



# 27°C world

Symphony Limited  
Annual Report 2019-20

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### Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. 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.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in

making our assumptions. 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 or projected. 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. Due to the global Corona virus outbreak (Covid-19), the company's operations were affected in the fourth quarter of 2019-20, as a result of which the company's performance of 2019-20 and 2018-19 may not be strictly compatible.

## **Symphony Limited.**

**Not** just a cooler product company; a cooling solution company instead.

**Not** just a residential cooler company; a residential-commercial-industrial cooler company instead.

**Not** just focused on select countries; a company present in more than 60 countries instead.

**Not** just an India-driven organisation; a multi-country operation enhancing its global influence instead.





## Mission

Our mission drives us to give all we can to our customers, to each other, and to our Company.

- Design, quality and service – Always the foremost
- Innovation and improvement – Always the endeavor
- Customer comfort – Always the inspiration



## Background

Symphony Limited entered the business of cooling products a number of decades ago and has since emerged as the world's largest air-coolers company. The Company was promoted by Achal Bakeri in 1988. Headquartered in Ahmedabad the company is recognised as an innovator in air-cooling.

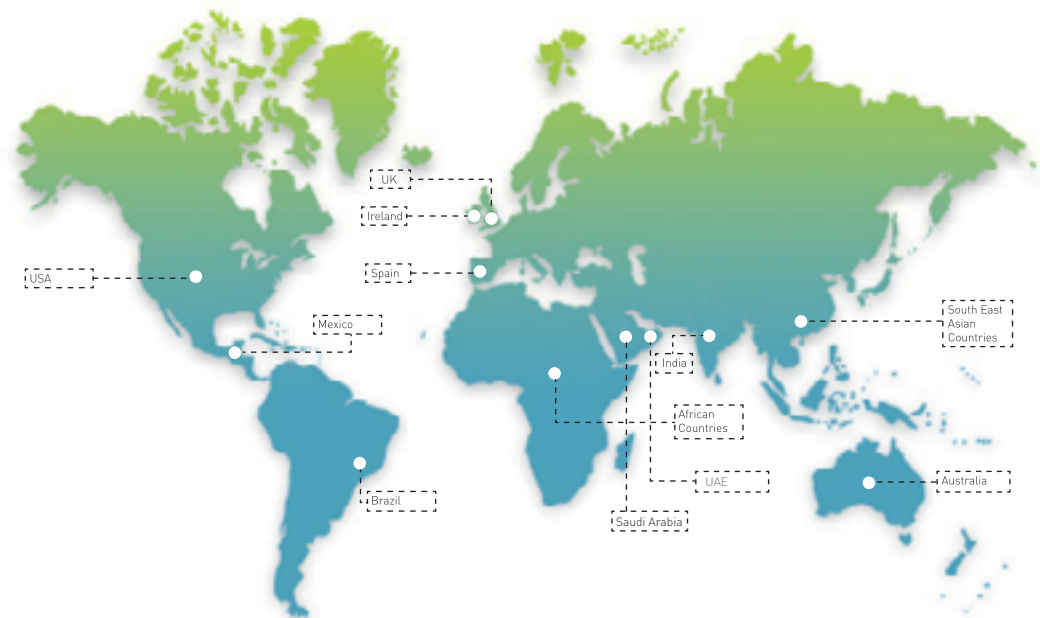


## Products

Symphony addresses every cooling need with a product range comprising household, commercial and industrial air-coolers, marked by cost-efficiency, affordability and portability.

**740**

Team size,  
March 31, 2020





## Brand

Symphony is a respected global brand responding with speed to market dynamics through superior styling, technologies and features. Symphony products have been endorsed by industrial giants like General Electric (US), Lear Corporation (US) and Walmart (US), facilitating a presence in respected supermarkets like Walmart, Sears, Metro, Carrefour, Lowe's, The Home Depot and others.



## Sustainability

Symphony's commitment to energy conservation places it at the forefront of global environmental stewardship. The R&D team works extensively with design engineers, air-cooling technologists and consumers the world over to develop energy-efficient carbon footprint-reducing products. Symphony has invested in state-of-the-art R&D facilities operating out of India, China, Australia and Mexico, complementing the strengths of each other in the local and global markets.



## Global presence

Symphony products are marketed in more than 60 countries, making it arguably the most widely available air-cooling brand in the world. These countries include Australia, China, Mexico, USA, UK, UAE, Ireland, Mexico, Brazil, Saudi Arabia, Spain and almost all African and South-East Asian countries.



## Listing

The Company's equity shares are listed on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE). The Company enjoyed a market capitalisation of ₹5,447.55 Crores as on March 31, 2020.





## Subsidiaries

The Company comprises the following global subsidiaries

### Mexico

Symphony acquired IMPCO S. de R.L. de C.V. in 2009, facilitating a ready-made market access to North America and forayed into the industrial cooling space in which the company was previously absent.

### China

Symphony acquired Guangdong Symphony Keruilai Air Coolers Co. Ltd. (GSK) in 2016, a company that had in the past helped frame China's air-cooling quality standards and had been awarded ~50 patents for industrial coolers.

### Australia

Symphony completed the acquisition of Climate Technologies Pty Limited (CT) in 2018, a leader in the Australian air cooling market owning multi-decade brands like Bonaire and Celair and possessing rich experience in the manufacturing of air coolers and premium ducted gas heaters.

### USA

Bonaire USA LLP (BUSA), a subsidiary of Climate Technologies, is now a step-down subsidiary of Symphony. BUSA produces air coolers and sells to The Home Depot.

### Brazil

Symphony Climatizadores Ltda (SCL), established as a 100% subsidiary of Symphony India, caters to the Brazilian market.



## Awards

**Symphony** received recognition of Star Export House from the Government of India.

**Symphony's** in-house R&D centre was accorded the Certificate of Recognition by the Ministry of Science and Technology, Government of India.

**Symphony** won twice consecutively the Awards for "Excellence in Financial Reporting" by The Institute of Chartered Accountants of India for its annual report of FY 2009-10 as well as for FY 2010-11.

**Symphony** won the coveted Quality Mark Award in 2014 in the Home Appliances category, edging past all major players in the segment.

**Symphony** bagged the Best Innovative Company Award in 2015.

**Symphony** bagged the prestigious "Best Presented Annual Report Award for Manufacturing Sector" for its annual report of FY 2011-12, awarded by the South Asian Federation of Accounts (SAFA).

**Symphony** won awards for Overall and Best SME – Manufacturing in 2015.

# Our intangible **numbers** - Standalone

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## Market leadership

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~50

Symphony market share (%), 2019-20

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## Product portfolio

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70+

Number of models on offer, 2019-20



3

Number of categories of presence, 2019-20

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## Brand investment

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240

₹ Crores, investment in brand building in the ten years ending 2019-20



94

₹ Crores, investment in brand building in the three years ending 2019-20



18

Revenue (₹) from every rupee of brand spending, 2019-20



21

Revenue (₹) from every rupee of brand spending, 2018-19



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## Service backbone

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Retail touch points, more than twice the size of the nearest brand



Number of pin-codes addressed (out of India's 155,000 post offices)

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## Financial foundation

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₹ Crores, consolidated debt, 2019-20 (domestically Symphony continues to remain a zero-debt company. Debt taken in subsidiaries is strategically to generate an interest arbitrage and financial leverage)



₹ Crores, consolidated treasury investments (March 31, 2020)



Net debt-free company on the Standalone as well as on Consolidated basis

**Before**  
we start...





It would be improper to begin a review of the last financial year without a mention of the Novel Corona virus (referred to also as Covid-19).

The largest pandemic in the recent history of the world has affected most countries through its abruptness, speed and impact.

**The result:** a watershed in the history of humankind.

At Symphony, we were not affected as much by the virus during the financial year under review as much as we were during the first quarter of the current financial year. The spread of this virus has only reinforced our conviction that a distinct strategic clarity is our best insurance.

An unpredictable environment puts a premium on de-risking and managed growth. We believe that truly sustainable companies will resist a sharp downside when the going is difficult and be quicker off the blocks once conditions revive.

At Symphony, we believe that companies that are in existence to address a specific purpose – in our case, providing cooling solutions that makes lives more convenient - will find it easier to protect their brand and competitiveness. Besides, there is a greater respect for being debt-light than ever.

The principal message that we wish to convey to our shareholders is that Symphony is securely positioned: a robust brand, strong Balance Sheet, widening global presence, growing product portfolio and increasingly adjacent to that one word that defines us and excites us.

*Cooling.*

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Theme overview

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Our dream:  
A **27°C** world





In around 25 years, Symphony delivered more than ₹5,750 Crores in gross revenue and ₹1,240 Crores in cumulative profit after tax.

This sustained outperformance was generated from just one product category (residential air-cooler).

Over the last decade, Symphony set into motion initiatives to widen its operating platform to include industrial and commercial coolers as well.

The result was that in 2019-20, Symphony launched and marketed industrial and commercial coolers, manufactured for the first time in India.

The company no longer just cools residential spaces; it is empowered to cool virtually all spaces- interior or exterior - anywhere.

