2015

…And some crazy stories that make life rewarding at our maverick company

Symphony Limited

Annual Report 2015-16

The Book of

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phony

Also masquerading as our annual report, brochure and corporate showcase. Printed for the benefit of media, opinion makers, alliance partners, friends, analysts, competitors, Doubting Thomases, employees, taxmen, industry observers, management students, curious busybodies, prospective employees etc.*

** May be perceived as the typical Indian jugaad where one product is used for hazaar applications*

BOARD
OF DIRECTORS

Achal Bakeri

Chairman and Managing Director and Founder

Architect, MBA (University of Southern California)

He has 30 years of experience in varied functions of the Company. He contributes to policy formation, strategy and provides overall direction to the Board and the management team in achieving aggressive corporate objectives.

Nrupesh Shah

Executive Director

B.Com., FCA and CS

He looks after overall corporate affairs, strategy, finance, M.I.S., treasury etc. He has around 28 years of experience in varied corporate functions. He has been with the Company since 1993.

Jonaki Bakeri

Non-Executive Director

B.A.

She has an experience spanning 11 years in various business functions namely marketing, service, accounts, finance, legal and product development.

Dipak Palkar

Independent Director

B.Com., DTP and DBM

He has about 36 years of experience in HR, marketing, business promotion and international sales.

Satyen Kothari

Independent Director

Masters in Engineering

He has a working experience of 20 years in the field of strategy and user experience with several leading global companies like Apple, First Data Corp., Frog Design in the Silicon Valley.

Naishadh Parikh

Independent Director

B. Sc. and MBA

He has a rich experience of more than 31 years in performing various roles at corporate level of diverse sectors and expertise in strategy formulation & implementation for new businesses and market entries.

Darshan Patel

Independent Director

B.Sc. and M. Chem

He has more than 26 years rich experience of marketing, brand building and creating new categories in OTC, Wellness and Personal Care in domestic and international markets.

MANAGEMENT TEAM

INDIA

Falgun Shah

Chief Innovation Officer

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

He has a varied work experience of over 30 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 29 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 33 years of experience. He is responsible for finance, audit, accounts, costing, taxation and infotech functions.

Mayur Barvadiya

Company Secretary

B.Com, LLB, FCS

He has more than 15 years of experience and holds responsibility of company secretarial function.

Ramendra Sahai

Vice President – Central Air Cooling Solutions

BE (Mechanical), MBA (Marketing)

He has over 25 years of experience in the field of sales and marketing. He is responsible for Industrial & Commercial Air Coolers Sales division of the organisation.

Jayesh Gupta

Associate Vice President – Sales

B.Com.

He has over 33 years of experience in the field of sales. He is responsible for all India domestic sales, logistics and commercial functions.

Rajesh Mishra

Associate Vice President – Marketing – Domestic & International Markets

BE (Mechanical)

He has over 21 years of experience in the field of sales and marketing. He is responsible for all marketing functions in the Company's domestic and international business.

Madhu Mohan

Associate Vice President – International Markets

BE (Mech.), MBA (International Business)

He has over 23 years of experience in international business.

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

Juan Bendeck

General Director

BS Industrial Engineering, MBA

He has over 29 years of experience in Sales, Marketing, Quality, Manufacturing and General Management. He oversees Finance, Sales and Marketing, Operations, Engineering, Industrial Relations and Procurement.

Javier Reza

Residential Sales Director

Associate Degree in Business

Edgar Moneta

Industrial Sales Director

BS in Mechanical Engineering, Master in Manufacturing and Management

Arturo Silva

Head – Finance and Accounts

BS in Business Administration

Nelda O. Jauregui

Human Resource Manager

BA in Teaching, MBA

Jose Carmen Contreras

Supply Procurement Director

BS Industrial Engineering

Alvaro Trevino

Engineering & Quality Manager

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

Alejandro de la Cerda

Operations Manager

BS in Mechanical and Administrative Engineering, MBA

Lilia Chávez

Head – Marketing

BS in Marketing, MBA

USA (SYMPHONY USA INC.)

Bill Hobson

Vice President

Jaime Enriquez

Finance and Administration Director

Iram Galvan

Head – Operations

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

Billie Chan

General Manager

The University of Hong Kong MBA
He has over 21 year experience with focus on Sales and Engineering and Manufacture.

Rose Xu

Human Resource Manager

15 years working experience at HR function.

Michael Gong

Sales Director

20 years experience in Sales and Marketing.

Peter Zheng

Finance Manager

16 years experience on Finance

Tianbao Zhang

Operations Manager

An expert on Household Coolers manufacturing

"Imperfection is **beauty,** madness is **genius** and it's better to be absolutely **ridiculous** than absolutely **boring.**"

Marilyn Monroe

The Book of Symphony

How we entered the dragon's lair (read acquired a company in China)

How when competition intensified, we did even better

How we enhanced earnings quality without increasing sticker prices

How we did more of the same old thing (introduce products that made people turn it around to check for a 'Made in foreign label')

How we enhanced overarching respect for our brand

How some resellers took our absolutely white products and marketed them in the black

How we extended the asset-light learnings from our Indian business to Mexico

How we localized the content of our industrial coolers manufactured in India

How we surprised even the hard-nosed accountant by creating a working capital-negative company

9>12

In nine months ending
31 March 2016,
Symphony reported
higher profits than in the
12 months ending
30 June 2015.

Achal Bakeri
Chairman, Managing Director and Founder

CHAPTER
ONE

"When we took a visitor to examine the industrial cooler manufacturing facilities of our acquired Chinese company, there was no word from any one of them. They kept seeing each manufacturing zone. Wide-eyed. Wide-mouthed. Finally, when we were nearing the end of the walking tour, one of our visitors whispered quietly:

'Aap log yahaan cooler banaate ho ya rocket?'

Chief Innovation Officer

over view

1
Acquisition to provide Symphony deeper access into China and ASEAN

2
Symphony acquired Munters Keruilai Air Treatment Equipment (Guangdong) Co. Ltd., China (now known as Guangdong Symphony Keruilai Air Coolers Co., Ltd, China)

3
China is the world's second largest coolers market

4
Acquired company is one of the oldest in China's air-coolers space and one of the largest in industrial coolers in China

5
Acquisition effective from 1 January 2016

Q: How challenging was the acquisition in China?

A Challenging and not challenging – both. Not challenging because don't forget that we acquired a company in Mexico in 2009. So an international acquisition is something that we have done before. Challenging because China represents a blocker in Indian minds, starting with differences in diet, language and culture. As things stand, it would have been psychologically easier entering Somalia or Chad or Angola. But the moment, we mentioned 'China', most people said 'Whaaat?!'

Q: Then why did the company enter China?

A Extent of opportunity. One would have been a fool and coward (I am not sure which sin would have been greater) to have let this pass. The biggest attraction was that here was this company with excellent cooling pedigree, rich experience of Chinese consumers, outstanding knowledge capital, wide product range, enduring customer relationships, world-class manufacturing facility, no debt and no contingent liabilities – all for the cost of an apartment in, say, Dahisar in Mumbai. Okay, let me share the number: ₹ 155 lacs!

Q: First reaction: There must be a catch somewhere.

A That was precisely our first reaction as well! And the more we peeled this onion, the more attractive it began to look and the more suspicious we began to get. Until we came to the root of why such a company even intended to exit the business: this business represented a small portion of the overall global interests of its erstwhile owners. The owners took a call to restructure their portfolio content to enhance directional clarity. They decided that whether the business appeared attractive or not was immaterial. They needed to exit. Which explains how we got lucky.

Q: What is the kind of opportunity that Symphony is looking at?

A Honestly, we don't know. Everything is fuzzy about China except its population, land area and GDP growth! So we have taken a calculated gamble. The company is losing ₹ 14 crore a year but we also have ₹ 180 crore of cash on consolidated basis on our books with an annual cash accretion of around ₹ 164 crore of cash on consolidated basis (2015-16 annualised). What could we do

with this cash if we could not take a safe entrepreneurial gamble? Would we spend the next five years only trying to get a toe-hold into China with all our China investments politely written off the Balance Sheet as 'Market creation cost' to which everyone will say 'How responsible!' or would we demonstrate the *jigar* to start with a ₹ 14 crore annual loss that would be our cost of entry from Day One that could potentially transform into a handsome profit at some point? We are entrepreneurs; we get frustrated with delay. We felt the second option was a juicy half-volley. So there you are.

Q: What does Symphony intend to do with this acquisition?

A A number of things. Enhance our Chinese management team's confidence that it has one of the hungriest cooler-based management's backing it. Infuse the knowledge-led vitality of the organization that had begun to atrophy. Recreate a number of bridges with large Chinese customers. Strengthen its knowledge capital. Share our mutual understandings on costs to buy cheaper from China and manufacture cheaper in China. And even cross-sell in each other's markets.

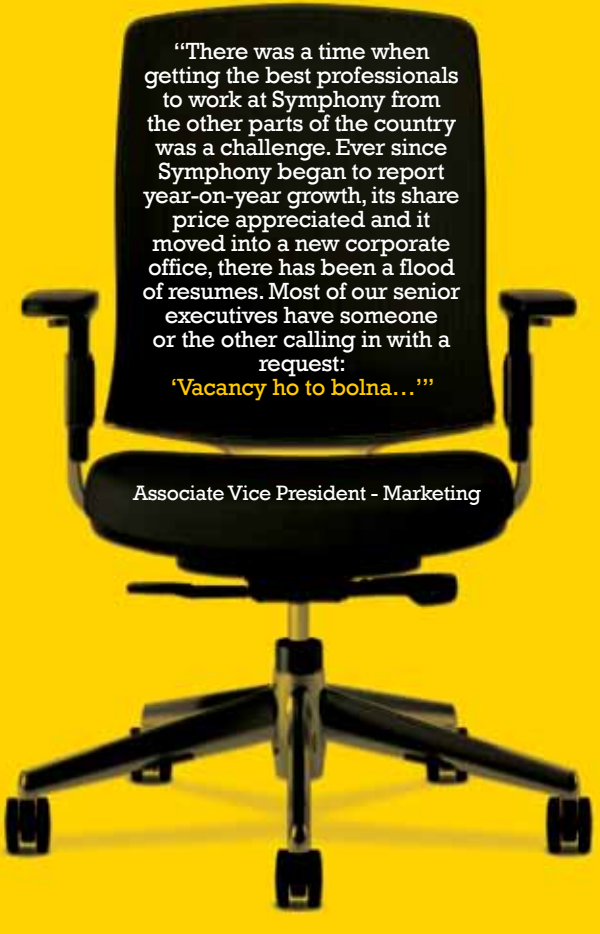
Q: Big question. How does Symphony expect to integrate culturally into the acquired company?

A We don't! We acquired the company for what it stands for, not for its ability to dissolve its identity into Symphony. So we don't want to influence them into thinking the India way or the Gujarati way - except for a reasonable provision of vegetarian food when we go visiting. And yes, instead of getting them to learn Hindi, our senior executives have begun to learn Chinese!

Q: Any last word.

A In the space of electronics, we have only had global brands marching into India in the last 20 years and wiping us out. I can't think of one Indian brand that has gone into Korea, Japan or China! So here is Symphony entering China.

"Our trade partners tell us: 'Symphony is the Sony of air-coolers'."
Zonal Sales Head - West



"There was a time when getting the best professionals to work at Symphony from the other parts of the country was a challenge. Ever since Symphony began to report year-on-year growth, its share price appreciated and it moved into a new corporate office, there has been a flood of resumes. Most of our senior executives have someone or the other calling in with a request: 'Vacancy ho to bolna…'"

Associate Vice President - Marketing

CHAPTER
TWO

The fastest moving 'product' in Symphony is not the cooler.

It is Symphony's new product brochure.

The one where you can see the styling, the features, the product details. This brochure has an unusual customer. Our competitors. They acquire the brochure, make xeroxes (so goes the grapevine), summon their research chief and provide a one-line brief: 'We need something like this.' The irony is that Symphony's futuristic designs work – for us and for them. In fact, the 'copied' models are probably the only models our competition is able to sell. As one of our product development executives put it neatly: 'Symphony competes with itself in the market place – and wins!'

over view

1
Symphony was among the first in India's organised sector to launch cooler brands

2
Competition exponentially increased – from 4 a decade ago to 70

3
Organised market share of air coolers was around 20% in FY16. Symphony retained market leadership

4
The leadership gap between Symphony and the other players has only increased

5
Symphony's unaided brand recall was more than 80%

How does one explain the increase in competition for coolers in India?

The answer in three words: Symphony's Balance Sheet. A number of people believe that if Symphony can generate the kind of surpluses that it does year after year without rocket science, then there is no reason why they should not be able to do the same. For all those who think this way, we have only two words to offer as consolation. Thank you. There is nothing but gratitude for all those who have helped enhance the visibility for air-coolers in India. We now have an army doing what we did alone for years.

But isn't Symphony complaining? Virtually every cooler brand in India has been priced below Symphony.

The irony is that more our competition enhanced the visibility of the air-cooler segment and advertised their product, more we sold! In fact, Symphony probably sold more than the next 50 per cent of the market put together! So what does that say about the customer? It says that the customer would rather trust an established brand, a market-leading brand, an innovative brand and a specialized brand, even if this meant paying ₹ 1500 higher per unit, than buy into a brand that was me-too, probably copied designs and manufactured a number of other products (of which the cooler was just one). If you ask me about the maturing of the Indian consumer, then here it is.

How did this translate into the Company's performance in 2015-16?

Our performance in just nine months of 2015-16 was better than what we reported in all 12 months of the previous financial year – 9>12. And this is without the impact of the June quarter, which is usually the strongest. The more the market enlarged, the more we carved out the shares of the number two, three and four. We competed with some of the largest national consumer electronic brands neck to neck; by the end of the year, they had not even moved our needle.

"One dealer told me 'Symphony is like Ganesha' - above all other coolers. The first to sell."

Director – Sales & Marketing

CHAPTER THREE

"The proprietor of one of the most prominent multi-outlet consumer electronic retail chains in Chennai called a few months ago. This is what he said verbatim: 'I am depositing ₹ 5 crore as an advance in your Company's account today but I need 10,000 coolers tomorrow morning.'

We were in the same boat as him. Stocked out."

1
As temperatures rose, cooler demand increased
2
Symphony resisted the temptation to increase sticker prices
3
This reinforced the faith of the trade and consumers
4
The result was that Symphony sold even faster
over view

Q&A

How would you explain the robustness of offtake during 2015-16?

A It would have been opportunistic to raise sticker prices as soon as demand increased following a rise in temperatures. At Symphony, we took a conscious call: we would keep prices steady, we would produce as much as we could, we would encourage dealers to stock as much as they could and we would promote the product adequately enough to catalyse walk-ins and offtake.

How was this received?

A A number of our dealers came back to say that this is probably the best thing that we could have done: they increased their inventory turns, they maximized their working capital efficiency and we believe that the occasional stock outs that we experienced actually strengthened our brand. The very fact that a consumer was told *'Sorry, Symphony maal sub saaf ho gaya. Aur koi brand chalega to dikhaata hu'* only made consumers say *'Ab kab aayega Symphony bataiyye. Do-teen din wait kar lete hai.'* The result is that we may have lost a sale for that afternoon or evening; we gained a converted customer instead.

"As per Google the 'Symphony' keyword generated more search volumes than the 'air cooler' keyword!"

CHAPTER
FOUR

"One of the best lines about Symphony came from one of our dealers in a small town. He said something that made us freeze:

'Saahib, Symphony sells product, others sell price.'"

Zonal Sales Head – East

overview

1

Symphony introduced more than 30 new models in 5 years

2

The Company does not just innovate products; it creates categories

3

This category creation is the result of the ability to fuse lifestyle themes with coolers

4

The Company introduced the revolutionary i-Pure, Cloud and Window Cooler range in 2015-16

Q: How would you describe Symphony's commitment to launch stand-out products?

A It comes down to tea leaves. How we read the tea leaves influences what kind of products we come up with. The message is clear: the age of creating coolers is over. How much more different can we make the cooler? Larger, smaller, sleeker, wider, thinner. We have been there, we have done that. The time has come to pick on social trends and create products that address critical realities.

Q: In what way?

A What is the biggest challenge of the day? Let me answer my own question: Pollution. Most people would have simply raised their hands and asked, "What can we do about this?" At Symphony, we created with a way-out product. A cooler with multi-stage air purification. We call it i-Pure Technology, which is really a set of filters that work together to remove pollutants from the air. We launched a number of models around this i-Pure Technology. There is a good chance that this range may soon sell faster because they clean and also, by the way, cool the air – and not the other way round. We launched the i-Pure range in the last quarter of 2015-16, so we expect that the big numbers will probably happen from the current financial year onwards.

Q: That brings one to Cloud.

A Ah, Cloud. Most homes and offices have split air-conditioners today. What we did during the last year was create a cooler equivalent that looked like a split air-conditioner. Gimmick? Not really. What we did was graduate the cooler to an object of pride. I mean, you could always look up and say 'Wow, an AC' except that our product was still very much a cooler. A proud cooler at that. Like I keep telling people: we marketed pride; the cool air we delivered for free. I can assure that this wasn't just another product trick. If you think through carefully, it is the small home that needs a split cooler more than a large home because it saves precious space; it is the middle-class home that needs a product like this (with no outdoor appendage) than the affluent. And this is what will hit the market in 2016-17.

Q: What other new product did Symphony introduce in 2015-16?

A What is the first thing you notice when you look at a residence in New Delhi or North India? Let me answer my own question (getting to be a habit): The unbranded box-like window cooler. Our estimate is that 80 per cent of the air cooler market in India is unbranded. This means that even after 20 years of enhancing our visibility, we are only playing in a pond (read a fifth of the market) even as the sea lies unaddressed. During the last financial year, we finally began to address the larger water body with a specific product. Nothing fancy. Just the simple window cooler. Something that people are buying in thousands anyway. Something that they are buying from the assembler down the road. Something that they wouldn't mind buying from a Symphony if Symphony cares to provide one. So the message that I wish to send out is that in 2015-16, the mountain shifted. Symphony addressed the largest piece of the game.

Q: As simple as that?

A No. We did so with firepower. We are up against thousands of low-cost assemblers. If they have succeeded across the years, then it would be naïve to believe that they have not delivered any value and that we can wish them away. So we created an eco-system: created a mounting bracket, offered to install free for customers and provided a three-year warranty. The result is something more than a product: a solution. We believe that if we can even shift a small part of this 4 million installation market towards the organised, we would be laughing all the way to the AFM!

"A family – husband, wife and kids – came looking for a new wall-mounted cooler. Rather than buy, they embarked on an extended selfie session with the cooler in the frame!"

"When Ahmedabad was affected by a severe heat wave, a customer entered a retail store in a hurry, paid in a jiffy and carted away a Symphony Winter i Demo piece without even checking its air throw. He did not even bother to ask for a packed product. He lifted it, dumped it inside his car and drove away. When asked whether he'd like to check the product, he replied:

'Am I mad? Symphony ka naam hi kaafi hai!'"

CHAPTER
FIVE

"At the 2016 Canton Fair, a Sardarji walked into our booth and touched my feet. Within the space of a few days, a number of Pakistanis and Filipinos told us

'Your company is legend.'

I heard that word 'legend' from people of three different countries in that fair!"

Achal Bakeri, Chairman and Managing Director

over view

1

There are air-cooler brands and there is Symphony

2

The strengthening of the Symphony brand has generated diverse benefits

3

Recruitment has strengthened; dealership quality has improved

Q How would you describe the success of the Symphony brand?
A

There are two kinds of brands. One where the revenues are larger than the brand recall. The other where the brand recall is larger than the revenues. We belong to the second category. If you go by the kind of trade roar that we generate and if you go by the word of mouth consumer whisper that we enjoy, you would think that we were a company with a few thousand crores in topline.

Q Is that an advantage or a disadvantage?
A

Advantage. For a good reason. We have generated the kind of body language that people generally associate with larger companies. And that body language has come from a number of areas. The kind of numbers that we repeat year on year. The kind of advertising that we communicate. The sheen of our products. The style of our annual report (small in size without being defensive). The way we treat our trade partners. The cleanliness of our Balance Sheet. The awe of our market capitalisation. The recall: *this company is different.*

Q I will pick on one point. 'The way we treat our trade partners.'
A

How many know that Symphony is probably the only company to provide its trade partners with a Sales Operating Guideline. Which means that once they select to engage with us, they get a document that describes in detail – 42 pages, 8,000 words – how we expect to conduct ourselves with them. One policy. For all. This means that when the going is difficult and we have inventories at our end, we will not slash prices to move products that could shortchange all those retailers who might have bought from us at higher sticker prices. There is a bhakti… there could be short-term market challenges but this is one company that will play by the rules.

Q Product strength?
A

I would say systemic integrity, of which the product strength is but one component. There is the story of how one of our exclusive distributors took on a competing product in a peak season. 'Just a few units,' he said. On the one hand, he was enjoying peak season offtake of our product. On the other, he had violated our SOP agreement. We took a tough call: we politely declined to work with him again. That sent out a strong message to the other distributors. We would respect the SOP even if that hurt us. We never had that problem with any of our trade partners again.

"**My** electricity bill declined after I installed air-coolers at the office to the point where I could recover the investment in air-coolers through the differential in less than a year. So one day I went home and replaced all the air-conditioners with coolers (even though the ACs were working just fine). I sweet-talked my sister into buying a Symphony 10TC. Then installed one in my bank. And will use only this brand in the hospital I am building. The other day someone asked: 'Is Symphony paying you money to recommend its brand to everyone?'"

Proprietor,
Panduran Meher
Corporation, Nagpur

CHAPTER
SIX

"I run an industrial facility in Kanpur engaged in the manufacture of wrappers. During each summer we would have a productivity issue. As temperatures increased, productivity declined. The general joke would be that each time the temperature increased beyond 45 degrees Celsius it made more sense closing the facility down than bleed on overheads. Just when one resigned to making less money in the summer, help came from an unexpected quarter: The Symphony industry air cooler. Temperature declined. Now we have another problem.

Workers do not wish to step out even during the lunch break!

We lost lacs in productivity across the years; a simple investment in air coolers worth a lac fixed the problem!"

Nitin Tandon, Director, Aditya Flexipack, Kanpur

over view

1
IMPCO, the Mexican subsidiary, manufactured industrial coolers

2
There was a need to transform IMPCO

3
Symphony embarked on lightening the IMPCO Balance Sheet

4
The subsidiary moved to the variable cost model

5
IMPCO broke even at the cash level

Q&A

What was the urgency in transforming the IMPCO business model?

A There was a mismatch in the business models of Symphony (asset-light) and IMPCO (asset-heavy). In our experience, an asset-light approach enhances lateral solution-seeking, encourages companies to try new things and makes the business model-agnostic – we go with what works and not flog what we have invested in. There was a need to extend Symphony's model to IMPCO with the objective to moderate costs, enhance viability and progressively disengage from recourse to Symphony's Balance Sheet with the objective to operate the business as an independent SBU.

What are the various initiatives that the management took in this regard?

A We monetized a part of the real estate and fixed assets owned by IMPCO. We reduced fixed costs and, in some cases, variablised our costs –the higher the output, the higher the variable costs – and vice versa. The result is that interest costs and depreciation declined. I believe that with the manufacturing having been largely outsourced, the subsidiary will increasingly focus on marketing and brand building, leading to higher revenues.

How will this affect Symphony?

A Over the years, we extended ₹ 27 crore (in peak season went up to approximately ₹ 35 crore) in advances, loans and equity to IMPCO; almost half has been returned. We expect that a sustained IMPCO turnaround could lead to a complete day-to-day financial disengagement from Symphony, following which complete non-recourseness would become a reality. By the virtue of our shareholding in IMPCO, we would be in a better position to capitalise on any profit upside thereafter.

After seeing Cloud, the world's first wall-mounted air cooler, an awestruck customer in an Ahmedabad store commented:

"Only Symphony can make such an innovative product. The rest are new-borns. They have a long way to go."

CHAPTER SEVEN

"We had a challenge with productivity in our garment manufacturing business. How do we get people to work harder? How do we get them to be on their workstations to enhance output? There were a number of suggestions - increase worker incentives, pay employees a higher wage, introduce HR counselling. We tried something radically different. We invested in air coolers. Productivity jumped 8 per cent, which, from the financial perspective, means that the surplus from the additional production goes directly to the bottomline.

Maan gaye sirji!"

Vivek Gupta, Proprietor, Team Krian, Greater NOIDA

1
Commencement of industrial cooler component indigenization
2
Component costs slashed by half
over view
3
Cost reduction passed on to customers
4
Market expansion imminent

Q: What was the priority in this space?

A Earlier, the entire industrial cooler package would be imported from Mexico. Symphony came to the conclusion that if this business were to be sustainable, the components would need to be indigenised. This indigenization would not just enhance logistical convenience; with our engineering insight and back-to-back relationships with component manufacturers, we would be able to rationalise costs as well. In view of this, indigenization was not just advisable, it was necessary.

Q: What did the company do in this regard?

A The company identified the fastest selling models. It prioritised their indigenisation through prudent outsourcing. The result is that of the seven industrial cooler models marketed in India, four were localised to the extent of 90 per cent (family of 200 components). The result: the cost of components halved.

Q: What has the company selected to do with the cost reduction?

A It would have been myopic for the company to sit pretty on higher profits in the face of a high operating leverage. Our priority was to increase capacity utilisation. In view of this, the company passed a significant part of the cost reduction to customers, enhancing product affordability. We believe that we are at an interesting inflection point: a price reduction by 30-40 per cent could enhance product democratization. The industrial cooler could become affordable enough for use across a number of large interiors, seminar halls and shopfloor facilities. The time is now.

"A lady came to buy a Symphony air cooler in an Ahmedabad retail store. The store staff began to show her alternative brands. The lady heard the store staff and then said:

'Mastery to ek hi cheez mein hoti hai.'

What she meant was that the company that focused on a single product category was usually the master of the space as opposed to companies that manufactured a range of products of which the air-cooler was one."

CHAPTER
EIGHT

"We needed to strengthen our competitiveness, so we looked into all the areas through which we could moderate our cost structure. We attacked virtually all the overheads. Then someone mentioned the air-conditioner. Now this is something that we did not think would be replaceable. I mean how can one work without an air-conditioner? But the team that suggested this came with an irresistible proposition: 'We are not asking you to remove the air-conditioner, we are asking you to replace it. We are not proposing that something be done because it will reduce our costs; we are saying that it will be a superior solution.' We were hesitant; we took a tentative step forward. The result surprised us.

Our power costs reduced 30 per cent; our air delivery improved 30 percent.

I thought this air-cooler would enhance comfort. The reality is that it enhanced our competitiveness."

Deepak Lohia, Director, Merino Laminates

overview

1
Symphony is a working capital-negative company

2
Cash flows are driven by trade advances

3
Trade advances are incentivised by guaranteed product allocation and pricing preference

4
This generates attractive dealer and corporate margins

Q What is the secret of Symphony's superior financials?

A On the one hand, there is Symphony's outsourced asset-light business model. Over the years, this arrangement has liberated the company from investing in fixed assets (which, in turn, has resulted in a relatively small Balance Sheet). On the other hand, the company enjoys a significant trade advantage. As early as July, which is the start of the sluggish season coinciding with the monsoons, when people generally buy fewer air-coolers, we have a different reality at Symphony: the beginning of advances from dealers across the country for products that we will transport only later in the year.

Q Why would anyone want to pay in advance?

