

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

From: Ernst & Young, Adelaide, Australia

Date: 21 May 2019

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

In accordance with your instructions dated 4 March 2019, we have audited for purposes of your audit of the consolidated financial statements of Symphony Limited (the "Group") the financial information included in the financial reporting package (the "financial information") of Symphony AU Pty Ltd for the year ended 31st March, 2019. This financial information has been prepared solely to enable the Group to prepare its consolidated financial statements. We have also performed additional procedures in accordance with your instructions, and our findings are included Appendix L.

Management's Responsibility

Management is responsible for the preparation and presentation of the financial information on the basis of accounting principles generally accepted in India and Symphony Limited's Group's accounting policies, and for such internal control as management determines is necessary to enable the preparation of the 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 the financial information using Australian Auditing Standards and in accordance with 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, which is different than the materiality and performance materiality that we would have used had we been designing the audit to express an opinion on the financial information of the component alone.

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 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.

Open Items/Items to note

- We have not received clearance from Symphony AU Pty Limited's tax advisor, KPMG on the taxation balances.
- We note as at the date of this report that the reported fair value of net assets acquired as part of Symphony AU Pty Ltd's acquisition of Climate Technologies Pty Ltd is provisional, based on a preliminary determination by management. Management has a 12-month provisional accounting period from acquisition date under the Business Combination accounting standards. KPMG has been engaged to perform a valuation of net assets acquired, including identifiable intangible assets, which is currently in draft and will be finalised in the first quarter of the 2020 financial year. Upon finalization of the KPMG valuation report, any accounting adjustments, including the recognition of identifiable intangible assets, applicable amortisation and associated tax effect accounting impacts will be adjusted by management. As a result, goodwill and the respective tax balances are subject to change in the first quarter of the 2020 financial year.

Opinion

Subject to the receipt of KPMG's tax clearance and review by our tax division, in our opinion, the financial information for Symphony AU Pty Ltd as of 31st March, 2019 and for the year then ended has been prepared, in all material respects, on the basis of Symphony Limited's Group's accounting policies.

Restriction on Use and Distribution

This 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 financial information is not a complete set of financial statements of Symphony AU Pty Ltd in accordance with accounting principles generally accepted in India, and is not intended to give a true and fair view of the financial position of Symphony AU Pty Ltd as of 31st March, 2019, and of its financial performance, and its cash flows for the year then ended in accordance with accounting principles generally accepted in India. The financial information may, therefore, not be suitable for another purpose.

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



David Sanders

SYMPHONY AU PTY. LTD.**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2019****(In AUD)**

Particulars	Note	As at 31/03/2019
I ASSETS		
(1) Non-Current Assets		
(a) Property, plant and equipment	3(A)	3,924,857
(b) Capital work - in - Progress	3(C)	940,165
(c) Goodwill		26,574,172
(d) Other Intangible Assets	3(B)	-
		<u>31,439,194</u>
(e) Deferred Tax Assets (Net)	14	3,894,994
(f) Other non-current assets	4	531,887
Total Non-Current Assets		35,866,075
(2) Current Assets		
(a) Inventories	5	9,114,636
(b) Financial assets		
(i) Trade receivables	6	10,039,977
(ii) Cash and cash equivalents	7	2,005,385
(c) Other Current Assets	8	2,673,880
Total Current Assets		23,833,878
Total Assets		59,699,953
II EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity Share Capital	9	15,200,000
(b) Other Equity	10	(2,686,278)
Equity attributable to owners of the Company		12,513,722
Non-controlling interests	11	659,221
Total Equity		13,172,943
(2) Non-Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	12	25,180,000
(b) Provisions	13	972,248
Total Non-Current Liabilities		26,152,248
(3) Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	15	7,000,000
(ii) Trade payables	16	11,840,919
		<u>18,840,919</u>
(b) Provisions	17	1,474,346
(c) Other Current Liabilities	18	59,497
Total Current Liabilities		20,374,762
Total Liabilities		46,527,010
Total Equity and Liabilities		59,699,953

See accompanying notes forming part of
the Financial Statements

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SYMPHONY AU PTY. LTD.**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH, 2019****(In AUD)**