# Global warming, human productivity and **Symphony**

## Symphony is at the right place at the right time with the right products.

The world is becoming increasingly warmer, workplace productivity is at a premium and unusually warm weather is being linked to lower economic output.

Researchers who analysed labour-intensive and automated manufacturing processes in India found that textile worker productivity declined 4% per degree of temperature increase beyond 27° Celsius; worker productivity can be enhanced by up to 12% by increasing thermal comfort at the workplace (source: IIM-Ahmedabad); a one-degree increase in the ten-day average temperature was found to increase the probability that a worker would be absent by as much as 5%; output declined about 3% for every degree above the average temperature (across 70,000 plants).

At Symphony, we believe that by extending from one cooling platform to three, we are not just widening our addressable market; we expect to make more people work better.

The shop owner might respond with charm when engaging with a customer at 6:35 p.m.

The shop floor worker might engage in an energised five-minute meeting.

The software professional might concentrate harder during cross-continental calls.

Aggregate millions of instances like these and the result could be a more prosperous, cheerful and contented world.

*All because of an air-cooler.*

**“Symphony 3.0**  
is not a company  
nervous about  
holding on to  
market leadership;  
it continues to be a  
sectorial disruptor  
seeking to increase  
its lead further.”

**Achal Bakeri,**

Chairman-Managing  
Director, reviews the company's  
performance rebound of 2019-  
20 and indicates how this could  
be the start of a new beginning



# 1

**When** we entered the financial year under review, most industry observers seemed inclined to relegate Symphony to the past.

You could sense their patronising tone; you could feel their story ending with ‘Yes, those were good days for Symphony but sadly...’

Symphony sprang a pleasant surprise.

The company reported a 37% rebound in standalone revenues in 2019-20 (first quarter revenue growth was 102% over the corresponding period of 2018-19) while

profit after tax went up by 84%.

I am proud and pleased to communicate that we rebounded without any Balance Sheet impact; not only was the trough abbreviated to just a year, but we also protected our receivables and working capital cycle, profitability, robust return on capital employed, Balance Sheet hygiene and liquidity.

We lived to win another day.

# 2

**The** big message that we wish to communicate is that enduring brands rebound; deep managements revive; solid fundamentals re-assert.

Symphony’s performance must be seen through this prism: the company’s management depth was validated in 2019-20; its recovery was as vigorous as its brief downtrend; it responded to the decline

not with a defensive ‘Wait and watch’ but with an aggressive ‘Let us give the market our best shot’; when it encountered headwinds in marketing room-cooling products, it extended to a commitment that promised to cool the world.

Symphony 3.0 continues to be a sectorial disruptor seeking to increase its lead further.



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We manufactured industrial and commercial coolers for the first time in India; we launched an unprecedented 21 models across formats

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### 3

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**When** we started the financial year under review, the principal question was how – and when – we would revive our Indian operations.

We had options: we could have told our primary customers (dealers and distributors) that we would hold out in a defensive operation until an unusually hot summer revived consumer sentiment; we could have said that we would launch an advertising campaign to ‘push’ products and discount our premium products along the way.

At Symphony, we turned to something more fundamental: our knowledge of how to create better air-coolers, our experience of which product would work at what time or in which market and our insight on how consumers would respond if the mercury shot past 40 degrees celsius.

Our inch-wide mile-deep product focus (also described as the ability to dream ‘air-coolers’ when others see themselves running around trees wearing white shoes and singing songs to their beloved) helped excite consumers better.

We induced fence-sitters to reach for their electronic wallets. We encouraged air-cooler consumers to trust craftsmen (us), specialists (us) and the obsessive (us again).

The result was that even the canny who seek the fleeting arbitrage in every transaction – ‘That shop 6 kms away has priced the same product ₹200 lower’ – returned to tell our dealer ‘*Achchha baba*, show us that Symphony you showed us an hour ago.’

There are a number of ways we took our focus ahead. We manufactured industrial and commercial coolers for the first time in India; we launched an unprecedented 21 models across formats; we excited our trade partners with the news that we were offering them a larger variety - products that will be available for them to go out and sell; we reinforced our recall as a company that creates platforms as opposed to those that merely manufacture products; we deepened our positioning as holistic space cooling specialists; we launched products that carved away a sizable share of their price and space segments.

We fought for the day and created markets for the future. The returns were evident in our portfolio, numbers and morale.

We returned energised. We emerged nimbler. We proved hungrier.

For nearly a quarter of a century, Symphony grew its business on the basis of one revenue stream; starting 2019-20, we have three engines firing simultaneously. At Symphony, we are confident that their cumulative value will be far in excess of the

sum of the standalone value of their parts.

This then is how we would like to describe the financial year 2019-20 in an analogy that would touch a chord with everyone: we have scored a double century and instead of calling for a fresh towel or refreshing drink from the pavilion, we have asked the umpire for a fresh guard.

Sending out a signal that as far as we are concerned, this represents the start of a new innings.

## 4

**When** Symphony announced Version 3.0 of its products a couple of years ago, the residential coolers market in India had tanked and a number of stakeholders wondered whether we had erred in making this overarching announcement.

In our last Annual Report, we had outlined the initiatives through which we planned to deepen our business commitment in this new phase.

We resolved to deepen our focus on evaporative air cooling technology; we decided to extend the

range of products we manufactured in India from just residential cooling machines to industrial and commercial cooling solutions as well.

We worked on widening our trade network and deepening our relationships.

We invested in cutting-edge technologies like SAP and data analytics.

We prepared ourselves to respond to markets with a combination of volume and value.



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We invested in cutting-edge technologies like SAP and data analytics.

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We have a better visibility on the speed with which we expect to turn the operations of our Australian subsidiary around.

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We deepened brand investments to strengthen consumer pull.

We strategised to permute and combine technologies to retain our position as a benchmark company that competitors checked out first ('Tell me what Symphony is doing before you present your next Product Launch report').

We announced the intention to grow our global subsidiaries.

We achieved all this in the space of a year and the result is that in 3.0, Symphony is a global multi-platform temperature control company supported by a growing international network, global market access and revenues.

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## 5

**One** is more optimistic about Symphony today than possibly at any time in the company's existence.

Let us start with our international subsidiaries. We have a better visibility on the speed with which we expect to turn the operations of our Australian subsidiary around. We believe that the closer integration of our other international subsidiaries – China and Mexico – should translate into a more potent development of products on the one hand and integration into large retail marketplaces on the other.

Besides, India will earn more, aspire more, spend more.

Rising temperatures are irreversible.

As the market grows larger, the proportion of those buying unbranded air-coolers will decline as a percentage of all coolers sold in India.

The market for coolers will progressively reduce its dependence on the harshness of the summer and become increasingly influenced by other considerations such as aesthetics and affluence ('We bought it because we wanted our home to also be as comfortable across the

seasons like any affluent home.’)

The air-cooler represents the higher end of a family’s consumption hierarchy because it graduates an entire family towards an exclusive experience.

We believe that Symphony is best positioned to capitalise on this perception.

We possess the largest portfolio and the youngest (more than 31% of the portfolio being less than two years old), the widest distribution network, the most effective multi-country research team, the strongest Balance Sheet and a larger brand investment across the last decade compared to all our competitors combined.

We possess possibly the richest experience of market cycles; when markets weaken (as they do every few years), Symphony is more likely to respond with ‘How can we excite this nervous market with different coolers?’ as opposed to a panic-induced ‘We are shutting down all investments until the market recovers’.

The result is that by seeding the market with differentiated products

we are able to catalyze its recovery (primary objective); when market demand eventually does come back, we are best-placed to carve away a disproportionately larger share (secondary spin-off).

We have a larger number of trade partners engaged with us for five years or more than anyone selling air-coolers in India, strengthening our network’s ability to act as guides whenever anyone seeks our advice on the best cooling solution.

We continue to enjoy the highest Share of Voice at 51%; eight of ten consumers said ‘Symphony Hi Cool *dikhaiyyega*’ when they went to buy an air-cooler.

As the market for branded air-coolers climbs from a bend into a diagonal linearity on the J curve, Symphony 3.0 will be equipped not just to protect its market share but also to grow it.

We’ve only just begun.

With warmth  
(of the other kind)

**Achal Bakeri**  
*Chairman*



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We have a larger number of trade partners engaged with us for five years or more than anyone selling air-coolers in India

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# Symphony:

## Protecting itself from the pandemic impact

The big question that we are being asked is 'How will Symphony weather the Covid-19 pandemic?'

At a time when consumer sentiment has weakened, incomes are likely to be lower, lockdowns are still in force and social distancing is affecting human movement, the company's performance for 2020-21 is likely to be affected.

Given the uncertainty of the prevailing environment, it would be difficult hazarding a guess on when consumer buying – residential, commercial, or industrial - will return and when the trade environment will normalise.

At Symphony, our priority will be to protect the wellbeing of our stakeholders, encourage consumers to buy, maximise sales and moderate costs. We are competently placed to protect the integrity of our Balance Sheet in what appears to be the most economically challenging year in decades.