A Just think this through: in a country where companies need to provide extended credit to the trade to buy their products, we have the reverse happening. The result is that 40 per cent of our annual sales commitment comes in the form of advances nine months before the end of the financial year. This is our equivalent of an order book in what is essentially a retail business. I mean the dealer is chasing us to pay his advance so that we can book a certain quantity of product against his name and deliver only later in the year.

Q Yes, but why?

A For two reasons. We provide a pricing incentive in July; the trade partner is convinced that a rule-following Symphony will not change prices against his interests. So as long as the brand continues to remain robust, the walk-ins will happen and if the walk-ins happen, then there is no way the air-cooler customer is going to look at an alternative non-Symphony brand. We have seen this play out over the years: we have been getting progressively larger advances that represent the core of our treasury income in addition to the accumulated cash already sitting on our books.

As it turns out, the dealer consistently generates an ROI of 28-32 per cent despite paying his advance months ahead of product delivery! We get cash upfront and assured sale (which has to be generated at an outsourced location); the trade partner is assured of product delivery with an inbuilt price advantage. Win-win!

Symphony is more than a company. It is a concept, an idea. An idea that you can destroy walls to create a fortress.

Background

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

Products

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

Location

The Company is headquartered in Ahmedabad, India. The Company acquired a company called Impco with a manufacturing facility in Mexico. Impco has another subsidiary in the US. Symphony also has other subsidiary companies - Sylvan Holdings Pte. Ltd., Singapore and Guangdong Symphony Keruilai Air Coolers Co. Ltd., China.

Presence

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

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

Listing

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

75

Promoters' shareholding (%)

12

Institutional shareholding (%)

8,320

Market capitalisation (₹ crore as on 31st March 2016)

308

Capital Employed (₹ crore as on 31st March 2016)

443

Team size (as on 31st March 2016)

Global certifications

European Conformity

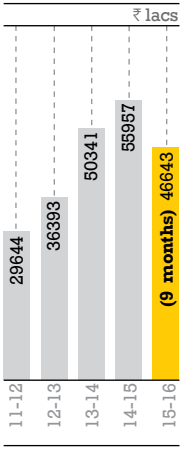
Saudi Arabian Standards Organization

Norma Oficial Mexicana

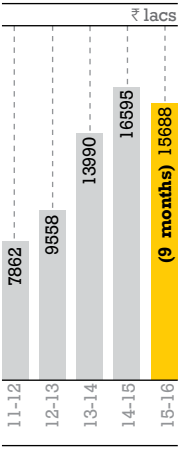
International Organization for Standardization

If those are the numbers we report, we have no problems being called 'maverick'

Consolidated financial performance



*Gross Revenue



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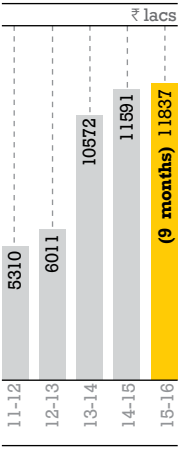
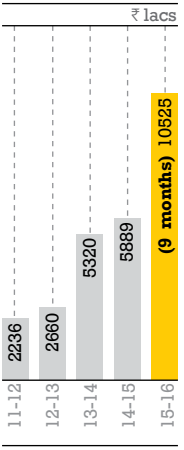
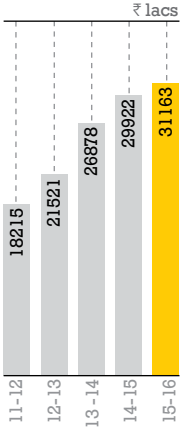


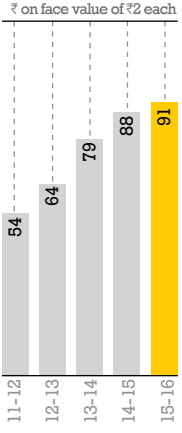
Net Profit



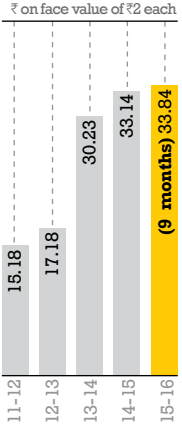
Dividend Payout



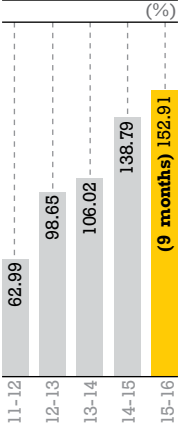
Reserves and surplus



Book value per share



Earning per share

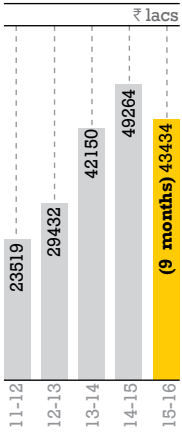


PBIT % on capital employed# - Air coolers

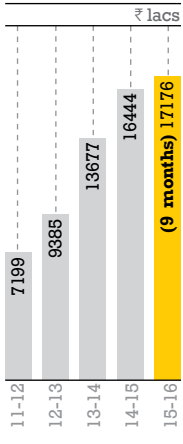
* Excluding VAT & CST

PBIT% is calculated on average monthly capital employed from F.Y. 2013-14 onwards, for earlier years PBIT% is calculated on closing capital employed.

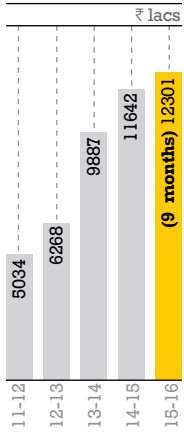
Standalone financial performance



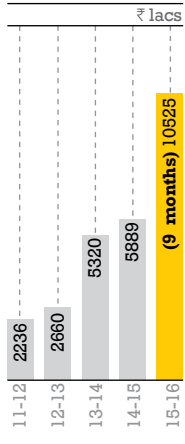
*Gross Revenue



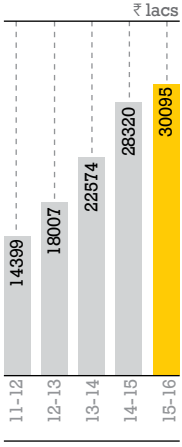
EBIDTA



Net Profit

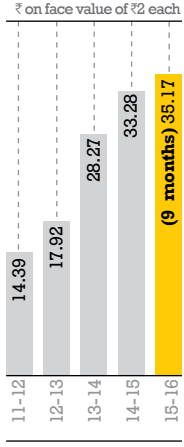


Dividend Payout

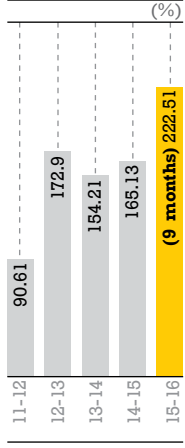


Reserves and surplus

Book value per share



Earning per share



PBIT % on capital employed# - Air coolers

* Excluding VAT & CST

PBIT% is calculated on average monthly capital employed from F.Y. 2013-14 onwards, for earlier years PBIT% is calculated on closing capital employed.

MANAGEMENT DISCUSSION AND ANALYSIS

The economic overview

Global: In 2015, global economy activity remained subdued leading to 3.1% growth, marginally lower than in 2014. Preliminary data suggests that global growth during the second half of 2015 at 2.8% was weaker than forecasts on account of softer activity in United States, Japan and advanced Asian economies.

Global recovery continues, but at an ever slowing and increasingly fragile pace. The World Economic Outlook forecasts global growth at 3.2% in 2016 and 3.5% in 2017.

Growth in advanced economies is projected to remain modest, in line with 2015 outcomes. Unfavorable demographic trends, low productivity growth, and legacies from the global financial crisis continue to hamper a more robust pickup in activity. While very accommodative monetary policy and lower oil prices will support domestic demand, still-weak external demand, further exchange rate appreciation—especially in the United States—and somewhat tighter financial conditions will weigh on the recovery.

Emerging markets and developing economies will account for the largest share of world growth in 2016, prospects across countries remain uneven and generally weaker than over the past two decades.

India: When the new government took the reins two years ago, Indian economy was showing tentative signs of stability. While a possible external sector crisis, triggered by the 'taper tantrum' was averted through steps taken by RBI, the economy needed series of structural changes to restore macroeconomic balance and enhance the long term growth potential.

Two years hence, amid a dim global backdrop, Indian economy has emerged as a 'relative' outperformer offering global investors a healthy mix of growth along with macroeconomic and political stability.

In a global environment that is mired in volatility, we believe that India's growth in 2016 predominantly hinges on domestic drivers. While a multi-party federal democracy inherently slows the decision making, the intent, vision and desired path of growth has been clearly laid out. We believe that all the reforms – both large and incremental, are now beginning to come together to pave the way for growth outcomes to become more tangible in the coming quarters

2015-16: A closer look: Powered by a sharp rise in manufacturing and gains from benign crude oil prices, the Indian economy is expected to grow 7.6% in 2015-16 against 7.2% in 2014-15, despite the global turbulence and volatility. Manufacturing growth for 2015-16 is likely to be at 9.5%, much higher than the 5.5% growth in 2014-15 (Source Economic Survey 2015-16).

According to the Economic Survey 2015-16, inflation measured by the Consumer Price Index (CPI), which was likely to average 6.5% in 2014-15 could decline to 5.0-5.5% in 2015-16, clearing the path for further monetary policy easing.

Assuming a further moderation in average annual price of crude petroleum and other commodities, the current account deficit is at about 1.3% of GDP for 2014-15 and less than 1% of GDP in 2015-16.

Outlook: Given the macroeconomic scenario and assuming normal 2016-17 monsoons, it would not be unreasonable to believe that the Indian economy is set to register growth in excess of 7% for the third year in succession. Against an unsupportive global economic landscape, a 7 -7.5% GDP growth estimate in 2016-17 (as estimated by the Central Statistics Organisation) appears encouraging.

Air coolers and the air cooling principle

Air coolers represent a low-cost, energy-efficient and an environmentally-friendly alternative to air conditioners. Air coolers are simple to use and cools air through the evaporation of water. Evaporative cooling differs from typical air conditioning systems which use vapour compression or absorption refrigeration cycles.

Evaporative cooling works by employing water's large enthalpy of vaporization. The temperature of dry air can be dropped significantly through the phase transition of liquid water to water vapour (evaporation), which can cool air using much less energy than refrigeration. In extremely dry climates, evaporative cooling of air has the added benefit of conditioning the air with more moisture for the comfort of building occupants. They also filter dust and dirt without drying the air.

Unlike conventional air conditioners, evaporative coolers require fresh air and work best with open windows and doors. They are best suited for residences, showrooms, shops and offices, especially where doors are opened and closed frequently – a major advantage over conventional air conditioners. Besides, they consume significantly less electricity and produce no emissions.

Comparison between air-cooling appliances

Parameters	Fans	Air coolers	Air-conditioners
Capital cost	Low	Low	High
Recurring cost	Low	90% lower than ACs	Very high
Indoor air quality	Circulates same air	100%-fresh filtered cool air	Recirculates stale dry air
Refrigerants	No	Water	Ozone layer-depleting CFCs
Maintenance	Simple and cost-effective	Simple and cost-effective	Complex and expensive
Portability	No	Yes	No

Parameters	Fans	Air coolers	Air-conditioners
Usage	Indoors	Outdoors and indoors	Indoors
Emission	No	Eco-friendly	Environmentally harmful CFCs
Effectiveness in humid climates	Not applicable	Less effective	Effective

Residential air coolers

The domestic air cooler segment is largely fragmented with about 70-80% of sales accounted for by unorganised players. The branded air cooler industry is competitive in nature with the top four players accounting for more than 90% of the branded air cooler market. Symphony is the leading player in the space followed by Kenstar (Videocon Industries Limited). Other players include Bajaj Electricals, Orient, Maharaja and Usha.

Symphony offers a wider range of air coolers, which find applications also where it is difficult or impossible to install and use an air conditioner. Symphony's air coolers are easy-to install, relatively inexpensive, and can be easily maintained by a layperson. The Company enjoys about a 50% share of the organised segment.

Symphony: Raising the heat for the Indian air cooling players

Symphony introduced a number of pioneering technologies and features that position its products as leaders in the air cooling space in India.

i-Pure Technology: for multi-stage air purification

Power Saver Technology: for low power consumption

Dura-pump technology: for extended pump life

Empty water tank alarm: water level warning enhances convenience

Intelligent remote: full-function remote with timer facility

Feather-touch digital control panel: for ease of operation

System-restore function: remembers and restores earlier settings

SMPS technology: for guarding against voltage fluctuations

Powerful air throw with auto swing: – aids faster and effective cooling

Cool flow dispenser: channelised water distribution guarantees superior cooling

High efficiency cooling pads: enhances cooling performance

Drivers for air coolers

Growing middle class: A young and upwardly mobile lower and middle income group in large and small Indian cities has grown in numbers in the recent past. According to the NCAER, the Indian middle class is expected to more than double from the 2015-16 levels to 113.8 million households or 547 million individuals. Strong aspirations of the Indian middle class will lead to an increase in the demand for premium lifestyle products.

Electrification in India

The Government had earlier set a target for complete rural electrification by May 2017. This has been advanced by at least five months, and the Union Minister for Power Coal and Renewable Energy Piyush Goyal is confident

that all un-electrified villages are likely to be electrified by the end of 2016 (barring areas affected by Maoist insurgency). With active participation in the UDAY scheme, discoms are also likely to be revived and laying emphasis on power theft, Piyush Goyal appealed to all states to reduce power thefts as it's not the poor who steal power, but the bigger power thefts that are mired in corruption. The situation with coal has also seen a complete turnaround, from a phase of shortage to the availability of 550 MT coal stock ready for auctions, with demand yet to reach critical point. The Ministry is confident that with the current rate of progress, 24x7 power will be available for everyone by 2019, much ahead of the March 2022 target.

Nuclearisation: Between 2001 and 2011, the number of nuclear families increased in absolute terms, from 135 million to 172 million

Increased spending: Aggregate consumer expenditure is likely to increase from ₹45 trillion in 2010 to nearly ₹150 trillion by 2020-a more than threefold increase in 10 years. This will be accompanied by an increase in affluent and aspirer households from 48 million to more than 100 million in the same time period.

Shift from the unorganised to the branded: The domestic air cooler segment is largely fragmented with about 70-80% of sales accounted for by unorganised players. Superior technology, unique innovations and increasing affordability is increasing the preference towards branded products.

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

The middle class – India's growth catalyst

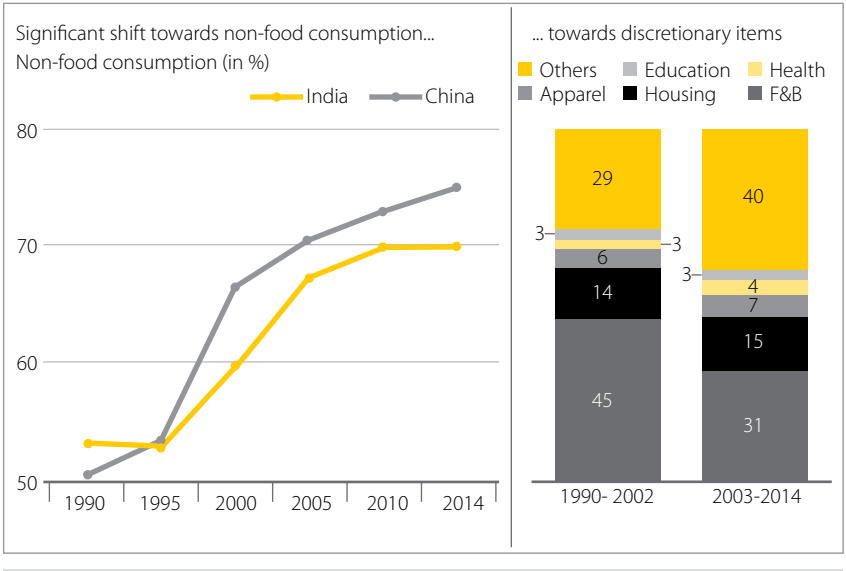
India's economic liberalisation in 1991 opened the floodgates for the arrival of a robust middle-class. Over the past 25 years, millions of people have successfully moved up from a lower-than-US$5,000 annual incomes to higher echelons of prosperity and in the process raised the level of the water across the socioeconomic milieu.

Chart : SHIFT IN INCOME DISTRIBUTION IN INDIA

Number of households (in mn)

Annual Income Range	FY1990	FY2000	FY2015
>$45,000	–1	1	3
$15,000-45,000	–1	3	19
$10,000-15,000	1	5	29
$7,500-10,000	2	10	34
$5,000-7,500	10	29	59
$2,500-5,000	62	82	81
$2,500	71	57	42

Chart : CONSUMPTION PATTERNS ARE CHANGING



With 356 million 10-24 year-olds, India has the world's largest youth population, according to a UN report.

Huge open spaces to capitalise upon

	Number of households (mn)	Households owning an air cooler (mn)	% penetration for air coolers
North	66.5	17.7	27%
East	61.8	1.1	2%
West	57.9	6.2	11%
South	60.2	2.0	3%

Central cooling solutions

Central air cooling is an efficient alternative to air conditioning because it's a cost-effective and environmentally friendly cooling solution designed for various commercial/industrial environments.

Opportunity and size

Offices	Universities	Central AC market in India ₹40,000 mn Central Air Cooling Market size is undefined (potential >₹40,000 mn) **Symphony is the only branded player**
Residences	Lecture halls	
Shops and showrooms	Service stations	
Places of worship	Factories	
Club Houses	Poultry and dairy farms	
Warehouses	Departmental stores	
Lounges	DG rooms	
Canteens	Laundry	
Guest Houses	Kitchen	
Banquet Halls	Malls	

Symphony and central air cooling

The Symphony range of Central Air Cooling units are being manufactured at IMPCO using American technology and have been selling in the North American markets over the last 50 years. Realising the potential for these coolers the Company launched them in India in the year 2014-15.

Symphony's central air cooling units are made of highest grade automotive steel with coatings to prevent corrosion and enhance durability. Symphony's central cooling solutions cater to factories, offices, schools, malls, assembly halls, warehouses and metro stations. Symphony being India's largest branded player in this segment stands to gain the most from the significantly large untapped opportunity in the Central Air Cooling Solutions business

Symphony is also credited with executing the world's largest central air cooling project at the Hajj Complex, Saudi Arabia and India's largest cooling project at the Patanjali Yog Bhawan, Haridwar.

Symphony acquired M/s. Munters Keruilai Air Treatment Equipment (Guangdong) Co. Ltd. (MKE), China to facilitate the Company's access to the Chinese market (the 2nd largest air cooler markets in the world after India) and also provide Symphony with access to the

international markets as China enjoys Free Trade Agreements with most ASEAN countries.

Internal control systems and adequacy

The Company has robust internal control systems and procedures. The Company has deployed a strong system of internal control procedures that are commensurate with the size and nature of the business. These internal controls ensure the optimal use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports and ensure compliance with statutory laws, regulations and management policies. The Company also devised an extensive monitoring and review mechanism, whereby the management regularly reviews actual performance with reference to business plans: both financial and operational.

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

Information Systems

In order to enforce robust internal control and strengthen management processes and information availability, the Company has operationalized a tailor-made ERP system that helps effectively monitor operations and manage resources. With a view to expanding business operations of the Company, it has been decided to implement SAP. The existing ERP package has been used for the last 8 years. As a result, it would further improve our systems policies and procedures and internal control as well as efficiency in operations at various levels.

Human Resources

Symphony acknowledges the contribution of human resources to organisational effectiveness. The Company has invested in the training and knowledge upgradation of employees across various functions and levels. Symphony enjoyed cordial employee relations throughout the year. As on March 31, 2016, the Company has on its payrolls 443 employees compared to 416 on June 30, 2015.

Managing business uncertainties/ Risk Management

Dependence on a single product can impact performance.

Mitigation: The Company widened its product portfolio through the accelerated introduction of new innovative models translating into consumer delight (residential, packaged and central air cooling segments).

Decline in quality could affect the brand.

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

A static product range may affect the Company's growth.

Mitigation: The Company has in place a carefully planned product segmentation strategy. Symphony's wide range of residential air coolers caters to the needs of homeowners. The Company serves the needs of the industrial, hospitality and retail segments under the aegis of the Central Air Cooling Solutions strategic business unit. In order to cater to the segment that falls between the residential and the large commercial spaces, the Company proactively launched Packaged Air Coolers – ready-to-fit compact units that are ideal for shops, hotels, restaurants, religious places etc. Hence, the Company offers a wide variety of options within each segment to cater to the needs of customers across different price points.

It may be difficult to retain leadership in India and grow global presence.

Mitigation: The Company's brand visibility is expected to translate into market share retention in India (more than 50 per cent of the organised segment). The company provides superior business value to stakeholders: significant number of distributors and dealers backed by regional marketing offices. Globally, the Company enjoys a marketing presence in more than 60 countries backed by product superiority and differentiation.

An excessive dependence on a single geography could affect the Company in the event of disturbance in that geography.

Mitigation: Symphony has broadly de-risked itself through a dispersed presence in more than 60 countries across five continents. The export of the Company is more or less uniformly spread across the continents.

Increasing competition may affect the Company's competitiveness.

Mitigation: Symphony has differentiated from competition through product innovation, superior performance, strong sales and marketing and environment-friendliness. Symphony's frugal engineering and quality emphasis have translated into enhanced competitiveness.

A decline in air cooler revenues could prove detrimental for the company's prospects.

Mitigation: Air coolers have proved to be a superior alternative to air conditioners (lower lifecycle cost and enhanced flexibility). Rising prosperity and increasing environmental consciousness is likely to generate attractive air cooler market growth over the foreseeable future.

BOARD'S REPORT

Dear Shareholders,

Your Directors are pleased to present the 29th Annual Report of the Company for the financial year ended on March 31, 2016. Consequent to the change of financial year from July-June to April-March, the current financial year consists of 9 (Nine) months from July 1, 2015 to March 31, 2016 and accordingly the current financial year figures are not comparable with figures of corresponding previous financial year ended on June 30, 2015.

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

(₹ in lacs)

Particulars	Standalone		Consolidated	
	2015-16 (9 Months)	2014-15	2015-16 (9 Months)	2014-15
Revenue from Operations & Other Income	43,434	49,264	46,643	55,957
Profit before Financial Charges, Depreciation & Taxation, Exceptional Items	17,176	16,444	15,688	16,595
Less: Financial Charges	8	57	20	58
Less: Depreciation & Amortisation Expenses	219	213	430	410
Profit before Tax & Exceptional Items	16,949	16,174	15,238	16,127
Add: Exceptional Items	-	-	1,247	-
Profit Before Tax	16,949	16,174	16,485	16,127
Less: Current Tax	4,589	4,438	4,589	4,442
Less: Deferred Tax	64	133	63	133
Less: Provision of earlier years	(4)	(39)	(4)	(39)
Profit after Tax	12,300	11,642	11,837	11,591
Add: Balance as per last year Balance Sheet	23,221	17,475	24,520	18,825
Amount available for Appropriation	35,521	29,117	36,357	30,416
Adjustment relating to Fixed Assets	-	7	-	7
Dividend and Dividend Tax (interim and proposed)	10,525	5,889	10,525	5,889
Balance carried to Balance Sheet	24,996	23,221	25,832	24,520

B) Key Financials as on March 31, 2016

Consolidated Financial Statement

Your Company, along with its subsidiaries, has a global presence. In order to provide an overall view of the comprehensive performance of the group, the Company has prepared consolidated accounts of the holding company and all its subsidiaries, in accordance with the accounting standards that are applicable. The consolidated revenue from operations along with other income stood at ₹46,643 lacs. The profit after tax was ₹11,837 lacs.

The highlights of the key financials are as under: (₹ in lacs except share data)

Particulars	Standalone	Consolidated
Equity Share Capital	700	700
Net worth	30,795	31,862
Book Value Per Equity Share	88	91
Earning Per Share (EPS)	35.17	33.84
Investments	18,634	16,229
Contribution to Exchequer	14,013	14,693

2] Dividend

During the period under review, the Board of Directors has declared interim dividend twice aggregating to ₹25/- (1,250%) per share and bifurcation of the same is as under:

Date of Declaration	Interim Dividend Amount per share (in ₹)	% of Dividend
January 28, 2016	5/-	250
March 10, 2016 (including one-time special dividend of ₹10/- per share)	20/-	1,000

The total payout towards interim dividends for the financial year 2015-16 (including dividend distribution tax) was ₹10,525 lacs (previous year ₹5,889 lacs) translating into a dividend payout of 89% (previous year 51%) on consolidated net profit which was much more than minimum dividend payout as mentioned in Dividend Policy of the Company.

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

1.1 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.

a) The Company will generally endeavour to distribute to the shareholders up to 50% of its profit after tax (including dividend distribution tax and other taxes as applicable).

b) In rare circumstance of any contingency, acquisition opportunities or other business opportunities or unforeseen circumstances, payout to shareholders may be precluded at the discretion of the Board of Directors.

c) Recommendation with regard to payout to shareholders shall be influenced by various factors including, without limitation, internal factors such as profits earned during the fiscal year, liquidity position, fund requirement for acquisitions, reward to shareholders by corporate actions (like buy back of shares) and external factors such as general market conditions, cost of raising funds from alternate sources, applicable taxes including tax on dividend, exemptions under tax laws available to various categories of investors and future expansion opportunities etc.

d) The retained earnings of the Company shall be utilized for future growth and expansion of business, probable acquisitions, working capital and for meeting unforeseen contingencies.

e) The Company has only one class of shares viz. equity shares.

1.2 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.

1.3 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.

2. 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 utilise such balances towards issuance of bonus equity shares or any other security (ies) as may be permissible under the applicable provisions of the Companies Act, 2013, SEBI Act alongwith applicable regulations thereunder and any other Act as may be applicable.

3. 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 Buy Back of its equity shares in accordance with the relevant applicable provisions of the Companies Act, 2013, SEBI Act alongwith applicable regulations thereunder and any other Act as may be applicable.

4. Sub Division / Splitting of Shares

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

3] Material Changes and Commitment

a. Interim Dividend

The Board of Directors at its meeting held on July

26, 2016 has declared a 1st interim dividend of ₹1.50 (75%) per equity share having face value of ₹2/- (Rupees Two) each for the year 2016-17. The dividend payout to the shareholders will be ₹631.49 lacs including dividend distribution tax.

b. Issue of Bonus Shares

The Board of Directors at its meeting held on July 26, 2016 has recommended a bonus issue of shares in the proportion of one fully paid up bonus equity share of ₹2/- each for every one fully paid up equity share of ₹2/- each held as on record date to be determined. The said bonus shares shall be subject to approval of members at ensuing Annual General Meeting.

Except the aforesaid, there was no material change and commitment affecting the financial position which occurred between the financial year and to the date of this report.

4] Operations Review

During the period under review, revenue from operations along with other income on standalone basis stood at ₹43,434 lacs. During the period 2015-16, your Company continued to expand its domestic presence by widening its marketing network of distributors, dealers and retail chain stores throughout the country with adequate warehousing infrastructure in all strategic locations in various parts of the country. Your Company has taken steps to revitalise the organisational structure of the marketing function to enable better penetration into the local market. Your Company has also initiated steps to strengthen its after sales service and increase its market penetration by appointing service franchisees in new locations and introducing a single nationwide customer care number. This will enable prompt and efficient provision of after sales service, particularly to strategic locations in the country.

