b),(d)	126.48
Re-measurement of defined benefit obligation recognised in other comprehensive income	(f)	76.27
Deferred and Current tax effect	(e),(f)	(54.42)
Profit after tax as reported under Ind AS		17,464.74
Other comprehensive income/(expense) (net of tax)	(b),(e),(f)	240.19
Total comprehensive income as reported under Ind AS		17,704.93

Note : Under Previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under previous GAAP.

Notes forming part of the Financial Statements

46. FIRST TIME IND AS ADOPTION RECONCILIATIONS (Contd.)

46.5 Cash flow statements

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

(46.6) Notes to the reconciliations

- (a) Under IGAPP, Leasehold land at Surat SEZ is recognised as fixed assets where as under Ind AS the same is considered as operating lease. This has resulted in decrease in fixed assets by ₹157.28 lacs as on March 31, 2017 (₹174.65 lacs as on April 01, 2016) and increase in Other Non-Current Assets by ₹157.28 lacs as on March 31, 2017 (₹174.65 lacs as on April 01, 2016). This change does not affect Profit before tax or Profit for the year ended March 31, 2017 because expense have been regrouped from Depreciation and Amortization Expense to Other Expenses by ₹17.37 lacs.
- (b) All Non-Current investments except investments in group companies, MLD and perpetual bond have been fair valued in accordance with Ind AS 109. Investment in debt securities measured at amortised cost are fair valued through OCI (FVTOCI) and reclassified to profit or loss on their sale. Under IGAAP the Non-Current investments were carried at cost net of permanent diminution, if any. This has resulted in increase in Other Non-Current Investments by ₹843.30 lacs as on March 31, 2017 (₹1,515.75 lacs as on April 01, 2016) and decrease in Other Current Financial Assets by ₹182.72 lacs as on March 31, 2017 (₹521.87 lacs as on April 01, 2016) and increase in Other Equity by ₹660.58 lacs as on March 31, 2017 (₹993.88 lacs as on April 01, 2016). This has resulted in increase of Profit before tax for the year ended March 31, 2017 by ₹69.55 lacs and increase in Other Comprehensive income by ₹308.36 lacs.
- (c) Under IGAAP interest accrued on fixed deposits was disclosed under Other Current Financial Assets, where as under Ind AS it is included in the fixed deposit balance grouped under Other Non-Current Financial Assets and Other Bank Balances. This has resulted in decrease in Other Current Financial Assets by ₹2.20 lacs as on March 31, 2017 (₹1.49 lacs as on April 01, 2016) and increase in Other Non-Current Financial Assets by ₹2.20 lacs as on March 31, 2017 (₹2.05 lacs as on April 01, 2016), and increase in Other Bank balances by ₹ Nil lacs as on March 31, 2017 (₹0.56 lacs as on April 01, 2016).
- (d) Under Ind AS investments in mutual funds have been fair valued through Profit or loss. Under IGAAP the current investments were carried at cost net of diminution in their value as at the Balance Sheet date. This has resulted in increase in Current Investments by ₹56.93 lacs as on March 31, 2017 (₹ Nil as on April 01, 2016) and increase in Other Equity by ₹56.93 lacs as on March 31, 2017 (₹ Nil as on April 01, 2016). This has resulted in increase of Profit before tax for the year ended March 31, 2017 by ₹56.93 lacs. Under Ind AS investments in MLD & Perpetual Bonds have been fair valued through Profit or loss. Under IGAAP the Non current investments were carried at cost net of diminution in their value as at the Balance Sheet date. This has resulted in increase in Non Current Investments by ₹33.07 lacs as on March 31, 2017 (Decrease in Non Current Investments by ₹45.49

Notes forming part of the Financial Statements

46. FIRST TIME IND AS ADOPTION RECONCILIATIONS (Contd.)

as on April 01, 2016) and decrease in Other Equity by ₹12.44 lacs as on March 31, 2017 (₹45.49 as on April 01, 2016). This has resulted in increase of Profit before tax for the year ended March 31, 2017 by ₹90.00 lacs.