At Symphony, it would have been defeating to see the crisis as insurmountable with little role for a company like ours. On the contrary, we perceive the crisis as an opportunity



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As an opportunity-seeking organisation, Symphony has embarked on a number of projects in the last few months with the objective to strengthen its competitiveness.

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to do business in a different way. The result is that our company has utilised the last few months to look within, seek better ways of doing things, question every practice and reinvent every paradigm with the objective to emerge stronger when the world normalises.

A number of elements of the Symphony business model will empower the company to survive the downturn with among the lowest relative Balance Sheet impairment in its sector.

**One**, the company's has been a variable cost business model by the virtue of a completely outsourcing-driven approach; the proportion of the quantum of gross block in the total employed capital is low; the aggregate employee cost as a percentage of revenues is also reasonably low. The result of this austerity is that the company has a low 'burn' rate and is adequately equipped to

remain profitable even on a lower revenue base.

**Two**, the complementarity of the global geographies of the company's presence has moderated its once-excessive dependence on India. The result is that the company generated revenues in the first quarter of the current financial year from countries where the pandemic impact then was not as severe as India.

**Three**, the company had ₹649 Crores net worth its books as on March 31, 2020 and was net-debt free on a consolidated basis, making it easier to see through the slowdown.

**Four**, we are engaged in a business that enhances home comfort. At a time when most people are 'locked' into their homes, they would be more inclined to enhance their comfort through the purchase of home coolers and of heaters as in the case of our business in Australia.

**Five**, a number of residential and industrial customers prefer air-coolers over air-conditioners on account of the intake of fresh air unlike air-conditioners that only recirculate stale air. Capitalising on this, the company ran a summer campaign called 'Khol do khidki, chalao Symphony'.

As an opportunity-seeking organisation, Symphony has embarked on a number of projects in the last few months with the objective to strengthen its competitiveness. We believe that the cumulative impact of these projects will strengthen our brand and business going forward.

In view of these initiatives, we expect to remain the last person standing within our sector through the slowdown and among the first to be off the block when conditions revive.





In our earlier annual reports, we highlighted the coming of Symphony 3.0. It is time to refresh that memory.

**At** our company we are not just seeing things for what they are but for what they can be.

**We** are not just creating product categories but creating platforms.

**We** are not just widening our footprint but deepening our synergies.

**We** are not just focusing on owning market share but in enhancing category share.

**We** are not just focusing on the 'residential' but also developing the 'industrial' and 'commercial' segments.

**We** are not just getting each subsidiary to focus on standalone performance but enhancing the organisational whole.

**We** are not just deepening the entrepreneurial strain within our parent company but also extending it across organisational constituents.

**We** are not just reinforcing subsidiary strengths but also enhancing the consolidated group competence.

**We** are not just seeing subsidiaries as silos but extending their competence into other subsidiaries.

**We** are not just seeing what tangible financials each subsidiary reports but the intangible value it brings to the organisation's table.

**We** are not just seeing subsidiary capabilities 'locked' within their structures but as homogeneous across people, structures, departments and boundaries.

**We** are not just sitting pretty with our lead in the Indian market but constantly working on how we may enhance it.

**We** are not just focusing on the high market share in the second most populous market but on how we may sell our products in more countries.

**We** are not just gloating on what has been achieved but fretting with a sense of urgency on what is still left to be done.



**We are not just deepening the entrepreneurial strain within our parent company but also extending it across organisational constituents.**

# Globalising

At Symphony, a unique fusion is emerging.

At Symphony, we are helping to combine the research intensity of Keruilai (Chinese subsidiary) with the market access provided by our Australian subsidiary (Climate Technologies) with the industrial cooler insights of our Mexican constituent (IMPCO) with the entrepreneurial grounding

of the parent company (Symphony).

We believe that this new *avatar* - the aggregate value of India, China, Mexico and Australia - is unprecedented in the world of air-coolers. Rarely (probably never) has any single company brought to the global market such a consolidated competence.

What excites us is that for long a number of these capabilities had been locked into their respective geographies, resulting in a knowledge silo. The competence created in Mexico, for instance, was available to be implemented only in that country until Symphony acquired IMPCO. Following the Symphony

## The global fusion at Symphony

### Symphony India

Market building

Entrepreneurial

Asset lightness

Value-engineering

### GSK, China

Deep research

Wide insight into the Chinese component eco-system

Market-building competence

Wide products portfolio

effect, these incestuous competencies and capabilities are being released and combined. Finally.

We recognise that the vast research insight that lies with Keruilai could be productised within India and relayed to Climate Technologies for onward customisation. We have a convenient analogy

with which to describe this exciting Symphony reality: one person creates a move, passes to another who carries the ball some distance, then slips it away to a third who has reached from where he needs to score. Different people may play a part in the goal being

scored; it is the team that wins.

The reality is no different in a globalising Symphony. One subsidiary creates a move, another grows it and a third scores.

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## IMPCO, Mexico

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Rich experience in industrial coolers

Manufacturing presence in North America

Market access in IMPCO enabling large exports from Symphony India.

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## Climate Technologies, Australia

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Wide and deep Australian distribution network

Market knowledge

Popular proprietary brand

Market access in Australia and USA enabling large exports from Symphony India.

# Rise **Australia**

Symphony acquired Climate Technologies (Australia) based on assumptions of attractive growth and profit delivery in 2018.

**Climate Technologies (headquartered in Adelaide) brought impressive portfolio credentials to Symphony's table:**

evaporative air coolers, ducted gas heaters and other cooling products. The acquired company possessed a manufacturing facility in Adelaide (South Australia) and assembly operations in Las Vegas (USA) at the time of acquisition. Besides, Climate Technologies (pre-acquisition) generated ~92% of its revenues from Australia and ~8% from USA.

In the normal course of things, Symphony would have taken a number of years to build similar competitiveness. Buying into Climate Technologies proved quicker,

eliminated probable errors (and related costs) and built on existing strengths.

However, some performance assumptions that had been projected at the time of the acquisition did not transpire on account of changes in market conditions.

**Symphony could have responded in two ways:** waited for the market to evolve in line with expectations or moved to that part of the market over which Climate Technologies could exercise control.

We responded with 'Symphonomics', marked by our trademarked entrepreneurial spirit, ability to think lateral and row

upstream. This is what we discovered: the more one peeled the layers the bigger was the opportunity. Besides, the new Climate Technologies responded to market complexity with strategic simplicity: the subsidiary questioned every practice on how business could be done.

The result is that the Australian subsidiary has already embarked on a journey to reduce the cost of doing business (attacking overheads), moderate the cost of goods sold and invest in building blocks for scalable growth. It reshuffled and rationalised the operating team to emerge leaner, outsourced its after-sales service, reduced the number

of SKUs in play to moderate inventory and invested in SAP for informed cost moderation.

The result is that a cost visibility is now emerging: a projected decline in the annual cost of doing business by 15% from peak and another 15% from this point with the objective to, moderate the projected break-even point of the Australian subsidiary.

From a time when each business ran like an independent strategic business unit that pretty much generated its own components, there is now an active outsourcing of sub-assemblies by Climate Technologies to lower the cost. Improved product design has helped reduce product weight and freight cost. Product suppliers in China ship directly to Climate Technologies' trade partners in Australia in a

semi-knocked down condition. The digital marketing for Australian operations has been outsourced at a lower cost to India.

We believe that by moderating costs – overheads and product – Climate Technologies is fast arriving at a sweet spot from where the subsidiary is expected to report vigorous growth in revenues and profitability.



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**“We believe** that our initiatives will position Climate Technologies as a disruptor, translating into sectoral outperformance in Australia and building into robust suppliers into US.”

A conversation with **Tim O’Leary**, CEO, Climate Technologies

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**Q** Was the management of Climate Technologies pleased with its performance during the year under review?

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The management was pleased as the performance improved over the one reported in 2018-19. Revenues were 5% higher

than the previous year (9 months as the company was acquired on July 1, 2018, annualised) which indicates a traction

for the company’s products, brands and price-value proposition.

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**Q** What were some of the factors that helped catalyse the subsidiary’s performance?

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There were a number of initiatives that began to bear positive results: the subsidiary launched new products, strengthened refrigerated air conditioning

offerings (Bonaire brand), introduced Symphony portable air-coolers timed with the Australian summer and strengthened its sales into US, especially

The Home Depot. The complement of these initiatives translated into an improved performance for the business during the year under review.

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**Q** What was the other significant business-strengthening initiative for the Australian subsidiary?

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The most decisive initiative at Climate Technologies was that the business began its evolution from the manufacturing model to the assembly model during the year under review. The business possesses several large metal working machines, which will be progressively

divested. The business of Climate Technologies will be increasingly asset-light, marked by a 'box in and box out' approach that moderates the cost of goods sold on the one hand and the cost of doing business on the other.

Climate Technologies is now exposed to a stronger supply chain, resulting in economies of procurement; the subsidiary now possesses access to the financial muscle of Symphony to be able to grow the business (earlier a restraint).

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**Q** What is Climate Technologies' road map from this point onwards?