Your Company strengthened its leadership position in the air cooler industry through a consistent focus on new product development and innovation, making it possible to offer a wide range of air coolers with a variety of new features. Ten new models of air coolers with a host of innovative features were introduced during the period. The existing models were also given a complete facelift with regard to the looks, features and packaging to make them more contemporary and appealing to the consumer. As a result of these measures, your Company now offers 44 models of air coolers to meet the requirements of a variety of customers.

To stimulate demand, your Company continues doing aggressive advertisement and promotional campaigns over print, electronic and digital media. Your Company's R&D Department has come out with innovative products and technologies, enabling it to offer a complete range of air cooling solutions for all segments of customers.

During the period under review, the Company launched the world's first wall mounted air cooler named "CLOUD". The Company has also filed an application for a global patent for this unique product, which comes with many new features such as multistage air purification, magic fill for automatic water refill, intelligent full remote control, fully closable automatic louvers and empty water tank alarm. Your Company has also introduced i-PURE technology which incorporates a multi-stage air purification system that comes with a set of filters that work together to keep air and water pollutants away and deliver pure and cool air. i-PURE technology coolers are equipped with advanced features, high quality PM2.5 wash filter pads and other filters which remove smell, dust and allergy particles.

Your Company is keenly aware of the important role played by its trade partners in the selling process and their contribution to its success. Accordingly, the Company has taken several steps to expand the retail network with a view to penetrate the domestic market further and to ensure easy availability of goods in the remotest corners of the country. During the period, your Company has taken several measures to increase trade loyalty and strengthen the relationships with distributors and retailers which have helped it in maintaining and further strengthening the market share.

Modern Trade

During the period under review, your Company continued to be aggressive in top line products sales through large format stores, retail chains, e-commerce portals and TV shopping channels. Your Company could maintain its number one position in modern trade, registering a healthy growth.

Your Company offered a distinct range of models for sale through e-commerce in order to have a greater focus on this emerging sales channel and also to avoid any kind of model conflict between traditional trade and e-commerce. Your Company continued to widen its modern trade market network and ensured better shelf space in the existing outlets. This has resulted in structured retail chains accounting for a significant portion of the Company's total sales.

Your Company believes that the Modern trade is increasing at a faster pace than ever before and is eager to exploit its potential.

Central Air Cooling Solutions

The Central Air Cooling Solutions business has been further strengthened through focussed efforts, increased manpower and improved nation-wide dealer network.

During the period, your Company focussed on laying down detailed technical and operating guidelines followed by a series of training programs. Your Company successfully trained its dealer network on a pan India basis. The Company also bagged and executed numerous prestigious orders including those from Sanden, ABB, Havmor, Honda Two Wheelers, Vardhman Textiles, Hero Cycles, BHU and continued to develop its prominent clientele covering different customer segments like banks, auto industry, packaging, place of worship, FMCG, warehouses, hospitals, distilleries and railways. Your Company continues to make inroads into various segments with approvals from some key opinion makers like HVAC consultants and large MEP contractors. During the period under review, your Company continued with many business development activities through advertisements in newspapers, journals, TV channels and participation in exhibitions.

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

Air Coolers - Overseas Business

Revenues from overseas business during the year under review remained at ₹ 46 crore. The economic crisis and currency devaluation in CIS countries had adversely affected the overseas business during the period. During the period under review, the Company successfully penetrated into newer markets like Slovenia, Cambodia, Thailand, Indonesia and Kenya. Your Company registered good growth in its business in the markets of U.K., Mauritania, Vietnam, Spain

and Sri Lanka and envisages more openings and opportunities that are waiting to be tapped.

Your Company continued its focus on strategic and select markets including its focus on exports largely to the MENA region. Your Company continues to have several international quality certifications like CE, SASO, NOM etc. which provide access to other countries as well.

SEZ Units

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

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

Impco S. de R. L. de C. V., Mexico, (Subsidiary Company) manufactures and markets a variety of coolers. Since the period under review which ended on March 31, 2016, is of 9 months as against the previous year of 12 months which ended on June 30, 2015, the figures are not comparable. Since the main season in Mexico is April to July, which is not part of the period under review, the peak season performance of the subsidiary is not reflected in the period under review, and only lean season performance is reflected.

As part of its strategy of introducing lean manufacturing operations, IMPCO has sold a part of its Land & Building located on Carr. Miguel Aleman 6061, Col. America, Guadalupe, Nuevo Leon for a consideration of Mexican Pesos 34 million (Equivalent to INR 13 crore. approx.) plus VAT. In the future, other surplus real estate will also be monetized. This initiative will help IMPCO in following manner:

1. To retire its internal debt to parent company.
2. To improve its profitability by reduction in interest, depreciation, overhead and exposure to foreign exchange fluctuations.

5] Overseas Acquisition in China

During the period under review, your Company has successfully acquired 100% equity share capital of Munters Keruilai Air Treatment Equipment (Guangdong) Co. Ltd., China, from Munters AB according to Equity Transfer Agreement. This company has become a wholly owned subsidiary of your Company with effect from January 1, 2016. Consequently, the accounts of the acquired company for the period of 3 months ended on March 31, 2016 are included in the consolidated financial statement. The Company has already received the certificate of approval for establishment of enterprises with foreign investment in the People's Republic of China endorsing name of the Company as Investors from the concern Chinese Authority. The name of said company was changed to Guangdong Symphony Keruilai Air Coolers Co. Ltd. Your Company is in the process of reviewing and improving the performance of this company.

6] Awards

During the period under review, your Company was bestowed with "Best SME-Overall" and "Best SME-Manufacturing" in 2015 edition of Business Today's Best SME Awards in the ₹ 250 crore and above turnover category. The Company won the awards for 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 Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations"), Management Discussion and Analysis Report for the financial year ended on March 31, 2016 is annexed to this annual report.

8] Corporate Governance

Your Company has instilled a strong culture of values, morals and integrity and has continuously sustained a cohesive way of thinking and commitment to action. The Company endeavours to be a sustainable and reliable organisation as it trusts that unrelenting governance is the cornerstone in building and upholding relations with all its stakeholders. The Company's association with its investors is a key factor of Corporate Governance. An enduring communication with investors and shared information about the Company in a regular and trustworthy manner supports the formation of a transparent relationship. It persues a policy of 100% compliance with all statutory requirements and has a strong system to evaluate them. Your Directors are committed to upholding the highest standards of answerability and intensely participate in overseeing risk and strategic management. The Board completely supports and endorses Corporate Governance practices in accordance with the provisions of clause 49 of the Listing Agreement and the Listing Regulations. The report on Corporate Governance is annexed herewith.

9] Subsidiaries

Your Company has four subsidiary companies, (i) Sylvan Holdings Pte. Ltd., Singapore, (ii) Guangdong Symphony Keruilai Air Coolers Co., Ltd. China, (iii) Impco S. de R. L. de C.V, Mexico. (iv) Symphony USA Inc., USA. There is no material change in the nature of business of subsidiaries.

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

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

10] Auditors

Members of the Company, at its 28th Annual General Meeting held on October 27, 2015, has approved appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, as an Auditor of the Company from the conclusion of the then ensuing annual general meeting until the conclusion of the thirty third annual

general meeting of the Company, subject to ratification by the Members at every Annual General Meeting.

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

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

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

The Company takes on record, the valuable services of M/s Shah and Dalal, Chartered Accountants who were the statutory auditors of the Company since inception prior to appointment of M/s Deloitte Haskins & Sells as an auditor.

11] Cost Auditors

During the period under review, the Company was not required to appoint a cost auditor.

12] Corporate Social Responsibility

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

13] Secretarial Audit Report

As required under Section 204 of the Companies Act, 2013, the Board of Directors of your Company had appointed Mr. Ashwin Shah, Practicing Company Secretary, to conduct Secretarial Audit. The Secretarial Audit Report for the financial year ended on March 31, 2016 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.

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. Brief profile of Mr. Nrupesh Shah, as required under Regulation 36(3) of the Listing Regulations, is annexed to the notice convening the 29th Annual General Meeting, which forms part of this Annual Report. Your directors recommend his re-appointment.

Mr. Nrupesh Shah was re-appointed as an Executive Director for a period of five years effective November 1, 2011, pursuant to which his present term will be expiring on October 31, 2016. The Board of Directors at its meeting held on July 26, 2016 has re-appointed Mr. Nrupesh Shah as Whole Time Director designated as an Executive Director for a period of five years from November 1, 2016 subject to approval of members.

During the period under review, Mr. Himanshu Shah, Independent Director, has resigned w.e.f. November 30, 2015. The Board appreciated his contributions during his tenure as an Independent Director.

Due to retirement, Mr. Chandrakant Gandhi ceased to be Company Secretary and Compliance Officer w.e.f. October 31, 2015. The Board recognised his long term services to the Company.

Mr. Manan Bhavsar was appointed as a Company Secretary and Compliance Officer w.e.f. November 1, 2015. He had tendered his resignation and accordingly he was relieved from this position w.e.f. close of working hours on June 30, 2016.

Mr. Mayur Barvadiya has been appointed as a Company Secretary and Compliance Officer w.e.f. July 26, 2016.

15] Extract of Annual Return

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

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, 2016, the applicable accounting standards have been followed and there are no material departures from the same;

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

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 read with Rules made thereunder for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the annual accounts on a going concern basis;

(e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

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

17] Meetings of the Board

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

18] Declaration by Independent Directors

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

19] Nomination & Remuneration Policy

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

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 full details of investments made or loans provided during the year under review:

Sr. No.	Name of Entity	Relation	Aggregate amount of investments made / loan provided during the year (₹ In crore)	Purpose for which loans proposed to be utilized
1	Munters Keruilai Air Treatment Equipment (Guangdong) Co Ltd., China*	Subsidiary	1.55	-
2	8.46% Tax Free Bond of Rural Electrification Corporation Limited	-	16.49	-
3	8.48% Tax Free Bond of Indian Railway Finance Corporation Limited	-	5.51	-
4	8.33% Cumulative Redeemable Preference Shares of Tata Capital Limited	-	5.03	-
5	7.28% NHAI Tax Free Bond	-	10.00	-
6	16.46% Rated Listed Non-Convertible Redeemable Cumulative Preference Shares of Infrastructure Leasing & Financial Services Ltd. (NCRCPS 2015 Series-I)	-	10.05	-
7	Mukand Limited	-	10.00	General business purpose
8	Bombay Dyeing and Mfg. Co. Limited	-	10.00	General business purpose
9	Hikal Limited	-	5.00	General business purpose

Note: Inter corporate deposits provided under serial number 7 to 9 fully received back on respective due dates

* now known as Guangdong Symphony Keruilai Air Coolers Co. Ltd.

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 AOC-2 are given in **Annexure 4** to the Board's Report.

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 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, the Board of Directors has carried out annual performance evaluation of its own performance, its committees and all directors of the Company. The Nomination and Remuneration Committee has also reviewed the performance of Board and all directors of the Company as required under the Companies Act, 2013 and the Listing Regulations.

Criteria for evaluation of Board and Committee

These criteria broadly covers the composition & quality, meeting procedures, strategy, management relations, succession planning, functions, duties, etc.

Criteria for evaluation of Directors

They broadly covers participation at meetings, knowledge & skill, personal attributes, leadership & quality, strategy, formulation and execution, planning & execution, human resource management/relations, product/service knowledge and so on.

24] Audit Committee

The Board of Directors has re-constituted the Audit Committee at its meeting held on October 23, 2015. Subsequent to the reconstitution, Committee comprises Mr. Dipak Palkar, Chairman, Mr. Naishadh Parikh, Mr. Darshan Patel and Ms. Jonaki Bakeri. As per Section 177(8) of the Companies Act, 2013 and Listing Regulations, the Board has accepted all the recommendations of the Audit Committee during the financial year 2015-16.

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 period 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

Pursuant to Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, information of directors/employees of the Company are set out as **Annexure 5** to the Board's Report.

28] Internal Financial Controls and its adequacy

The Company has devised an internal control system across various functions and the same is reviewed by the Statutory Auditor and Internal Auditor at regular intervals. There is a centralized ERP system with user rights given on "need-to-know" basis and "maker-checker" concept is incorporated in each transaction entered in the system. All payments are subject to pre-authorisation as well pre-audit. Further to strengthen the systems and processes and looking to the global presence and growth, the Company has implemented SAP, ERP system with the help of M/s KPIT a well known SAP implementation partner. The project cost would be over ₹5 crore.

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 period 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, 2016.

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.

The Securities and Exchange Board of India (SEBI) vide its order no. WTM / RKA / MIRSD2 / 41 / 2016 dated March 22, 2016, has passed Ex Parte – Ad – Interim Order against Sharepro Services (I) Pvt. Ltd. (Sharepro) and others in order to protect the interest of investors and integrity of the securities market. SEBI has also directed all client companies of Sharepro to conduct thorough audit of records and systems of Sharepro. The Company has, after preliminary inquiry, prima facie discovered certain irregularities w.r.t. share related operations at Sharepro. The Company has filed a complaint on March 30, 2016 with Ellisbridge Police Station, Ahmedabad against Sharepro and others, for further investigation in the matter. The Company had already terminated services of Sharepro.

As per the directions provided in the said order of SEBI, the Company had appointed Ernst & Young LLP, as an Auditor, to complete its audit within 3 months from the date of the said order. Accordingly the Company has submitted the report of Ernst & Young LLP to the SEBI. Further

the Company will take appropriate action as per the SEBI order.

33] Change of Registrar and Share Transfer Agent

In view of the SEBI order dated March 22, 2016, the Company has appointed M/s. Karvy Computershare Pvt. Ltd., as the Registrar and Share Transfer Agent.

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

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

35] Acknowledgments

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

For and on behalf of the Board

Place : Ahmedabad
Date : July 26, 2016

Achal Bakeri
Chairman and
Managing Director
DIN - 00397573

Annexure 1

Corporate Social Responsibility

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

   Symphony, is committed to provide society with environment friendly products which consumes less energy and have no harmful emissions. The Company believes in helping social economic development of society by providing fundamental facilities as provided in Section 135 of the Companies Act, 2013 read with Rules made thereunder. This is the cornerstone of our CSR policy. http://symphonylimited.com/images/pdf/CSR_Policy.pdf

2. The composition of the CSR Committee: Mr. Darshan Patel, Chairman (Independent Director) Mr. Achal Bakeri and Mr. Nrupesh Shah, Members. Mr. Himanshu Shah ceased to be chairman of this committee w.e.f. October 23, 2015

3. Average net profit of the Company for last three financial years: ₹126.58 crore

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹2.53 crore

5. Details of CSR spent during the financial year:

   (a) Total amount to be spent for the financial year: ₹2.53 crore

   (b) Amount unspent, if any: ₹2.53 crore

   (c) Manner in which the amount spent during the financial year: Since no amount towards CSR is spent during the year under review, no information is given.

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

   CSR Committee is in process of Identifying suitable projects for spending CSR amount for the benefit of the society and the community at large. The Company will take requisite steps for utilisation of CSR amount in prudent manner.

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

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

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(**Darshan Patel**)
Chairman - CSR Committee
DIN - 00068650

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

Place: Ahmedabad
Date: July 26, 2016

Annexure 2

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

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

To,

The Members,

Symphony Limited

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

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2016 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ Securities

and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the Audit Period);

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);

vi. Following other laws as applicable to the company

1. The Special Economic Zones Act, 2005

2. Special Economic Zones (Customs Procedures) Regulations, 2003

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The Listing Agreements entered into by the Company with Stock Exchanges;

iii. The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 – w.e.f 1st December 2015.

During the period under review and as per the explanations and clarification given to us and the representation made by the company, the company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. However the company has an unspent amount during the year towards corporate social responsibility.

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

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

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

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

I further report that during the audit period SEBI has passed an order dated 22/03/2016

thereby besides other observations made therein, directed the clients of sharepro Services (I) Private Limited to conduct a thorough audit of the records and systems of RTA. The company has appointed an agency to conduct investigative / forensic audit. Their reports / findings are awaited to offer my comments / observations etc. thereon, if any, appropriately. The company has also filed a complaint with the Ellisbridge Police Station, Ahmedabad. The efforts are being made by the company to form reasonable basis for evaluating its relationship with RTA.

Place : Ahmedabad
Date : July 26, 2016

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

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

'ANNEXURE A'

To,
The Members,
Symphony Limited
Our report of even date is to be read along with this letter.

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

Place : Ahmedabad
Date : July 26, 2016

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

Annexure 3

FORM MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016
[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 Tele: +917966211111 Fax: +917966211140 E-mail ID: corporate@symphonylimited.com
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	Sharepro Services (India) Private Limited 416-420, 4th floor, Devnandan Mall, Nr. Sanyash Ashram, Opp. M. J. Library, Ellisbridge, Ahmedabad – 380006 Tele: +917926582381-84

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	98.18

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Sylvan Holdings Pte. Ltd 80 Raffles Place, #26-01 UOB Plaza 1, Singapore 048624	-	Subsidiary	100.00	2(87)
2	Guangdong Symphony Keruilai Air Coolers Co. Ltd. No. 81 Fenxi Yi Road, Wanjiang District Dongguan Guangdong, China Zip Code: 523055	-	Subsidiary	100.00	2(87)
3	Impco S. de R. L. de C.V. Avenida Miguel Aleman 6061 Col. America Guadalupe N.L. Mexico C.P. 67130	-	Subsidiary	0.10	2(87)
4	Symphony USA Inc 6520 N. 7th ST. Suite 235 Phoenix, Arizona 85014	-	Subsidiary	-	2(87)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (July 1, 2015)				No. of Shares held at the end of the year (March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Individual/HUF	18,412,910	0	18,412,910	52.64	18,412,910	0	18,412,910	52.64	0.00
Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corp.	6,241,600	0	6,241,600	17.84	6,241,600	0	6,241,600	17.84	0.00
Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):	24,654,510	0	24,654,510	70.48	24,654,510	0	24,654,510	70.48	0.00
(2) Foreign									
a) NRIs - Individuals	1,579,360	0	1,579,360	4.52	1,579,360	0	1,579,360	4.52	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other….	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No. of Shares held at the beginning of the year (July 1, 2015)				No. of Shares held at the end of the year (March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (A) (2):-	1,579,360	0	1,579,360	4.52	1,579,360	0	1,579,360	4.52	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**26,233,870**	**0**	**26,233,870**	**75.00**	**26,233,870**	**0**	**26,233,870**	**75.00**	**0.00**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	710,986	21,500	732,486	2.09	1,143,398	6,500	1,149,898	3.29	1.19
b) Banks / FI	14,671	0	14,671	0.04	5,570	0	5,570	0.01	-0.03
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	1,962,772	0	1,962,772	5.61	1,724,151	0	1,724,151	4.93	-0.68
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Foreign Portfolio - Corporate	587,445	0	587,445	1.68	1,317,258	0	1,317,258	3.77	2.09
Sub-total (B)(1):-	32,75,874	2,1500	3,297,374	9.43	4,190,377	6,500	4,196,877	12.00	2.57
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1,795,928	26,000	1,821,928	5.21	1,616,455	12,000	1,628,455	4.66	-0.55
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lac	1,836,827	848,150	2,684,977	7.68	1,725,154	706,650	2,431,804	6.95	-0.72
ii) Individual shareholders holding nominal share capital in excess of ₹1 lac	327,313	0	327,313	0.94	0	0	0	0.00	-0.94
c) Others (specify)									
i) Non-Resident (non-Rep)	25,008	0	25,008	0.07	22,912	0	22,912	0.06	-0.01
ii) Non-Resident (Rep)	97,691	120,500	218,191	0.62	60,531	109,500	170,031	0.48	-0.14

Category of Shareholders	No. of Shares held at the beginning of the year (July 1, 2015)				No. of Shares held at the end of the year (March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
iii) Clearing Members	82,688	0	82,688	0.24	5,560	0	5,560	0.02	-0.22
iv) Trust	180	0	180	0.00	2,520	0	2,520	0.01	0.01
v) Executive Director, Spouse, Fathers' HUF and Independent Director [Note 1]	286,971	0	286,971	0.82	286,471	0	286,471	0.82	0.00
Sub-total (B)(2):-	**4,452,606**	**994,650**	**5,447,256**	**15.57**	**3,719,603**	**828,150**	**4,547,753**	**13.00**	**-2.57**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	7,728,480	1,016,150	8,744,630	25.00	7,909,980	834,650	8,744,630	25.00	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**33,962,350**	**1,016,150**	**34,978,500**	**100.00**	**34,143,850**	**834,650**	**34,978,500**	**100.00**	**0**

Note

1	(A) Executive Director:
	Total 699,902 equity shares (2.00%) held by himself, spouse, two bodies corporate in which Mr. Nrupesh Shah, Executive Director, is substantially interested as a partner and father's HUF. These have been reported in Annual Reports. Mr. Nrupesh Shah is not a promoter director and hence holding classified under 'Others' category. The break up is as under:
	(i) 413,431 equity shares held by two bodies corporate in which Mr. Nrupesh Shah is substantially interested have been classified under "Bodies Corporate" category.
	(ii) 286,471 equity shares in aggregate held by himself, spouse and father's HUF classified under 'Others'.
	(B) Independent Director: includes 500 equity shares held by Mr. Himanshu Shah, Independent Director, which have been reported in Annual Reports. He ceased to be an independent director w.e.f. November 30, 2015.

ii) Share Holding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (July 1, 2015)			Shareholding at the end of the year (March 31, 2016)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Achal Anil Bakeri	14,631,800	41.83	0	14,631,800	41.83	0	0
2	Oras Investments Pvt Ltd	3,221,800	9.21	0	3,221,800	9.21	0	0
3	Paratam Investments Pvt Ltd	3,019,800	8.63	0	3,019,800	8.63	0	0
4	Jonaki Achal Bakeri	1,579,360	4.52	0	1,579,360	4.52	0	0
5	Hirva Achal Bakeri	1,579,360	4.52	0	1,579,360	4.52	0	0
6	Achal Anil Bakeri HUF	1,200,000	3.43	0	1,200,000	3.43	0	0
7	Pavan Bakeri	602,000	1.72	0	602,000	1.72	0	0
8	Rupa Achal Bakeri	389,750	1.11	0	389,750	1.11	0	0
9	Hansa Bakeri	10,000	0.03	0	10,000	0.03	0	0
	Total	**26,233,870**	**75.00**	**0**	**26,233,870**	**75.00**	**0**	**0**

iii) Change in Promoters' Shareholding

Sl No.	Particulars	Shareholding at the beginning of the year (July 1, 2015)		Cumulative Shareholding during the year (March 31, 2016)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	During the year, there was no change in Promoters' shareholding.			
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
3	At the End of the year				

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

Sl No.	Name of Members	Shareholding at the beginning of the year (July 1, 2015)		Cumulative Shareholding during the year (March 31, 2016)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Matthews India Fund	1,126,560	3.22	1,166,560	3.33
2	Rowenta Networks Private Limited	998,800	2.86	998,800	2.86
3	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Long Term Equity Fund	398,171	1.14	660,655	1.89
4	Nabab Consultants LLP*	275,000	0.79	275,000	0.79
5	Chandravadan B Shah*	251,231	0.72	251,231	0.72
6	DSP Blackrock Micro Cap Fund	204,230	0.58	212,264	0.61
7	Steadview Capital Mauritius Limited	195,835	0.56	247,991	0.71

Sl No.	Name of Members	Shareholding at the beginning of the year (July 1, 2015)		Cumulative Shareholding during the year (March 31, 2016)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
8	Mondrian Emerging Markets Small Cap Equity Fund, L.P.	172,400	0.49	218,892	0.63
9	Neelam Professionals LLP*	138,431	0.40	138,431	0.40
10	Hiren Dand	120,907	0.35	100	0.00
11	ABG Capital	76,661	0.22	161,300	0.46
12	India Emerging Opportunities Fund Limited	90,308	0.26	150,755	0.43

* Shares held by two bodies corporate in which Mr. Nrupesh Shah, Executive Director, is substantially interested as a partner and father's HUF

Due to daily trading in shares of the Company, the date wise increase / decrease in shareholding during the year is not disclosed.

v) Shareholding of Directors and Key Managerial Personnel

Sl No.	Name of Directors	Shareholding at the beginning of the year (July 1, 2015)		Cumulative Shareholding during the year (March 31, 2016)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mr. Achal Bakeri	1,46,31,800	41.83	1,46,31,800	41.83
2	Mr. Nrupesh Shah	32,740	0.09	32,740	0.09
3	Mr. Himanshu Shah*	500	0.001	-	-

* ceased to be independent director w.e.f. November 30, 2015

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lacs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1	Gross salary	Mr. Achal Bakeri, Chairman and Managing Director	Mr. Nrupesh Shah, Executive Director	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18.09	9.96	28.05
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.22	0.16	0.38
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify…	-	-	-
5	Profits linked performance incentive	125.00	83.69	208.69
6	PF, Gratuity and others	10.13	4.61	14.74
Total (A)		153.44	98.42	251.86
	Ceiling as per the Act			1,720.06

B. Remuneration to other directors:

(₹ in lacs)

Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors	Mr. Himanshu Shah*	Mr. Dipak Palkar	Mr. Satyen Kothari	Mr. Naishadh Parikh@	Mr. Darshan Patel@	-
	Fee for attending board / committee meetings	0.55	1.03	0.40	0.68	0.20	2.86
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	2.86
2	Non-Executive Director	Ms. Jonaki Bakeri					-
	Fee for attending board / committee meetings	0.68					0.68
	Commission	-					-
	Others, please specify	-					-
	Total (2)	-					0.68
	Total (B)=(1+2)	-					3.54
Total Managerial Remuneration (A+B)							255.40
Overall Ceiling as per the Act							1,892.07

* ceased to be independent director w.e.f. November 30, 2015

@ appointed as independent director w.e.f August 13, 2015

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. Chandrakant Gandhi, Company Secretary*	Mr. Manan Bhavsar, Company Secretary@	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23.65	4.46	6.55	34.66
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.09	-	0.09
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify…	-	-	-	-
5	PF, gratuity and others	5.68	2.08	0.99	8.75
	Total	**29.33**	**6.63**	**7.54**	**43.50**

* Ceased to be Company Secretary w.e.f. October 31, 2015

@ Appointed as Company Secretary w.e.f. November 1, 2015

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure 4

Form No. AOC-2

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

Form for 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:**
   Symphony Limited has not entered into any contract or arrangement or transactions with related parties which is not at arm's length basis.

