

COMPONENT AUDITOR CLEARANCE MEMORANDUM – AUDIT OF THE COMPONENT'S FINANCIAL INFORMATION

From: BDO China Shu Lun Pan Certified Public Accountants LLP Shenzhen Branch

Date: 15 May 2020

To: Gaurav J Shah, Deloitte Haskins & Sells, Ahmedabad, India.

In accordance with your instructions dated 28 February 2020, we have audited for purposes of your audit of the consolidated financial statements of Symphony Limited (the "Group"), the accompanying special purpose financial information of Guangdong Symphony Keruilai Air Coolers Co., Ltd. (the "Company") as of 31 March, 2020 and for the year then ended. This special purpose financial information has been prepared solely to enable the Group to prepare its consolidated financial statements.

Management's Responsibility

Management is responsible for the preparation and presentation of this special purpose financial information on the basis of Symphony Limited's Group's accounting policies, and for such internal control as management determines is necessary to enable the preparation of the special purpose financial information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this special purpose financial information in accordance with International Standards on Auditing ("ISAs") and your instructions. As requested by you, we planned and performed our audit, including the additional procedures, in accordance with your instructions, using the component materiality and component performance materiality specified in your instructions that we have used in designing the audit procedures to express an opinion on the special purpose financial information of the Company as of 31 March, 2020 and for the year then ended.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. The conclusions reached in forming our opinion are based on the component materiality and component performance materiality specified by you, in the context of the audit of the consolidated financial statements of the Group.

We have complied with the requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, including the requirements related to Public Interest Entities.

Opinion

In our opinion, the special purpose financial information for Guangdong Symphony Keruilai Air Coolers Co., Ltd. as of 31 March, 2020 and for the year then ended has been prepared, in all material respects, on the basis of Symphony Limited's Group's accounting policies.

Other Matter

We draw the special purpose financial information users' attention that Guangdong Symphony Keruilai Air Coolers Co., Ltd. had accumulated losses of RMB 119,174,295.73 and its total liabilities exceeded its total assets by RMB 32,512,487.01 as at 31 March 2020. The continuing operation of the Company mainly depends on the financial support from Symphony Limited, which has undertaken to provide such financial support to the Company. Accordingly, the Company has the ability to meet its liabilities in order to avoid the reduction of the production scale in the future.

Restriction on Use and Distribution

This special purpose financial information has been prepared for purposes of providing information to the Group to enable it to prepare its consolidated financial statements. As a result, the special purpose financial information is not a complete set of financial statements of Guangdong Symphony Keruilai Air Coolers Co., Ltd. in accordance with International Financial Reporting Standards, and is not intended to give a true and fair view of the financial position of Guangdong Symphony Keruilai Air Coolers Co., Ltd. as of 31 March, 2020, and of its financial performance, and its cash flows for the year then ended in accordance with International Financial Reporting Standards. The special purpose financial information may, therefore, not be suitable for another purpose.

This report is intended solely for Deloitte Haskins & Sells, Ahmedabad and should not be used by, or distributed to, anyone in the Group, any of its components, or any other third party.

BDO China Shu Lun Pan CPAs LLP

BDO China Shu Lun Pan Certified Public Accountants LLP Shenzhen Branch

Shenzhen, The People's Republic of China

Guangdong Symphony Keruilai Air Coolers Co., Ltd

BALANCE SHEET AS AT 31 MARCH, 2020

(In RMB)