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The business has drawn out a number of initiatives: strengthen the Bonaire brand of refrigerated air coolers, position its split air-conditioners at the price points addressing the mass market, leverage the competitiveness of the world's largest portable air-coolers brand (Symphony), deepen its presence in Australia, route a larger quantum

of sales from Australia to The Home Depot in the US, launch new evaporative products, strengthen value-engineering initiatives in the competitive ducting, heating and commercial cooler segments, restructure with the objective to become leaner and make strategic managerial appointments. We are optimistic that a complement of these

initiatives should translate into an attractive increase in revenues in 2020-21.

We believe that a number of our initiatives will position Climate Technologies as a disruptor, translating into sectoral outperformance in Australia and building into robust suppliers into US.



# The **power** of cross- pollination

When we acquired operations in other countries, we paid not on the basis of what was, but bought on the basis of what could be.

Symphony acquired companies more for what they could achieve from a multi-geographic cross-subsidiary perspective, the full effects of which can be seen only in our consolidated performance.

For instance, our acquisition of IMPCO, was not based on narrow short-term considerations that looked only at the profits reported by IMPCO. Some external observers believed that this acquisition was a silo that would never be able to contribute meaningfully to the consolidated Balance Sheet. Over the years, IMPCO may or may not have scored directly;

what IMPCO did was to have created what in field sport is referred to as a game-maker; it helped in creating a field dynamic that made it possible for Symphony's Indian operations to carve out a better market access and even create a new platform (industrial coolers).

The result is evident in the consolidated numbers: an operation that was acquired for US\$ 650,000 in 2009 had generated US\$ 134 million in sales in last eleven years accounted for half of Symphony's exports, generated more than ₹111 Crores in PAT (accounted

in the books of Symphony standalone plus IMPCO) and recovered the acquisition cost a number of times over.

Similarly, when we acquired Keruilai, most analysts saw only the accumulated loss on the books and the corresponding production capacity we were acquiring to conclude that the kind of financial ammunition required to scale that operation in a large Chinese market would affect the parent's cash flow. What Symphony kick-started was a two-tiered programme: revenue-enhancing and cost reduction that helped moderate



Keruilai's accumulated loss year-on-year and facilitated knowledge sharing to Symphony's operations in India, Australia and Mexico for these to report gains in their geographies. More importantly, the Chinese acquisition drew Symphony into the design and development of commercial air-coolers. Had it not been for this acquisition, Symphony would have invested years of research, which now transpired almost seamlessly; the acquisition also shifted the company's air-cooler research to China and enhanced its access to some of the most competitive component vendors in that geography.

Similarly, the acquisition of Climate Technologies opened up a new market for Symphony in Australia: the company had been attempting to enter that continent for years; a sustained initiative would have entailed time, cost and people resources with no guarantee of success. The acquisition provided Symphony with a manufacturing base in US in addition to access to the Australian and USA markets for residential coolers manufactured in India and China.

Besides, Climate Technologies enjoys access to Symphony's established

value-engineering credentials. Symphony questioned every legacy practice, relationship, lease and contract of Climate Technologies with the objective to make its acquisition profitable.

For instance, Climate Technologies would earlier outsource and sell York products; the subsidiary is now sourcing directly from China at a lower cost and increased margins, the full impact of which will be reflected from the summer of 2020. Besides, Climate Technologies, which had never manufactured portable air-cooling products in the past, now accessed this product from Symphony. Symphony helped Climate Technologies move to a more market-driven approach, liquidate slow moving products, focus on value-addition, implement SAP, rationalise the product portfolio, focus on product winners and shrink the mind-to-market cycle.

The result is that this ferment is not just showing in the transition being achieved in Climate Technologies; it is likely to show in more permutations between Symphony's operating constituents, deepening lateralness, effectiveness and sustainability.



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# Climate Technologies is leading Symphony to where it has never been

The coming together of the two can widen the product properties, sell wider and deeper.

For nearly a decade, Climate Technologies, located in Australia, enjoyed an unusual marketing relationship: the company manufactured air-cooler products for onward placement in The Home Depot,

one of the largest branded retail chains in USA (revenues of US\$ 110.2 billion and profit after tax of US\$ 11.2 billion in 2019, supported by a nationwide franchise 2,291 across outlets).

At Symphony we perceive this relationship is like a 'pipeline' stretching from Climate Technologies to The Home Depot and from each The Home Depot retail outlet to millions of customers across USA. This relationship is at the cusp of graduating to the next level.

Rooftop coolers are already being sold in US but what Climate Technologies is offering is a superior and distinctive non-metal product with a lifetime warranty (against rust and corrosion). Besides, this will be the first time that IMPCO will market a plastic body rooftop evaporative cooler and the first time that Climate Technologies will market a product in Mexico. Climate Technologies received a large order of rooftop evaporative air coolers from The Home Depot that will be implemented in 2020; the

company expects to market these coolers to Lowes and Amazon as well from 2020 onwards. The Home Depot was buying commercial coolers from another supplier but is now turning to the widened bandwidth of Climate Technologies for product innovation and a superior price-value proposition.

The coming together of Symphony and Climate Technologies can widen the product portfolio (non-portable coolers), sell wider and deeper - in Australia and USA.

We believe we are at the inflection point from where US\$ 6 million of US revenues derived by Climate Technologies could become a US\$ 30 million business in less than five years.

That's our big picture.



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We believe we are at the inflection point from where US\$ 6 million of US revenues derived by Climate Technologies could become a US\$ 30 million business in less than five years.

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# Indian operations: **Residential coolers**

When we entered 2019-20, the industry waited to see how our residential segment would perform.

1

This is the moment that makes or breaks. Either you walk in to bat feeling the weight of every single reading into how you are holding your bat, how you have tied your laces and how you have rolled your sleeves or you walk in with a soft firm voice whispering in your head 'Never forget how you hit that six in the last over to seal the World Cup.'

We just said, 'What a lovely time to go out and show our customers the fascinatingly wondrous coolers they can take home to their families.'

We could have launched a couple of residential coolers; we launched an unprecedented 12 residential coolers.

As summer temperatures climbed, we had two surprised audiences: consumers who encountered a wider choice and our primary customers (trade partners) who had a larger throughput to market. The result is that when category demand rebounded, our offtake grew 100% in the first quarter of 2019-20; we finished the financial year with 37 % growth; we had recovered our momentum.

The financial growth reported by Symphony represented only the veneer of the story; how we went about regaining our share and respect was more heart-warming.

Take the launch of Diet 3D for instance. The Diet series was first launched in 2009 but soon

after, competitors dispatched their product development teams to buy our product, unscrew it, copy the design feature by feature and launch their own product versions. Diet held its own until there came a time when we replaced our Diet with another winner.

Some nine years after Diet was called back to the dressing room, we did something downright courageous; now that our Diet clones had fatigued of the design, we called our erstwhile model back into play. When we re-launched Diet the first question our upcountry trade partners asked was 'Dubaara?' We said yes and no; a number

of features of the original design had been retained; for the first time we introduced a unique three-side cooling in a slim tower type cooler (the convention was one-side cooling), changed the colour (black and white), provided an automatic pop-up touchscreen control panel and emphasised our uniqueness by branding our product Diet 3D. The product excited the market; we were inundated with indents and finally, just so that we could accelerate deliveries, some dealers began to call and request '3D *moklaavsho?*'

Similarly Sumo had been launched for the first time in 2000. The product was brought back from the cooler (bad pun) to address the mid-priced desert cooler market. The styling was altered; robustness was enhanced.

The product success exceeded expectations; the company experienced stock outs; the only person who registered a mild complaint was our planning executive

who called a senior executive and hollered '*Kya ho raha hai? Do baar operating plan ko revise karna pada!*', then sized up what he had said – and added 'Thank God.'

The launches that warmed (oops, another pun) us were two price-point coolers. Conventionally, Symphony had consistently addressed the premium end of the market in excess of ₹12,000 per cooler. During the last financial year, Symphony did the unprecedented. The company launched two price-point coolers a shade below ₹10,000 each. What was so unusual about Symphony launching a cooler for Rupees nine thousand-something? Because this was the category in which Symphony never cared to venture. Because there was apprehension that these launches would compromise the branding of a premium coolers company like ours. Because this was the equivalent of a propah gent



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The product success exceeded expectations; the company experienced stock outs; the only person who registered a mild complaint was our planning executive who called a senior executive and hollered '*Kya ho raha hai? Do baar operating plan ko revise karna pada!*'

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When the market for air-coolers de-grew sharply in 2018, the whisper that began to gain currency was that the age of the box was over.

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getting drawn into a street brawl. Because this was a bit like a value-focused company selecting to play the volume game.

This then is the new Symphony. Well aware of what its brand stands for. Nimble enough to see opportunities. Prudent enough to make selective exceptions. Competent enough to capitalise.

The result is that Symphony's price-point coolers plugged the available opportunity and doubled market share of the mid-sized desert cooler

market to around 50%. At the end of the day after the dust of battle had settled, the awestruck whisper was 'Symphony Symphony *hain. Kuchh bhi kar sakta hain.*'

Our body language of old was back. It was yesterday once more.