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

Sl. No.	Name of Related Party	Nature of Relation-ship	Nature of Contract / Ar-rangement / Transaction	Duration of the contracts	Salient Terms	Date of Approval by the Board	Amount paid as Advance, if any
1	Impco S. de R. L. de C.V	Subsidiary	Purchase / Sale of Goods	On-going	As per Transfer Pricing guidelines	April 21, 2015	-
2	Impco S. de R. L. de C.V	Subsidiary	Purchase of Moulds / Machinery	One time	As per Transfer Pricing guidelines	April 21, 2015	-
3	Guangdong Symphony Keruilai Air Coolers Co., Ltd	Subsidiary	Purchase of Goods	On-going	As per Transfer Pricing guidelines	January 28, 2016	-

For and on behalf of the Board

Achal Bakeri
Chairman & Managing Director
DIN - 00397573

Place: Ahmedabad
Date: July 26, 2016

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
	2014-15 (₹in lacs)	2015-16 (9 Months) (₹in lacs)		
Managing Director & Executive Director				
Mr. Achal Bakeri, Chairman & Managing Director	187.98	153.44	8.84	38.66
Mr. Nrupesh Shah, Executive Director	109.47	98.42	19.88	24.80
Non-Executive Directors*				
Mr. Dipak Palkar, Independent Director	1.50	1.03	Not comparable	0.26
Mr. Himanshu Shah, Independent Director^	1.90	0.55	Not comparable	Not comparable
Mr. Satyen Kothari, Independent Director	0.80	0.40	Not comparable	0.10
Mr. Naishadh Parikh, Independent Director@	-	0.68	Not comparable	0.17
Mr. Darshan Patel, Independent Director@	-	0.20	Not comparable	0.05
Ms. Jonaki Bakeri, Non-Executive Director	1.00	0.68	Not comparable	0.17
Key Managerial Personnel				
Mr. Bhadresh Mehta, Chief Financial Officer			14.84	Not Applicable
Mr. Chandrakant Gandhi, Company Secretary#			Not comparable	
Mr. Manan Bhavsar, Company Secretary$			Not comparable	

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

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

@ appointed as independent directors w.e.f. August 13, 2015

ceased to be company secretary w.e.f. October 31, 2015

$ appointed as company secretary w.e.f. November 1, 2015

pursuant to change of financial year from July-June to April-March, current financial year is of 9 (nine) months from July 1, 2015 to March 31, 2016 and accordingly the current financial year figures are not comparable with figures of corresponding previous financial year ended on June 30, 2015.

2	**The percentage increase in the median remuneration of employees in the financial year:** 19.22%
3	**The number of permanent employees on the rolls of Company as on March 31, 2016:** 443
4	**The explanation on the relationship between average increase in remuneration and Company performance:** Average increase in remuneration was 17.09%. Due to change of financial year to April-March, current financial year is of 9 (nine) months from July 1, 2015 to March 31, 2016 and accordingly the current financial year figures are not comparable with figures of corresponding previous financial year ended on June 30, 2015. Considering this, we are not able to give relationship between average increase in remuneration and Company performance.
5	**Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:** The remuneration of Key Managerial Personnel excluding Company Secretary increased by 13.10%. Due to change of financial year to April-March, current financial year is of 9 (nine) months from July 1, 2015 to March 31, 2016 and accordingly the current financial year figures are not comparable with figures of corresponding previous financial year ended on June 30, 2015. Considering this, we are not able to give comparison of the remuneration of the Key Managerial Personnel against performance of the Company.
6	**Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:**

Market Capitalisation (₹ in crore)

Particulars	March 31, 2016	June 30, 2015	% change
Market Capitalisation	8,319.81	7,412.29	12.24
Price Earning Ratio	67.63	63.67	6.22

Particulars	March 31, 2016	January, 1994 (IPO)*	% Change
Market Price (BSE)	2,376.85	9	26,309.44
Market Price (NSE)	2,378.55	9	26,328.33

*Adjusted sub-division of share each having face value ₹10 into 5 shares having face value ₹2 in year 2012. At the time of IPO in January 1994, face value of share was ₹10.

7	**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 17.55% and increase in remuneration of Managerial Personnel is 12.90%. 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.
8	**Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:** The details are already given in Point No. 1 and 5 hereinabove.
9	**The key parameters for any variable component of remuneration availed by the directors:** The Chairman & Managing Director and Executive Director of the Company are entitled to profit linked incentive as per the approval of the members at their annual general meeting.
10	**The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:** None
11	We affirm that the remuneration is as per the Nomination and Remuneration policy of the Company.

B. STATEMENT CONTAINING THE PARTICULARS OF EMPLOYEES IN ACCORDANCE WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULE, 2014:

(a) Information showing names and other particulars of employees who were employed throughout the year and were in receipt of remuneration in aggregate of not less than ₹1,02,00,000/- for financial year:

Name of Employee	Designation	Remuneration (₹in lacs)*	Nature of employment	Qualifications and Experience	Date of commencement of employment	Age	Last employment held by before joining the company	% of equity shares held by the employee in the Company in terms of Rule 5(2)(iii)	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
Mr. Achal Bakeri	Chairman and Managing Director	153.44	Contractual	Architect, MBA (University of Southern California) and having experience of 30 years	05.02.1988	56	-	Not Applicable	Ms. Jonaki Bakeri, Non-Executive Director is daughter of Mr. Achal Bakeri
Mr. Nrupesh Shah	Executive Director	98.42	Contractual	B.Com., FCA, CS and having experience of 28 years	15.05.1993	51	Amtrex Appliances Ltd. [now known as Hitachi Home And Life Solutions (India) Limited]	Not Applicable	Not Applicable

* 9 Months ended on March 31, 2016.

(b) Information showing names and other particulars of employees who were employed for part of the year and were in receipt of remuneration in aggregate of not less than ₹8,50,000/- per month: **NONE**

Annexure 6

Information as required under Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Board's Report for the financial year ended on March 31, 2016.

(A) Conservation of Energy

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

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

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

Nil

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

Nil

(B) Technology Absorption:

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

- Constant R & D efforts directed towards product improvement, new product development, enhancement of features of existing products, cost reduction, automation, OEMs, development, environmental friendly products, import substitute and energy efficient products.
- In house development of aesthetically designed full plastic body air coolers/ storage.
- In house testing of all types of plastic materials for their development, credibility and usability.
- Intelligent Electronic components with user friendly features.
- Revolutionary water distribution technology.

- Special Plastic alloy developed for the fan blades which has drastically reduced its breakage.
- LCD display technology in coolers.
- Introduction of Power PCB to work even in fluctuating voltage in various parts of the country.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution

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

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

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

(iv) Expenditure incurred on Research and Development

(₹ in lacs)

Particulars	Standalone		Consolidated	
	2015-16 (9 Months)	2014-15	2015-16 (9 Months)	2014-15
1. Revenue	179	206	195	218
2. Capital	12	19	12	19
3. Total	191	225	207	237
4. Total R & D expenditure (as % of turnover)	0.46	0.49	0.47	0.45

3] Foreign Exchange Earnings and Outgo:

Details of actual outgo and earnings in foreign currencies are given under Note No. 40 to 41 of standalone financial statements.

CORPORATE GOVERNANCE REPORT

Symphony believes in the highest level of accountability towards its stakeholders and actively promotes fair, transparent and ethical Corporate Governance practices. The Company is committed to maintaining the highest standards of Corporate Governance, which it strives to continually improve over time.

The Company has complied with the requirements of the Corporate Governance as enumerated in the Listing Agreement upto November 30, 2015 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") w.e.f. December 1, 2015.

(A) BOARD OF DIRECTORS

1. The Board of Directors consists of 7 directors with an executive chairman as of March 31, 2016. Out of which 57% directors are non-executive independent directors and one woman director which are in line with requirement of Regulation 17(1)(a) of the Listing Regulations. The Board is headed by Mr. Achal Bakeri, Chairman and Managing Director, who is also a promoter of the Company . The Board does not have any nominee director as on March 31, 2016.

   The maximum tenure of the independent directors is in compliance with the Companies Act, 2013. All the independent directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the Listing Regulation, 2015 and Section 149(6) of the Companies Act, 2013.

2. The names and category 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, 2016 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 director-ship held in other public compa-nies	No. of commit-tee chairman-ship / member-ship held in other public companies	Attended last AGM	No. of shares held as on March 31, 2016
Mr. Achal Bakeri[&]	Chairman & Managing Director	4	4	-	-	Yes	2,62,33,870[#]
Mr. Nrupesh Shah	Executive Director	4	4	-	-	Yes	6,99,902*
Mr. Dipak Palkar	Non-Executive Independent Director	4	4	-	-	Yes	-

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, 2016
Mr. Himanshu Shah$	Non-Executive independent Director	2	2	-	-	Yes	-
Mr. Satyen Kothari	Non-Executive independent Director	4	2~	-	-	No	-
Mr. Naishadh Parikh	Non-Executive independent Director	3	3	5	2	Yes	-
Mr. Darshan Patel	Non-Executive independent Director	3	1	-	-	No	-
Ms. Jonaki Bakeri ^	Non-Executive Director	4	3	-	-	Yes	2,62,33,870#

& Mr. Achal Bakeri is father of Ms. Jonaki Bakeri

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 himself, his spouse, bodies corporate in which he is substantially interested as a partner and father's HUF

$ resigned w.e.f. November 30, 2015

~included one meeting attended through video conferencing

^ She 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 following dates:

   August 13, 2015, October 23, 2015, January 28, 2016 and March 10, 2016.

4. The Company has a system to circulate and provide adequate information to the Board, including as required under Annexure X of the 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. Details of familiarisation programmes imparted to independent directors is available at http://symphonylimited.com/images/pdf/Familiarisation%20Program_Imparted.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 of Directors:** The directors of the Company are in a fiduciary position, empowered to oversee the management functions in order to ensure effectiveness and enrichment of stakeholders' value. The Board reviews, considers and approves management's strategic business plan and business objectives and monitors the Company's strategic direction.

   (ii) **Chairman and Managing Director:** The role of chairman and managing director is to provide leadership to the Board and the senior executive team for realising the approved strategy, business plan and business objectives. He presides over the meetings of the Board and 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:** 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 Boards.

(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 2015-16:

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, 2016.

Place: Ahmedabad
Date: July 26, 2016

Achal Bakeri
Chairman & Managing Director

(C) AUDIT COMMITTEE

1. The Board has already constituted Audit Committee under Listing Regulations which is in line with Section 177 of Companies Act, 2013. The terms of reference of Audit Committee are as per Companies Act, 2013 and Listing Regulations which broadly covers following:

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

   (ii) Recommending to the Board, the appointment, remuneration and terms of appointment of auditors.

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

   (iv) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

      a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.

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

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

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

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

      f. Disclosure of any related party transactions.

      g. modified opinion(s) in the draft audit report.

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

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

   (vii) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.

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

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

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

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

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

(xiii) 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.

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

(xv) 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.

(xvi) 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.

(xvii) 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.

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

(xix) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.

(xx) To review the following information:

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

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

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

d) Internal audit reports relating to internal control weaknesses.

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

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

(xxii) Any other matter as specified under Companies Act, 2013 read with

Rules made thereunder and Listing Regulations as amended from time to time.

2. The Board of Directors, at its meeting held on October 23, 2015, has re-constituted Audit Committee. Accordingly, re-constituted Committee consists of Mr. Dipak Palkar, Chairman, Mr. Naishadh Parikh, Mr. Darshan Patel, and Ms. Jonaki Bakeri, as Members.

   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.

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

4. Mr. Dipak Palkar being Chairman of Committee has attended last annual general meeting held on October 27, 2015.

5. The meeting of Committee held and attended by members are shown below:

Date of meeting	Attendance
August 13, 2015	3
October 23, 2015	3
January 28, 2016	3

(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 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 and the Board.

   (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 their appointment and removal.

   (v) Any other terms of reference as per the Companies Act, 2013.

2. The Board of Directors, at its meeting held on October 23, 2015, has re-constituted Nomination and Remuneration Committee. Accordingly, re-constituted Committee consists of Mr. Dipak Palkar, Chairman, Mr. Satyen Kothari and Mr. Naishadh Parikh, as members.

3. During the year under review, the meeting of Committee held and attended by members are shown below:

Date of meeting	Attendance
August 13, 2015	2
October 23, 2015	3

4. **Nomination and Remuneration Policy**

4.1 Appointment

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

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

4.2 Evaluation

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

4.3 Removal

Subject to provision of the Companies Act, 2013 and policy of the Company, the Nomination and Remuneration Committee may recommend removal of a director, key managerial personnel or employee at senior management personnel to Board upon recording of reason in writing.

4.4 Policy on Remuneration

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

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

5. The criteria for performance evaluation for independent directors is forming part of Board's Report.

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

(₹ in lacs)

Name of Director	Salary	Profit linked performance incentive	Perquisites	Total
Mr. Achal Bakeri	28.22	125.00	0.22	153.44
Mr. Nrupesh Shah	14.57	83.69	0.16	98.42

Above remuneration has been approved by the Board of Directors of the Company as per the Nomination and 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, performance linked incentives are as per terms approved by the Members of the Company. No stock option is provided to the Managerial Personnel.

7. Details showing sitting fees paid to non-executive directors are as under:

(in ₹)

Name of Directors	Sitting Fees	
	Board Meeting	Audit Committee
Mr. Dipak Palkar	80,000	22,500
Mr. Himanshu Shah	40,000	15,000
Mr. Naishadh Parikh	60,000	7,500
Mr. Darshan Patel	20,000	-
Mr. Satyen Kothari	40,000	-
Ms. Jonaki Bakeri	60,000	7,500

8. During the period, there was no pecuniary relationship or transaction of the non-executive directors vis-a-vis the Company. There are no stock options issued by the Company.

(E) Stakeholders Relationship Committee

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

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

(b) The Board of Directors, at its meeting held on October 23, 2015, has re-constituted Stakeholders Relationship Committee. After re-constituted, the Committee consists of Mr. Naishadh Parikh, Chairman, Mr. Darshan Patel and Mr. Nrupesh Shah, as members.

(c) Company Secretary acts as compliance officer of the Company.

(d) During the year, Committee met for nine times.

(e) All correspondences / queries are replied to satisfaction of members. The status of members complaints received, resolved and pending at the year is as under:

Opening balance	Received	Resolved	Closing balance
Nil	32	27	5

(F) Other Committees

1. Corporate Social Responsibility Committee

(a) The Board of Directors, at its meeting held on October 23, 2015, has re-constituted Stakeholders Relationship Committee. Accordingly, re-constitution Committee consists of Mr. Darshan Patel, Chairman, Mr. Achal Bakeri and Mr. Nrupesh Shah, as members.

(b) The terms of reference of Committee are as under:

(i) to formulate and recommend to the Board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

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

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

2. Separate Meeting of Independent Directors

During the period, a separate meeting of independent directors was held on March 10, 2016 in which majority independent directors were present. In this meeting, they have discussed and reviewed evaluation of quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

(G) General Body Meeting

1. Annual General Meeting

Financial year	Date of AGM	Venue	Time	Special resolution passed at AGM
2012-13	December 17, 2013	Ahmedabad Management Association, ATIRA campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	10.00 a.m.	(i) Increase of limit under Section 372A of Companies Act, 1956 (ii) Approval of Employee Stock Option Plan and Employee Stock Purchase Plan
2013-14	September 24, 2014		10.00 a.m.	Adoption of Articles of Association
2014-15	October 27, 2015		10.00 a.m.	-

2. No extraordinary general meeting was held during last three financial years.

3. No resolution was passed through postal ballot in financial year 2015-16.

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

(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 always approves related party transactions. The details showing related party transactions are provided in Note no. 29 of Notes forming part of the financial statement for financial year ended on March 31, 2016 in accordance with the provisions of Accounting Standard 18.

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

3. In preparation of the financial statements, the Company has followed the applicable Accounting Standards. The significant accounting policies applied in preparation and presentation of financial statements have been set out in Note no. 2 of Notes forming part of the financial statement for financial year ended on March 31, 2016.

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 persons as well as pre-clearance of transactions above the threshold limit as prescribed under the Code.

6. **Vigil Mechanism:**
   The Board has adopted a vigil mechanism (whistle blower policy) and according to such policy, all employees are encouraged to report any instance/s of unethical behaviour, fraud, violation of the Company's Code of Conduct or any behaviour which may otherwise be inappropriate and harmful to the Company. No Person has been denied access to the Audit Committee. This policy has been posted on the Company's website www.symphonylimited.com

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

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

   http://www.symphonylimited.com/images/pdf/Policy_for_determining_Material_Subsidiaries.pdf

9. The policy on materiality and dealing with related party transactions is put on website of the Company at following link:

   http://www.symphonylimited.com/images/pdf/ Materiality_&_Dealing_with_RPT_Policy.pdf

10. **Subsidiary Companies:**

    None of the subsidiaries of the Company come 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 clause 49 of the Listing Agreement upto November 30, 2015 and Regulation 17 to 27, clause (b) to (i) of 46(2) of the Listing Regulations w.e.f. December 1, 2015 and has voluntary complied with following non-mandatory requirements:

    (i) Financial statements of the Company are un-modified.

(I) MEANS OF COMMUNICATIONS

1. **Quarterly Results:**

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

2. **Annual Report:**

   Annual report is circulated to members and others entitled thereto.

3. **Publication of Results:**

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

4. **News Releases, Presentation etc.:**

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

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 are also 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 and many other 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 and many other 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.

(J) Dividend

Payment History (Last 5 years)

Financial year		Date of declaration of dividend	Dividend per share
2010-11		November 30, 2011	*₹10
2011-12		November 30, 2012	**₹5.50
2012-13		December 17, 2013	**₹6.50
2013-14	Interim	January 27, 2014	**₹2
	Final	September 24, 2014	**₹11
2014-15	Interim	January 17, 2015	**₹4
	Final	October 27, 2015	**₹10
2015-16	1st Interim	January 28, 2016	**₹5
	2nd Interim	March 10, 2016	**₹20

* shares having face value of ₹10 per share

** shares having face value of ₹2 per share

(K) General Shareholders Information

1. Annual General Meeting

Date	Time	Venue
August 31, 2016	10.00 a.m.	Ahmedabad Management Association, ATIRA Campus, Dr. Vikram, Sarabhai Marg, Ahmedabad – 380 015

2. **Financial Year:** April 1 to March 31 (FY 2015-16 – July 1, 2015 to March 31, 2016)

3. **Financial Calendar (FY 2016-17):**

Quarterly Results	Tentative Schedule
Quarter ending on June 30, 2016	By July 31, 2016
Quarter ending on September 30, 2016	By October 31, 2016
Quarter ending on December 31, 2016	By January 31, 2017
Quarter ending on March 31, 2017	By May 30, 2017

4. **Book Closure:** Wednesday, August 3, 2016 to Friday, August 5, 2016 (both the days inclusive)

5. **Listing on stock exchange:** BSE Limited - Stock Code: 517385

   National Stock Exchange of India Limited - Stock Code: SYMPHONY EQ

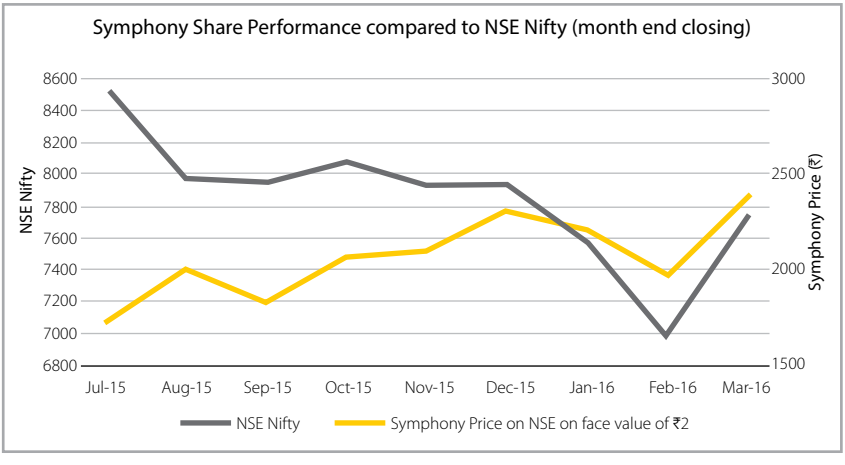
   Ahmedabad Stock Exchange Limited - Stock Code : 51760

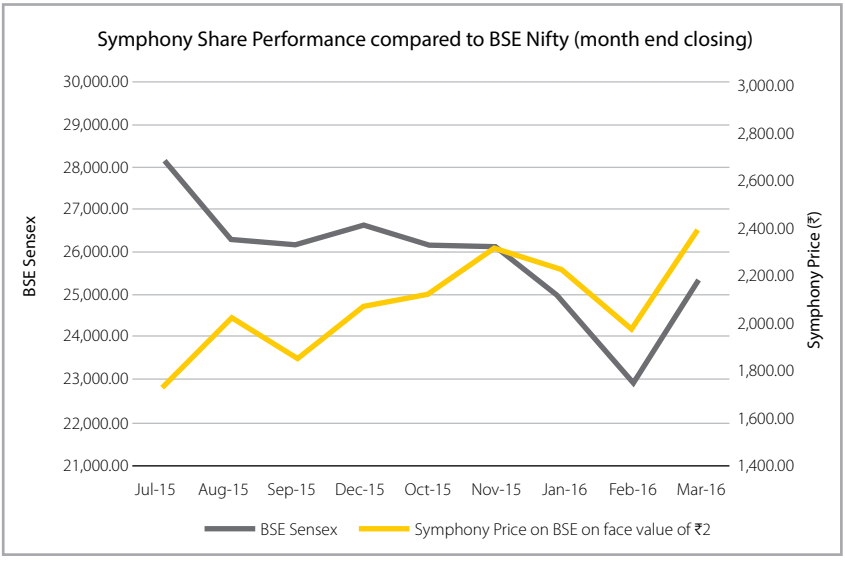
6. **Payment of Listing Fees:** Listing fee paid for 2015-16 to all stock exchanges.

7. **Corporate Identity No.:** L32201GJ1988PLC010331

8. Market Price Data Monthly high and low during financial year ended on March 31, 2016 is as under:

Month	BSE		NSE	
	High	Low	High	Low
July, 2015	2,195.00	1,685.00	2,160.75	1,682.65
August, 2015	2,327.00	1,649.05	2,325.00	1,650.00
September, 2015	2,373.95	1,750.00	2,060.00	1,744.00
October, 2015	2,239.80	1,809.00	2,248.00	1,803.00
November, 2015	2,215.35	1,901.05	2,220.00	1,900.00
December, 2015	2,391.95	2,030.60	2,398.90	2,027.80
January, 2016	2,360.00	1,956.00	2,399.80	1,975.00
February, 2016	2,235.95	1,959.00	2,239.95	1,950.10
March, 2016	2,625.00	1,990.00	2,623.95	1,961.25


Symphony Share Performance compared to NSE Nifty (month end closing)
NSE Nifty
8600
8400
8200
8000
7800
7600
7400
7200
7000
6800
Symphony Price (₹)
3000
2500
2000
1500
Jul-15
Aug-15
Sep-15
Oct-15
Nov-15
Dec-15
Jan-16
Feb-16
Mar-16
NSE Nifty
Symphony Price on NSE on face value of ₹2


Symphony Share Performance compared to BSE Nifty (month end closing)
BSE Sensex
30,000.00
29,000.00
28,000.00
27,000.00
26,000.00
25,000.00
24,000.00
23,000.00
22,000.00
21,000.00
Symphony Price (₹)
3,000.00
2,800.00
2,600.00
2,400.00
2,200.00
2,000.00
1,800.00
1,600.00
1,400.00
Jul-15
Aug-15
Sep-15
Dec-15
Oct-15
Nov-15
Jan-16
Feb-16
Mar-16
BSE Sensex
Symphony Price on BSE on face value of ₹2

9. **ISIN for NSDL and CDSL:** INE225D01027

10. **Registrar and Share Transfer Agent**

Karvy Computershare Pvt. Ltd.
Karvy Selenium, Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakaramguda
Hyderabad - 500 032
Phone No. (040) 6716 2222
Fax No. (040) 2342 0814
E-mail: einward.ris@karvy.com

11. **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 Agreement and Listing Regulations and the same is filed with stock exchanges.

12. **Distribution of equity shareholding:**

Distribution as on March 31, 2016 is as under:

No. of shares	No. of holders	% of holders	No. of shares	% of total shares
1-500	12,201	94.10	14,52,914	4.15
501-1000	399	3.08	3,30,007	0.94
1001-2000	145	1.12	2,20,243	0.63
2001-3000	67	0.51	1,72,856	0.49
3001-4000	32	0.25	1,16,914	0.33
4001-5000	28	0.22	1,31,222	0.38
5001-10000	38	0.29	2,89,439	0.83
Above 10001	56	0.43	3,22,64,905	92.25
Total	**12,966**	**100.00**	**3,49,78,500**	**100.00**

13. **Category of members as on March 31, 2016 is as under**

Category	No. of shares	% of total shares
Promoters	2,62,33,870	75.00
Resident individual	27,18,275	7.77
Bodies corporate	16,28,455	4.66
FIIs, Foreign Portfolio Investors and NRIs	32,34,352	9.25
Mutual funds and Banks	11,55,468	3.30
Clearing member	5,560	0.02
Trust	2,520	0.00
Total	**3,49,78,500**	**100.00**

14. **Dematerialisation of Shares and Liquidity:**
As on March 31, 2016, 3,41,43,860 equity shares of the Company equivalent to 97.61% of total shares are held in electronic form. The shares of the Company are traded on BSE and NSE in electronic form.

15. **Plant Location:**
    (i) **Factory**
    703/704, Sanand Kadi Highway, Village Thol, Tal.Kadi, Dist.Mehsana, Gujarat PIN- 382728

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

    (iii) **SEZ Unit - Kandla**
    Plot No. 1/4 Sector-III of Kandla Special Economic Zone, Gandhidham Kutch – 370230

16. **Communication Address**
Symphony Limited
Symphony House, FP12-TP50, Bodakdev,
Off S.G. Highway,
Ahmedabad – 380 054
Phone No.: (079) 662 11111
Fax No.: (079) 662 11140
Email ID: investors@symphonylimited.com

(L) Company's Recommendations to the Shareholders:

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

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

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

2. **Register your National Electronic Clearing Service (NECS) Mandate:**
Members are encouraged to register an NECS mandate to Company or registrar and share transfer agent in case of shares held in physical form and ensure that the correct and updated particulars of their bank account are registered with the DPs in case of shares held in demat form. This would facilitate in receiving direct credits of dividends etc. from Company and avoiding postal delays and loss in transit.

3. **Encash your Dividends on time:**
Members who have not registered their bank details with Company or DP are requested to encash their dividends warrants promptly to avoid problems involved in 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 to receive annual report along with other communication from Company through e-mail.

COMPLIANCE CERTIFICATE

To
The Members,
Symphony Limited

We have examined the compliance of Corporate Governance by Symphony Limited ("the Company") for the year ended on 31st March 2016 as stipulated in Clause 49 of the Listing Agreement and the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the above mentioned Listing Agreement and the applicable regulations of SEBI (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.

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

Place : Ahmedabad
Date : July 26, 2016

Independent Auditor's Report

To
The Members of
Symphony Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SYMPHONY LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss for the period July 1, 2015 to March 31, 2016 ("the period"), the Consolidated Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the period ended on that date.