| Particulars | Note | As at 31/03/2020 | As at 31/03/2019 |
|---|------|------------------------|------------------------|
| I ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Property, plant and equipment | 2(A) | 5,093,155.87 | 4,131,225.44 |
| (b) Other Intangible Assets | 2(B) | 275,420.81 | 521,421.82 |
| (c) Other non-current assets | 3 | 2,135,127.21 | 2,360,537.78 |
| Total Non-Current Assets | | 7,503,703.89 | 7,013,185.04 |
| (2) Current Assets | | | |
| (a) Inventories | 4 | 6,797,053.76 | 10,042,268.00 |
| (b) Financial assets | | | |
| (i) Trade receivables | 5 | 277,057.16 | 1,055,291.64 |
| (ii) Cash and cash equivalents | 6 | 2,169,917.38 | 2,590,750.16 |
| (iii) Other financial assets | 7 | 98,528.76 | 497,137.43 |
| (c) Other Current Assets | 8 | 1,492,023.77 | 1,453,320.60 |
| Total Current Assets | | 10,834,580.83 | 15,638,767.83 |
| Total Assets | | 18,338,284.72 | 22,651,952.87 |
| II EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (a) Equity Share Capital | 9 | 85,000,000.00 | 85,000,000.00 |
| (b) Other Equity | 10 | (117,512,487.01) | (109,926,062.82) |
| Total Equity | | (32,512,487.01) | (24,926,062.82) |
| (2) Non-Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Other Financial Liabilities | 11 | 41,715.00 | |
| | | 41,715.00 | |
| (2) Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 12 | 30,944,555.56 | 29,099,166.63 |
| (ii) Trade payables | 13 | 12,599,872.04 | 13,917,079.25 |
| (iii) Other Financial Liabilities | 14 | 1,629,011.38 | |
| (b) Provisions | 15 | 324,713.15 | 629,005.65 |
| (c) Other Current Liabilities | 16 | 5,310,904.60 | 3,932,764.16 |
| Total Current Liabilities | | 50,809,056.73 | 47,578,015.69 |
| Total Liabilities | | 50,850,771.73 | 47,578,015.69 |
| Total Equity and Liabilities | | 18,338,284.72 | 22,651,952.87 |
| See accompanying notes forming part of the Financial Statements | 1-32 | | |

Peter Sheng 2/12/21

Guangdong Symphony Keruilai Air Coolers Co., Ltd
STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31 MARCH, 2020

(In RMB)

| Particulars | Note | YeCr Ended 31/3/2020 | Year Ended 31/03/2019 |
|---|------|-------------------------|--------------------------|
| I Revenue from Operations | 17 | 41,056,101.82 | 53,534,891.21 |
| II Other Income | 18 | 582,194.23 | 2,576,396.88 |
| III Total Revenue (I + II) | | 41,638,296.05 | 56,111,288.09 |
| IV Expenses: | | | |
| Cost of Material Consumed | 19 | 22,677,093.76 | 33,763,424.63 |
| Changes in Inventories of Finished Goods, Work- in-Progress and Stock-in-Trade | 20 | 3,718,304.75 | 337,594.71 |
| Employee Benefit Expense | 21 | 12,097,654.88 | 11,878,818.64 |
| Finance Costs | 22 | 1,452,208.31 | 1,266,382.55 |
| Depreciation and Amortization Expense | 2 | 3,078,361.15 | 1,699,613.44 |
| Advertisement and Sales Promotion Expense | 22.1 | 532,113.96 | 613,363.09 |
| Other Expenses | 23 | 5,668,983.43 | 8,065,099.03 |
| Total Expenses (IV) | | 49,224,720.24 | 57,624,296.09 |
| V (Loss) before Tax (III – IV) | | (7,586,424.19) | (1,513,008.00) |
| VI Tax Expense: | | | |
| (1) Current Tax | | - | - |
| (2) Short / (Excess) Provision of tax relating to previous years | | - | - |
| (3) Net Current Tax | | - | - |
| (4) Deferred Tax | | - | - |
| Net Tax Expense (VI) | | - | - |
| VII (Loss) for the year (V - VI) | | (7,586,424.19) | (1,513,008.00) |
| VIII Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss : | | | |
| (i) Remeasurements of the defined benefit plans | | | - |
| (ii) Income tax effect on above | | | - |
| Items that will be reclassified to profit or loss : | | | |
| (i) Gain / (Loss) on Items designated as Fair Value Through Other Comprehensive Income | | | - |
| (ii) Income tax effect on above | | | - |
| Total other comprehensive income (VIII) | | - | - |
| IX Total comprehensive income for the year (VII+VIII) | | (7,586,424.19) | (1,513,008.00) |
| X Earnings per equity share of face value of Rs. | | | |
| 2/- each : | | | |
| (1) Basic | 24 | - | - |
| (2) Diluted | 24 | - | - |
| See accompanying notes forming part of the Financial Statements | 1-32 | | |