---

2

When the market for air-coolers de-grew sharply in 2018, the whisper that began to gain currency was that the age of the box was over.

At Symphony, we kept faith.

As it turned out, the market de-growth of 2018 proved to be a fleeting correction in a

multi-decade air-cooler bull market – fleeting to the point that even as India's economic slowdown deepened in 2019-20 and people spent less on most things, they spent more on air-coolers instead.

Amazing.

# Symphony's launches

2013-14

3

2014-15

7

2015-16

12

2019-20

21

2016-17

9

2017-18

19

2018-19

3

# Manufacturing

## industrial and commercial coolers for the first time in India

At Symphony, 2019-20 represented an inflection point for our industrial and commercial coolers business.

1

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During the year under review, the company manufactured industrial and commercial coolers for the first time in India. Even as the products had been marketed for the preceding six years by Symphony, they would usually be assembled in Mexico and China to be shipped to India; during the last financial year, the company switched to the

manufacture of these products in India for the first time.

During the preceding few years, successful installations by Symphony using imported hardware had helped seed product demand for industrial coolers within the country. The Indian manufacture of this product sent out a message to trade partners of the company's long-term

seriousness. Besides, local manufacture enhanced the confidence that spares and components would now be available 'within hours' as opposed to 'within weeks'.

Symphony brought to this business a distinctive advantage: a core cooling competence, the ability to extend a concept to a product to a solution, an existing





Symphony brand that opened doors to customers, a listed status, credible Balance Sheet, access to experienced engineers and a pioneering presence in a largely uncharted territory.

This advantage was complemented by a critical mass of launches that resulted in a presentable products portfolio of the company in the very first year: 3 models for industrial coolers and 6 models for commercial coolers during the year under review, sending out a distinctive signal to the eco-system that Symphony wasn't just 'testing the space'; it was 'here to grow the market'.

The initial experiences have been more than encouraging: one of Symphony's most successful innovations comprised the Universal Air Cooler delivering multi-directional wind draft (over

the conventional uni-directional); this capability enhanced the trade partner's flexibility to address a wide range of preferences. Besides, when a marble plant commissioned our industrial cooling unit, it discovered – to its pleasant surprise – that it did not need an exhaust system as the machine and the natural openings were robust enough.

At Symphony, we see ourselves at the bottom-end of a multi-year J-curve in this sector for a number of reasons: we possess an active product development pipeline, our mind-to-market cycle is possibly the lowest in the sector, we possess the financial resources and management bandwidth to grow this business before it can break even and we possess the competence to extend from a time-tested linear growth approach to lateral expansion.



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At Symphony, we see ourselves at the bottom-end of a multi-year J-curve in this sector for a number of reasons

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The commercial cooler segment is probably the last untapped cooler segment in the world's second most populous market.

## 2

We would like to begin this section with an expression of gratitude: to all those people who stand around the large pedestal rotary fan in marriage halls with the intention monopolise the breeze, to all those people who set up noisy blowers in party lawns with the objective to provide guests a tolerable atmosphere and to all those people who shift marriages from the summer to the winter only because 'We can't have our guests sweating in their suits'.

They inspired the manufacture of commercial coolers in India in 2019-20. Symphony validated the conviction that the time had come to treat commercial interiors as a separate and specialised standalone segment.

The commercial cooler segment is probably the last untapped cooler segment in the world's second most

populous market. There are millions of commercial establishments in a tropical country like India that live through at least five months of the year in temperatures higher than 35 degrees centigrade with nothing more than a ceiling fan for refuge.

Symphony launched its maiden India-manufactured product in September 2019. During the financial year under review, the company launched six manufactured models (as opposed to importing equivalents from China to seed the market); a presentable critical mass set the company ahead of intending competition; the company imported the heart of the product from its subsidiary in China that moderated time and cost.

The company's 'Made in India' models addressed a long-standing need of low cost, high functionality and aesthetic utility. These

models, when used in restaurants, helped moderate air-cooling cost down to ₹5 per hour, strengthening competitiveness without compromising comfort; when used in classrooms, the models moderated cooling cost to 10% of the electricity

generally consumed by an air-conditioner; when installed in retail stores, a single commercial unit cooled interiors by nearly 10 degrees centigrade across 2,500 sq ft.

As the word began to get around that product payback

varied between four and ten months based on usage intensity, the products were pre-sold before they could be placed.

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### How Symphony is making a difference for buyers of its industrial and commercial coolers

**“We** installed Symphony’s industrial air-coolers at our marble factory; our marble-manufacturing unit comprises central air-conditioning but the space where the products are displayed is open-shaded where the AC system would not work. We believe that the industrial coolers will enhance the quality of decision-making especially during the summer. So we believe that the industrial cooler is not just a convenience asset but a customer’s revenue driver.”

**Jitendra Singh,**  
RK Marbles Pvt. Ltd.,  
Kishangarh

**“It** is nearly two years since we installed 23 units of 45,000 CFM and 12 units of 25,000 CFM commercial coolers. We have not had any major break-down; the maintenance cost has been minimal. Since ours is a factory producing ready-to-eat products, we have to maintain hygiene with the workers always wearing gloves, hairnets and masks, which can lead to discomfort. Since we had no provision for ducting it was not possible to install air-conditioners. We turned to Symphony’s commercial air-coolers which provide optimum temperature (23-30°C) which has enhanced worker morale – and our revenues.”

**Santosh Nair,**  
Chokhi Dhani Foods Pvt. Ltd.,  
Jaipur

# How Symphony **transformed** a waste dump into a unique urban forest

Since the beginning of 2019, Symphony was working on transforming an open space across its office into a public garden. The transformation was completed during the last financial year and the facility opened to the public from January 2020. This initiative is an instance of our corporate social responsibility that will enrich the lives of thousands for decades. This conversation with the architects and designers of the garden provides an insight into the detail that went into this facility.

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## **Q** What was the philosophy behind Symphony's 'urban forest' where you were involved?

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We researched public places under the aegis of the Ahmedabad Municipal Corporation and realised that most curated parks comprised the usual amenities (congregation lawn, walkways, seating areas, children's play area etc.) addressing residential neighbourhoods. We set about designing a public place that would not be the usual hangout zone for

residential neighbourhoods but an oasis of sorts for office-goers - to take a stroll in during lunchtime, for an artist to find inspiration in, for a student to seek knowledge from and to other interested visitors. This dictated the overall design of the facility: not the usual manicured lawn but a complete green cover; since the adjoining SG Highway represents the

new nerve city centre of Ahmedabad with relatively higher pollution levels, we positioned the garden like a lung for the neighbourhood - an urban forest as our client Achal Bakeri desired.

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## Q What was the inspiration for the design?

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We did not refer directly to any other garden of the kind in India or abroad; in fact, I am not aware of something like this in any other part of the country. We drew from

national parks that are literally jungles; the unplanned aura of these places was there at the back of my mind. Since I had been exposed to sanctuaries in Sri Lanka, tropical national

parks in Singapore and also places in Madhya Pradesh, Southern India and Gujarat, these experiences were available for reference.

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## Q What natural investments were made in this urban forest?

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We sourced locally available species (no imports from outside the State or country), moderating the carbon footprint from the design stage. Some saplings were rare and we had to wait a few months to be able to access them. We felt that the use of indigenous species would make the urban forest sustainable without ongoing maintenance. More importantly, the urban forest

was conceptualised as a space that nurtures local endangered species that could have become extinct. We had one rare species (Salvadora or Piludi) growing on the abandoned site and I shudder to think that if that plot had been commercialised we may have lost a rare specimen.

This urban forest will require minimal maintenance for the first three years, after which it should become self-

sustainable. We will not deploy chemical fertilisers, pesticides or manure. Our urban forest did not use a single bag of cement as the walkways were created by compacting the earth and using construction bricks. If we had created a conventional garden the maintenance cost would have been twice that incurred for the urban forest (which will cease to have any recurring cost after 2-3 years).

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## Q How were the values of Symphony reflected in this project?

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'Symphony' was woven into the aesthetics. We were inspired by Beethoven's 5th Symphony and just like the notes of the symphony that merge seamlessly, we created

the breeding ground for a symptomatic eco-system – a slice of true nature within a concrete jungle. The visitor feedback has been overwhelming. The words that

most people have used are 'peaceful', 'calm', 'refreshing' and 'quiet'. The urban forest has attracted a vibrant mix of all types of visitors.

*The conversation was conducted with Nidhi Parikh (Principal Landscape Architect, Urbscapes) and Narendra Mangwani (Principal Urban Designer, Urbscapes).*



**Corporate Social Responsibility**

**Scientific name**

**Gujarati name**

Some rare species planted in **Sangati**

Anogeissus latifolia

Dhavado

Salvadora persica

Piludi



Scientific name

Gujarati name

Putranjiva  
roxburghii

Putranjiva

Bombax  
ceiba

Shemlo/  
Shemdo/  
Semado

Scientific name

Gujarati name

Tecomella  
undulate

Rohido

Symphony Forest Park has been showcased on the website of World Landscape Architecture

<https://worldlandscapearchitect.com/symphony-forest-park-urbscapes/#.X0kj62IN0zR>

# Management Discussion and Analysis

## Global economic overview

The growth of the global economy declined in 2019, on account of sharp downturn in industrial production, weak trade relations between China and USA, slowdown in demand in China and geopolitical tensions. Global economic growth was estimated at 2.9% in 2019 compared with 3.6% in 2018.