Other Matters

We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹8,812.72 lacs as at 31st March, 2016, total revenues of ₹4,479.35 lacs and net cash flows amounting to ₹921.51 lacs for the period ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company, being the only company in the group to which such requirements of the Act are applicable, none of the directors of the holding company is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and

the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, being the only company in the group to which such requirements of the Act are applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 27 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, being the only company in the group to which such requirements of the Act are applicable

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Gaurav J Shah
Partner
(Membership No. 35701)

Ahmedabad
May 17, 2016

Annexure "A" to the Independent Auditor's Report

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the Nine Months ended March 31, 2016, we have audited the internal financial controls over financial reporting of SYMPHONY LIMITED (hereinafter referred to as "the Holding Company") being the only company in the group to which requirements of the Act are applicable, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, being the only company in the group to which requirements of the Act are applicable, are 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 (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 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 based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, being the only company in the group to which requirements of the Act are applicable, has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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

Gaurav J Shah
Partner
(Membership No. 35701)

Ahmedabad
May 17, 2016

Consolidated Balance Sheet as at 31st March, 2016

(₹ in Lacs)

Particulars	Note	As at 31/03/2016	As at 30/06/2015
EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	699.57	699.57
(b) Reserves and Surplus	4	31,162.74	29,921.58
		31,862.31	**30,621.15**
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities	5	249.39	185.92
(b) Long-Term Provisions	6	669.74	710.78
		919.13	**896.70**
(3) Current Liabilities			
(a) Trade Payables			
(i) To Micro and Small Enterprises	36	-	-
(ii) To Others		4,907.66	3,987.81
		4,907.66	3,987.81
(b) Other Current Liabilities	7	3,421.43	1,851.90
(c) Short-Term Provisions	8	1,128.61	4,914.07
		9,457.70	**10,753.78**
TOTAL		**42,239.14**	**42,271.63**
ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		7,015.68	6,801.56
(ii) Intangible Assets		340.66	27.74
(iii) Capital Work-In-Progress		301.15	-
		7,657.49	6,829.30
(b) Goodwill on Consolidation		392.38	7.05
(c) Non-Current Investments	10	16,167.20	13,155.70
(d) Long-Term Loans and Advances	11	274.05	162.17
		24,491.12	**20,154.22**
(2) Current Assets			
(a) Current Investments	12	61.66	11,073.92
(b) Inventories	13	5,507.24	4,570.33
(c) Trade Receivables	14	4,686.91	3,267.20
(d) Cash and Bank Balances	15	4,648.44	750.77
(e) Short-Term Loans and Advances	16	2,184.53	1,665.25
(f) Other Current Assets	17	659.24	789.94
		17,748.02	**22,117.41**
TOTAL		**42,239.14**	**42,271.63**
See accompanying notes forming part of the consolidated financial statements	1-40		

In terms of our Report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

Gaurav J Shah
Partner

Achal Bakeri
Chairman & Managing Director

Nrupesh Shah
Executive Director

Place : Ahmedabad
Date : May 17, 2016

Manan Bhavsar
Company Secretary

Bhadresh Mehta
Chief Financial Officer

Consolidated Statement of Profit and Loss for the nine months ended 31st March, 2016

(₹ in Lacs)

	Particulars	Note	Nine months ended 31/03/2016 (Refer Note 40-a)	Year ended 30/06/2015
I	Gross Revenue from Sale of Products	18	44,436.22	52,546.66
	Less: Excise Duty	18	-	-
	Net Revenue from Sale of Products	18	44,436.22	52,546.66
	Other Operating Revenue	18	118.43	40.69
	Revenue from Operations		44,554.65	52,587.35
II	Other Income	19	2,088.62	3,369.32
III	**Total Revenue (I + II)**		**46,643.27**	**55,956.67**
IV	**Expenses:**			
	Cost of Material Consumed	20	4,090.76	5,495.02
	Purchase of Stock-in-Trade	21	16,358.55	19,765.69
	Changes in Inventories of Finished Goods, Work- in-Progress and Stock-in-Trade	22	(320.14)	(1,308.54)
	Employee Benefit Expense	23	4,251.73	4,620.16
	Finance Costs	24	19.80	57.74
	Depreciation and Amortization Expense	9	429.90	410.32
	Other Expenses	25	6,574.14	10,789.58
	Total Expenses		**31,404.74**	**39,829.97**
V	Profit before Exceptional Items and Tax (III – IV)		**15,238.53**	**16,126.70**
VI	Exceptional Items		1,246.66	-
VII	**Profit before Tax (V + VI)**		**16,485.19**	**16,126.70**
VIII	Tax Expense / (Benefits):			
	(1) Current Tax		4,589.08	4,441.42
	(2) Deferred Tax		63.47	133.00
	(3) Excess Provision of earlier years		(3.87)	(38.89)
	Net Tax Expense		4,648.68	4,535.53
IX	**Profit for the period (VII - VIII)**		**11,836.51**	**11,591.17**
X	Earnings per equity share of face value of ₹2/- each :			
	(1) Basic	26	33.84	33.14
	(2) Diluted	26	33.84	33.14
	See accompanying notes forming part of the consolidated financial statements	1-40		

In terms of our Report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

Gaurav J Shah
Partner

Achal Bakeri
Chairman & Managing Director

Nrupesh Shah
Executive Director

Place : Ahmedabad
Date : May 17, 2016

Manan Bhavsar
Company Secretary

Bhadresh Mehta
Chief Financial Officer

Consolidated Cash Flow Statement for the nine months ended 31st March, 2016

(₹ in Lacs)

	Particulars	Nine months ended 31/03/2016 (Refer Note 40-a)		Year ended 30/06/2015	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Profit Before Tax	16,485.19		16,126.70	
	Adjustment For:				
	Depreciation and amortization expenses	429.90		410.32	
	Exceptional Items	(1,246.66)		-	
	Finance Costs	19.80		57.74	
	Wealth Tax Expenses (Net)	0.03		0.99	
	Interest Income	(1,095.73)		(977.13)	
	Dividend Income	(767.27)		(310.57)	
	Gain on Sale of Current Investments	(42.10)		(1,457.45)	
	Other Non monetary items	(11.34)		(19.15)	
	(Profit) / Loss On Sale of Fixed Assets	(93.78)		(157.43)	
	Operating Profit Before Working Capital Changes	13,678.04		13,674.02	
	Adjustments For:				
	Inventories	(936.91)		(719.07)	
	Trade and Other Receivables	(1,419.71)		890.90	
	Long Term Loans & Advances	(76.22)		65.31	
	Short Term Loans & Advances	(519.28)		929.94	
	Other Current Assets	(108.15)		3.18	
	Trade Payables	919.86		516.72	
	Other Current Liabilities	1,418.19		(484.84)	
	Short Term Provisions	(114.01)		429.34	
	Provision for Employee Benefit	11.63		(33.02)	
	Cash Generated from Operations	12,853.44		15,272.49	
	Taxes Paid	(4,098.08)		(4,913.52)	
	Net Cash Flow from Operating Activities		8,755.36		10,358.97
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Fixed Assets	(1,813.79)		(2,080.93)	
	Sale of Fixed Assets	1,572.28		684.32	
	Interest Received	1,334.58		396.40	
	Dividend Received	767.27		310.57	
	Wealth Tax paid	(1.35)		(1.57)	
	Investments in Fixed Deposit with Banks	(2,400.00)		-	
	Earmarked deposits / balances with bank (Placed) / Realised	(207.38)		(78.83)	
	Received back of Investment in Equity Shares	-		0.26	
	Investment in Subsidiaries	(154.73)		-	
	Investment in Preference Shares	(1,508.50)		-	
	Purchase of Investments	(67,747.82)		(86,565.76)	
	Sale/Redemption of Investments	77,304.96		83,654.17	
	Net Cash Flow from / (Cash Used in) Investing Activities		7,145.52		(3,681.37)

Consolidated Cash Flow Statement for the nine months ended 31st March, 2016

(₹ in Lacs)

Particulars	Nine months ended 31/03/2016 (Refer Note 40-a)		Year ended 30/06/2015	
C CASH FLOW FROM FINANCING ACTIVITIES				
Translation and Consolidation Reserve	(64.95)		(415.31)	
Dividend Paid	(12,033.55)		(5,167.49)	
Dividend Distribution Tax Paid	(2,492.28)		(933.65)	
Finance Costs paid	(19.80)		(57.74)	
Net Cash Used in Financing Activities		**(14,610.58)**		**(6,574.19)**
Net Increase in Cash & Cash Equivalents (A+B+C)		1,290.29		103.41
Cash & Cash Equivalents at the beginning of the period		530.86		427.45
Cash & Cash Equivalents at the end of the period		1,821.15		530.86
Cash on Hand		24.50		4.47
Balances with Schedule Bank in Current Account		1,796.65		526.39
Cash & Bank Balance as per Balance Sheet		1,821.15		530.86

In terms of our Report attached

For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J Shah
Partner

Place : Ahmedabad
Date : May 17, 2016

For and on behalf of the Board

Achal Bakeri
Chairman & Managing Director

Nrupesh Shah
Executive Director

Manan Bhavsar
Company Secretary

Bhadresh Mehta
Chief Financial Officer

Notes forming part of the Consolidated Financial Statements for the nine months ended 31st March, 2016

(1) Corporate Information

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

(2) Basis of Consolidation and significant accounting policies

i-a) Basis of Accounting and Preparation of Consolidated Financial Statements

The consolidated financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the Act"). The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

i-b) Principles of Consolidation

The consolidated financial statements relate to Symphony Limited (the 'Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2016.

b) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

c) The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. The Goodwill is determined separately for each subsidiary company and such amounts are not set off between different entities.

d) 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, 2016
1	Sylvan Holdings PTE. Ltd	Singapore	100.00
2	IMPCO S DE RL DE C V., (through Sylvan Holdings PTE Ltd, Singapore 99.90% and through Symphony Limited, India 0.10%)	Mexico	100.00
3	Symphony USA Inc., (through IMPCO S DE RL DE CV., Mexico)	USA	100.00
4	Guangdong Symphony Keruilai Air Coolers Co., Ltd	China	100.00

Notes forming part of the Consolidated Financial Statements for the nine months ended 31st March, 2016

e) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

ii) Use of Estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

iii) Revenue Recognition

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

a) Sales

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales is net of VAT and Central Sales Tax, wherever applicable and after making adjustments towards price variations, discounts etc."

b) Interest

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

c) Export Benefits

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

d) Dividend Income

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

iv) Tangible Fixed Assets

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

v) Intangible Fixed Assets

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

vi) Depreciation / Amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on all tangible fixed assets is provided on Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Any addition or extension to an existing asset which is of a capital nature and which becomes an integral part of the existing asset is depreciated at the rate which is applied to the existing asset. Depreciation on sale of assets is provided till the date of sale. Depreciation on tangible assets is ceased when a fixed asset is retired from active use and held for disposal or is disposed off.

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

Depreciation of the tangible fixed assets of the Company's foreign subsidiaries, IMPCO S DE RL DE CV,Mexico; Symphony USA Inc.,USA and Guangdong Symphony Keruilai Air Coolers Co., Ltd,China have been provided on straight line method based on useful lifes as per the following range of rates:

	IMPCO S. DE R. L. DE C. V. Mexico and Symphony USA Inc., USA	Guangdong Symphony Keruilai Air Coolers Co., Ltd., China
Type of assets	Range of Rates	Range of Rates
Buildings	5%	10%
Machinery and equipment	8-35%	10-100%
Transportation equipments	25%	20%
Furniture and fixtures & Office Equipment	10%	10-100%

Notes forming part of the Consolidated Financial Statements for the nine months ended 31st March, 2016

vii) Investments

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

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

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

viii) Inventories

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

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

ix) Research and Development

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

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

x) Foreign currency transactions

Initial Recognition and Measurement:

a) Company: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

b) Net investment in non-integral foreign operations: Net investment in non-integral foreign operations is accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

c) Non-integral foreign operations: Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date

a) **Company**: Foreign currency monetary items of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

b) **Net investment in non-integral foreign operations**: Foreign currency monetary items (other than derivative contracts) of the Company's net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

c) **Non-integral foreign operations**: All assets and liabilities of non-integral foreign operations are translated at the year-end rates.

Treatment of exchange difference on restatement / settlement

a) **Company**: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Consolidated Statement of Profit and Loss.

b) **Net investment in non-integral foreign operations**: The exchange differences on restatement of long-term receivables / payables from / to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal / recovery is recognised.

c) **Non-integral foreign operations**: The exchange differences on translation of balances relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

Change in classification of foreign operation

When a non-integral foreign operation is reclassified as an integral foreign operation, the translated amounts for non-monetary items at the date of the change are treated as the historical cost for those items in the period of change and subsequent periods. Exchange differences that have been deferred are not recognised as income or expense until the disposal of the operation.

Subsequent to the date of change in classification of the foreign operation, transactions and balances in such operations are accounted as per the accounting policy applicable to the new classification.

xi) Employee Benefits

a) Short term Employee Benefits

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

b) Post Employment Benefits

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

Notes forming part of the Consolidated Financial Statements for the nine months ended 31st March, 2016

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

Actuarial gains and losses in respect of post employment and other benefits are charged to the Statement of Profit and loss.

xii) Leases

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

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

xiii) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax and tax are adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

xiv) Taxes on Income

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

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the entity has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Consolidated Statement of Profit and Loss.

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

xv) Impairment of Fixed Assets

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

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

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

xvi) Warranty

Provision for the estimated liability in respect of warranty on sale of products is made in the year in which the revenues are recognised, based on historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

xvii) Provisions and Contingencies

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the consolidated financial statements but are disclosed in the notes.

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

xviii) Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes forming part of the Consolidated Financial Statements for the nine months ended 31st March, 2016

3. SHARE CAPITAL (₹ in Lacs)

Particulars	As at 31/03/2016	As at 30/06/2015
Authorised :		
7,50,00,000 Equity Shares of ₹2/- each	1,500.00	1,500.00
Issued, Subscribed & Paid up :		
3,49,78,500 Equity Shares of ₹2/- each fully paid up	699.57	699.57
	699.57	699.57

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

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, 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, 2016 is set out below :

Name of the shareholder	No. of shares	% held as at March 31, 2016	No. of shares	% held as at June 30, 2015
Mr. Achal A. Bakeri	1,46,31,800	41.83%	1,46,31,800	41.83%
Oras Investments Pvt. Ltd.	32,21,800	9.21%	32,21,800	9.21%
Paratam Investments Pvt. Ltd.	30,19,800	8.63%	30,19,800	8.63%

The reconciliation of the number of shares outstanding as at March 31, 2016 is set out below:

Particulars	As at 31/03/2016	As at 30/06/2015
Number of shares at the beginning	3,49,78,500	3,49,78,500
Add: Shares issued during the period	-	-
Number of shares at the end	3,49,78,500	3,49,78,500

Notes forming part of the Consolidated Financial Statements for the nine months ended 31st March, 2016

4. RESERVES AND SURPLUS (₹ in Lacs)

Particulars	As at 31/03/2016	As at 30/06/2015
General Reserve		
Balance as per last balance sheet	3,500.00	3,500.00
Balance at the end of the period	**3,500.00**	**3,500.00**
Surplus in Statement of Profit and Loss		
Balance as per last balance sheet	24,519.83	18,825.13
Add: Net profit after tax transferred from Statement of Profit and Loss	11,836.51	11,591.17
Amount available for appropriation	36,356.34	30,416.30
Less: Appropriations		
Adjustment relating to Fixed Assets	-	7.65
Proposed Dividend on Equity Shares	-	3,497.85
[Dividend per share ₹ Nil (Previous year ₹10/-) on face value of ₹2/-]		
Tax on Proposed Dividend	-	712.08
Interim Dividend on Equity Shares	8,744.63	1,399.14
[Dividend per share ₹25/- (Previous year ₹4/-) on face value of ₹2/-]		
Tax on Interim Dividend	1,780.20	279.75
Balance at the end of the period	**25,831.51**	**24,519.83**
Securities Premium Account		
Balance as per last balance sheet	694.47	694.47
Balance at the end of the period	**694.47**	**694.47**
Capital Reserve		
Balance as per last balance sheet	904.43	904.43
Balance at the end of the period	**904.43**	**904.43**
Translation Reserve		
Balance as per last balance sheet	563.28	947.41
Add: Effect during the period	(123.65)	(384.13)
Balance at the end of the period	**439.63**	**563.28**
Consolidation Reserve		
Balance as per last balance sheet	(260.43)	(208.48)
Add: Effect during the period	53.13	(51.95)
Balance at the end of the period	**(207.30)**	**(260.43)**
Total	**31,162.74**	**29,921.58**

Notes forming part of the Consolidated Financial Statements for the nine months ended 31st March, 2016

5. DEFERRED TAX LIABILITIES / (ASSETS)

(₹ in Lacs)

Particulars		As at 31/03/2016	As at 30/06/2015
(A)	Deferred Tax Liability arising on account of timing difference between depreciation as per Books and as per Income Tax Act, 1961	284.17	218.58
	Total (A)	**284.17**	**218.58**
(B)	Deferred Tax Asset		
	Disallowances under section 43B/40A(7) of Income Tax Act, 1961	8.66	4.92
	Provision for diminution in current investment	-	1.62
	Provision for doubtful advance	26.12	26.12
	Total (B)	**34.78**	**32.66**
(C)	Deferred Tax Liability (Asset) Net (A-B)	**249.39**	**185.92**

6. LONG-TERM PROVISIONS

Provision for		
Employee Benefits (Refer to Note no. 32)	669.74	710.78
	669.74	**710.78**

7. OTHER CURRENT LIABILITIES

For other liabilities		
Trade Deposits	76.36	58.82
Unpaid Dividends	415.38	206.45
Creditors for Capital Goods	0.43	58.03
Advance from Customers	1,376.84	362.65
Statutory Dues	1,014.19	845.97
Other Payables	538.23	319.98
	3,421.43	**1,851.90**

8. SHORT-TERM PROVISIONS

Proposed Dividend	-	3,497.85
Income tax on Proposed Dividend	-	712.08
Provision for		
Employee Benefits (Refer to Note no. 32)	52.67	-
Sales Return	50.05	291.71
Warranty (Refer to Note no. 38)	527.84	400.19
Income Taxes (Net of Advance Tax)*	498.05	10.92
Wealth Tax	-	1.32
	1,128.61	**4,914.07**

* Provision for income tax (Net of Advance Tax ₹4,738.45 lacs (As at June 30, 2015 ₹1,078.81 lacs)).

Notes forming part of the Consolidated Financial Statements for the nine months ended 31st March, 2016

9. FIXED ASSETS

(₹ in Lacs)

Particulars	Tangible								Total (A)	Intangible Softwares & Intellectual Property Rights	Total (B)	Capital WIP (C)	Grand Total (A+B+C)
	Free Hold Land	Lease Hold Land (SEZ)	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments	Computers					
Gross Block													
As at 01/07/2014	2,922.86	260.49	1,577.62	9,374.79	109.56	512.72	37.68	489.28	15,285.00	31.82	31.82	821.63	16,138.45
Additions	-	-	1,397.78	1,153.65	309.89	10.78	72.95	69.82	3,014.87	15.81	15.81	1,443.52	4,474.20
Sold	-	-	8.25	626.53	0.36	16.13	12.54	9.77	673.58	4.49	4.49	2,265.15	2,943.22
Foreign Currency Translation	(382.22)	-	(132.21)	(1,063.77)	(10.36)	(28.85)	-	(53.35)	(1,670.76)	-	-	-	(1,670.76)
As at 01/07/2015	2,540.64	260.49	2,834.94	8,838.14	408.73	478.52	98.09	495.98	15,955.53	43.14	43.14	-	15,998.67
Additions	-	-	2.87	142.38	19.90	6.76	5.45	6.06	183.42	19.60	19.60	301.15	504.17
Additions on account of acquisition of subsidiary	-	-	-	1,475.99	-	20.10	595.59	68.63	2,160.31	1,991.13	1,991.13	-	4,151.44
Sold	(3.92)	-	487.49	324.00	28.91	27.42	4.33	1.27	869.50	-	-	-	869.50
Foreign Currency translation	(144.77)	-	(50.07)	(364.36)	(4.05)	(10.71)	2.73	(20.11)	(591.34)	9.13	9.13	-	(582.21)
As at 31/03/2016	2,399.79	260.49	2,300.25	9,768.15	395.67	467.25	697.53	549.29	16,838.42	2,063.00	2,063.00	301.15	19,202.57
Accumulated Depreciation and Amortization													
As at 01/07/2014	-	55.42	1,102.03	8,608.18	57.39	283.99	20.99	431.46	10,559.46	13.88	13.88	-	10,573.34
Depreciation and Amortization For The Year	-	17.37	66.68	224.47	13.57	51.52	8.10	24.59	406.30	4.02	4.02	-	410.32
Deductions	-	-	3.15	603.48	0.19	7.69	5.69	8.27	628.47	2.50	2.50	-	630.97
Foreign Currency translation	-	-	(108.69)	(993.09)	(6.69)	(25.55)	-	(49.30)	(1,183.32)	-	-	-	(1,183.32)
As at 01/07/2015	-	72.79	1,056.87	7,236.08	64.08	302.27	23.40	398.48	9,153.97	15.40	15.40	-	9,169.37
Depreciation and Amortization For The Period	-	13.05	63.00	175.38	26.71	32.69	34.29	29.16	374.28	55.62	55.62	-	429.90
Accumulated Depreciation on account of acquisition of subsidiary	-	-	-	971.88	-	18.84	464.94	65.64	1,521.30	1,644.38	1,644.38	-	3,165.68
Deductions	-	-	488.73	284.69	5.17	20.08	4.11	1.27	804.05	-	-	-	804.05
Foreign Currency Translation	-	-	(35.33)	(358.27)	(2.56)	(9.75)	1.88	(18.73)	(422.76)	6.94	6.94	-	(415.82)
As at 31/03/2016	-	85.84	595.81	7,740.38	83.06	323.97	520.40	473.28	9,822.74	1,722.34	1,722.34	-	11,545.08
Net Block													
As at 30/06/2015	2,540.64	187.70	1,778.07	1,602.06	344.65	176.25	74.69	97.50	6,801.56	27.74	27.74	-	6,829.30
As at 31/03/2016	2,399.79	174.65	1,704.44	2,027.77	312.61	143.28	177.13	76.01	7,015.68	340.66	340.66	301.15	7,657.49

Note :

1). The leasehold land in Surat SEZ (SUR SEZ) is for the period upto July, 2085 and the lease is to be renewed on expiry of every 15 years starting from 2011. The cost of leasehold land will be amortised over a period of 15 years.

2). To comply with the group accounting policies, the revaluation reserve of ₹2,215.15 lacs created on revaluation of Land at Impco S. de R. L. de C.V., Mexico has been removed from the consolidated financial statements . The land has been stated at cost. The corresponding figures of the previous year have also been restated accordingly.

3). Software cost is amortised over a period of 6 years.

4). Intellectual Property Rights cost are amortised over a period of 5 years.

Notes forming part of the Consolidated Financial Statements for the nine months ended 31st March, 2016

10. NON-CURRENT INVESTMENTS (₹ in Lacs)

Particulars	As at 31/03/2016		As at 30/06/2015	
Non-current Investments	Nos.		Nos.	
Long term investments - Non Trade (Unquoted)				
Investment in Preference shares of Others				
Tata Capital Ltd CRPS	50,000	503.50		-
Long term investments - Non Trade (Quoted)				
Investment in Bonds				
Tax Free Bond of IIFC Ltd.	1,36,000	1,458.38	1,36,000	1,458.38
Tax Free Bond of IIFC Ltd.	100	1,068.30	100	1,068.30
Tax Free Bond of IIFC Ltd.	1,00,000	998.90	1,00,000	998.90
Tax Free Bond of IRFC Ltd.	50	551.25		-
Tax Free Bond of NHAI	37,086	370.86	37,086	370.86
Tax Free Bond of NHAI	100	1,000.60		-
Tax Free Bond of NHB	7,220	361.00	7,220	361.00
Tax Free Bond of NHB	150	1,655.25	150	1,655.25
Tax Free Bond of NTPC Ltd.	31,664	316.64	31,664	316.64
Tax Free Bond of PFC Ltd.	32,389	323.89	32,389	323.89
Tax Free Bond of PFC Ltd.	150	1,653.75	150	1,653.75
Tax Free Bond of REC Ltd.	10,00,000	1,001.80	10,00,000	1,001.80
Tax Free Bond of REC Ltd.	50,000	500.00	50,000	500.00
Tax Free Bond of REC Ltd.	92,500	948.68	92,500	948.68
Tax Free Bond of REC Ltd.	1,50,000	1,649.40		-
Bank of India Perpetual Bond		-	100	1,000.00
IDBI Perpetual Bond	80	800.00	100	1,000.00
Vijaya Bank Perpetual Bond		-	50	498.25
Investment in Preference shares of Others				
IL&FS Ltd. CRPS	6,700	1,005.00		-
		16,167.20		13,155.70
Aggregate amount of quoted investments		15,663.70		13,155.70
Aggregate market value of quoted investments		15,707.28		13,430.58
Aggregate value of unquoted investments		503.50		-

11. LONG-TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at 31/03/2016	As at 30/06/2015
Unsecured, considered good		
Capital advances	135.61	99.95
Prepaid Expenses	85.58	5.16
Other loans and advances		
Balance with statutory / government authorities	19.19	21.15
Deposit Others	33.67	35.91
	274.05	162.17

12. CURRENT INVESTMENTS

Particulars	As at 31/03/2016		As at 30/06/2015	
Current Investments	Nos.		Nos.	
Investment in Mutual Funds (Unquoted)				
Axis Liquid Fund		-	2,25,661	2,257.34
Birla Sun Life Savings Fund		-	16,30,978	1,635.82
BBVA BANCOMER S.A.-BMERGOB Series E	31,206	40.42	63,031	84.93
Investment on a trust title	1	21.24	1	22.17
DSP BR Liquidity Fund-Liquid		-	1,47,285	1,473.75
DSP BR Ultra Short Term Fund		-	23,22,786	233.22
Franklin India Treasury Management-Super IP		-	1,87,004	1,871.38
ICICI Prudential Equity Arbitrage Fund		-	36,09,743	500.00
IDFC Arbitrage Fund		-	80,11,601	1,000.00
Kotak Equity Arbitrage Fund		-	92,73,602	1,000.00
Reliance Arbitrage Fund		-	47,61,251	500.00
SBI Arbitrage Opportunities Fund		-	38,00,584	500.00
		61.66		11,078.61
Less : Provision for diminution		-		(4.69)
		61.66		11,073.92
Aggregate amount of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate value of unquoted investments		61.66		11,073.92

Notes forming part of the Consolidated Financial Statements for the nine months ended 31st March, 2016

13. INVENTORIES

(₹ in Lacs)

Particulars	As at 31/03/2016	As at 30/06/2015
Raw materials (Including Packing Material)	1,077.75	460.98
Work-in-Progress	328.80	217.63
Finished Goods (Including Goods in Transit ₹661.42 lacs, Previous year ₹287.56 lacs)	2,231.30	1,843.19
Stock-In-Trade (Including Goods in Transit ₹67.70 lacs, Previous year ₹7.84 lacs)	1,869.39	2,048.53
	5,507.24	**4,570.33**

14. TRADE RECEIVABLE

Outstanding for more than six months		
Unsecured Considered good	230.77	237.76
Unsecured Considered Doubtful	115.86	-
Less : Provision for Doubtful Debts	(115.86)	-
Others		
Unsecured Considered good	4,456.14	3,029.44
	4,686.91	**3,267.20**

15. CASH & BANK BALANCES

Cash and Cash Equivalents		
Cash on Hand	24.25	4.17
Balance with employees Imprest account	0.25	0.30
Balance with banks in current accounts	1,796.65	526.39
	1,821.15	530.86
Other Bank Balances		
In Earmarked Accounts		
Unpaid Dividend Accounts	415.38	206.45
Margin Accounts	11.91	13.46
In Deposit Accounts	2,400.00	-
	4,648.44	**750.77**

* Includes deposits remaining maturity of more than 12 months from the balance sheet date ₹9 lacs (Previous year ₹5.40 lacs)

16. SHORT-TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at 31/03/2016	As at 30/06/2015
(Unsecured Considered Good Unless Otherwise Stated)		
Advance for supply of goods and rendering of services		
Considered good	1,563.89	1,038.62
Considered doubtful	75.49	75.49
Less: Provision for doubtful Advances	(75.49)	(75.49)
Prepaid Expenses	70.14	45.03
Loans and Advances to employees	29.88	11.22
Balance with statutory / government authorities	348.72	308.27
Other Loans and advances	171.90	262.11
	2,184.53	**1,665.25**

17. OTHER CURRENT ASSETS

Interest accrued but not due	523.92	762.77
Export Incentive Receivable	134.15	25.67
Others	1.17	1.50
	659.24	**789.94**

18. REVENUE FROM OPERATIONS

Particulars	Nine Months Ended 31/03/2016	Year Ended 30/06/2015
Gross Revenue from Sale of Products	44,436.22	52,546.66
Less: Excise Duty	-	-
Net Revenue from Sale of Products	44,436.22	52,546.66
Other Operating Revenue	118.43	40.69
	44,554.65	**52,587.35**
Sale of products comprises of :		
Air Coolers	43,254.52	51,088.15
Others	1,181.70	1,458.51
	44,436.22	**52,546.66**

Net Revenue from Sale of Products have been presented net of VAT/CST as against the practice followed up to the financial year ended on 30th June, 2015, of presenting the same on gross basis and presenting VAT/CST amounts as Selling & Distribution expense (Current period ₹4,912.96 lacs, previous year ₹5,302.61 lacs).