Particulars		Note	Period Ended 31/03/2019
I	Revenue from Operations	19	40,378,391
II	Other Income	20	18,871
III	Total Revenue (I + II)		40,397,262
IV	Expenses:		
	Cost of Material Consumed	21	29,744,596
	Changes in Inventories of Finished Goods, Work- in-Progress and Stock-in-Trade	22	(4,530,880)
	Employee Benefit Expense	23	5,485,387
	Finance Costs	24	1,034,979
	Depreciation and Amortization Expense	3	561,848
	Advertisement and Sales Promotion Expense		1,043,891
	Other Expenses	25	9,910,872
	Total Expenses (IV)		43,250,694
V	Profit before Tax (III – IV)		(2,853,432)
VI	Tax Expense / (Benefits):		
	(1) Current Tax	27.1	(448,303)
	(2) Excess Provision of tax relating to previous years	27.1	-
	(3) Net Current Tax		(448,303)
	(4) Deferred Tax	27.1	410,442
	Net Tax Expense (VI)		(37,861)
VII	Profit for the period (V - VI)		(2,815,571)
VIII	Other comprehensive income		
	Items that will not to be reclassified to profit or loss :		
	(i) Remeasurements of the defined benefit plans		-
	(ii) Income tax effect on above	27.2	-
	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	27.2	-
	Total other comprehensive income (VIII)		-
IX	Total comprehensive income for the period (VII+VIII)		(2,815,571)
	Profit for the period attributable to		
	Owners of the Company		(2,674,792)
	Non Controlling Interests		(140,779)
	Total comprehensive income for the period attributable to		(2,815,571)
	Owners of the Company		(2,674,792)
	Non Controlling Interests		(140,779)
	Total comprehensive income for the period attributable to		(2,815,571)
X	Earnings per equity share of face value of AUD _____/- each :		
	(1) Basic	26	(0.18)
	(2) Diluted	26	(0.18)
	See accompanying notes forming part of the financial statements	1-34	

SYMPHONY AU PTY. LTD.CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE PERIOD ENDED 31st MARCH, 2019**A EQUITY SHARE CAPITAL**

	No. of Shares	Amount (In AUD)
Balance as at June 15, 2018	-	-
Add: Issue during the period	16,000,000	16,000,000
Balance as at March 31, 2019	16,000,000	16,000,000

B OTHER EQUITY

Particulars	Translation Reserve	Retained Earnings	Attributable to owners of the parent	Non- controlling interests	(In AUD) Total
Balance as on June 01, 2018	-	-	-	-	-
Profit during the period	(11,486)	(2,674,792)	(2,686,278)	(140,779)	(2,827,057)
Other Comprehensive Income for the period, net of income tax	-	-	-	-	-
Total Comprehensive Income for the period	(11,486)	(2,674,792)	(2,686,278)	(140,779)	(2,827,057)
Non-controlling interests arising on the acquisition of Climate Technologies Pty. Ltd.	-	-	-	800,000	800,000
Reclassification to Profit & Loss on disposal of Instruments designated as FVTOCI	-	-	-	-	-
Interim Dividend on Equity Shares	-	-	-	-	-
Tax on Interim Dividend	-	-	-	-	-
Balance as on March 31, 2019	(11,486)	(2,674,792)	(2,686,278)	659,221	(2,027,057)

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SYMPHONY AU PTY. LTD.CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2019

(In AUD)

Period Ended
31/03/2019**A CASH FLOW FROM OPERATING ACTIVITIES**

Profit for the year

(2,815,571)

Adjustments For:

Income tax expenses recognised in profit or loss

(37,861)

Depreciation and Amortization Expense

561,848

Finance costs recognised in profit or loss

1,034,979

Interest Income recognised in profit or loss

(4,298)

Operating Profit Before Working Capital Changes

(1,260,903)

Movements in working capital:

(Increase)/Decrease in trade and other receivables

(10,039,977)

(Increase) in inventories

(9,114,636)

(Increase) in other assets

(3,205,768)

Increase in trade payables

11,840,919

Increase/(Decrease) in other liabilities

59,497

Increase in provisions

2,446,594

Cash Generated from Operations

(9,274,273)

Income taxes paid

448,303

Net Cash generated by Operating Activities (A)

(8,825,970)

B CASH FLOW FROM INVESTING ACTIVITIES

Payments to acquire property, plant and equipment

(371,302)

Interest Received

4,298

Payments to acquire subsidiary

(35,935,176)

Net Cash Used in Investing Activities (B)

(36,302,180)

C CASH FLOW FROM FINANCING ACTIVITIES

Issue of Equity Shares

16,000,000

Finance Cost paid

(1,034,979)