### Global economic growth over five years

Year	2015	2016	2017	2018	2019
Real GDP growth (%)	3.5	3.4	3.9	3.6	2.9

*Source: World Economic Outlook*

## Indian economic overview

India's growth for FY 2019-20 was estimated at 2.5% from the forecasted 5.3% estimate. Manufacturing growth was seen at 2% year on year, a 15-year low as against 6.9% growth in FY 2019. A sharp deceleration in economic growth and surge in inflation weighed on the rupee exchange rate with the Indian rupee becoming one of the worst performers among Asian peers marked by a depreciation of nearly 2% since January 2019. Retail inflation climbed to a six-year high of 7.35% in December 2019.

India emerged as the fifth-largest world economy in 2019, overtaking the UK and

France with a gross domestic product (GDP) of US\$ 2.94 trillion. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking, riding reforms in seven areas and a substantial bump-up from the insolvency law rolled out in 2016.

*(Source: Economic Times, CSO, Economic Survey, IMF)*

## Outlook

The Indian economy is forecast to de-grow in 2020-21, while nearly all major G20 economies are forecast to shrink.

Year	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20
Real GDP growth (%)	5.2	5.4	4.1	3.1

*(Source: Economic Times, CSO, Economic Survey, IMF)*

## The Indian appliances and consumer electronics industry

Despite the sluggish economy and the slow demand from the real estate sector, the Indian electrical sector grew 10% across the first three quarters of 2019-20. The size of the Indian consumer durables market was estimated at US\$ 22 billion in 2019. Extensive rural under-penetration, business friendly government initiatives, long summer and growing aspirations resulted in increased consumption in electrical products through attractive demand offtake. This consumption



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## Why choose air-coolers?

They are energy-efficient, consume less power, are eco-friendly and can cool specific areas

Do not dry the surroundings like ACs

Do not use any harmful cooling agent like CFC or HFC

Moderate the electricity bill by 80-90% compared to ACs

Cost lower than air-conditioners

growth is anticipated to drive the sector to reach US\$ 36 billion by 2023. The ACE (Appliances and Consumer Electronics) industry was estimated at ₹76,400 Crores (US\$ 10.93 billion) in 2019 and projected to reach ₹3.15 trillion (US\$ 48.37 billion) in 2022.

*(Source: IBEF, Consultancy.in)*

### Indian air-coolers market

The Indian air-cooler market has been growing at a CAGR of more than 11% in the last five years. The size of India's organised air-cooler market was estimated at around ₹2,500 Crores in 2019. Owing to the rise in the mercury levels, rise in disposable income, growing demand by the middle class and a comparative price advantage of air coolers to air conditioners, the sector is projected to reach ₹9,000 Crores by 2021. The air cooler market is divided into two segments viz. residential and industrial. Residential and industrial air cooler markets have been growing with a CAGR of approximately 20% and 8% respectively in the past four years. On account of the low capital expenditure and low electricity consumption of air coolers, the middle-income group greatly fuelled sales

in the residential market. Industrial cooling is slowly gaining importance as companies are seeking to create an amiable working environment for their shop floor teams. Although unorganised segment players continue to dominate the air cooler market, branded coolers are making inroads into the segment, helped by factors such as the introduction of GST, which helped reduce the price gap.

*(Source: Moneycontrol, The Economic Times)*

### Demand drivers of the Indian air-coolers market

**Rising incomes:** The nominal per-capita net national income during 2019-20 was estimated at ₹1,35,050, a rise of 6.8% compared to ₹1,26,406 during 2018-19

**Digital penetration:** Current active e-commerce penetration in India stands just at 28%, with room for improvement. The e-commerce sector is expected to grow attractively due to increasing urbanisation coupled with rising internet penetration. India's internet user base was at 665 million in 2019, expected to grow to 829 million by 2021.

**Young population:** Approximately 66% of India's population is below 35 years. The median age of the country is estimated to be ~28 years compared to a global average of 30 in 2019, an age bracket that is economically productive.

**Emerging non-metro markets:** The consumption figures in non-metro markets like Vishakhapatnam, Bhopal, Vadodara, Chandigarh, etc. have grown rapidly, transforming into new business centres.

**Urbanisation:** India is arguably the fastest urbanising country. In FY 2019-20, 35% of India's population was urbanised compared to a 30.8% urban population in 2010.

**Working population:** India's urban middle-class workforce (over US\$ 11,000 annual income) stands at 27 million or 2% of its population with a large headroom for growth.

**Rural market:** The rural population, accounting for 68.86% of India's population in FY 2019-20, represents a large relatively under-penetrated market for consumer durables, offering the potential of sustained consumption growth.

**Air-conditioners versus air-coolers:** The price-value proposition, lower energy consumption and effectiveness in dry areas make air coolers superior to air-conditioners.

**Rural infrastructure development:** The impressive development of roads and infrastructure over the last few years has enhanced rural incomes. India's move to connect every village with electricity has helped widen the market for electrical appliances.

**Global warming:** According to the NOAA 2019 Global Climate Summary: the combined land and ocean temperature of the earth has increased at an average rate of 0.07°C (0.13°F)

per decade since 1880; however, the average rate of increase since 1981 (0.18°C / 0.32°F) has been more than twice this.

**Technological innovations:** Technological innovations like smart locks, feather-touch digital control panels, remote control, auto swings, alarms and other niche features are gaining popularity over the technologically austere products of the unorganised segment.

**Low penetration:** India's consumer durables market is underpenetrated compared with other countries and offers headroom for growth. Electronic items, which were formerly considered luxury items, are likely to become basic necessities.

**Organised retail:** Increased visibility of products in Tier-II, III and IV cities is attributed to inroads by organised retailers.

*(Source : National Oceanic and Atmospheric Administration, Climate.gov, Worldometer, Livemint, Goldman Sachs, Statistics Times, Economic Times, IBEF)*

## Outlook

In 2022, the market size of the air cooler industry in India is forecast at ~₹44.2 billion. The Indian air cooler market is anticipated to report sustainable growth due to increased rural electrification and increasing disposable incomes. The residential sector is expected to dominate the India air-cooler market owing to the large proportion of the population in the lower- and middle-income group and housing development plans of the government. The industrial and commercial segments are likely to witness a substantial increase in demand as select industry players introduce cooling solutions. (Source: Research Market)

## Michael Porter's Five Forces Analysis



### Overview of the Company

**Products:** Symphony Limited has more than three decades of experience in the country's cooling sector, in addition to being a pioneer in the organised sector. The company is engaged in manufacturing and trading residential, commercial and industrial air coolers in the domestic and international markets. The Company operates in two sections: manufacture of air-coolers and treasury management. It provides tower, personal, desert, room and window air-coolers for residential use. Its commercial air cooling solutions are installed in open restaurants, party plots and large halls, among others. Its industrial air-coolers are used for factories, offices, schools, malls, assembly halls, warehouses and metro stations, among others. The Company also offers services to banks, auto industry, packaging, distilleries and railways.

**Footprint:** Headquartered in Ahmedabad, Symphony has subsidiary companies in Mexico, China, USA, Brazil and Australia. The Company enjoys a strong pan-Indian presence along with a global presence spread across more than 60 countries.

**Manufacturing:** Symphony works with 10 OEM companies and one in an SEZ.

**Asset and capital-light:** The Company's revenues stood at ₹763 Crores in FY 2020 compared with only ₹71 Crores in fixed assets.

**Technology:** The Company invested in cutting-edge technologies like SAP HANA, CRM, Data analytics etc., which give it a competitive advantage.

**Sustainability:** The Company innovated energy-efficient products to reduce emissions and enhance energy conservation.

### Symphony's financial performance

The Company's consolidated gross revenue was ₹1,157 Crores in 2019-20, compared to ₹883 Crores in the previous fiscal. EBIDTA (Excluding exceptional items) stood at ₹266 Crores compared to ₹171 Crores in the previous fiscal. The Company also reported a post-tax profit of ₹182 Crores in 2019-20 compared to a post-tax profit of ₹91 Crores in the previous fiscal.

## Details of significant changes in the Key Financial Ratios & Return on Net Worth - Standalone

As per the amendment made under Schedule V to the Listing Regulations read with Regulation 34(3) of the Listing Regulations, details of significant changes i.e. change of 25% or more as compared to the immediately previous financial year in Key Financial Ratios and any changes in Return on Net Worth of the Company including explanations therefor are given below:

Sr. No.	Particulars	FY 2018-19	FY 2019-20	Change in %	Explanation
1	Debtors Turnover (days)	30	31	3.33	N.A.
2	Inventory Turnover (days)	26	21	-19.23	N.A.
3	Interest Coverage Ratio (%)	N.A.	N.A.	N.A.	N.A.
4	Current Ratio	4.50	4.94	9.78	N.A.
5	Debt Equity Ratio	N.A.	N.A.	N.A.	N.A.
6	Operating Profit Margin (%)	25	27	8.00	N.A.
7	Net Profit Margin (%)	18	24	33.33	Due to increase in turnover
8	Return on Average Net Worth (%)	16	28	75.00	Due to increase in turnover

### Information Technology

The Company has implemented ISO 27001: 2013 only audit-able global ISMS standard which has acceptance worldwide. By implementing ISMS, the Company can assure its clients that their crucial information is secured in our organisation.