Peter sheng 2/4/20

Guangdong Symphony Korulair Air Coolers Co., Ltd**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2020****A EQUITY SHARE CAPITAL**

| | No. of Shares | Amount in RMB |
|------------------------------|---------------|---------------|
| Balance as at March 31, 2019 | - | 85,000,000 |
| Add: Issue during the year | - | - |
| Balance as at March 31, 2020 | - | 85,000,000 |

B OTHER EQUITY

| Particulars | Amount in RMB | | | |
|--|-----------------------|--------------------|----------------------|------------------|
| | Securities Premium | Capital Reserve | Retained Earnings | Total |
| Balance as on March 31, 2019 | 1,600,897.94 | 60,910.78 | (111,587,871.54) | (109,926,062.82) |
| Profit during the year | - | - | (7,586,424.19) | (7,586,424.19) |
| Other Comprehensive Income for the year, net of income tax | - | - | - | - |
| Total Comprehensive Income for the year | - | - | (7,586,424.19) | (7,586,424.19) |
| IND AS adjustment in Other Equity | - | - | - | - |
| Balance as on March, 2020 | 1,600,897.94 | 60,910.78 | (119,174,295.73) | (117,512,487.01) |

Peter sheng

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Guangdong Symphony Kerulilai Air Coolers Co., Ltd

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH, 2020

(In RMB)

| | Year Ended 31/03/2020 | Year Ended 31/03/2019 |
|--|--------------------------|--------------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| (Loss) for the year | (7,586,424.19) | (1,513,008.00) |
| Adjustments For: | | |
| Income tax expenses recognised in profit or loss | - | - |
| Depreciation and Amortization Expense | 3,078,361.15 | 1,699,613.44 |
| Finance costs recognised in profit or loss | 1,452,208.31 | 1,266,382.55 |
| Interest Income recognised in profit or loss | - | - |
| Provisions / Liabilities no longer required return back | (321,657.98) | (2,028,218.78) |
| Operating Profit Before Working Capital Changes | (3,377,512.71) | (575,230.79) |
| Movements in working capital: | | |
| Decrease in trade and other receivables | 778,234.48 | (831,479.57) |
| (Increase)/Decrease in inventories | 3,245,214.24 | 1,053,082.92 |
| (Increase)/Decrease in other assets | 1,030,611.46 | 302,962.48 |
| Increase/(Decrease) in trade payables | (995,549.23) | 369,669.25 |
| Increase in other liabilities | 1,378,140.44 | (2,350,047.56) |
| Increase in provisions | (304,292.50) | (241,150.05) |
| Cash Generated from Operations | 1,754,846.18 | (2,272,193.32) |
| Income taxes paid | - | - |
| Net Cash Flow from Operating Activities (A) | 1,754,846.18 | (2,272,193.32) |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Payments to acquire property, plant and equipment | (1,019,135.04) | (1,583,494.72) |
| Interest Received | - | - |
| Proceeds from disposal of property, plant and equipment | - | (2,514.90) |
| Net Cash (used in)/generated by Investing Activities (B) | (1,019,135.04) | (1,586,009.62) |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Finance Cost paid | (1,452,208.31) | (1,266,382.55) |
| Payments on lease liabilities | (1,549,724.54) | - |
| Proceeds from borrowings | 1,845,388.93 | 4,443,340.72 |
| Net Cash generated by Financing Activities (C) | (1,156,543.92) | 3,176,958.17 |
| Net Increase (Decrease) in Cash & Cash Equivalents (A+B+C) | (420,832.78) | (681,244.77) |
| Cash & Cash Equivalents at the beginning of the year | 2,590,750.16 | 3,271,994.93 |
| Cash & Cash Equivalents at the end of the year | 2,169,917.38 | 2,590,750.16 |
| Cash on Hand | 58,457.54 | 104,808.14 |
| Balances with Schedule Bank in Current Account | 2,111,459.84 | 2,485,942.02 |
| Cash & Cash Equivalents included in Note no.6 | 2,169,917.38 | 2,590,750.16 |