- (e) Under Ind AS Deferred tax liability / asset is required to be recognised on change in fair value of investments which was not required to be recognised under previous GAAP. This has resulted in increase in Deferred Tax liability by ₹76.77 lacs as on March 31, 2017 (₹108.69 lacs as on April 01, 2016) and decrease in Other Equity by ₹76.77 lacs as on March 31, 2017 (₹108.69 lacs as on April 01, 2016). This has resulted in decrease of Profit after tax for the year ended March 31, 2017 by ₹28.02 lacs and decrease in Other Comprehensive income by ₹18.29 lacs.
- (f) Under IGAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of re-measurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. The actuarial gains for the year ended March 31, 2017 were ₹31.95 lacs and the tax effect thereon ₹11.06 lacs. This change does not affect total other equity, but there is a increase in profit before tax of ₹31.95 lacs, and in total profit of ₹20.89 lacs for the year ended March 31, 2017.
- (g) Under IGAPP, sales promotion expense related to sales is recognised as Advertisement and Sales Promotion Expense where as under Ind AS the same is considered by way of deduction from Revenue from Operations. This change does not affect Profit before tax or Profit for the year ended March 31, 2017 because expense have been regrouped by decrease from Advertisement and Sales Promotion Expense by ₹327.65 lacs and decrease in Revenue from Operations by ₹327.65 lacs.

(47) APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on May 22, 2018.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J Shah
Partner
Membership No. 35701

Place : Ahmedabad
Date : May 22, 2018

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.		IMPCO S DE RL DE CV, Mexico	Guangdong Symphony Keruilai Air Coolers Co., Ltd, China	Sylvan Holdings Pte. Ltd., Singapore *
1	Reporting period	31-12-2017	31-12-2017	30-11-2017
2	(i) Reporting currency	Mexican Peso	RMB	US Dollar
	(ii) Exchange rate as on the last date of the relevant Financial year	3.48	10.36	65.04
3	Share Capital	0.03	8,808.79	289.48
4	Reserves & Surplus	3,536.05	(11,013.35)	(289.48)
5	Total Assets	4,199.19	2,023.12	-
6	Total Liabilities	989.48	4,227.68	-
7	Investments (Excl. Investment in Subsidiaries)	326.37	-	-
8	Turnover	8,148.37	4,720.59	-
9	Profit before taxation	1,521.56	(807.25)	(13.77)
10	Provision for taxation	-	-	(0.59)
11	Profit after taxation	1,521.56	(807.25)	(14.36)
12	Proposed Dividend	Nil	Nil	Nil
13	% of shareholding	100%	100%	100%
14	The date since when subsidiary was acquired	01-04-2011	01-01-2016	01-04-2011

* Ceased to be subsidiary with effect from November 30, 2017.

For and on behalf of the board

Achal Bakeri
Chairman & Managing Director
DIN-00397573

Nrupesh Shah
Executive Director
DIN-00397701

Place : Ahmedabad
Date : May 22, 2018

Mayur Barvadiya
Company Secretary

Bhadresh Mehta
Chief Financial Officer



Symphony Limited

CIN – L32201GJ1988PLC010331

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E-mail ID: investors@symphonylimited.com • Website: www.symphonylimited.com

NOTICE

NOTICE is hereby given that the Thirty First Annual General Meeting (“AGM”) of the Members of Symphony Limited (“The Company”) will be held at Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380015, on Friday, August 31, 2018 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - (i) Audited Standalone Financial Statement of the Company for the financial year ended on March 31, 2018 and the Reports of the Board of Directors and Auditors thereon; and
 - (ii) Audited Consolidated Financial Statement of the Company for the financial year ended on March 31, 2018, together with the Report of the Auditors thereon.
2. To confirm payment of three interim dividends aggregating to ₹3/- per share and to declare a final dividend on equity shares for financial year ended on March 31, 2018.
3. To appoint a Director in place of Mr. Nrupesh Shah (DIN-00397701), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To 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 approval of Members at the 28th Annual General Meeting held on October 27, 2015 for appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm Reg. No. 117365W) Ahmedabad, Auditors of the Company, for a term of five consecutive years ending at thirty third Annual General Meeting of the Company subject to ratification at every Annual General Meeting, consent of Members of the Company be and is hereby accorded to ratify the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm Reg. No. 117365W) Ahmedabad, Auditors of the Company for the remaining term without further ratification by the members in terms of the provisions of the Companies Act, 2013, on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India

(Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ashish Deshpande (DIN: 00498890), an Additional (non-executive independent) Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Listing Regulations and who is eligible for appointment as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years, that is, up to May 21, 2023."