ISO 27001 helps the Company in meeting requirements of GDPR (General Data Protection Regulation) which helps the Company to meet its contractual & legal responsibilities.

The risk associated with the business processes were identified and mitigated by investing into technology & process change.

### Human resources

The Company had, under its employment, 444 officers and workmen as on March 31, 2020. Symphony believes in nurturing the human capital of the Company and also takes initiatives to enhance the knowledge base of its employees. The company implements in-house programs for skill development and

competence upgradation. These programmes are organised to encourage and facilitate knowledge-sharing. Employees are also sponsored to relevant external training programmes to enable them to enhance their knowledge and understanding of the industry and economy.

## Risk management

### Product risk

Air-cooling products may lose their relevance.

**Mitigation:** The Company has constantly widened its portfolio (residential, packaged and central air cooling), to remain relevant. Besides, the climate impact due to air conditioners has been motivating consumers to switch to sustainable alternatives.

### Industry risk

An economic slowdown prompted by the coronavirus outbreak could impact offtake.

**Mitigation:** The Company believes that any decline in consumer sentiment on account of the pandemic will have an effect on the

off-take of all air-cooling products. So it will not be a risk that the Company will have to face in isolation, putting it at any competitive disadvantage to other producers.

#### **Export risk**

The pandemic and the subsequent lockdown will have an adverse effect on export-based businesses.

**Mitigation:** An international footprint spanning 60 countries has enabled Symphony to dilute its risk of over dependence on any particular geographical area. The slowdown due to the pandemic will surely affect the business adversely, but since the Company owns

manufacturing facilities in different countries, the risk linked to export-dependence will be lessened.

#### **Competition risk**

Increasing competition could affect sales.

**Mitigation:** The Company has consistently invested in improved research and development resources with the objective of introducing innovative products. Its constant innovations and personalised solutions provide it with a competitive advantage. The result is that the company's brand generates a voluntary recall among its consumers which spells 'futuristic', 'superior' and 'dependable.'

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#### **Internal control systems and their adequacy**

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

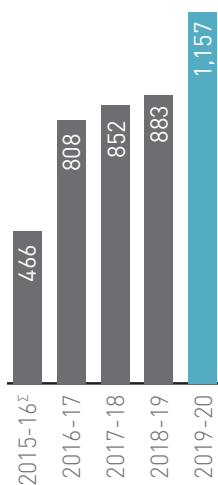
#### **Cautionary statement**

The Management Discussion and Analysis report containing your Company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in the governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the Company conducts business and other incidental factors.

# Our key performance indicators

## Consolidated financial performance

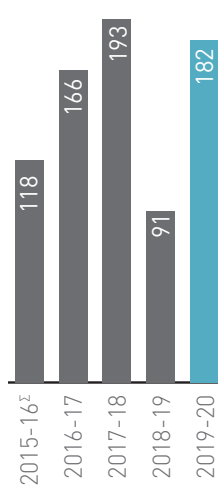
**Gross Revenue**  
(₹ in Crores)



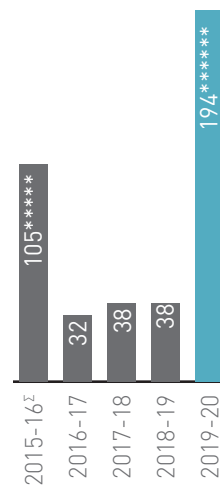
**EBITDA**  
(₹ in Crores)



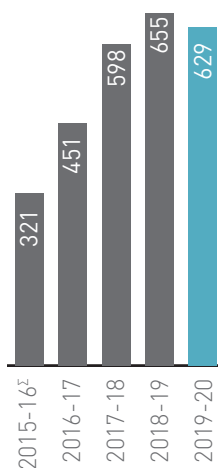
**Net Profit**  
(₹ in Crores)



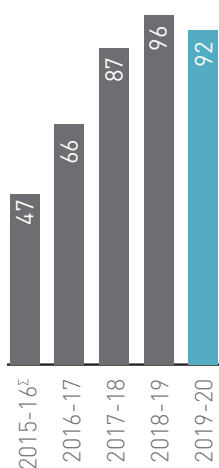
**Dividend Payout \*\*\*\***  
(₹ in Crores)



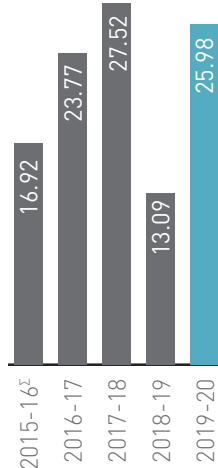
**Reserve & Surplus**  
(₹ in Crores)



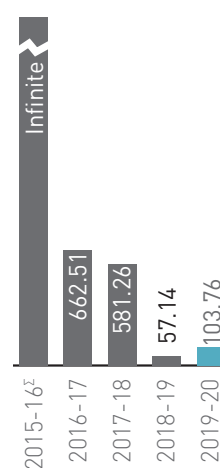
**Book value per share #**  
(₹)



**Earnings per share #**  
(₹)



**PBIT as % of core business ##**



\* Excluding exceptional income of ₹12.47 Crores

\*\* Excluding exceptional expense of ₹24.05 Crores

\*\*\* Excluding exceptional expense of ₹4.00 Crores

\*\*\*\* Including final proposed dividend

\*\*\*\*\* Including special dividend payout of ₹42.10 Crores

\*\*\*\*\* Including special dividend payout of ₹151.81 Crores

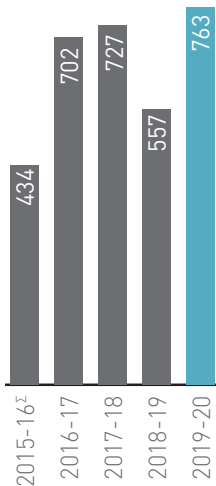
# Recalculated consequent to issue of bonus shares

## Calculated on monthly average capital employed including long term borrowings (% of 2015-16, 2016-17, 2017-18 and 2018-19 are recalculated)

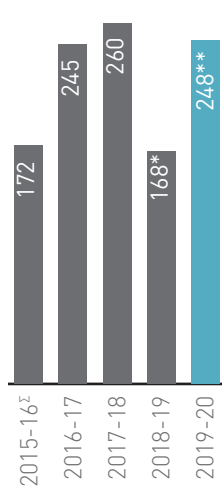
Σ (9 months)

## Standalone financial performance

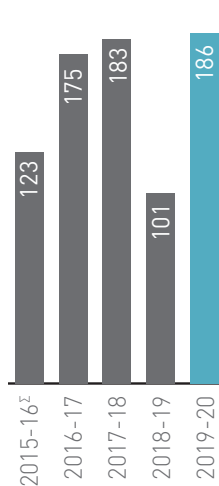
**Gross Revenue**  
(₹ in Crores)



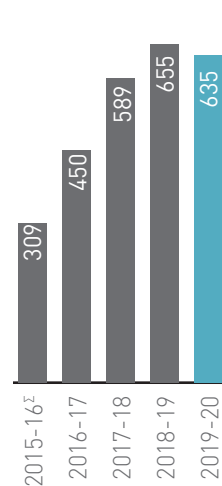
**EBIDTA**  
(₹ in Crores)



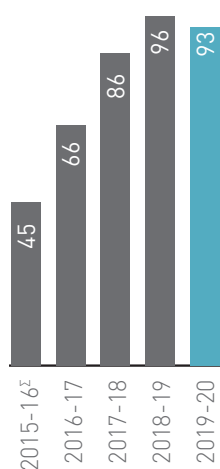
**Net Profit**  
(₹ in Crores)



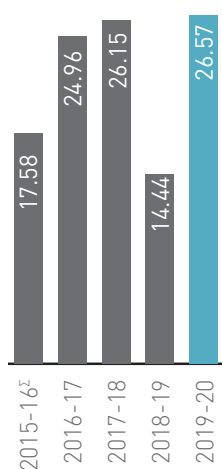
**Reserve & Surplus**  
(₹ in Crores)



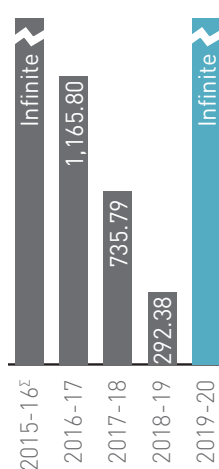
**Book value per share #**  
(₹)



**Earnings per share #**  
(₹)



**PBIT as % of core business ##**



\* Excluding exceptional expense of ₹24.05 Crores

\*\* Excluding exceptional expense of ₹1.55 Crores

# Recalculated consequent to issue of bonus shares

## Calculated on monthly average capital employed excluding loans to and investments in subsidiaries (% of 2015-16, 2016-17, 2017-18 and 2018-19 are recalculated)

‡ (9 months)

# Board of **Directors**



**ACHAL BAKERI**  
DIN: 00397573  
Chairman and Managing  
Director and Founder  
Architect, MBA  
(University of  
Southern California)

Mr. Achal Bakeri, a game-changer in the industry of environment-friendly products, is the founder of the world's largest air coolers company. In 1988, he founded Symphony Limited with the aim of providing economically viable cooling solutions that would be accessible to all. He has infused respectability and aesthetics into air coolers through an innovative approach.