Peter Zhang

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| Guangdong Symphony Keruilai Air Coolers Co., Ltd | | | | | | | | | | | |
|---|--------------------------|-------------------|------------|-------------------|------------|---------------|-------------------------|--------------|---------------|---------------|---------------------|
| (2) Property, Plant and Equipment, Capital Work-In-Progress & Other Intangible Assets | | | | | | | | | | | |
| (In RMB) | | | | | | | | | | | |
| | Plant Property Equipment | | | | | Total (A) | Other Intangible Assets | | | Total (B) | Grand Total (A+B+C) |
| | Right to Use Asset | Plant & Machinery | Vehicles | Office Equipments | Computers | | Softwares | Trademarks | Patent right | | |
| Gross Block | | | | | | | | | | | |
| As at 31/03/2019 | | 16,393,219.33 | 106,565.07 | 2,720,542.44 | 639,092.04 | 19,859,418.88 | 1,854,614.97 | 2,038,834.95 | 15,990,000.00 | 19,883,449.92 | 39,742,868.80 |
| As at 31/3/2020 | 3,220,450.92 | 16,928,835.01 | 101,180.45 | 2,709,202.52 | 644,133.05 | 23,603,801.95 | 1,874,032.45 | 2,038,834.95 | 15,990,000.00 | 19,902,867.40 | 43,506,669.35 |
| Additions | 3,220,450.92 | 535,615.68 | - | 13,765.48 | 5,041.01 | 3,774,873.09 | 19,417.48 | - | - | 19,417.48 | 3,794,290.57 |
| Disposals | - | - | 5,384.62 | 25,105.40 | - | 30,490.02 | - | - | - | - | 30,490.02 |
| As at 31/3/2020 | 3,220,450.92 | 16,928,835.01 | 101,180.45 | 2,709,202.52 | 644,133.05 | 23,603,801.95 | 1,874,032.45 | 2,038,834.95 | 15,990,000.00 | 19,902,867.40 | 43,506,669.35 |
| Accumulated Depreciation and Amortization | | | | | | | | | | | |
| As at 31/03/2019 | | 12,340,019.82 | 105,887.59 | 2,644,020.24 | 638,265.79 | 15,728,193.44 | 1,680,936.20 | 2,015,528.00 | 15,665,563.90 | 19,362,028.10 | 35,090,221.54 |
| Depreciation and Amortization For The Year | 1,549,724.54 | 1,222,169.16 | 677.48 | 38,368.59 | 2,002.89 | 2,812,942.66 | 58,126.39 | 7,691.90 | 199,600.20 | 265,418.49 | 3,078,361.15 |
| Eliminated on disposals of | - | - | 5,384.62 | 25,105.40 | - | 30,490.02 | - | - | - | - | 30,490.02 |
| As at 31/3/2020 | 1,549,724.54 | 13,562,188.98 | 101,180.45 | 2,657,283.43 | 640,268.68 | 18,510,646.08 | 1,739,062.59 | 2,023,219.90 | 15,865,164.10 | 19,627,446.59 | 38,138,092.67 |
| Net Block | | | | | | | | | | | |
| As at 31/03/2019 | - | 4,053,199.51 | 677.48 | 76,522.20 | 826.25 | 4,131,225.44 | 173,678.77 | 23,306.95 | 324,436.10 | 521,421.82 | 4,652,647.26 |
| As at 31/03/2020 | 1,670,726.38 | 3,366,646.03 | - | 51,919.09 | 3,864.37 | 5,093,155.87 | 134,969.86 | 15,615.05 | 124,835.90 | 275,420.81 | 5,368,576.68 |

Peter zheng

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Guangdong Symphony Keruilai Air Coolers Co., Ltd