Proceeds from borrowings

32,180,000

Translation Reserve

(11,486)

Net Cash Used in Financing Activities (C)

47,133,535

Net Increase in Cash & Cash Equivalents (A+B+C)

2,005,385

Cash & Cash Equivalents at the beginning of the year

-

Cash & Cash Equivalents at the end of the year

2,005,385

Cash on Hand

4,129

Balances with Schedule Bank in Current Account

2,001,256

Cash & Cash Equivalents included in Note no.7

2,005,385

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Notes forming part of the Consolidated Financial Statements

(3) Property, Plant and Equipment, Capital Work-In-Progress & Other Intangible Assets

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SYMPHONY AU PTY. LTD.

Notes forming part of the Consolidated Financial Statements

(4) OTHER NON-CURRENT ASSETS

Particulars	(In AUD)
	As at
Unsecured, considered good	31/03/2019
Prepaid expenses	531,887
	531,887

(5) INVENTORIES

Particulars	(In AUD)
	As at
Raw materials (Including Packing Material)	31/03/2019
(Including Goods in Transit AUD 402,696 Previous year AUD Nil)	4,583,756
Work-in-Progress	
Finished Goods (Including Goods in Transit AUD 19,980, Previous year AUD Nil)	414
	4,530,466
	9,114,636

(6) TRADE RECEIVABLES

Particulars	(In AUD)
	As at
Unsecured Considered good	31/03/2019
	10,039,977
	10,039,977

Majority domestic business of the Company is on Cash and Carry basis, for credit business the Company trades with recognised and credit worthy third parties. In addition, receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is not significant. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables for Exports Sales based on provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing

	Expected credit loss (%)
Within the credit period	
1-90 days past due	0.15%
91-180 days past due	9.09%
181-360 days past due	0.00%
More than 360 days past due	0.00%

Age of receivables

	(In AUD)
	As at
	31/03/2019
Within the credit period	
1-90 days past due	
91-180 days past due	10,018,681
181-360 days past due	21,296
More than 360 days past due	-

Movement in the expected credit loss allowance

	As at
	31/03/2019
Balance at beginning of the period	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-
Balance at end of the period	-
The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.	

(7) CASH & CASH EQUIVALENTS

Particulars	(In AUD)
	As at
	31/03/2019
Cash and Cash Equivalents	
Cash on Hand	4,129
Balance with banks in current accounts	2,001,256
	2,005,385

(8) OTHER CURRENT ASSETS

Particulars	(In AUD)
	As at
	31/03/2019
Advance for supply of goods and rendering of services	
Unsecured, considered good	690,131
Prepaid Expenses	1,983,749
	2,673,880

SYMPHONY AU PTY. LTD.

Notes forming part of the Consolidated Financial Statements

(9) EQUITY SHARE CAPITAL

Particulars	(In AUD)
	As at 31/03/2019
Authorised : _____ Equity Shares of AUD _____/- each	
Issued, Subscribed & Paid up : 15,200,000 (As at March 31, 2019) Equity Shares of AUD 1/- each fully paid up	15,200,000
	<u>15,200,000</u>

The Company has only one class of shares referred to as equity shares having a par value of AUD _____, 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, 2019 is set out below :

Name of the shareholder	No. of shares	% held as at March 31, 2019
Symphony Limited	15,200,000	95.00%
Bonainvest Pty Ltd CAN 603875921	800,000	5.00%

The reconciliation of the number of shares outstanding as at March 31, 2019 is set out below:

Particulars	As at 31/03/2019
	No. of Shares
Opening Balance	-
Add: Issue of Shares	16,000,000
Closing Balance	<u>16,000,000</u>

(10) OTHER EQUITY

Particulars	(In AUD)
	As at 31/03/2019
Translation Reserve	(11,486)
Retained Earnings	<u>(2,674,792)</u>
	<u>(2,686,278)</u>

10.1 Translation Reserve

Particulars	(In AUD)
	As at 31/03/2019
Opening balance	-
Movement during the period	(11,486)
Closing balance	<u>(11,486)</u>

10.2 Retained Earnings

Particulars	(In AUD)
	As at 31/03/2019
Opening balance	-
Profit for the period	(2,674,792)
Other Comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-
Dividend on Equity Shares	-
Tax on Dividend	-
Closing balance	<u>(2,674,792)</u>