Notes forming part of the Consolidated Financial Statements for the nine months ended 31st March, 2016

19. OTHER INCOME

(₹ in Lacs)

Particulars	Nine Months Ended 31/03/2016	Year Ended 30/06/2015
Interest Income	1,095.73	977.13
Dividend Income	767.27	310.57
Gain on Sale of Current Investments(Net)	42.10	1,457.45
Profit on sale of Fixed Assets	93.78	157.43
Other Non Operating Income	89.74	466.74
	2,088.62	**3,369.32**
Interest income pertains to:		
Interest Income from Long term Investments	773.66	611.05
Interest Income from Current Investments	322.07	366.08
Dividend income pertains to:		
Dividend from Current Investments (mutual funds)	691.45	310.55
Dividend from Other Long Term Investments	75.82	0.02

20. COST OF MATERIAL CONSUMED

Opening Stock of Raw Materials	460.98	1,050.44
Add: Purchases	4,707.53	4,905.56
Less: Closing Stock of Raw Materials	1,077.75	460.98
	4,090.76	**5,495.02**

Cost of material comprises of Moulded Parts & components of Air Cooler

21. PURCHASE OF STOCK-IN-TRADE

Air Coolers	15,931.80	19,262.51
Others	426.75	503.18
	16,358.55	**19,765.69**

22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Opening Stock		
Work-in-Progress	217.63	19.54
Finished Goods	1,843.19	1,359.05
Stock-In-Trade	2,048.53	1,422.22
Less:		
Closing Stock		
Work-in-Progress	328.80	217.63
Finished Goods	2,231.30	1,843.19
Stock-In-Trade	1,869.39	2,048.53
	(320.14)	**(1,308.54)**

Notes forming part of the Consolidated Financial Statements for the nine months ended 31st March, 2016

23. EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	Nine Months Ended 31/03/2016	Year Ended 30/06/2015
Salaries, Wages and Bonus	3,521.21	3,772.30
Contribution to Provident Fund and Other Funds	610.22	743.39
Staff Welfare Expenses	120.30	104.47
	4,251.73	**4,620.16**

24. FINANCE COSTS

Interest Expense	19.80	57.74
	19.80	**57.74**

25. OTHER EXPENSES

Stores, Spare parts and Packing Material consumed	88.59	101.21
Assembly and Labour Charges	325.26	610.01
Power and Fuel	76.69	153.62
Repairs & Maintenance		
Building	63.24	30.80
Machinery	47.07	102.67
Rent	213.24	168.76
Rates & Taxes	17.35	22.49
Travelling	741.86	856.21
Conveyance	162.09	172.97
Communication Expenses	112.12	142.40
Insurance	64.66	72.20
Printing and stationery charges	57.04	48.00
Legal & Professional Charges	374.53	502.28
Payment to Auditors (Refer Note no. 30)	41.23	29.68
Vehicle Expenses	26.91	23.04
General Expenses	737.10	829.58
Provision for Doubtful Advances	63.69	75.49
Repairs Others	12.74	28.05
Bank Charges	16.59	22.19
Foreign Exchange Fluctuation(Net)	221.81	351.28
Preliminary Expenses	0.39	0.36
Advertisement and Sales Promotion	787.86	3,352.32
Freight & Forwarding Charges	1,438.85	1,853.70
Warranty Expense	441.59	740.61
Sales Commission	24.34	58.18
CFA Handling Charges	157.75	191.66
Warehousing Charges	96.03	134.40
Conference and Other Expenses	158.32	70.22
VAT and Sales Tax	5.20	45.20
	6,574.14	**10,789.58**

Notes forming part of the Consolidated Financial Statements for the nine months ended 31st March, 2016

26. EARNINGS PER SHARE

Particulars	Nine Months Ended 31/03/2016	Year Ended 30/06/2015
Face value of Equity Shares (₹)	2	2
Net Profit available for Equity Shareholders (₹ In Lacs)	11,836.51	11,591.17
No. of Equity Shares	3,49,78,500	3,49,78,500
Basic and Diluted EPS (₹)	**33.84**	**33.14**

27. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for) :

(₹ in Lacs)

	Particulars	2015-16	2014-15
(i)	**Contingent Liabilities:**		
a)	Claims against the company not acknowledged as debt	13.34	13.34
b)	Demand on account of vat / sales tax matters raised against the company for the various years but the same is not acknowledged as debt hence, not provided for. Appeals are pending	96.86	77.17
c)	Income Tax matters not acknowledged as debts	28.18	10.76
d)	Demand under disputed central excise matter, Appeals are being filed	91.50	101.50
		229.88	**202.77**
	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 :**		
e)	Estimated amount of contracts remaining to be executed on capital account and not provided for	227.16	134.57

28. SEGMENT REPORTING

(a) Primary Segment : Business

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

(₹ in Lacs)

	Particulars	2015-16	2014-15
(1)	Segment Revenue		
	Air Coolers	45,225.27	53,719.67
	Corporate Funds	1,418.00	2,237.00
	Total	46,643.27	55,956.67
(2)	Segment Profit before Interest and Taxes (PBIT)		
	Air Coolers	13,846.33	13,953.44
	Corporate Funds	1,412.00	2,231.00
	Total	15,258.33	16,184.44
	Less: Finance Costs	19.80	57.74

28. SEGMENT REPORTING *(contd.)*

(₹ in Lacs)

Particulars	2015-16	2014-15
Less: Exceptional Items	(1,246.66)	-
Less: Taxes	4,648.68	4,535.53
Total Profit After Tax	11,836.51	11,591.17
(3) Segment Assets		
Air Coolers	23,149.53	17,376.63
Corporate Funds	19,089.61	24,895.00
Total	42,239.14	42,271.63
(4) Segment Liabilities		
Air Coolers	9,324.24	11,361.48
Corporate Funds	1,052.59	289.00
Total	10,376.83	11,650.48
(5) Capital Employed		
Air Coolers	13,825.29	6,015.15
Corporate Funds	18,037.02	24,606.00
Total	31,862.31	30,621.15
Segment Profit (PBIT) % on Capital Employed		
Air Coolers	152.91%	138.79%
Corporate Funds	5.43%	11.40%

(b) Secondary Segment : Geographical segment

Particulars	2015-16	2014-15
(1) Segment Revenue		
India	36,836.82	41,117.54
Rest of the world	7,599.40	11,429.12
Net Revenue from Sale of Products	44,436.22	52,546.66
(2) Segment Profit Before Interest and Taxes (PBIT)		
India	15,102.84	14,373.78
Rest of the world	155.49	1,810.65
Total	15,258.33	16,184.44
Less: Finance Costs	19.80	57.74
Less: Exceptional Items	(1,246.66)	-
Less: Taxes	4,648.68	4,535.53
Total Profit After Tax	11,836.51	11,591.17
(3) Segment Assets		
India	41,133.77	42,071.68
Rest of the world (Only Receivables *)	1,105.37	199.96
Total	42,239.14	42,271.63
(4) Segment Liabilities		
India	10,195.76	11,610.04
Rest of the world (Advance from customers only *)	181.07	40.44
Total	10,376.83	11,650.48
(5) Capital Employed (*)	31,862.31	30,621.15

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

Notes forming part of the Consolidated Financial Statements for the nine months ended 31st March, 2016

29. Related Party Disclosures

(₹ in Lacs)

Sr no	Name of the Related Parties	Nature of relationship with company	Nature of transaction	2015-16		2014-15	
				Volume of transaction	Balance at the end of the period	Volume of transaction	Balance at the end of the year
1	Mr. Achal Bakeri	Key Management Personnel	Remuneration and Perquisites	153.44	125.00	187.98	98.09
			Sale of shares of Symphony Designer Properties Pvt. Ltd.	-		0.06	
			Sale of shares of Saline Area Vitalisation Enterprises Ltd.	-		1.00	
2	Mr. Nrupesh Shah	Key Management Personnel	Remuneration and Perquisites	98.42	83.69	109.47	58.85
3	Ms. Jonaki Bakeri	Non-Executive Director	Sitting Fees	0.68	0.61	1.00	0.90
4	Oras Investments Pvt. Ltd.	Enterprise in which Director has significant influence	Rent Expense	-	-	7.56	-
5	Paratam Investments Pvt. Ltd.	Enterprise in which Director has significant influence	Rent Expense	-	-	7.56	-
6	Scarlet Living Pvt. Ltd.	Enterprise in which Director has significant influence	Godown Rent Income	-	-	0.21	-
7	Scarlet Living Pvt. Ltd.	Enterprise in which Director has significant influence	Purchase of Capital Goods	-	-	0.67	-
			Purchase of Goods	-		3.61	
8	Bakeri Projects Pvt. Ltd.	Enterprise in which relatives of Director has significant influence	Sale of Immoveable Property	-	-	64.50	-

30. Payment to Auditors (Refer Note no. 25)

Particulars		2015-16	2014-15
a)	As Auditor	37.64	24.60
b)	In other capacity, in respect of		
	i) Tax Audit	-	1.14
	ii) Certification	0.17	0.57
	iii) Taxation Matters	-	3.37
	iv) Limited Review	2.57	-
	v) Others	0.85	-
		41.23	29.68

31. Leases

(₹ in Lacs)

Particulars	2015-16	2014-15
Lease Rentals		
Due within one year	106.97	-

32. Employee Benefits

(a) India Operations:

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

(₹ in Lacs)

	Particulars	2015-16	2014-15
I	Expenses recognized during the period		
	Current service cost	44.49	44.08
	Interest on obligation	20.28	22.15
	Expected return on plan assets	(19.40)	(18.63)
	Net actuarial losses (gains) recognised in period	64.20	54.62
	Total	109.57	102.22
	Actual return on plan assets	19.91	7.50
II	Reconciliation of opening and closing balances of defined benefit obligation		
	Opening defined benefit obligation	326.56	250.88
	Service cost	44.49	44.08
	Interest cost	20.28	22.15
	Actuarial losses (gains)	64.71	43.50
	Benefits paid	(6.39)	(34.05)
	Closing defined benefit obligation	449.65	326.56
III	Reconciliation of Opening and Closing balances of fair value of plan assets		
	Opening fair value of plan assets	312.35	214.08
	Expected return	19.40	18.63
	Actuarial gains and (losses)	0.51	(11.13)
	Contributions by employer	71.11	124.82
	Benefits paid	(6.39)	(34.05)
	Closing balance of fair value of plan assets	396.98	312.35
IV	Reconciliation of the present value of defined benefit obligation and fair value of planned assets		
	Present value of funded obligations	449.65	326.56
	Fair value of plan assets	(396.98)	(312.35)

Notes forming part of the Consolidated Financial Statements for the nine months ended 31st March, 2016

32. Employee Benefits *(contd.)*

(₹ in Lacs)

Particulars		2015-16	2014-15
	Net liability	52.67	14.21
	Amounts in the balance sheet:		
	Liabilities	52.67	14.21
	Net liability	52.67	14.21
V	**Investment Details**		
	Insurance Company	396.98	312.35
VI	**Actuarial Assumptions**		
	Discount rate	7.85%	8.28%
	Expected return on plan assets	7.85%	8.28%
	Annual increase in Salary costs	7.00%	7.00%
	The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
VII	**Gratuity Benefit**		
	Defined benefit obligation	(449.65)	(326.56)
	Plan assets	396.98	312.35
	Surplus/(deficit)	(52.67)	(14.21)
	Experience adjustments on plan Liabilities	(43.94)	(14.06)
	Experience adjustments on plan assets	(0.51)	(11.13)
	Movement in net liability recognised in Balance Sheet		
	Net opening liability	14.21	36.81
	P&L Charge	109.57	102.22
	Contribution paid / Benefits paid	(71.11)	(124.82)
	closing net liability	52.67	14.21

VIII **Disclosure as required under para 120(n) of AS - 15**

(₹ in Lacs)

Particulars		2015-16	2014-15	2013-14	2012-13	2011-12
i)	Present value of the defined benefit obligation	449.65	326.56	250.88	236.41	145.53
	Fair value of the plant assets	396.98	312.35	214.07	172.45	50.14
	(Surplus)/Deficit in the plan	52.67	14.21	36.81	63.96	95.39
ii)	Experience Adjustments					
	On Plan liabilities	(43.94)	(14.06)	(5.37)	(14.68)	(2.68)
	On Plan assets	(0.51)	(11.13)	0.97	1.82	0.14

IX The expected contribution is based on the same assumptions used to measure the Company's gratuity obligations as of March 31, 2016.

32. Employee Benefits *(contd.)*

(b) IMPCO S DE RL DE CV, Mexico Subsidiary:

The Company has non-contributory retirement plan covering all of its employees. Pension benefits are based on years of service and the employee's compensation. Such plan also includes seniority premiums and severance payments upon involuntary termination. Pension and statutory severance benefits are not funded.

The present values of the net projected liability of these obligations as of March 31, 2016 and June 30, 2015 are ₹669.74 lacs and ₹696.57 lacs, respectively.

Net discount rates used in actuarial calculations were as follows:

Particulars	2015-16	2014-15
Discount of the project benefit obligation at present value	6.50%	6.50%
Salary increase	4.00%	4.00%

Net period cost comprises determined for 2015-16 and 2014-15 was ₹61.01 lacs and ₹88.08 lacs, respectively.

Under Mexican legislation, the Company must make payments equivalent to 2% of its workers' daily integrated salary (ceiling) to a defined contribution plan that is part of the retirement savings system. The expense in 2015-16 and 2014-15 was ₹13.55 lacs and ₹22.58 lacs, respectively.

33. Leave encashment

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

34. Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet Date

Particulars	2015-16			2014-15		
	Currency	Amount in Foreign Currency	₹ in lacs	Currency	Amount in Foreign Currency	₹ in lacs
Trade Payables	US$	5,650	3.75	US$	22,687	14.47
Trade Receivable	US$	9,77,656	648.48	US$	3,13,588	199.94
	GBP	1,22,894	116.86	GBP	-	-
	EURO	2,58,517	194.15	EURO	-	-

35. The operations of Symphony Air Coolers Inc., USA , subsidiary, of the Company discontinued since 2nd July 2013.

36. 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,2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act,2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes forming part of the Consolidated Financial Statements for the nine months ended 31st March, 2016

37. Expenditure on Research & Development activities are as under (₹ in Lacs)

Particulars	2015-16		2014-15	
Capital Expenditure		11.85		19.31
Revenue Expenditure				
Material Cost	20.23		29.04	
Employee Benefit Expenses	152.50		130.13	
Other Expenses	21.95	194.68	58.45	217.62
Total		206.53		236.93

38. Company gives one year warranty on certain components of its products. The expenses on the warranty as and when incurred are charged to the Statement of Profit and Loss.

(₹ in Lacs)

Particulars	July 01, 2015	Provision during the period	Utilised during the period	Reversal during the period	March 31, 2016
Provision for 1 year Warranty	400.20	525.29	382.77	14.88	527.84

39. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule II to the 2013 Act.

(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	94.74%	30,187.16	101.25%	11,985.53
	(93.85%)	(28,736.63)	(99.69%)	(11,555.55)
Subsidiaries:				
Foreign				
(1) Sylvan Holdings Pte. Ltd., Singapore	2.35%	750.11	0.29%	34.28
	(1.95%)	(598.43)	(0.77%)	(89.04)
(2) Symphony Aircoolers Inc, USA				
	(0.00%)	((-)0.46)	(0.00%)	-
(3) IMPCO S DE RL DE CV, Mexico	5.41%	1,724.86	4.48%	530.52
	(4.39%)	(1,343.40)	((-)0.43%)	((-)49.42)
(4) Symphony USA INC., USA	(-)0.24%	(-)76.21	(-)0.19%	(-)22.64
	((-)0.19%)	((-)56.86)	((-)0.03%)	((-)4.00)
(5) Guangdong Symphony Keruilai Air Coolers Co., Ltd, China	(-)2.27%	(-)723.60	(-)5.83%	(-)690.18
Total	100.00%	31,862.32	100.00%	11,837.51
	(100.00%)	(30,621.14)	(100.00%)	(11,591.17)

40. (a) In view of the provision of Companies Act 2013, the company has changed its accounting year to March ending instead of June ending as earlier. Accordingly current accounting year is of nine months ended on March 31, 2016 (""current period"") and therefore the figures for the current period are not comparable with figures for the year ended June 30, 2015 ('previous year') presented in the Statement of Profit and Loss, Cash Flow Statement and related notes. Previous year's figures have been regrouped / reclassified wherever necessary, to confirm to the classification of the current period.

(b) The figures pertaining to subsidiary companies have been reclassified, where necessary, to bring them in line with the holding Company's financial statements.

In terms of our Report attached

For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J Shah
Partner

Place : Ahmedabad
Date : May 17, 2016

For and on behalf of the Board

Achal Bakeri
Chairman & Managing Director

Nrupesh Shah
Executive Director

Manan Bhavsar
Company Secretary

Bhadresh Mehta
Chief Financial Officer

Independent Auditor's Report

To
The Members of
Symphony Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of SYMPHONY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss for the period July 1, 2015 to March 31, 2016 ("the period"), the Cash Flow Statement for the period then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

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 under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

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

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.

   e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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, 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 financial statements – Refer Note 27 to the financial statements;

      ii. The Company doesn't have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were 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

Gaurav J Shah
Partner
(Membership No. 35701)

Ahmedabad
May 17, 2016

Annexure "A" to the Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of Symphony Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the period 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 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 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 March 31, 2016, 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

Gaurav J Shah
Partner
(Membership No. 35701)

Ahmedabad
May 17, 2016

Annexure "B" to the Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

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

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation 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 property of land that has been taken on lease and disclosed as fixed asset in the financial statements, the lease agreement is 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 period 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 been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
The Bihar Value Added Tax Act, 2005	Commercial Tax Demand	16.97	2009-2012	The Joint Commissioner of Commercial Taxes (Appeal), Bihar
		0.86	2013-2014	Bihar VAT Tribunal
The Central Sales Tax Act, 1956	Demand of Penalty	70.80	1993-1996, 1997-1998 & 1999-2000	Joint Commissioner of Commercial Taxes Appeals, Mehsana, Gujarat
The Orissa Entry Tax Act, 1999	Entry Tax Demand	0.48	2002-03	Hon'ble High Court of Orissa, Cuttack
The Orissa sales Tax Act, 1999	Sales Tax Demand	17.98	1999-2000 to 2003 -2004	
Punjab Value Added Tax Act, 2005	Commercial Tax Demand	2.97	2014-15	Office of the Commissioner Commercial Tax Punjab
The Central Excise Act, 1944	Demand of Penalty	2.50	2009-2010	Central Excise and Service Tax Appellate Tribunal Ahmedabad
		89.00	2009-2011	Commissioner of Central Excise & Customs, Baroda
The Income Tax Act, 1961	Income Tax Demand	17.42	2011-2012	Commissioner of Income Tax (Appeals), Ahmedabad

(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 fraud on the Company by its officers or employees has been noticed or reported during the period.

(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 188 and 177 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 financial statements etc. as required by the applicable accounting standards.

(xiv) During the period 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 period the Company has not entered into any non-cash transactions with its directors or persons connected with him 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-I of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Gaurav J Shah
Partner
(Membership No. 35701)

Ahmedabad
May 17, 2016

Balance Sheet as at 31st March, 2016

(₹ in Lacs)

Particulars	Note	As at 31/03/2016	As at 30/06/2015
EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	699.57	699.57
(b) Reserves and Surplus	4	30,095.26	28,319.58
		30,794.83	29,019.15
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	5	249.39	185.92
(b) Long-Term Provisions	6	-	14.21
		249.39	200.13
(3) Current Liabilities			
(a) Trade Payables			
(i) To Micro and Small Enterprises	34	-	-
(ii) To Others		2,026.74	3,299.64
		2,026.74	3,299.64
(b) Other Current Liabilities	7	2,311.28	1,012.58
(c) Short-Term Provisions	8	1,030.92	4,890.91
		5,368.94	9,203.13
TOTAL		36,413.16	38,422.41
ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		5,800.12	5,914.64
(ii) Intangible Assets		42.87	27.74
(iii) Capital Work-In-Progress		301.15	-
		6,144.14	5,942.38
(b) Non-Current Investments	10	18,634.21	15,468.45
(c) Long-Term Loans and Advances	11	168.90	135.79
		24,947.25	21,546.62
(2) Current Assets			
(a) Current Investments	12	-	10,966.82
(b) Inventories	13	2,348.54	2,455.28
(c) Trade Receivables	14	3,273.50	660.14
(d) Cash and Bank Balances	15	3,663.70	687.53
(e) Short-Term Loans and Advances	16	1,522.78	1,317.58
(f) Other Current Assets	17	657.39	788.44
		11,465.91	16,875.79
TOTAL		36,413.16	38,422.41
See accompanying Notes forming part of the Financial Statements	1-42		

In terms of our Report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

Gaurav J Shah
Partner

Achal Bakeri
Chairman & Managing Director

Nrupesh Shah
Executive Director

Place : Ahmedabad
Date : May 17, 2016

Manan Bhavsar
Company Secretary

Bhadresh Mehta
Chief Financial Officer

Statement of Profit and Loss for the nine months ended 31st March, 2016

(₹ in Lacs)

	Particulars	Note	Nine months ended 31/03/2016 (Refer Note 37)	As at 30/06/2015
I	Gross Revenue from Sale of Products	18	41,367.00	46,229.04
	Less: Excise Duty	18	-	-
	Net Revenue from Sale of Products	18	41,367.00	46,229.04
	Other Operating Revenue	18	118.43	40.69
	Revenue from Operations		41,485.43	46,269.73
II	Other Income	19	1,949.07	2,993.84
III	**Total Revenue (I + II)**		**43,434.50**	**49,263.57**
IV	**Expenses:**			
	Cost of Material Consumed	20	2,033.92	2,461.95
	Purchase of Stock-in-Trade	21	16,410.12	19,879.32
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	255.96	(551.95)
	Employee Benefit Expense	23	2,973.12	3,162.84
	Finance Costs	24	8.06	57.41
	Depreciation and Amortization Expense	9	218.56	212.49
	Other Expenses	25	4,585.65	7,867.28
	Total Expenses		**26,485.39**	**33,089.34**
V	**Profit before Tax (III – IV)**		**16,949.11**	**16,174.23**
VI	Tax Expense / (Benefits):			
	(1) Current Tax		4,589.00	4,438.21
	(2) Deferred Tax		63.47	133.00
	(3) Provision of earlier years		(3.87)	(38.89)
	Net Tax Expense		4,648.60	4,532.32
VII	**Profit for the period (V - VI)**		**12,300.51**	**11,641.91**
VIII	Earnings per equity share of face value of ₹2/- each :			
	(1) Basic	26	35.17	33.28
	(2) Diluted	26	35.17	33.28
	See accompanying notes forming part of the financial statements	1-42		

In terms of our Report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

Gaurav J Shah
Partner

Achal Bakeri
Chairman & Managing Director

Nrupesh Shah
Executive Director

Place : Ahmedabad
Date : May 17, 2016

Manan Bhavsar
Company Secretary

Bhadresh Mehta
Chief Financial Officer

Cash Flow Statement for the nine months ended 31st March, 2016

(₹ in Lacs)

	Particulars	Nine months ended 31/03/2016 (Refer Note 37)		As at 30/06/2015	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Profit Before Tax	16,949.11		16,174.23	
	Adjustments For:				
	Depreciation and amortization expenses	218.56		212.49	
	Finance Costs	8.06		57.41	
	Wealth Tax Expenses (Net)	0.03		0.99	
	Interest Income	(1,090.12)		(979.11)	
	Dividend Income	(767.27)		(310.57)	
	Gain on Sale of Current Investments	(42.10)		(1,457.45)	
	Other Non monetary items	(11.34)		(19.15)	
	(Profit) / Loss On Sale of Fixed Assets	37.97		(58.82)	
	Operating Profit Before Working Capital Changes	**15,302.90**		**13,620.02**	
	Adjustments For:				
	Trade and Other Receivables	(2,613.36)		323.21	
	Inventories	106.74		(290.91)	
	Long Term Loans & Advances	2.55		62.43	
	Short Term Loans & Advances	(205.20)		517.32	
	Other Current Assets	(107.80)		2.91	
	Trade Payables	(1,272.90)		551.54	
	Other Current Liabilities	1,147.36		(51.41)	
	Short Term Provisions	(140.27)		396.20	
	Provision for Employee Benefit	(14.21)		(7.14)	
	Cash Generated from Operations	**12,205.82**		**15,124.17**	
	Taxes paid [Income Tax]	(4,093.60)		(4,907.55)	
	Net Cash Flow from Operating Activities		**8,112.21**		**10,216.62**
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Fixed Assets	(554.79)		(2,105.11)	
	Interest Received	1,328.97		453.54	
	Dividend Received	767.27		310.57	
	Wealth Tax paid	(1.35)		(1.57)	
	Purchase of Investments	(63,022.09)		(73,237.38)	
	Sale/Redemption of Investments	72,539.36		70,228.61	
	Investments in Fixed Deposit with Banks	(2,400.00)		-	
	Earmarked deposits / balances with bank (Placed) / Realised	(207.38)		(78.83)	
	Investment in Subsidiaries	(154.73)		-	
	Received back of Investment in Equity Shares	0.46		0.26	
	Investment in Preference Shares	(1,508.50)		-	
	Advances and Loans to Subsidiaries	-		(340.00)	
	Advances and Loans Received back from Subsidiaries	-		887.55	
	Sale of Fixed Assets	3.25		80.77	
	Net Cash Flow from / (Cash Used in) Investing Activities		**6,790.47**		**(3,801.60)**

Cash Flow Statement for the nine months ended 31st March, 2016

(₹ in Lacs)

Particulars	Nine months ended 31/03/2016 (Refer Note 37)		As at 30/06/2015	
C CASH FLOW FROM FINANCING ACTIVITIES				
Finance Costs Paid	(8.06)		(57.41)	
Dividend Paid	(12,033.55)		(5,167.49)	
Dividend Distribution Tax Paid	(2,492.28)		(933.65)	
Net Cash Used in Financing Activities		**(14,533.89)**		**(6,158.55)**
Net Increase in Cash & Cash Equivalents (A+B+C)		368.79		256.47
Cash & Cash Equivalents at the beginning of the period		467.62		211.15
Cash & Cash Equivalents at the end of the period		836.41		467.62
Cash on Hand		21.31		3.03
Balances with Schedule Bank in Current Account		815.10		464.59
Cash & Bank Balance as per Balance Sheet		836.41		467.62

In terms of our Report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

Gaurav J Shah
Partner

Achal Bakeri
Chairman & Managing Director

Nrupesh Shah
Executive Director

Place : Ahmedabad
Date : May 17, 2016

Manan Bhavsar
Company Secretary

Bhadresh Mehta
Chief Financial Officer

Notes forming part of the Financial Statements for the nine months ended 31st March, 2016

(1) Corporate Information

Symphony Limited, a premier air cooling company was established in the year 1988. The company is in the field of residential, commercial and industrial air cooling both in the domestic and international markets.