6. To consider and, if thought fit, to pass the following resolutions with or without modification(s) as a **Special Resolution:**

"RESOLVED THAT consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 for the creation of charge in any form, on the Company's immovable properties, moveable assets (including any shares or securities held by the Company), wheresoever situated, present and/ or future, and/or conferring power to enter upon and to take possession of the assets of the Company and also with a power to take over the business or management of the Company in certain events, to and/ or in favour of the lenders (or their agents/ trustees/ nominees) of the Company or Symphony AU Pty Limited or Climate Technologies Pty Limited or any other subsidiary

or group Company of the Company, for the time being and from time to time, to secure the loans and/ or advances and/ or guarantee assistance that has been obtained or may be obtained from the said lenders, including all interest, compound interest, additional interest, commission, guarantee commission, management fees, commitment charges, expenses, and all other monies payable to such lenders."

"RESOLVED FURTHER THAT pursuant to the provisions of Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with the applicable provisions of the Companies Act, 2013 (including any statutory modification(s) thereof for the time being in force) consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as 'Board' which term shall include a Committee of the Board which has been constituted/to be constituted) to create charge, lien, pledge and other encumbrances of any nature/kind exceeding 50% of the Company's shareholding (whether held in its own name and/ or together with other subsidiaries), both present and future, in Symphony AU Pty Limited, Australia (subsidiary) and/ or Climate Technologies Pty Limited, Australia (step down subsidiary) in one or more tranches in favour of third party(ies) such as bank(s), financial institution(s), nonbanking financial company(ies) and any other person(s) (collectively referred to as 'the Lenders') or to cease to exercise the control of such companies pursuant to invocation of such pledge, as the Board may deem appropriate, to secure the amount raised (including all interest, compound interest, additional interest, commission, commitment charges, expenses, and all other monies payable) by such subsidiaries against the above mentioned security(ies) from the Lenders.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to negotiate, finalize and execute all documents and take all steps and do all such acts, matters, deeds and things and give such directions as may be required, necessary, expedient or desirable for giving effect to the aforesaid resolution, and also further to comply with the requirements, if any,

under the Companies Act, 2013 and Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.”

By Order of the Board
For, **SYMPHONY LIMITED**

Date: July 24, 2018
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) 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.
- (c) 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.
- (d) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 4, 2018 to Tuesday, August 7, 2018 (both the days inclusive) for the purpose of payment of final dividend, 1st Interim Dividend for the financial year 2018-19 and 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./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 2010-11 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 2010-11 declared by the Company

on November 30, 2011 can be claimed by the members by December 31, 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 2016") as amended/modified from time to time. The Company has, during financial year 2017-18, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more within 30 days from the due dates i.e. November 30, 2017 and February 23, 2018.

Details of shares transferred to the IEPF Authority are available on the website of the Company as well as IEPF Authority and the same can be accessed through the following links:

- (i) <http://www.symphonylimited.com/investor-shareholders-information-iepf.aspx> (ii) www.iepf.gov.in

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: <http://iepf.gov.in/IEPFA/refund.html> or contact our Registrar and Transfer Agent Karvy Computershare Private Limited (Karvy) for lodging claim for refund of shares and / or dividend from the IEPF Authority.

(o) SEBI has vide its notification dated June 8, 2018 has mandated that transfer of securities would be carried out in dematerialized form only from a cut-off date, i.e. December 5, 2018. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.

(p) As mandated by the SEBI, members holding shares in physical mode are required to submit their Permanent Account Number (PAN) and Bank Account details to the Company / Karvy, if not registered with the Company.

(q) **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 right to vote on resolutions proposed to be considered at the 31st 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/ electronic mode 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 paper/ electronic mode in case they have not casted their vote 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 August 27, 2018 (9:00 a.m.) and ends on August 30, 2018 (5:00 p.m.). During this period, the members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date August 24, 2018 may cast their vote 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 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). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for 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 uppercase (A-Z), one lower case (a to z), 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 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. If the Member does not indicate either **"FOR"** or **"AGAINST"** it will be treated as **"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 with a copy marked to evoting@karvy.com. They may also upload the same in the 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 August 30, 2018.

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) Initial password is provided in below format at the bottom of the Attendance Slip for the AGM :

EVENT NO.	USER ID	PASSWORD
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b) Please follow all steps from Sl. No. (i) to Sl. No. (xii) above to cast vote.

VIII. In case of any query/or grievance, pertaining to e-voting, members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr. Anil Dalvi, (Unit: Symphony Limited) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 – 6716 1500 or call

Karvy's toll free No. 1-800-34-54-001 for any further clarifications.