(11) NON-CONTROLLING INTERESTS

Particulars	(In AUD)
	As at 31/03/2019
Opening balance	-
Profit for the period	(140,779)
Non-controlling interests arising on the acquisition of Climate Technologies Pty. Ltd.	800,000
Closing balance	<u>659,221</u>

SYMPHONY AU PTY. LTD.**Notes forming part of the Consolidated Financial Statements****(12) NON-CURRENT BORROWINGS (In AUD)**

Particulars	As at
	31/03/2019
Unsecured	
Loan from Bank	25,180,000
	25,180,000

(13) LONG-TERM PROVISIONS (In AUD)

Particulars	As at
	31/03/2019
Provision for	
Employee benefits (Refer note (i) below)	128,171
Warranty (Refer note (ii) below)	844,077
	972,248

(i) The provision for employee benefits includes seniority premium and pension plan. The decrease in the carrying amount of the provision for the current year results from benefits being paid in the current year.

(ii) The provision for warranty claims represents the present value of the directors' best estimate of the future outflow of economic benefits that will be required under the Company's obligations for warranties under local sale of goods legislation. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

(14) DEFERRED TAX LIABILITIES/(ASSETS) (NET) (In AUD)

Particulars	As at
	31/03/2019
Deferred Tax Liabilities/(Assets) on	
(i) Property, plant and equipment and intangible assets	(105,000)
(ii) Financial Assets at FVTPL	(3,789,994)
Deferred Tax Liability/(Asset) Net	(3,894,994)

(15) CURRENT BORROWINGS (In AUD)

Particulars	As at
	31/03/2019
Unsecured	
Loan from Bank	7,000,000
	7,000,000

(16) TRADE PAYABLES (In AUD)

Particulars	As at
	31/03/2019
Trade Payables	11,840,919
	11,840,919

(17) PROVISIONS (In AUD)

Particulars	As at
	31/03/2019
Provision for	
Employee benefits (Refer note (i) below)	1,030,881
Warranty (Refer note (ii) below)	443,465
	1,474,346

Balance at June 15, 2018

Additional provisions recognised 1,287,542

Reductions arising from payments -

Balance at March 31, 2019

1,287,542

(i) The provision for employee benefits includes seniority premium and pension plan. The decrease in the carrying amount of the provision for the current year results from benefits being paid in the current year.

(ii) The provision for warranty claims represents the present value of the directors' best estimate of the future outflow of economic benefits that will be required under the Company's obligations for warranties under local sale of goods legislation. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

(18) OTHER CURRENT LIABILITIES (In AUD)

Particulars	As at
	31/03/2019
Statutory Dues	59,497
	59,497

SYMPHONY AU PTY. LTD.

Notes forming part of the Consolidated Financial Statements

(19) REVENUE FROM OPERATIONS (In AUD)

Particulars	Period Ended 31/03/2019
Revenue from Sale of Products	40,290,412
Other Operating Revenue	87,980
	<u>40,378,391</u>
Sale of products comprises of :	
Air Coolers	26,094,909
Gas Heaters	10,180,194
Spares	4,015,309
	<u>40,290,412</u>

(20) OTHER INCOME (In AUD)

Particulars	Period Ended 31/03/2019
Interest Income:	
Bank deposits (at amortised cost)	4,298
Other gains and losses	
Net Foreign Exchange gains	922
Other Non Operating Income	13,651
	<u>18,871</u>

(21) COST OF MATERIAL CONSUMED (In AUD)

Particulars	Period Ended 31/03/2019
Opening Stock of Raw Materials	-
Add: Purchases	34,328,352
Less: Closing Stock of Raw Materials	4,583,756
	<u>29,744,596</u>
Cost of material comprises of Moulded Parts & components of Air Cooler	

(22) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE (In AUD)

Particulars	Period Ended 31/03/2019
Opening Stock	
Work-in-Progress	-
Finished Goods	-
Less:	
Closing Stock	
Work-in-Progress	414
Finished Goods	4,530,466
	<u>(4,530,880)</u>

(23) EMPLOYEE BENEFIT EXPENSES (In AUD)

Particulars	Period Ended 31/03/2019
Salaries, Wages and Bonus	4,917,366
Contribution to Provident Fund and Other Funds	551,315
Staff Welfare Expenses	16,706
	<u>5,485,387</u>

SYMPHONY AU PTY. LTD.