(2) Significant Accounting Policies

The significant accounting policies have been predominantly presented below in the order of the Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

i) Basis of Accounting and Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

ii) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

iii) Revenue Recognition

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

a) Sales

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales is net of VAT and Central Sales Tax, wherever applicable and after making adjustments towards price variations, discounts etc.

b) Interest

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

c) Export Benefits

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

d) Dividend Income

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

Notes forming part of the Financial Statements for the nine months ended 31st March, 2016

iv) Tangible Fixed Assets

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

v) Intangible Fixed Assets

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

vi) Depreciation / Amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on all tangible fixed assets is provided on Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Any addition or extension to an existing asset which is of a capital nature and which becomes an integral part of the existing asset is depreciated at the rate which is applied to the existing asset. Depreciation on sale of assets is provided till the date of sale. Depreciation on tangible assets is ceased when a fixed asset is retired from active use and held for disposal or is disposed off.

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

vii) Investments

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

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

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

viii) Inventories

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

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

ix) Research and Development

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

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

x) Foreign currency transactions and translations

Initial Recognition and Measurement:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange difference on restatement / settlement

Exchange differences arising on settlement / restatement of foreign currency monetary assets and

Notes forming part of the Financial Statements for the nine months ended 31st March, 2016

liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

xi) Employee Benefits

a) Short term Employee Benefits

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

b) Post Employment Benefits

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

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

Actuarial gains and losses in respect of post employment and other benefits are charged to the Statement of Profit and Loss.

xii) Leases

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

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

xiii) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax and tax are adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

xiv) Taxes on Income

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

Provision for current tax is determined based on taxable profits of the company as determined under the Income Tax Act,1961. Provision for deferred tax is determined based on the effect of timing difference between the taxable profits under the Income Tax Act and the profits as per the Statement of Profit and Loss and it is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to

realise these assets.

xv) Impairment of Fixed Assets

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

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

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

xvi) Warranty

Provision for the estimated liability in respect of warranty on Domestic sale of products is made in the year in which the revenues are recognised, based on historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

xvii) Provisions and Contingencies

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

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

xviii) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes forming part of the Financial Statements for the nine months ended 31st March, 2016

3. SHARE CAPITAL (₹ in Lacs)

Particulars	As at 31/03/2016	As at 30/06/2015
Authorised :		
7,50,00,000 Equity Shares of ₹2/- each	1,500.00	1,500.00
Issued, Subscribed & Paid up :		
3,49,78,500 Equity Shares of ₹2/- each fully paid up	699.57	699.57
	699.57	699.57

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

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, 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, 2016 is set out below :

Name of the shareholder	No. of shares	% held as at March 31, 2016	No. of shares	% held as at June 30, 2015
Mr. Achal A. Bakeri	1,46,31,800	41.83%	1,46,31,800	41.83%
Oras Investments Pvt. Ltd.	32,21,800	9.21%	32,21,800	9.21%
Paratam Investments Pvt. Ltd.	30,19,800	8.63%	30,19,800	8.63%

The reconciliation of the number of shares outstanding as at March 31, 2016 is set out below:

Particulars	As at 31/03/2016	As at 30/06/2015
Number of shares at the beginning	3,49,78,500	3,49,78,500
Add: Shares issued during the period	-	-
Number of shares at the end	3,49,78,500	3,49,78,500

Notes forming part of the Financial Statements for the nine months ended 31st March, 2016

4. RESERVES AND SURPLUS

(₹ in Lacs)

Particulars	As at 31/03/2016	As at 30/06/2015
General Reserve		
Balance as per last balance sheet	3,500.00	3,500.00
Balance at the end of the period	**3,500.00**	**3,500.00**
Surplus in Statement of Profit and Loss		
Balance as per last balance sheet	23,220.68	17,475.24
Add: Net profit after tax transferred from Statement of Profit and Loss	12,300.51	11,641.91
Amount available for appropriation	35,521.19	29,117.15
Less: Appropriations		
Adjustment relating to Fixed Assets	-	7.65
Proposed Dividend on Equity Shares	-	3,497.85
[Dividend per share ₹ Nil (Previous year ₹10/-) on face value of ₹2/-]		
Tax on Proposed Dividend	-	712.08
Interim Dividend on Equity Shares	8,744.63	1,399.14
[Dividend per share ₹25/- (Previous year ₹4/-) on face value of ₹2/-]		
Tax on Interim Dividend	1,780.20	279.75
Balance at the end of the period	**24,996.36**	**23,220.68**
Securities Premium Account		
Balance as per last balance sheet	694.47	694.47
Balance at the end of the period	**694.47**	**694.47**
Capital Reserve		
Balance as per last balance sheet	904.43	904.43
Balance at the end of the period	**904.43**	**904.43**
Total	**30,095.26**	**28,319.58**

5. DEFERRED TAX LIABILITIES (NET)

(A)	Deferred Tax Liability arising on account of timing difference between depreciation as per Books and as per Income Tax Act, 1961	284.17	218.58
	Total (A)	**284.17**	**218.58**
(B)	Deferred Tax Asset		
	Disallowances under section 43B/40A(7) of Income Tax Act, 1961	8.66	4.92
	Provision for diminution in current investment	-	1.62
	Provision for doubtful advance	26.12	26.12
	Total (B)	**34.78**	**32.66**
(C)	Deferred Tax Liability (Asset) Net (A-B)	**249.39**	**185.92**

Notes forming part of the Financial Statements for the nine months ended 31st March, 2016

6. LONG-TERM PROVISIONS

(₹ in Lacs)

Particulars	As at 31/03/2016	As at 30/06/2015
Provision for		
Gratuity (Refer to Note no. 31)	-	14.21
	-	14.21

7. OTHER CURRENT LIABILITIES

Trade Deposits	76.36	58.82
Unclaimed Dividends	415.38	206.45
Creditors for Capital Goods	0.43	58.03
Advance from customers	1,052.17	289.01
Statutory Dues	762.78	382.79
Other Payables	4.16	17.48
	2,311.28	1,012.58

8. SHORT-TERM PROVISIONS

Proposed Dividend	-	3,497.85
Income tax on Proposed Dividend	-	712.08
Provision for		
Gratuity (Refer to Note no. 31)	52.67	-
Sales Return	50.05	291.71
Warranty (Refer to Note no. 36)	431.23	382.51
Income Taxes (Net of Advance Tax)*	496.97	5.44
Wealth Tax	-	1.32
	1,030.92	4,890.91

* Provision for income tax (Net of Advance Tax ₹4,738.45 lacs (As at June 30, 2015 ₹1,078.81 lacs)).

Notes forming part of the Financial Statements for the nine months ended 31st March, 2016

9. FIXED ASSETS

(₹ in Lacs)

Particulars	Tangible								Total (A)	Intangible	Total (B)	Capital WIP (C)	Grand Total (A+B+C)
	Free Hold Land	Lease Hold Land (SEZ)	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments	Computers		Softwares & Intellectual Property Rights			
Gross Block													
As at 01/07/2014	1,962.85	260.49	479.36	537.91	23.40	273.10	37.68	46.09	**3,620.88**	31.82	**31.82**	**821.63**	**4,474.33**
Additions	-	-	1,397.78	1,187.91	307.48	7.34	72.95	65.58	**3,039.04**	15.81	**15.81**	**1,443.52**	**4,498.37**
Adjustments / Sold	-	-	8.25	8.96	0.36	10.34	12.54	9.77	**50.22**	4.49	**4.49**	**2,265.15**	**2,319.86**
As at 01/07/2015	**1,962.85**	**260.49**	**1,868.89**	**1,716.86**	**330.52**	**270.10**	**98.09**	**101.90**	**6,609.70**	**43.14**	**43.14**	**-**	**6,652.84**
Additions	-	-	2.86	109.95	19.91	-	3.51	4.56	**140.79**	19.60	**19.60**	**301.15**	**461.54**
Adjustments / Sold	-	-	-	106.89	0.90	11.67	4.33	0.13	**123.92**	-	**-**	**-**	**123.92**
As at 31/03/2016	**1,962.85**	**260.49**	**1,871.75**	**1,719.92**	**349.53**	**258.43**	**97.27**	**106.33**	**6,626.57**	**62.74**	**62.74**	**301.15**	**6,990.46**
Accumulated Depreciation and Amortization													
As at 01/07/2014	-	55.43	224.62	100.61	3.34	77.10	20.98	27.12	**509.20**	13.88	**13.88**	**-**	**523.08**
Depreciation and Amortization For The Year	-	17.36	19.47	100.72	10.74	37.15	8.10	14.93	**208.47**	4.02	**4.02**	**-**	**212.49**
Adjustments / Sold	-	-	3.15	1.81	0.19	3.50	5.69	8.27	**22.61**	2.50	**2.50**	**-**	**25.11**
As at 01/07/2015	**-**	**72.79**	**240.94**	**199.52**	**13.89**	**110.75**	**23.39**	**33.78**	**695.06**	**15.40**	**15.40**	**-**	**710.46**
Depreciation and Amortization For The Period	-	13.05	28.62	89.66	24.60	25.86	12.63	19.67	**214.09**	4.47	**4.47**	**-**	**218.56**
Adjustments / Sold	-	-	-	70.72	0.57	7.18	4.11	0.12	**82.70**	-	**-**	**-**	**82.70**
As at 31/03/2016	**-**	**85.84**	**269.56**	**218.46**	**37.93**	**129.43**	**31.92**	**53.32**	**826.45**	**19.87**	**19.87**	**-**	**846.32**
Net Block													
As at 30/06/2015	**1,962.85**	**187.70**	**1,627.95**	**1,517.34**	**316.63**	**159.35**	**74.70**	**68.12**	**5,914.64**	**27.74**	**27.74**	**-**	**5,942.38**
As at 31/03/2016	**1,962.85**	**174.65**	**1,602.19**	**1,501.47**	**311.60**	**129.00**	**65.35**	**53.01**	**5,800.12**	**42.87**	**42.87**	**301.15**	**6,144.14**

Note :

1). The leasehold land in Surat SEZ (SUR SEZ) is for the period upto July, 2085 and the lease is to be renewed on expiry of every 15 years starting from 2011. The cost of leasehold land will be amortised over a period of 15 years.

2). Software cost is amortised over a period of 6 years.

3). Intellectual Property Rights cost are amortised over a period of 5 years.

Notes forming part of the Financial Statements for the nine months ended 31st March, 2016

10. NON-CURRENT INVESTMENTS (₹ in Lacs)

Particulars		As at 31/03/2016		As at 30/06/2015
Non-current Investments	Nos.		Nos.	
Long term investments - Trade (Unquoted)				
Investment in equity shares of subsidiaries				
Symphony Air Coolers Inc,USA (Equity Shares $ 1/- each, fully paid)		-	1,000	0.46
Sylvan Holdings PTE. Ltd, Singapore (Equity Shares $ 1/- each, fully paid)	43,50,000	2,312.01	43,50,000	2,312.01
IMPCO S DE RL DE CV, Mexico		0.28		0.28
Guangdong Symphony Keruilai Air Coolers Co., Ltd,China		154.73		-
Long term investments - Non Trade (Unquoted)				
Investment in Preference shares of Others				
Tata Capital Ltd CRPS	50,000	503.50		-
Long term investments - Non Trade (Quoted)				
Investment in Bonds				
Tax Free Bond of IIFC Ltd.	1,36,000	1,458.38	1,36,000	1,458.38
Tax Free Bond of IIFC Ltd.	100	1,068.30	100	1,068.30
Tax Free Bond of IIFC Ltd.	1,00,000	998.90	1,00,000	998.90
Tax Free Bond of IRFC Ltd.	50	551.25		-
Tax Free Bond of NHAI	37,086	370.86	37,086	370.86
Tax Free Bond of NHAI	100	1,000.60		-
Tax Free Bond of NHB	7,220	361.00	7,220	361.00
Tax Free Bond of NHB	150	1,655.25	150	1,655.25
Tax Free Bond of NTPC Ltd.	31,664	316.64	31,664	316.64
Tax Free Bond of PFC Ltd.	32,389	323.89	32,389	323.89
Tax Free Bond of PFC Ltd.	150	1,653.75	150	1,653.75
Tax Free Bond of REC Ltd.	10,00,000	1,001.80	10,00,000	1,001.80
Tax Free Bond of REC Ltd.	50,000	500.00	50,000	500.00
Tax Free Bond of REC Ltd.	92,500	948.67	92,500	948.68
Tax Free Bond of REC Ltd.	1,50,000	1,649.40		-
Bank of India Perpetual Bond		-	100	1,000.00
IDBI Perpetual Bond	80	800.00	100	1,000.00
Vijaya Bank Perpetual Bond		-	50	498.25
Investment in Preference shares of Others				
IL&FS Ltd. CRPS	6,700	1,005.00		-
		18,634.21		15,468.45
Aggregate amount of quoted investments		15,663.70		13,155.70
Aggregate market value of quoted investments		15,707.28		13,430.58
Aggregate value of unquoted investments		2,970.51		2,312.75

Notes forming part of the Financial Statements for the nine months ended 31st March, 2016

11. LONG-TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at 31/03/2016	As at 30/06/2015
Unsecured, considered good		
Capital advances	135.61	99.95
Prepaid Expenses	3.82	5.15
Other loans and advances		
Balance with statutory / government authorities	19.19	21.15
Deposit Others	10.28	9.54
	168.90	135.79

12. CURRENT INVESTMENTS

Particulars	As at 31/03/2016		As at 30/06/2015	
Current Investments	Nos.		Nos.	
Investment in Mutual Funds (Unquoted)				
Axis Liquid Fund		-	2,25,661	2,257.33
Birla Sun Life Savings Fund		-	16,30,978	1,635.82
DSP BR Liquidity Fund-Liquid		-	1,47,285	1,473.75
DSP BR Ultra Short Term Fund		-	23,22,786	233.23
Franklin India Treasury Management-Super IP		-	1,87,004	1,871.38
ICICI Prudential Equity Arbitrage Fund		-	36,09,743	500.00
IDFC Arbitrage Fund		-	80,11,601	1,000.00
Kotak Equity Arbitrage Fund		-	92,73,602	1,000.00
Reliance Arbitrage Fund		-	47,61,251	500.00
SBI Arbitrage Opportunities Fund		-	38,00,584	500.00
		-		10,971.51
Less : Provision for diminution		-		(4.69)
		-		10,966.82
Aggregate amount of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate value of unquoted investments		-		10,966.82

Notes forming part of the Financial Statements for the nine months ended 31st March, 2016

13. INVENTORIES

(₹ in Lacs)

Particulars	As at 31/03/2016	As at 30/06/2015
Raw materials (Including Packing Material)	265.61	116.39
Work-in-Progress	0.40	8.04
Finished Goods (Including Goods in Transit ₹44.78 lacs, Previous year ₹13.63 lacs)	163.89	114.49
Stock-In-Trade (Including Goods in Transit ₹67.70 lacs, Previous year ₹7.84 lacs)	1,918.64	2,216.36
	2,348.54	**2,455.28**

14. TRADE RECEIVABLE

Outstanding for more than six months		
Unsecured Considered good	7.80	8.29
Others		
Unsecured Considered good	3,265.70	651.85
	3,273.50	**660.14**

15. CASH & BANK BALANCES

Cash and Cash Equivalents		
Cash on Hand	21.06	2.73
Balance with employees Imprest account	0.25	0.30
Balance with banks in current accounts	815.10	464.59
	836.41	467.62
Other Bank Balances		
In Earmarked Accounts		
Unpaid Dividend Accounts	415.38	206.45
Margin Accounts*	11.91	13.46
In Deposit Accounts	2,400.00	-
	3,663.70	**687.53**

* Includes deposits remaining maturity of more than 12 months from the balance sheet date ₹9 lacs (Previous year ₹5.40 lacs)

16. SHORT-TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at 31/03/2016	As at 30/06/2015
(Unsecured Considered Good Unless Otherwise Stated)		
Advance for supply of goods and rendering of services		
Considered good	1,250.44	993.90
Considered doubtful	75.49	75.49
Less: Provision for doubtful Advances	(75.49)	(75.49)
Prepaid Expenses	69.53	45.02
Loans and Advances to employees	11.34	5.18
Balance with statutory / government authorities	191.47	187.14
Other Loans and advances	-	86.34
	1,522.78	**1,317.58**

17. OTHER CURRENT ASSETS

Interest accrued but not due	523.92	762.77
Export Incentive Receivable	133.47	25.67
	657.39	**788.44**

18. REVENUE FROM OPERATIONS

Particulars	Nine Months Ended 31/03/2016	Year Ended 30/06/2015
Gross Revenue from Sale of Products	41,367.00	46,229.04
Less: Excise Duty	-	-
Net Revenue from Sale of Products	41,367.00	46,229.04
Other Operating Revenue	118.43	40.69
	41,485.43	**46,269.73**
Sale of products comprises of :		
Air Coolers	40,614.40	45,446.96
Others	752.60	782.08
	41,367.00	**46,229.04**

Net Revenue from Sale of Products have been presented net of VAT/CST as against the practice followed up to the financial year ended on 30th June, 2015, of presenting the same on gross basis and presenting VAT/CST amounts as Selling & Distribution expense (Current period ₹4,912.96 lacs, previous year ₹5,302.61 lacs).

Notes forming part of the Financial Statements for the nine months ended 31st March, 2016

19. OTHER INCOME

(₹ in Lacs)

Particulars	Nine Months Ended 31/03/2016	Year Ended 30/06/2015
Interest Income	1,090.12	979.11
Dividend Income	767.27	310.57
Foreign Exchange Fluctuation(Net)	2.77	50.63
Gain on Sale of Current Investments(Net)	42.10	1,457.45
Profit on Sale of Fixed Assets	-	58.82
Other Non Operating Income	46.81	137.26
	1,949.07	**2,993.84**
Interest income pertains to:		
Interest Income from Long term Investments	773.66	611.06
Interest Income from Current Investments	316.46	368.05
Dividend income pertains to:		
Dividend from Current Investments (mutual funds)	691.45	310.55
Dividend from Other Long Term Investments	75.82	0.02

20. COST OF MATERIAL CONSUMED

Opening Stock of Raw Materials	116.39	377.43
Add: Purchases	2,183.14	2,200.91
Less: Closing Stock of Raw Materials	265.61	116.39
	2,033.92	**2,461.95**

Cost of material comprises of Moulded Parts & components of Air Cooler

21. PURCHASE OF STOCK-IN-TRADE

Air Coolers	15,966.04	19,370.59
Others	444.08	508.73
	16,410.12	**19,879.32**

22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Opening Stock		
Work-in-Progress	8.04	3.35
Finished Goods	114.49	229.83
Stock-In-Trade	2,216.36	1,553.76
Less:		
Closing Stock		
Work-in-Progress	0.40	8.04
Finished Goods	163.89	114.49
Stock-In-Trade	1,918.64	2,216.36
	255.96	**(551.95)**

Notes forming part of the Financial Statements for the nine months ended 31st March, 2016

23. EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	Nine Months Ended 31/03/2016	Year Ended 30/06/2015
Salaries, Wages and Bonus	2,714.74	2,930.66
Contribution to Provident Fund and Other Funds	209.02	191.12
Staff Welfare Expenses	49.36	41.06
	2,973.12	**3,162.84**

24. FINANCE COSTS

Interest Expense	8.06	57.41
	8.06	**57.41**

25. OTHER EXPENSES

Stores, Spare parts and Packing Material consumed	3.34	2.11
Assembly and Labour Charges	47.15	60.72
Power and Fuel	4.04	8.34
Repairs & Maintenance		
Building	32.70	16.94
Machinery	3.16	12.89
Rent	11.52	21.23
Rates & Taxes	11.63	21.42
Travelling	663.99	742.76
Conveyance	162.09	172.97
Communication Expenses	81.27	90.73
Insurance	41.94	48.11
Printing and stationery charges	47.51	38.68
Legal & Professional Charges	343.07	442.46
Payment to Auditors (Refer Note no. 30)	16.19	11.92
Vehicle Expenses	10.12	19.63
General Expenses	232.33	189.03
Provision for Doubtful Advances	-	75.49
Repairs Others	5.86	14.95
Loss on Sale of Fixed Assets	37.97	-
Bank Charges	9.95	15.05
Advertisement and Sales Promotion	717.75	3,134.23
Freight & Forwarding Charges	1,278.60	1,546.13
Warranty Expense	441.30	737.55
Sales Commission	-	2.46
CFA Handling Charges	157.75	191.66
Warehousing Charges	96.02	134.40
Conference and Other Expenses	127.03	70.22
VAT and Sales Tax	1.37	45.20
	4,585.65	**7,867.28**

Notes forming part of the Financial Statements for the nine months ended 31st March, 2016

26. EARNINGS PER SHARE

Particulars	Nine Months Ended 31/03/2016	Year Ended 30/06/2015
Face value of Equity Shares (₹)	2	2
Net Profit available for Equity Shareholders(₹ In Lacs)	12,300.51	11,641.91
No. of Equity Shares	3,49,78,500	3,49,78,500
Basic and Diluted EPS (₹)	**35.17**	**33.28**

27. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for) :

(₹ in Lacs)

	Particulars	2015-16	2014-15
(i)	**Contingent Liabilities:**		
a)	Claims against the company not acknowledged as debt	13.34	13.34
b)	Demand on account of vat / sales tax matters raised against the company for the various years but the same is not acknowledged as debt hence, not provided for. Appeals are pending	96.86	77.17
c)	Income Tax matters not acknowledged as debts	28.18	10.76
d)	Demand under disputed central excise matter, Appeals are being filed	91.50	101.50
		229.88	**202.77**
	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 :**		
e)	Estimated amount of contracts remaining to be executed on capital account and not provided for	227.16	134.57

28. SEGMENT REPORTING

(a) **Primary Segment : Business**

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

(₹ in Lacs)

	Particulars	2015-16	2014-15
(1)	Segment Revenue		
	Air Coolers	42,016.50	47,026.57
	Corporate Funds	1,418.00	2,237.00
	Total	43,434.50	49,263.57
(2)	Segment Profit before Interest and Taxes (PBIT)		
	Air Coolers	15,545.17	14,000.64
	Corporate Funds	1,412.00	2,231.00
	Total	16,957.17	16,231.64

Notes forming part of the Financial Statements for the nine months ended 31st March, 2016

28. SEGMENT REPORTING *(contd.)*

(₹ in Lacs)

Particulars	2015-16	2014-15
Less: Finance Costs	8.06	57.41
Less: Taxes	4,648.60	4,532.32
Total Profit After Tax	12,300.51	11,641.91
(3) Segment Assets		
Air Coolers	17,323.54	13,527.41
Corporate Funds	19,089.62	24,895.00
Total	36,413.16	38,422.41
(4) Segment Liabilities		
Air Coolers	4,565.74	9,114.26
Corporate Funds	1,052.59	289.00
Total	5,618.33	9,403.26
(5) Capital Employed		
Air Coolers	12,757.81	4,413.15
Corporate Funds	18,037.02	24,606.00
Total	30,794.83	29,019.15
Segment Profit (PBIT) % on Capital Employed		
Air Coolers	222.51%	165.13%
Corporate Funds	5.43%	11.40%

(b) Secondary Segment : Geographical segment

Particulars	2015-16	2014-15
(1) Segment Revenue		
India	36,786.81	40,857.17
Rest of the world	4,580.19	5,371.87
Net Revenue from Sale of Products	41,367.00	46,229.04
(2) Segment Profit Before Interest and Taxes (PBIT)		
India	15,055.57	14,279.21
Rest of the world	1,901.60	1,952.43
Total	16,957.17	16,231.64
Less: Finance Costs	8.06	57.41
Less: Taxes	4,648.60	4,532.32
Total Profit After Tax	12,300.51	11,641.91
(3) Segment Assets		
India	35,057.98	38,244.60
Rest of the world (Only Receivables *)	1,355.18	177.81
Total	36,413.16	38,422.41
(4) Segment Liabilities		
India	5,444.90	9,362.87
Rest of the world (Advance from customers only *)	173.43	40.39
Total	5,618.33	9,403.26
(5) Capital Employed (*)	30,794.83	29,019.15

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

Notes forming part of the Financial Statements for the nine months ended 31st March, 2016

29. Related Party Disclosures

(₹ in Lacs)

Sr no	Name of the Related Parties	Nature of relationship with company	Nature of transaction	2015-16		2014-15	
				Volume of transaction	Balance at the end of the year	Volume of transaction	Balance at the end of the year
1	Mr. Achal Bakeri	Key Management Personnel	Remuneration and Perquisites	153.44	125.00	187.98	98.09
			Sale of shares of Symphony Designer Properties Pvt. Ltd.	-		0.06	
			Sale of shares of Saline Area Vitalisation Enterprises Ltd.	-		1.00	
2	Mr. Nrupesh Shah	Key Management Personnel	Remuneration and Perquisites	98.42	83.69	109.47	58.85
3	Ms. Jonaki Bakeri	Non-Executive Director	Sitting Fees	0.68	0.61	1.00	0.90
4	Sylvan Holdings Pte Ltd., Singapore	Wholly owned Subsidiary	Investment in Capital	-	2,312.01	-	2,312.01
5	IMPCO S DE RL DE C V., Mexico	Subsidiary of Sylvan Holdings Pte Ltd.,Singapore	Sale of Goods	1,229.85	263.40	1,544.34	-
6	IMPCO S DE RL DE C V., Mexico	Subsidiary of Sylvan Holdings Pte Ltd.,Singapore	Purchase of Goods	50.58	(0.16)	114.14	(6.36)
7	IMPCO S DE RL DE C V., Mexico	Subsidiary of Sylvan Holdings Pte Ltd.,Singapore	Purchase of Moulds / Machinery	4.53	-	48.40	-
8	IMPCO S DE RL DE C V., Mexico	Subsidiary of Sylvan Holdings Pte Ltd.,Singapore	Investment in Capital	-	0.28	-	0.28
9	IMPCO S DE RL DE C V., Mexico	Subsidiary of Sylvan Holdings Pte Ltd.,Singapore	Loan Given	-	-	340.00	-
			Loan Received back	-		959.23	
			Interest Income	-		9.96	
10	Guangdong Symphony Keruilai Air Coolers Co., Ltd	Wholly owned Subsidiary	Investment in Capital	154.73	154.73	-	-
11	Guangdong Symphony Keruilai Air Coolers Co., Ltd	Wholly owned Subsidiary	Purchase of Goods	0.73	0.02	-	-

29. Related Party Disclosures *(contd.)*

(₹ in Lacs)

Sr no	Name of the Related Parties	Nature of relationship with company	Nature of transaction	2015-16		2014-15	
				Volume of transaction	Balance at the end of the year	Volume of transaction	Balance at the end of the year
12	Symphony Aircoolers Inc, USA	Wholly owned Subsidiary	Investment in Capital received back	(0.46)	-	-	0.46
13	Oras Investments Pvt. Ltd.	Enterprise in which Director has significant influence	Rent Expense	-	-	7.56	-
14	Paratam Investments Pvt. Ltd.	Enterprise in which Director has significant influence	Rent Expense	-	-	7.56	-
15	Scarlet Living Pvt. Ltd.	Enterprise in which Director has significant influence	Godown Rent Income	-	-	0.21	-
16	Scarlet Living Pvt. Ltd.	Enterprise in which Director has significant influence	Purchase of Capital Goods	-	-	0.67	-
			Purchase of Goods	-		3.61	
17	Bakeri Projects Pvt. Ltd.	Enterprise in which relative of Director has significant influence	Sale of Immoveable Property		-	64.50	-