Notes forming part of the Financial Statements

| (3) OTHER NON-CURRENT ASSETS | | (In RMB) |
|---|---------------------|----------------------|
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Unsecured, considered good | | |
| Capital advances | 687,526.99 | 242,231.60 |
| Prepaid Expenses | 1,447,600.22 | 2,118,306.18 |
| | <u>2,135,127.21</u> | <u>2,360,537.78</u> |
| (4) INVENTORIES | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Raw materials (Including Packing Material) | 4,185,933.94 | 3,712,843.43 |
| Work-in-Progress | | 1,199,848.00 |
| Finished Goods | 2,611,119.82 | 5,129,576.57 |
| | <u>6,797,053.76</u> | <u>10,042,268.00</u> |
| (5) TRADE RECEIVABLES | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Considered good - Unsecured | 277,057.16 | 1,055,291.64 |
| Credit impaired | | 254,552.06 |
| Less : Allowances for credit losses | - | (254,552.06) |
| | <u>277,057.16</u> | <u>1,055,291.64</u> |
| (6) CASH & CASH EQUIVALENTS | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Cash and Cash Equivalents | | |
| Cash on Hand | 15,449.18 | 30,897.10 |
| Balance with employees Imprest account | 43,008.36 | 73,911.04 |
| Balance with banks in current accounts | 2,111,459.84 | 2,485,942.02 |
| | <u>2,169,917.38</u> | <u>2,590,750.16</u> |
| (7) OTHER FINANCIAL ASSETS | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Export Incentive Receivable | 98,528.76 | 497,137.43 |
| | <u>98,528.76</u> | <u>497,137.43</u> |
| (8) OTHER CURRENT ASSETS | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Advance for supply of goods and rendering of services | | |
| Unsecured, considered good | 1,048,369.63 | 863,877.14 |
| Prepaid Expenses | 443,654.14 | 589,443.46 |
| | <u>1,492,023.77</u> | <u>1,453,320.60</u> |

Peter sheng

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Guangdong Symphony Keruilai Air Coolers Co., Ltd

Notes forming part of the Financial Statements

| (9) EQUITY SHARE CAPITAL | | (In RMB) |
|--|---------------------|---------------------|
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Authorised : | | |
| Equity Shares of RMB___/- each | 85,000,000.00 | 85,000,000.00 |
| Issued, Subscribed & Paid up : | | |
| Equity Shares of RMB___/- each fully paid up | 85,000,000.00 | 85,000,000.00 |
| | 85,000,000.00 | 85,000,000.00 |
| (10) OTHER EQUITY | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Securities Premium Account | 1,600,897.94 | 1,600,897.94 |
| Capital Reserve | 60,910.78 | 60,910.78 |
| Retained Earnings | (119,174,295.73) | (111,587,871.54) |
| | (117,512,487.01) | (109,926,062.82) |
| 10.1 Securities Premium Account | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Opening balance | 1,600,897.94 | 1,600,897.94 |
| Movement during the year | - | - |
| Closing balance | 1,600,897.94 | 1,600,897.94 |
| 10.2 Capital Reserve | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Closing balance | 60,910.78 | 60,910.78 |
| 10.3 Retained Earnings | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Opening Balance | (111,587,871.54) | (110,074,863.54) |
| Add: Profit/ (Loss) for the year | (7,586,424.19) | (1,513,008.00) |
| Closing Balance | (119,174,295.73) | (111,587,871.54) |

Peter Zheng

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Guangdong Symphony Keruilai Air Coolers Co., Ltd

Notes forming part of the Financial Statements

| (11) OTHER NON-CURRENT FINANCIAL LIABILITIES (In RMB) | | |
|---|----------------------|----------------------|
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Lease Liabilities (LT Portion) | 41,715.00 | |
| | <u>41,715.00</u> | |
| (12) BORROWINGS | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Unsecured | | |
| Loan from Bank | 30,500,000.00 | 28,800,000.00 |
| Interest Payable Accrued But Not Due | 444,555.56 | 299,166.63 |
| | <u>30,944,555.56</u> | <u>29,099,166.63</u> |
| (13) TRADE PAYABLES | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Trade Payables | 12,599,872.04 | 13,917,079.25 |
| | <u>12,599,872.04</u> | <u>13,917,079.25</u> |
| (14) OTHER FINANCIAL LIABILITIES | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Lease Liabilities (ST Portion) | 1,629,011.38 | |
| | <u>1,629,011.38</u> | <u>-</u> |
| (15) PROVISIONS | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Provision for | | |
| Warranty | 324,713.15 | 629,005.65 |
| | <u>324,713.15</u> | <u>629,005.65</u> |
| (16) OTHER CURRENT LIABILITIES | | |
| Particulars | As at 31/03/2020 | As at 31/03/2019 |
| Other liabilities | | |
| Advance from customers | 5,036,199.40 | 3,747,119.28 |
| Statutory Dues | 194,705.20 | 102,678.09 |
| Other Payables | 80,000.00 | 82,966.79 |
| | <u>5,310,904.60</u> | <u>3,932,764.16</u> |