Notes forming part of the Consolidated Financial Statements

(24) FINANCE COSTS	(In AUD)
Particulars	Period Ended 31/03/2019

Interest Expenses	1,034,979
	<u>1,034,979</u>

(25) OTHER EXPENSES	(In AUD)
Particulars	Period Ended 31/03/2019

Assembly and Labour Charges	1,879,062
Power and Fuel	245,048
Repairs & Maintenance	
Machinery	458,538
Rent (Refer Note no. 32)	1,261,025
Rates & Taxes	22,491
Travelling	115,623
Communication Expenses	131,074
Insurance	585,054
Printing and stationery charges	26,172
Legal & Professional Charges	268,773
Payment to Auditors (Refer Note no. 31)	94,204
Vehicle Expenses	51,345
General Expenses	616,758
Guarantee Charges	132,605
Bank Charges	91,512
Freight & Forwarding Charges	1,403,015
Warranty Expense	1,679,381
Sales Commission	849,192
	<u>9,910,872</u>

(26) EARNINGS PER SHARE	
Particulars	Period Ended 31/03/2019

Face value of Equity Shares (AUD)	1
Net Profit available for Equity Shareholders	(2,815,571)
No. of Equity Shares	16,000,000
Basic and Diluted EPS (AUD)	(0.18)

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SYMPHONY AU PTY. LTD.

Notes forming part of the Consolidated Financial Statements

(27) Tax Expense

(27.1) Income tax recognised in statement of profit and loss

		(In AUD)
Sr. Particulars	No.	Period Ended 31/03/2019
(a) Current tax		
In respect of the current year		(448,303)
In respect of prior years		-
		(448,303)
(b) Deferred tax		
In respect of the current year		410,442
		410,442
Total income tax recognised in statement of profit and loss		(37,861)

The income tax expense for the year can be reconciled to the accounting profit as follows:

Sr. Particulars	No.	Period Ended 31/03/2019
Profit before tax		(2,853,432)
Income tax expense calculated at 30%		-
(a) Effect of income that is exempt from taxation		
Dividend income		
Interest on tax free bonds		
(b) Effect of expense that are not deductible in taxable profit		
Expenses in relation to exempt income		
(c) Others		(37,861)
Current Year Income tax expense		(37,861)
Prior Year Income tax expense		-
Total income tax recognised in statement of profit and loss		(37,861)

(27.2) Income tax recognised in Other Comprehensive Income

		(In AUD)
Sr. Particulars	No.	Period Ended 31/03/2019
Deferred tax		
(a) Arising on income and expenses recognised in other comprehensive income:		
Re-measurement of defined benefit obligation		-
Net fair value gain on investments in debt instruments at FVTOCI		-
Total income tax recognised in other comprehensive income		-
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss		-
Items that may be reclassified to profit or loss		-

SYMPHONY AU PTY. LTD.**Notes forming part of the Consolidated Financial Statements**

(28) Contingent Liabilities and Commitments (to the extent not provided for) : (In AUD)
2018-19

(i) Contingent Liabilities:

- a) Claims against the Company not acknowledged as debt.
- b) Demand on account of vat / sales tax matters.
- c) Demand on account of Income Tax matters.
- d) Demand on account of central excise matters.
- e) Corporate Guarantee given for subsidiary company

Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities. No amount is expected to be reimbursed from the above.

(ii) Commitments :

- a) Estimated amount of Property, plant and equipment contracts remaining to be executed and not provided for.

(29) Segment Reporting**(a) Primary Segment :**

As per recognition criteria mentioned in Ind AS - 108, Operating Segment, the Company has identified only one operating segment i.e. Air Coolers Business. However substantial portion of Corporate Funds remained invested in various financial instruments. The Company has considered Corporate Funds as a separate segment so as to provide better understanding of performance of Air Cooler Business.

	2018-19
(1) Segment Revenue	
Air Coolers	40,397,262
Corporate Funds	-
Total	<u>40,397,262</u>
(2) Segment Profit before Interest and Taxes (PBIT)	
Air Coolers	(1,818,452)
Corporate Funds	-
Total	<u>(1,818,452)</u>
Less: Finance Costs	1,034,979
Less: Taxes	(37,861)
Total Profit After Tax	<u>(2,815,571)</u>
(3) Segment Assets	
Air Coolers	59,699,953
Corporate Funds	-
Total	<u>59,699,953</u>
(4) Segment Liabilities	
Air Coolers	46,527,010
Corporate Funds	-
Total	<u>46,527,010</u>
(5) Capital Employed	
Air Coolers	13,172,943
Corporate Funds	-
Total	<u>13,172,943</u>