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 August 24, 2018.

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. August 24, 2018, 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 homepage 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. However, Karvy shall endeavour to send User ID and Password to those new members whose mail ids are available.

c) Member may call Karvy's toll free number 1800-3454-001.

- 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, viz., August 24, 2018 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIV. M/s. SPANJ & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process 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/ electronic mode 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 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. August 31, 2018.

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. 4

This explanatory statement is provided though strictly not required under Section 102 of the Companies Act, 2013.

The members of the Company at its 28th Annual General Meeting (AGM) of the Company held on October 27, 2015, had appointed M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm Reg. No. 117365W) Ahmedabad, Auditors of the Company to hold office for a period of five years till the conclusion of thirty third AGM, subject to ratification of their appointment at every AGM of the Company, this was done as per prevailing law at that time.

As per notification issued by Ministry of Corporate Affairs dated May 7, 2018, proviso of sub-section (1) of Section 139 of the Companies Act, 2013, which provided for such ratification every year has been omitted. However, the resolution passed by the members on October 27, 2015 contains requirement for ratification of appointment of auditors at every AGM. As an abundant caution it is now proposed, to ratify an appointment of Statutory Auditors for the remaining term.

None of the Directors, Key Managerial Personnel and / or the relatives of the Directors / Key Managerial Personnel are, in anyway, concerned or interested in this resolution.

The Board of Directors of your Company recommends the passing of ordinary resolution as set out in the Notice.

Item No. 5

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has appointed Mr. Ashish Deshpande (DIN: 00498890) an Additional (Non executive Independent) Director on the Board of the Company w.e.f. May 22, 2018. The appointment of Mr. Deshpande shall be for a period

five year, subject to approval of by the members in the Meeting.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Deshpande for the office of Director of the Company. Mr. Deshpande is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has received a declaration from Deshpande that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Mr. Deshpande fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Deshpande is independent of the management and possesses appropriate skills, experience and knowledge. Details of Mr. Deshpande are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The Board recommends the Resolution at Item No. 5 for approval of the members.

Except Mr. Deshpande being appointee, 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).

Item No. 6

In terms of Section 180(1) (a) of the Companies Act, 2013 (the "Act"), approval of the Members is required by way of a special resolution to sell, lease, assign, dispose of or otherwise transfer of the whole or substantially the whole of any undertaking, by way of creating pledge, lien or any encumbrance of shares or other securities of subsidiaries of the Company.

The Company has incorporated a subsidiary company viz. Symphony AU Pty Limited, Australia (Subsidiary) as an SPV Company for an acquisition of Climate Technologies Pty

Limited (CT), Australia (step down subsidiary). Climate Technologies Pty Limited, Australia manufactures and sells evaporative air coolers, ducted gas heaters, and other cooling products in Australia and USA.

The Company has purchased effectively 95% stake in Climate Technologies Pty Limited through its subsidiary Symphony AU Pty Limited. The acquisition is financed through judicious mix of Equity and Debt raised by Symphony AU Pty Limited from Standard Chartered Bank ("Facilities"). As per the terms and conditions of the Facilities, the Company is required to create a pledge over shares or other securities of the Subsidiary and may also require to create charge over shares or other securities of Climate Technologies Pty Limited, Australia to secure the amount raised (including all interest, compound interest, additional interest, commission, commitment charges, expenses, and all other monies payable) by such Subsidiary (ies). This would lead to a charge, lien, pledge and encumbrances of any nature/kind, in one or more tranches, exceeding 50% of the Company's shareholding (whether held in its own name and/or together with other subsidiaries and / or in held by its subsidiaries), both present and future, in the aforesaid Subsidiary and/ or Climate Technologies Pty Limited, Australia (step down subsidiary) in favour of third party(ies) such as bank(s), financial institution(s), non-banking financial company(ies) and any other person(s).

Pursuant to Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") approval of the shareholders by way of special resolution is required to dispose of shares by way of pledge, lien or create any encumbrance on shares of its material subsidiary which may reduce its shareholding (either on its own and/or together with other subsidiaries) to less than 50% or cease to exercise control over such subsidiary (ies).

The special resolution set out above further enables the Board of Directors of the Company to transfer its shareholding by way of creating pledge, lien or create any encumbrance on shares of Symphony AU Pty Limited and/or Climate Technologies Pty Limited or any other subsidiaries.