Peter zhang

3/12/20

Guangdong Symphony Keruilai Air Coolers Co., Ltd

Notes forming part of the Financial Statements

| (17) REVENUE FROM OPERATIONS | | (In RMB) |
|--|--------------------------|--------------------------|
| Particulars | Year Ended 31/03/2020 | Year Ended 31/03/2019 |
| Gross Revenue from Sale of Products | 41,056,101.82 | 53,534,891.21 |
| Less: Excise Duty | - | - |
| Revenue from Sale of Products | 41,056,101.82 | 53,534,891.21 |
| Other Operating Revenue | - | - |
| | 41,056,101.82 | 53,534,891.21 |
| Sale of products comprises of : | | |
| Air Coolers | 38,274,729.56 | 50,962,317.03 |
| Others | 2,781,372.26 | 2,572,574.18 |
| | 41,056,101.82 | 53,534,891.21 |
| (18) OTHER INCOME | | |
| Particulars | Year Ended 31/03/2020 | Year Ended 31/03/2019 |
| Interest Income | 3,868.33 | 4,159.91 |
| Foreign Exchange Fluctuation(Net) | 18,494.79 | 166,081.55 |
| Other Non Operating Income | 559,831.11 | 2,406,155.42 |
| | 582,194.23 | 2,576,396.88 |
| (19) COST OF MATERIAL CONSUMED | | |
| Particulars | Year Ended 31/03/2020 | Year Ended 31/03/2019 |
| Opening Stock of Raw Materials | 3,712,843.43 | 4,428,331.64 |
| Add: Purchases | 23,150,184.27 | 33,047,936.42 |
| Less: Closing Stock of Raw Materials | 4,185,933.94 | 3,712,843.43 |
| | 22,677,093.76 | 33,763,424.63 |
| (20) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE | | |
| Particulars | Year Ended 31/03/2020 | Year Ended 31/03/2019 |
| Opening Stock | | |
| Work-in-Progress | 1,199,848.00 | 445,287.91 |
| Finished Goods | 5,129,576.57 | 6,221,731.37 |
| Less: | | |
| Closing Stock | | |
| Work-in-Progress | - | 1,199,848.00 |
| Finished Goods | 2,611,119.82 | 5,129,576.57 |
| | 3,718,304.75 | 337,594.71 |
| (21) EMPLOYEE BENEFIT EXPENSES | | |
| Particulars | Year Ended 31/03/2020 | Year Ended 31/03/2019 |
| Salaries, Wages and Bonus | 10,560,486.03 | 10,250,648.16 |
| Contribution to Provident Fund and Other Funds | 994,992.97 | 1,065,839.53 |
| Staff Welfare Expenses | 542,175.88 | 562,330.95 |
| | 12,097,654.88 | 11,878,818.64 |

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Guangdong Symphony Keruilai Air Coolers Co., Ltd