(b) Secondary Segment : Geographical segment

	2018-19
(1) Segment Revenue	
Australia	33,499,944
Rest of the world	6,878,447
Revenue from operations	<u>40,378,391</u>
(2) Segment Profit before Interest and Taxes (PBIT)	
Australia	(3,573,052)
Rest of the world	1,754,600
Total	<u>(1,818,452)</u>
Less: Finance Costs	1,034,979
Less: Taxes	(37,861)
Total Profit After Tax	<u>(2,815,571)</u>

Secondary Segment Capital Employed :

Fixed assets used in the Company's business and liabilities contracted have not been identified with any of the reportable segments, as the fixed assets and services are used interchangeably between segments. The Company believes that it is not practical to provide secondary segment disclosures relating to Capital employed.

SYMPHONY AU PTY. LTD.

Notes forming part of the Consolidated Financial Statements

(30) Related Party Disclosures

(In AUD)

Sr no	Name of the Related Parties	Nature of relationship with company	Nature of transaction	2018-19	
				Volume of transaction	Balance at the end of the year
1	Guangdong Symphony Keruilai Air Coolers Co., Ltd	Subsidiary of Symphony Limited	Purchase of Goods	59,307	(12,737)
2	IMPCO S DE RL DE C V	Subsidiary of Symphony Limited	Sale of Goods	38,585	-
3	Symphony Limited	The parent company	Guarantee Charges	132,605	132,605

Policy on dealing with Related party transactions:

The Company has made a list of related parties after considering the requirements and based on the annual declaration received from individuals like Directors and Key Managerial Personnel (KMP). All related party transactions are reported and referred for approval to the Audit Committee as per section 177 of the Companies Act, 2013. The Audit committee may grant general approval for repetitive related party transactions. Such general approval will be valid for a period of one year and a fresh approval shall be taken for every financial year. As per section 188 of the Companies Act, 2013, the consent of the Board/Shareholders' approval is required, by a special resolution in a general meeting, for entering into the specified transactions with a related party, if they are not in ordinary course of business of the Company or at arm's length and exceeds the threshold limits as specified in the Act.

(31) Payment to Statutory Auditors (excluding GST) (Refer Note no. 25)

2018-19

- a) As Auditor
- b) In other capacity, in respect of
 - i) Certification
 - ii) Limited Review

94,204

94,204

(32) Leases

38.1 : Leasing Arrangement

The company does not have any Non-cancellable lease.

Operating lease is related to

- i) Lease of premises at 30-32 Walters Way, Forrestfield, Australia for a period of 5 Years commencing from July 2014
- ii) Lease of premises at 444-446 South Gippsland Highway, Dandenong South, Australia for a period of 10 years from July 2009
- iii) Lease of premises at 26 Nylex Avenue, Salisbury, Australia for a period of 7 years from July 2018
- iii) Lease of premises at Henderson, NV, USA for a period of 37 Months from November 16
- iv) Lease of Office Equipemnt for 4 Years from July 2016
- v) Lease of Office equipemnt for 5 Years from July 2018
- vi) Lease of Office equipemnt for 5 Years from July 2014

38.2 : Payment recognised as an expenses

Minimum Lease Payments	2018-19
Contingent Rentals	1,261,025
Sub-Lease payment received	-
Total	1,261,025

If there is some Non-cancellable operating lease then, following details are also required:

38.3 : Non-cancellable operating lease commitments

Note later than 1 year	2018-19
Later than 1 year and not later than 5 years	1,368,126
Later than 5 years	5,831,398
	290,864
	7,490,388

SYMPHONY AU PTY. LTD.

Notes forming part of the Consolidated Financial Statements

(In AUD)

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

Particulars	Currency	In Foreign Currency	In AUD
Trade Payables	US\$	356,631	453,152
	RMB	282,600	5,935
Advance for Import purchases	US\$	-	-
Advance from Customer	US\$	-	-
	GBP	-	-
Trade Receivable	US\$	385,077	543,356
	EURO	-	-
Loan Receivable	US\$	-	-

(34) Expenditure on Research & Development activities are as under

The amount of expenditure as shown in respective heads of account is as under:

Particulars

	2018-19
Capital Expenditure	232,714
Revenue Expenditure	
Material Consumed	5,729
Employee Benefit Expenses	459,251
Other Expenses	140,649
Total	838,343