No Director, Key Managerial Personnel of the Company or their respective relatives is in any way, concerned or interested in the resolution set out at Item No.6.

The Board commends the resolution for approval of the Members as a Special Resolution.

By Order of the Board
For, **SYMPHONY LIMITED**

Place: Ahmedabad
Date: July 24, 2018

Mayur Barvadiya
Company Secretary

**Details of the directors seeking Appointment/ 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. Nrupesh Shah and Mr. Ashish Deshpande are as under:

Name	Mr. Nrupesh Shah DIN: 00397701	Mr. Ashish Deshpande DIN: 00498890
Age	53 years	51 years
Qualification	B.Com., FCA, CS	Diploma in Industrial Design with Specialization in Product design from NID (Master of Design equivalence)
Date of Appointment	19.10.2002	22.05.2018
Relationship with other Director	None	None
Brief Resume, Functional Expertise and experience	<p>Mr. Nrupesh Shah heads the company's financial & commercial functions and is responsible for corporate affairs, strategy, finance, M.I.S., treasury etc.</p> <p>Mr. Shah joined Symphony in 1993 as Finance Controller and became Executive Director in 2002. With more than 30 years of experience in finance and accounts, Mr. Shah is a key architect of the company's growth.</p> <p>He has been invited to speak at various public forums like CED, Rotary Club and other institutes. He also contributes articles to the journal published by the local chapter of the Institute of Chartered Accountants of India (ICAI)</p>	<p>Mr. Ashish Deshpande has started his design entrepreneurship journey, 29 years ago, by co-founding India's pioneering design practice, Elephant Designs Private Limited (Elephant).</p> <p>Mr. Deshpande leads Product & Retail Experience Innovation group and has led projects ranging from consumer appliances related to air, water & energy, medical equipment, wearable electronics, automotive and retail.</p> <p>Mr. Deshpande conducts workshops on Growth by Design, Design Thinking & Product Innovation.</p> <p>Mr. Deshpande is President, Association of Designers of India, an active member of the Design Alliance Asia and has been on the jury of India Design Mark.</p>
No. of Shares held in the Company	13,27,805*	None
Directorship in other company	1. Sanskrut Tradecom Pvt. Ltd. 2. Altus Learning Pvt. Ltd. 3. Helix Consultants Pvt. Ltd.	1. Elephant Design Private Limited
Chairman / Member of the committee of the Company	1. Stakeholders Relationship Committee 2. Risk Management Committee	1. Audit Committee 2. Nomination and Remuneration Committee
No. of Board Meeting attended during 2017-18	4	N.A.
Remuneration drawn during 2017-18	₹160.91 lacs#	N.A.

* includes shares held by himself, his spouse, bodies corporate in which he is substantially interested as a partner, Father's HUF in which he is Karta and Family Trust in which he is interested as Trustee and Beneficiary of the Trust.

including profit linked performance incentives, as approved by the Board, payable for the year 2017-18.

Symphony Limited

CIN – L32201GJ1988PLC010331

Regd. Office: Symphony House, Third Floor, FP-12, TP-50, Off S.G. Highway, Bodakdev Ahmedabad – 380 0054, Gujarat, India.

Phone: +91-79-66211111/49060000 • Fax: +91-79-66211140

E-mail ID: investors@symphonylimited.com • Website: www.symphonylimited.com

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, Third Floor, FP12, TP50, Bodakdev, Off S.G. Highway, Ahmedabad – 380 0054.
E-mail Id:	
Folio No. / Client Id	
DP ID:	

I/We, being the member(s) of Shares of the above named Company, hereby appoint

- Name: _____ Address: _____
E-mail Id: _____ Signature _____ or failing him;
- Name: _____ Address: _____
E-mail Id: _____ Signature _____ or failing him;
- 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 31st Annual General Meeting of the Company, to be held on Friday, August 31, 2018 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.	Brief details of the Resolution
1	Adoption of (a) Audited Standalone Financial Statement of Profit and Loss for the financial year ended on March 31, 2018, Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon; and (b) Audited Consolidated Financial Statement of Profit and Loss for the financial year ended on March 31, 2018, Balance Sheet as at that date together with the report of Auditors thereon.
2	To confirm payment of three interim dividends aggregating to ₹3/- per share and to declare a final dividend on equity shares for financial year ended on March 31, 2018.
3	Re-appointment of Mr. Nrupesh Shah, a Director retiring by rotation
4	Ratification of appointment of Auditor and fixation of their remuneration.
5	Appointment of Mr. Ashish Deshpande as an Independent Director.
6	Creation of Charge on assets of the Company including subsidiaries.