Notes forming part of the Financial Statements

| (22) FINANCE COSTS | | | (In RMB) |
|--|--------------------------|--------------------------|----------|
| Particulars | Year Ended 31/03/2020 | Year Ended 31/03/2019 | |
| Interest Expenses | 1,452,208.31 | 1,266,382.55 | |
| | 1,452,208.31 | 1,266,382.55 | |
| (22.1) ADVERTISEMENT AND SALES PROMOTION EXPENSE | | | |
| Particulars | Year Ended 31/03/2020 | Year Ended 31/03/2019 | |
| Advertisement and Sales Promotion | 532,113.96 | 613,363.09 | |
| Conference and Other Expenses | - | - | |
| | 532,113.96 | 613,363.09 | |
| (23) OTHER EXPENSES | | | |
| Particulars | Year Ended 31/03/2020 | Year Ended 31/03/2019 | |
| Stores, Spare parts and Packing Material cost | 290,817.89 | 296,169.17 | |
| Power and Fuel | 366,525.72 | 417,886.20 | |
| Repairs & Maintenance | | | |
| Machinery | 103,902.92 | 168,507.36 | |
| Rent | 765,516.20 | 2,332,928.35 | |
| Rates & Taxes | 336,884.18 | 268,949.91 | |
| Travelling | 267,517.19 | 604,353.90 | |
| Communication Expenses | 86,531.02 | 100,756.44 | |
| Insurance | 36,972.50 | 61,316.69 | |
| Printing and stationery charges | 45,474.29 | 56,725.00 | |
| Legal & Professional Charges | 47,572.82 | 12,621.36 | |
| Payment to Auditors (Refer Note no. 25) | 267,840.00 | 267,127.04 | |
| Vehicle Expenses | 88,642.14 | 137,804.38 | |
| General Expenses | 1,642,155.18 | 1,435,317.77 | |
| Provision for Doubtful Advances | - | - | |
| Bank Charges | 388,173.75 | 257,964.45 | |
| Freight & Forwarding Charges | 678,729.69 | 1,067,232.45 | |
| Warranty Expense | 70,771.97 | 131,629.89 | |
| Sales Commission | 168,132.92 | 434,160.32 | |
| VAT and Sales Tax | 16,823.05 | 13,648.35 | |
| | 5,668,983.43 | 8,065,099.03 | |
| (24) EARNINGS PER SHARE | | | |
| Particulars | Year Ended 31/03/2020 | Year Ended 31/03/2019 | |
| Face value of Equity Shares (RMB) | - | - | |
| Net Profit available for Equity Shareholders(I) | (7,586,424.19) | (1,513,008.00) | |
| No. of Equity Shares | - | - | |
| Basic and Diluted EPS (RMB) | - | - | |

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Guangdong Symphony Keruilai Air Coolers Co., Ltd

Notes forming part of the Financial Statements

(25) Segment Reporting

(a) Secondary Segment : Geographical segment

(In RMB)

| | <u>2019-20</u> | <u>2018-19</u> |
|---|-----------------------|-----------------------|
| (1) Segment Revenue | | |
| China | 21,677,958.07 | 25,082,908.10 |
| Rest of the world | 19,378,143.75 | 28,451,983.11 |
| Net Revenue from Sale of Products | <u>41,056,101.82</u> | <u>53,534,891.21</u> |
| (2) Segment Profit before Interest and Taxes (PBIT) | | |
| China | (3,251,134.42) | 49,975.29 |
| Rest of the world | <u>(2,883,081.46)</u> | <u>(296,600.74)</u> |
| Total | <u>(6,134,215.88)</u> | <u>(246,625.45)</u> |
| Less: Finance Costs | 1,452,208.31 | 1,266,382.55 |
| Less: Taxes | - | - |
| Total Profit After Tax | <u>(7,586,424.19)</u> | <u>(1,513,008.00)</u> |

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Guangdong Symphony Keruilai Air Coolers Co., Ltd

Notes forming part of the Financial Statements

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Notes forming part of the Financial Statements

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

| Particulars | 2019-20 | | | 2018-19 | | |
|------------------------------|----------|---------------------|--------------|----------|---------------------|--------------|
| | Currency | In Foreign Currency | In RMB | Currency | In Foreign Currency | In RMB |
| Trade Payables | US\$ | | | US\$ | - | - |
| Advance for import purchases | US\$ | | | US\$ | - | - |
| Advance from Customer | US\$ | 277,265.08 | 1,964,450.80 | US\$ | 489,262.18 | 3,287,760.93 |
| | GBP | | | GBP | - | - |
| Trade Receivable | US\$ | 17,694.22 | 125,365.33 | US\$ | 160,600.00 | 1,081,400.10 |
| | EURO | | | EURO | - | - |
| Loan Receivable | US\$ | | | US\$ | - | - |

(32) Expenditure on Research & Development activities as certified by the Management are as under

| Particulars | 2019-20 | 2018-19 |
|---------------------|------------|------------|
| Revenue Expenditure | | |
| Material Cost | 248,958.53 | 184,355.69 |
| Other Expenses | 64,802.91 | 227,634.54 |
| Total | 313,761.44 | 411,990.23 |

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