30. Payment to Auditors (Refer Note no. 25)

Particulars	2015-16	2014-15
a) As Auditor	12.60	6.84
b) In other capacity, in respect of		
i) Tax Audit	-	1.14
ii) Certification	0.17	0.57
iii) Taxation Matters	-	3.37
iv) Limited Review	2.57	-
v) Others	0.85	-
	16.19	11.92

Notes forming part of the Financial Statements for the nine months ended 31st March, 2016

31. Employee Benefits

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

(₹ in Lacs)

	Particulars	2015-16	2014-15
I	**Expenses recognized during the period**		
	Current service cost	44.49	44.08
	Interest on obligation	20.28	22.15
	Expected return on plan assets	(19.40)	(18.63)
	Net actuarial losses (gains) recognised in period	64.20	54.62
	Total	109.57	102.22
	Actual return on plan assets	19.91	7.50
II	**Reconciliation of opening and closing balances of defined benefit obligation**		
	Opening defined benefit obligation	326.56	250.88
	Service cost	44.49	44.08
	Interest cost	20.28	22.15
	Actuarial losses (gains)	64.71	43.50
	Benefits paid	(6.39)	(34.05)
	Closing defined benefit obligation	449.65	326.56
III	**Reconciliation of Opening and Closing balances of fair value of plan assets**		
	Opening fair value of plan assets	312.35	214.08
	Expected return	19.40	18.63
	Actuarial gains and (losses)	0.51	(11.13)
	Contributions by employer	71.11	124.82
	Benefits paid	(6.39)	(34.05)
	Closing balance of fair value of plan assets	396.98	312.35
IV	**Reconciliation of the present value of defined benefit obligation and fair value of planned assets**		
	Present value of funded obligations	449.65	326.56
	Fair value of plan assets	(396.98)	(312.35)
	Net liability	52.67	14.21
	Amounts in the balance sheet:		
	Liabilities	52.67	14.21
	Net liability	52.67	14.21

Notes forming part of the Financial Statements for the nine months ended 31st March, 2016

31. Employee Benefits *(contd.)*

(₹ in Lacs)

Particulars		2015-16	2014-15
V	Investment Details		
	Insurance Company	396.98	312.35
VI	Actuarial Assumptions		
	Discount rate	7.85%	8.28%
	Expected return on plan assets	7.85%	8.28%
	Annual increase in Salary costs	7.00%	7.00%
	Future changes in maximum state health care benefits		
	The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
VII	Gratuity Benefit		
	Defined benefit obligation	(449.65)	(326.56)
	Plan assets	396.98	312.35
	Surplus/(deficit)	(52.67)	(14.21)
	Experience adjustments on plan Liabilities	(43.94)	(14.06)
	Experience adjustments on plan assets	(0.51)	(11.13)
	Movement in net liability recognised in Balance Sheet		
	Net opening liability	14.21	36.81
	P&L Charge	109.57	102.22
	Contribution paid / Benefits paid	(71.11)	(124.82)
	closing net liability	52.67	14.21

VIII Disclosure as required under para 120(n) of AS - 15

(₹ in Lacs)

Particulars		2015-16	2014-15	2013-14	2012-13	2011-12
i)	Present value of the defined benefit obligation	449.65	326.56	250.88	236.41	145.53
	Fair value of the plant assets	396.98	312.35	214.07	172.45	50.14
	(Surplus)/Deficit in the plan	52.67	14.21	36.81	63.96	95.39
ii)	Experience Adjustments					
	On Plan liabilities	(43.94)	(14.06)	(5.37)	(14.68)	(2.68)
	On Plan assets	(0.51)	(11.13)	0.97	1.82	0.14

IX The expected contribution is based on the same assumptions used to measure the Company's gratuity obligations as of March 31, 2016.

Notes forming part of the Financial Statements for the nine months ended 31st March, 2016

32. Leave encashment

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

33. Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet Date

Particulars	2015-16			2014-15		
	Currency	Amount in Foreign Currency	₹ in lacs	Currency	Amount in Foreign Currency	₹ in lacs
Trade Payables	US$	5,678	3.75	US$	22,687	14.47
Trade Receivable	US$	12,57,817	834.31	US$	2,78,867	177.81
	GBP	1,22,894	116.86	GBP	-	-
	EURO	2,58,517	194.15	EURO	-	-

34. 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,2016. 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.

35. Expenditure on Research & Development activities are as under (₹ in Lacs)

Particulars	2015-16		2014-15	
Capital Expenditure		11.85		19.31
Revenue Expenditure				
Material Cost	4.15		17.27	
Employee Benefit Expenses	152.50		130.13	
Other Expenses	21.95	178.60	58.45	205.85
Total		**190.45**		**225.16**

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

(₹ in Lacs)

Particulars	July 01, 2015	Provision during the period	Utilised during the period	Reversal during the period	March 31, 2016
Provision for 1 year Warranty	382.51	431.23	382.51	-	431.23

Notes forming part of the Financial Statements for the nine months ended 31st March, 2016

37. In view of the provision of Companies Act 2013, the company has changed its accounting year to March ending instead of June ending as earlier. Accordingly current accounting year is of nine months ended on March 31, 2016 ("current period") and therefore the figures for the current period are not comparable with figures for the year ended June 30, 2015 ('previous year') presented in the Statement of Profit and Loss, Cash Flow Statement and related notes. Previous year's figures have been regrouped / reclassified wherever necessary, to confirm to the classification of the current period.

38. As per the provisions of the Companies Act 2013, the minimum amount to be spent towards expenditure for Corporate Social Responsibility (CSR) is ₹253.17 lacs, against which no amount has been spent during the period.

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

	Value in (₹ in Lacs)	% of total Consumption	Value in (₹ in Lacs)	% of total Consumption
Imported	667.09	32.80	649.40	26.38
Indigenous	1,366.83	67.20	1,812.54	73.62
	2,033.92	100.00	2,461.95	100.00

(ii) C.I.F. Value of Imports

(₹ in Lacs)

Particulars	2015-16	2014-15
Raw Materials & Trading Goods	602.10	548.31
Capital Items	82.95	393.63
	685.05	941.94

40. Expenditure in Foreign Currency (₹ in Lacs)

Particulars	2015-16	2014-15
Professional & consultation fees	55.84	74.09
Sales Promotion	105.17	25.83
Travelling	65.40	68.20
Advertisement, Freight & Others	77.90	73.40

41. Earning in Foreign Currency (₹ in Lacs)

F.O.B. of Exports	4,530.79	5,296.88
Interest Income	-	9.96
Other Income	51.06	75.74

Notes forming part of the Financial Statements for the nine months ended 31st March, 2016

42. Disclosure under Regulation 34(3) of the Listing Agreement

Amount of loans and advances in nature of loans outstanding from subsidiaries as at March 31, 2016:

(₹ in Lacs)

Subsidiary Company	Outstanding as at March 31, 2016	Maximum amount outstanding during the period	Outstanding as at June 30, 2015	Maximum amount outstanding during the period
Sylvan Holdings Pte. Ltd., Singapore	-	-	-	-
IMPCO S DE RL DE C V., Mexico	-	-	-	543.10

In terms of our Report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

Gaurav J Shah
Partner

Achal Bakeri
Chairman & Managing Director

Nrupesh Shah
Executive Director

Place : Ahmedabad
Date : May 17, 2016

Manan Bhavsar
Company Secretary

Bhadresh Mehta
Chief Financial Officer

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries:

(₹ in Lacs)

Sr. No.		Sylvan Holdings Pte. Ltd., Singapore	IMPCO S DE RL DE CV, Mexico	Symphony USA Inc, USA
1	Reporting period	31-12-2015	31-12-2015	31-12-2015
2	(i) Reporting currency	US Dollar	Mexican Peso	US Dollar
	(ii) Exchange rate as on the last date of the relevant Financial year	66.33	3.83	66.33
3	Share Capital	2,885.36	38.25	3.32
4	Reserves & Surplus	168.93	2,710.99	(100.82)
5	Total Assets	3,061.76	5,049.06	222.87
6	Total Liabilities	7.47	2,699.17	320.37
7	Investments (Excl. Investment in Subsidiaries)	-	399.36	-
8	Turnover	-	7,473.38	551.87
9	Profit before taxation	80.91	1,025.98	0.66
10	Provision for taxation	(2.43)	-	-
11	Profit after taxation	78.48	1,025.98	0.66
12	Proposed Dividend	Nil	Nil	Nil
13	% of shareholding	100%	100%*	100%**

* 99.90% held by Sylvan Holdings Pte. Ltd., Singapore, ** 100% held by IMPCO S DE RL DE CV, Mexico

Note:

The financial year of Guangdong Symphony Keruilai Air-coolers Co. Ltd, China ("GSK") [previously known as Munters Keruilai Air Treatment Equipment (Guangdong) Co. Ltd., China ("MKE, China")], wholly owned subsidiary company of Symphony Limited, ends on 31st December every year. As the acquisition of GSK was with effect from January 01, 2016, the financial information of the said wholly owned subsidiary is not included in the above statement.

For and on behalf of the Board

Achal Bakeri
Chairman & Managing Director

Nrupesh Shah
Executive Director

Manan Bhavsar
Company Secretary

Bhadresh Mehta
Chief Financial Officer

Place : Ahmedabad
Date : May 17, 2016

Symphony Limited
CIN – L32201GJ1988PLC010331
Regd. Office: Symphony House, Third Floor, FP-12, TP-50, Off S.G. Highway, Bodakdev, Ahmedabad – 380 054.
Phone : +91-79-66211111 • Fax : +91-79-66211140
E-mail ID: corporate@symphonylimited.com • Website: www.symphonylimited.com

NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of Symphony Limited will be held at Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015, on Wednesday, the August 31, 2016, at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

   (i) Audited Financial Statements of the Company for the financial year ended on March 31, 2016 and the Reports of the Board of Directors and Auditors thereon; and

   (ii) Audited Consolidated Financial Statements of the Company for the financial year ended on March 31, 2016 together with the Report of the Auditors thereon.

2. To confirm payment of interim dividends (including one-time special dividend) on equity shares as final dividend for financial year ended on March 31, 2016.

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 the provisions of Section 139 and other applicable provisions of the Companies Act, 2013, read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of members be and is hereby accorded to ratify appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm Reg. No. 117365W) Ahmedabad, Auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of thirtieth annual general meeting of the Company on such remuneration as may be determined by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass the following resolution with or without modification as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V

and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and subject to such approval as may be necessary, the consent of the members of the Company be and is hereby accorded to re-appoint Mr. Nrupesh Shah (DIN – 00397701) as Whole Time Director designated as an Executive Director of the Company for a period of 5 (five) years w.e.f. November 01, 2016 upon the terms and conditions, including the remuneration to be paid in the event of inadequacy of profits in any financial year, as set out in the Explanatory Statement annexed to the notice convening this annual general meeting, with authority / liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed between the Board of Directors and Mr. Nrupesh Shah."

"**RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof of the Company, be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to Section 63 and other applicable provisions of the Companies Act, 2013, read with Rule 14 of the Companies (Share Capital & Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of the Memorandum and Articles of Association of the Company, subject to regulations and guidelines for bonus shares issued by Securities and Exchange Board of India (as amended from time to time), as applicable and such permission, approval and sanctions as may be required in this connection, the consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any Committee which the Board constitutes / has constituted to exercise its powers including powers conferred by this resolution) for capitalization of such amount out of the amount(s) standing to the credit of free reserves including but not limited to general reserve, securities premium account or such other reserves as are permitted to be utilised for this purpose, as per audited financial statements for the financial year ended on March 31, 2016, for the purpose of issuance of bonus shares of ₹2 (Rupee two only) each, credited as fully paid-up shares to the holders of the existing equity shares of the Company, whose names appear in the Register of Members / List of Beneficial Owners, as received from the National Securities Depository Limited and Central Depository Services (India) Limited, on such date (record date) as may be fixed in this regard by the Board, in the proportion of 1 (one) fully paid up bonus equity share of ₹2 each for 1 (one) fully paid up equity share of ₹2 each held by the members and that the bonus shares so allotted shall, for all purpose, be treated as an increase in paid-up share capital of the Company held by each member and not as an income."

"**RESOLVED FURTHER THAT** bonus shares so issued and allotted shall rank pari passu in all respect including dividend with existing fully paid-up equity shares of the Company and that such shares shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company."

"**RESOLVED FURTHER THAT** the issue and allotment of bonus shares to Non-Resident, Person of Indian Origin and other foreign investors of the Company shall be subject to approval of Reserve Bank of India under the provisions of Foreign Exchange Management Act, 1999 and rules and regulations made thereunder and / or any other regulatory authority(ies), as may be required."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all other steps as may be necessary to give effect to the aforesaid resolution and determine all other terms and conditions of the issue of bonus shares as the Board may in its absolute discretion deem fit."

"**RESOLVED FURTHER THAT** for the purpose of giving effect of bonus equity shares, the Board and / or any designated officer/s of the Company be and are hereby severally authorised to do all such acts, deeds and things as per their discretion and deem necessary for said purpose including but not limited to filing of forms / documents with Ministry of Corporate Affairs, Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges and Depositories."

By Order of the Board
For, **SYMPHONY LIMITED**

Date: July 26, 2016
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. PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE FORTHCOMING MEETING. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE, ANY MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY, CAN APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. THE PROXY HOLDER SHALL PROVE HIS IDENTITY AT THE TIME OF ATTENDING THE ANNUAL GENERAL MEETING.

(b) Corporate members intending to send

their authorized representatives to attend the meeting are requested to send certified copy of board resolution or power of attorney to attend and vote on their behalf at the meeting.

(c) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 3, 2016 to Friday, August 5, 2016 (both the days inclusive) for the purpose of annual general meeting.

(d) The statement setting out material facts as required under Section 102(1) of the Companies Act, 2013, in respect of Special Business mentioned in the above notice is annexed hereto. The documents and/or letters, if any, referred to in the resolutions are open for inspection for the members at the registered office of the Company on all working days between 2.00 p.m. to 4.00 p.m., up to the date of ensuing annual general meeting.

(e) Members desirous of obtaining any information as regards to accounts and operations of the Company are requested to write to the Company at least 7 days before the meeting to enable the Company to keep the required information ready at the ensuing annual general meeting.

(f) Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file Nomination Form in respect of their shareholdings to Registrar and Share Transfer Agent.

(g) Members are requested to bring their folio no. and DP ID - Client ID for easy identification of attendance at the meeting and also for participation at the meeting

(h) Members, who hold shares in physical form, are requested to intimate the change in their registered address, if any, to the Registrar and Share Transfer Agent. In case of mailing address mentioned on this 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/ reappointment 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, 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 pertaining to dividend for the financial year 2008-09 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 2008-09 declared by the Company on December 31, 2009 can be claimed by the members by February 1, 2017.

All unclaimed / unpaid dividend for a period of seven years from the date they became due for payment will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall be entertained against the IEPF or the Company for the amounts so transferred.

(n) Pursuant to Section 108 of the Companies Act, 2013 and rule 20 of the Companies (Management and Administration) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has arranged remote e-voting facility through Central Depository Services (India) Limited for members to exercise their voting rights for all business to be transacted at 29th Annual General Meeting of the Company.

(i) The voting period begins on August 27, 2016 at 9:00 a.m. and ends on August 30, 2016 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 24, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on separate sheet / Attendance Slip indicated in the PAN field.

	For Members holding shares in Demat Form and Physical Form
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN 160726023 on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log

on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(o) Members of the Company, holding shares either in physical form or demat form, as on the cutoff date of August 24, 2016 and who have not cast their vote by remote e-voting, shall be able to exercise their rights at annual general meeting through polling paper.

(p) Any members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast vote again.

(q) Mr. Ashwin Shah, Practicing Company Secretary (Membership No. 1640), Ahmedabad, has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at annual general meeting in a fair and transparent manner.

(r) 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 of 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.

(s) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.symphonylimited.com and on the website of CDSL immediately after result is declared and the same shall be communicated to the National Stock Exchange of India Limited, BSE Limited and Ahmedabad Stock Exchange Limited.

By Order of the Board
For, **SYMPHONY LIMITED**

Date: July 26, 2016 **(Mayur Barvadiya)**
Place: Ahmedabad *Company Secretary*

Statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013

Item No 5

The members, at their Annual General Meeting of the Company held on November 30, 2011, had approved the re-appointment of Mr. Nrupesh Shah as an Executive Director for a period of five years effective November 1, 2011 and pursuant to which his present term will be expiring on October 31, 2016.

Accordingly, the Board of Directors at its meeting held on July 26, 2016 has re-appointed Mr. Nrupesh Shah as an Executive Director for a further period of five years w.e.f. November 1, 2016, subject to approval of members.

The brief resume and other information of Mr. Nrupesh Shah is as under:

Age	51
Qualification	B. Com., FCA, CS
Date of Appointment	19.10.2002
Brief Resume, Functional Expertise and experience	Having experience of 28 years in the field of Corporate Affairs, Strategies, Finance, Accounts and Taxation
No. of Shares held in the company*	6,99,902
Directorship in other company	1. Symphony Designer Properties Pvt. Ltd. 2. Altus Learning Pvt. Ltd. 3. Helix Consultants Pvt. Ltd.
Chairman / Member of the mandatory committee in other public company	-
No. of Board meeting attended during 2015-16	He has attended all four board meetings
Remuneration drawn during 2015-16	₹98.42 lacs
Relation with Directors and KMP	He is not related with other directors and key managerial personnel

* includes shares held by himself, his spouse, bodies corporate in which he is substantially interested as a partner and father's HUF

The key terms and conditions of his re-appointment are as under:

(A) Nature of duties:

Mr. Nrupesh Shah, shall, subject to the supervision and control of the Board, be entrusted with substantial powers of Management and shall also perform such duties as may, from time to time, be entrusted to him and the business of any one or more of its subsidiaries and/or associate companies.

(B) Remuneration:

a. Monthly Basic Salary: not exceeding ₹4,00,000/-

b. Other allowances as per the policies of the Company from time to time

c. Reimbursement of Expenses: Up to 50% of Basic Salary

d. Ex-Gratia: 5% of Basic Salary

e. On completion of the year, in eventuality of profits, consolidated profits linked performance incentive to the extent that the total remuneration is within applicable statutory ceiling of remuneration.

f. Perquisites: In addition to the above, Mr. Nrupesh Shah will also be provided with a car, for use on Company's business, and telephone at residence. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Executive Director.

The following perquisites will not be included in the computation of the ceiling on the remuneration specified above:

1. Contribution to provident fund, superannuation fund or annuity fund, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
2. Gratuity not exceeding half month's salary for each completed year of service.

The above remuneration is subject to the limit of 5% or 10% of the net profit of the Company during the year, as the case may be, as laid in Section 197 of the Companies Act, 2013.

(C) Minimum Remuneration:

Where, in any financial year, the Company has no profit or its profits are inadequate, the Company shall pay to Mr. Nrupesh Shah in respect of such financial year, remuneration by way of salary, allowance, perquisites and other benefits subject to further approvals as required by Schedule V of the Companies Act, 2013 as existing or modified or re-enacted from time to time.

(D) Other terms and conditions:

a. The terms and conditions of the said re-appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, subject to such approvals as may be required.

b. The employment may be terminated by either party by giving 3 (Three) months notice or the Company paying three months' remuneration in lieu thereof.

c. All policies of the Company and the related Rules shall be applicable to Executive Director unless specifically provided otherwise.

The Board recommends the Resolution at Item No. 5 for approval of the members.

Except Mr. Nrupesh Shah and his relatives, none of the directors, key managerial personnel or their relatives is in any way interested or concerned, financially or otherwise, in the said resolution.

Item No 6

Your Company is consistently performing and registered a robust growth in top line and bottom line over the past few years. Your Company is reasonably confident to continue to grow in future. The market price of the Company's shares has increased significantly. In order to improve the liquidity of the Company's shares in the stock market and also to encourage participation of retail investors in the shares of the Company, the Board of Directors of the Company at their meeting held on July, 26 2016, have recommended that amount standing to the credit of securities premium account and free reserves, be applied for issue of bonus shares to the members of the Company in the proportion of 1 (one) fully paid up bonus equity share of Rs. 2/- each for every 1 (one) fully paid up equity share of Rs. 2/- each held on the record date to be determined by the Board. These bonus shares shall rank pari passu in all respects with existing equity shares including dividend.

The Board recommends the Resolution at Item No. 6 for issue of Bonus Shares.

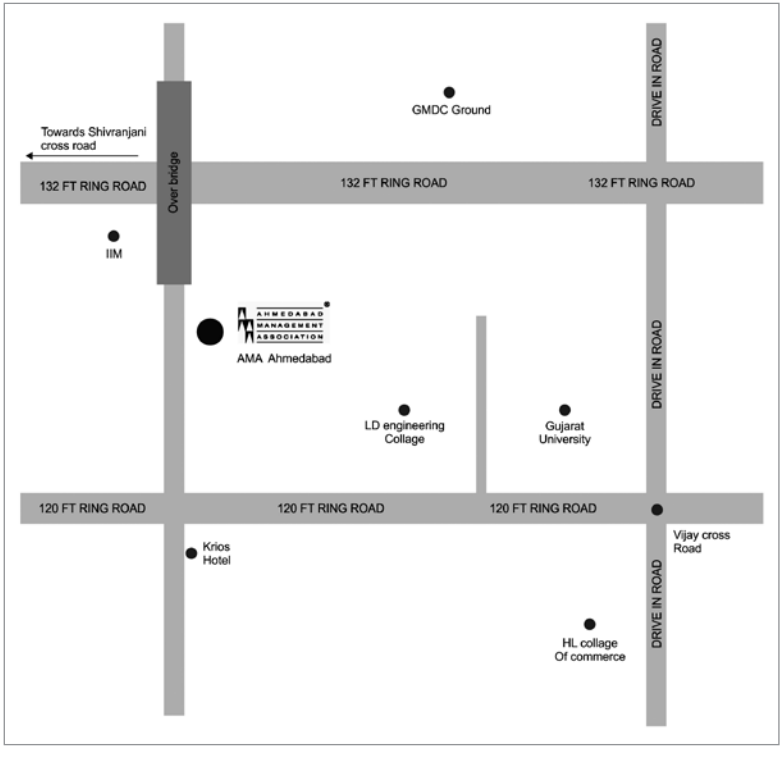
None of the Directors / Key Managerial Personnel or their relatives is concerned or interested in the resolution except to the extent of their shareholding in the Company, if any.

By Order of the Board
For, **SYMPHONY LIMITED**

Date: July 26, 2016
Place: Ahmedabad

(Mayur Barvadiya)
Company Secretary

AGM Location Map



NOTICE

CHANGE OF REGISTRAR AND SHARE TRANSFER AGENT

To,

Dear Shareholders,

Please note that the Company has appointed **M/s. Karvy Computershare Private Limited** as its Registrar and Share Transfer Agent in place of M/s. Sharepro Services (India) Private Limited.

All shareholders/ beneficial owners are requested to address all future correspondences related to equity shares of the Company at following address:

M/s. Karvy Computershare Private Limited
Unit: Symphony Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032
Phone: +91-40-6716 2222
Fax: +91-040-2342 0814
Email id: einward.ris@karvy.com

Please take note of the same and oblige.

Thanking you,

Yours truly,
For **SYMPHONY LIMITED**

Mayur Barvadiya
Company Secretary

Symphony Limited

CIN – L32201GJ1988PLC010331

Regd. Office: Symphony House, Third Floor, FP-12, TP-50, Off S.G. Highway,
Bodakdev, Ahmedabad – 380 054.

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, 3rd Floor, FP-12, TP-50, Off S.G. Highway, Bodakdev, Ahmedabad – 380 054
E-mail Id:	
Folio No. / Client Id	
DP ID:	

I/We, being the member(s) of ……. Shares of the above named Company, hereby appoint

1. Name: _____ Address: _____
   E-mail Id: _____ Signature _____ or failing him;
2. Name: _____ Address: _____
   E-mail Id: _____ Signature _____ or failing him;
3. Name: _____ Address: _____
   E-mail Id: _____ Signature _____.

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on Wednesday, August 31, 2016 at 10.00 a.m. at Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
1	Adoption of (i) Audited Financial Statement of the Company for the financial year ended on March 31, 2016 and 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, 2016 together with the Report of the Auditors thereon.
2	Confirmation of payment of interim dividends (including one-time special dividend) on equity shares as final dividend for financial year ended on March 31, 2016.
3	Appointment of a Director in place of Mr. Nrupesh Shah, who retires by rotation, and being eligible, offers himself for re-appointment.
4	Ratification of appointment of Auditor and fixation of their remuneration
5	Re-appointment of Mr. Nrupesh Shah as Whole Time Director designated as an Executive Director
6	Issue of Bonus Equity Shares

Signed this …….… day of 2016

Affix Revenue Stamp

_____
Signature of Proxy holder(s)

_____
Signature of Shareholder

Note:

This form of proxy in order to be effective should be duly filled in, stamped & signed across the Stamp as per specimen signature registered with the Company and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Symphony Limited

CIN – L32201GJ1988PLC010331

Regd. Office: Symphony House, Third Floor, FP-12, TP-50, Off S.G. Highway,
Bodakdev, Ahmedabad – 380 054.

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 Twenty Ninth Annual General Meeting of the Company on Wednesday, August 31, 2016 at 10.00 a.m. held at Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380015.

_____

Member's / Proxy's Signature
(to be signed at the time of handing over this slip)

CORPORATE INFORMATION

Board of Directors

Achal Bakeri
Chairman & Managing Director

Nrupesh Shah
Executive Director

Satyen Kothari
Independent Director

Naishadh Parikh
Independent Director

Darshan Patel
Independent Director

Dipak Palkar
Independent Director

Jonaki Bakeri
Non-Executive Director

Chief Financial Officer

Bhadresh Mehta

Company Secretary

Mayur Barvadiya

Auditors

Deloitte Haskins & Sells
Chartered Accountants

Registered and corporate office

Symphony House,
Third Floor, FP12-TP50
Bodakdev, Off SG Highway,
Ahmedabad – 380 054
Phone : +91-79-66211111
Fax : +91-79-66211140

Factory

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

SEZ Units

(1) Plot no. 177, 178, 201 & 202
Surat Special Economic Zone
Sachin, District Surat, Gujarat.
PIN – 394230

(2) Plot No. 1/4 Sector-III of
Kandla Special Economic Zone,
Gandhidham Kutch - 370230

Connect us

Email:
corporate@symphonylimited.com

Website:
www.symphonylimited.com
www.symphony-usa.com
www.symphonylimited.com.mx
www.keruilai.com

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. (040) 6716 2222
Fax No. (040) 2342 0814
E-mail: einward.ris@karvy.com

Cautionary statement

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

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

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

Symphony Limited

Symphony House,
FP12-TP50, Bodakdev,
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Ahmedabad – 380 054
Phone : +91-79-66211111
Fax : +91-79-66211140
Email: corporate@symphonylimited.com
Website: www.symphonylimited.com

natural cooling

Symphony®