Signed this day of 2018

Signature of Proxy holder(s)

Signature of Shareholder

Affix
Revenue
Stamp

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.



Symphony Limited

CIN - L32201GJ1988PLC010331

Regd. Office: Symphony House, Third Floor, FP-12, TP-50, Off S. G. Highway,
Bodakdev Ahmedabad – 380 0054, Gujarat, India.

Phone: +91-79-66211111/49060000 • Fax: +91-79-66211140

E-mail ID: investors@symphonylimited.com • Website: www.symphonylimited.com

Attendance Slip

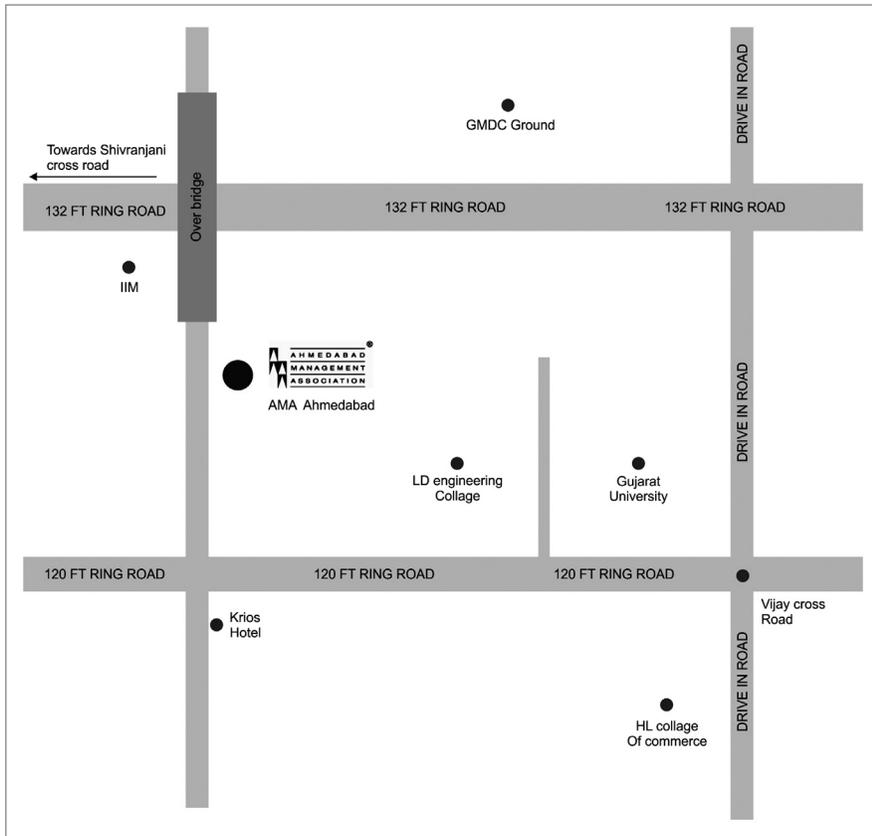
To be handed over at the entrance of the meeting venue:

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 Thirty First Annual General Meeting of the Company held on Friday, August 31, 2018 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)

AGM Location Map



Corporate Information

Board of Directors

Achal Bakeri

Chairman & Managing Director

DIN: 00397573

Nrupesh Shah

Executive Director

DIN: 00397701

Naishadh Parikh

Independent Director

DIN: 00009314

Dipak Palkar

Independent Director

DIN: 00475995

Jonaki Bakeri

Non-Executive Director

DIN: 06950998

Satyen Kothari

(upto 22.05.2018)

Independent Director

DIN: 01817020

Ashish Deshpande

(w.e.f. 22.05.2018)

Additional Independent Director

DIN: 00498890

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 1111/49060000

Fax : +91-79-6621 1140

Email: investors@symphonylimited.com

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. Gujarat, India.

Connect us

Email:

investors@symphonylimited.com

Website:

www.symphonylimited.com

www.symphonylimited.com.mx

www.keruilai.com

www.climatetechnologies.com.au

Connect with us on:

www.facebook.com/symphonylimited

www.linkedin.com/company/

symphonylimited-ahmedabad-india

www.twitter.com/symphonylimited

Registrar & 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

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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 realized. 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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