**NRUPESH SHAH**  
DIN: 00397701  
Executive Director  
B.Com., FCA and CS

Mr. Nrupesh Shah heads the company's Corporate Affairs functions. He is responsible for corporate affairs, growth, performance, strategies, merger & acquisitions, finance, M.I.S., secretarial, legal, treasury etc. He has been with the Company since 1993. He played a key role in turnaround of the Company and putting on growth trajectory.



**JONAKI BAKERI**  
DIN: 06950998  
Non-Executive Director  
B.A.

She has an experience in various business functions including, marketing, service, accounts, finance, legal and product development.



**NAISHADH PARIKH**  
DIN: 00009314  
Independent Director  
B. Sc. and MBA

Mr. Naishadh Parikh is an Entrepreneur-Manager with education in the areas of Science & Management and a track record of more than 40 years in performing various roles at corporate level in diverse sectors viz. Air-conditioning & Refrigeration, Textile & Engineering. Mr. Parikh is currently Chairman & Managing Director of Equinox Solutions Limited. He was also the Founder & Managing Director of Amtrex Hitachi Appliances Limited (now Johnson Controls-Hitachi Air Conditioning India Limited).





**ASHISH DESHPANDE**

DIN : 00498890

Independent Director  
Industrial Designer  
(National Institute of Design)

He is an experienced practitioner in the field of product design and he leads the Product & Retail Experience Innovation Group. He has led projects in consumer appliances related to air, water & energy, medical equipment, wearable electronics, automotive products and the retail sector.



**REENA BHAGWATI**

DIN: 00096280

Independent Director  
MBA

She has experience in providing Fiscal, Strategic and Operations leadership in various Engineering businesses and also leads operations and strategic directions with full responsibility for top and bottom line including strategy formulation, long-term planning, cross-functional management, legal and financial obligations.



**SANTOSH NEMA**

DIN : 01907138

Independent Director  
B.E. (Mechanical)  
MBA (IIM, Ahmedabad)

He has extensive experience in leadership roles across consumer facing industries like Asian Paints Limited, Shalimar Paints Limited and CERA Sanitaryware Limited. He has expertise in sales, marketing, operations and business development, strategic planning, dealer network, leading and developing teams, P&L management, customer centricity, brand building, JV and strategic alliances, change management and building high performance cultures.

# BOARD'S REPORT

*Dear members*

The Board of Directors are pleased to present the Company's 33<sup>rd</sup> Annual Report on business and operations together with the audited financial statements for the year ended March 31, 2020.

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

(₹ in Crores)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations & Other Income	763.05	557.20	1,157.36	882.52
Profit before Financial Charges, Depreciation & Tax	246.46	144.35	262.30	146.93
Less: Financial Charges	0.25	0.29	10.68	6.91
Less: Depreciation & Amortisation Expenses	5.94	4.26	21.15	9.86
<b>Profit Before Tax</b>	<b>240.27</b>	<b>139.80</b>	<b>230.47</b>	<b>130.16</b>
Less: Income Tax	56.23	42.67	56.23	40.38
Less: Provision for tax of earlier years	-	(0.32)	-	(0.32)
Less: Deferred Tax Liability	(1.87)	(3.55)	(7.53)	(1.45)
<b>Profit After Tax</b>	<b>185.91</b>	<b>101.00</b>	<b>181.77</b>	<b>91.55</b>
Less: Non-controlling Interest	-	-	0.32	(0.72)
<b>Profit After Tax attributable to the shareholders</b>	<b>185.91</b>	<b>101.00</b>	<b>181.45</b>	<b>92.27</b>
Other comprehensive income	(0.25)	(0.15)	(0.75)	(0.02)
Total comprehensive income for the year	185.66	100.85	180.70	92.25
Add: Balance as per last year Balance Sheet	612.27	549.37	614.58	560.28
<b>Amount available for Appropriation</b>	<b>797.93</b>	<b>650.22</b>	<b>795.28</b>	<b>652.53</b>
Less: Dividend and Dividend Distribution Tax	206.62	37.95	206.62	37.95
<b>Surplus in statement of profit and loss</b>	<b>591.31</b>	<b>612.27</b>	<b>588.66</b>	<b>614.58</b>

## B) Key Financials as on March 31, 2020

### Consolidated Financial Results

Your Company, along-with its subsidiaries, has a global presence. In order to provide an overall view of the comprehensive performance of the group, the Company has prepared consolidated accounts of the holding company and all its subsidiaries,

in accordance with the Ind AS that are applicable. The consolidated revenue from operations along with other income stood at ₹1,157.36 Crores (₹882.52 Crores). The profit after tax was ₹181.77 Crores (₹91.55 Crores).

The highlights of the key financials are as under:

Particulars	[₹ in Crores except per share data]	
	Standalone	Consolidated
Equity Share Capital	13.99	13.99
Net Worth	648.85	643.46
Book Value Per Equity Share	92.75	91.98
Earnings Per Share (EPS)	26.57	25.98
Investments	503.25	412.07
Contribution to Exchequer	157.40	168.99

## 2] Dividend

During the year under review, the Board of Directors declared three interim dividends aggregating to ₹23.00/- (including Special Dividend of ₹18.00/-) (1150%) per share as per details given below:

Date of Declaration of Dividend	Interim Dividend Amount per share (in ₹)	% of dividend
July 31, 2019	1.00	50%
November 12, 2019	2.00	100%
February 7, 2020	20.00	1000%
<b>TOTAL</b>	<b>23.00</b>	<b>1150%</b>

The total payout towards interim dividends for the financial year 2019-20 (including dividend distribution tax) was ₹193.97 Crores (previous year ₹37.95 Crores) translating into a dividend payout of 107% (previous year 41%) on consolidated net profit which was much more than minimum dividend payout as mentioned in Dividend Distribution Policy of the Company.

### Shareholders' Reward Policy

Symphony believes in maintaining a fair balance over a long term period between pay out / reward to the shareholders and cash

retention. The Company has been conscious of the need to maintain consistency in pay-out / reward to the shareholders. The quantum and manner of pay out / reward to shareholders of the Company shall be recommended by the Board of Directors of the Company.

### Method of Payout/Rewards to the Shareholders

#### A.1 Dividend Distribution Policy

This policy is framed pursuant to Regulation 43A of the Securities and Exchange Board

of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (hereinafter referred to as Listing Regulations).

- a) The Company will generally endeavour to distribute to the shareholders up to 50% of its profit after tax (including dividend distribution tax and other taxes as applicable).
- b) In rare circumstances of any contingency, acquisition opportunities or other business opportunities or unforeseen circumstances, pay-out to shareholders may be precluded at the discretion of the Board of Directors.
- c) Recommendation with regard to pay out to shareholders shall be influenced by various factors including, without limitation, internal factors such as profits earned during the fiscal year, liquidity position, fund requirement for acquisitions, reward to shareholders by corporate actions (like buy back of shares) and external factors such as general market conditions, cost of raising funds from alternate sources, applicable taxes including tax on dividend, exemptions under tax laws available to various categories of investors and future expansion opportunities etc.
- d) The retained earnings of the Company shall be utilized for future growth and expansion of business, probable acquisitions, working capital and for meeting unforeseen contingencies.
- e) The Company has only one class of shares viz. equity shares.

## A.2 Interim Dividend

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

## A.3 Special Dividend

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

## B. Bonus Issue

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

## C. Buy Back

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

#### D. Sub Division / Splitting of Shares

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

Shareholders' Reward Policy can be accessed at [https://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov\\_13121322387.pdf](https://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_13121322387.pdf)

### 3] Material Changes and Commitment

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

### 4] Operations Review

The sales till March 31, 2020 were higher by 37% over the previous year. However, these were impacted by lockdown, which came into effect in the last week of March, 2020.

The growth was on account of good season during April to May 2019, and robust performance of the company through variety of sales and marketing schemes, and timely enrolment of network distributors and dealers.

#### New product launches and product rationalisation

In keeping with the Company's tradition of innovation and design excellence, some unique cooler models were launched during the year. Diet 3D series of coolers were introduced with features like automatic

pop up touchscreen control panel, 3 side honeycomb cooling pads, etc. The old models of Symphony were workhorses in their heydays, but competition had chipped away some market share of those models by copying them. To counter this, the iconic Sumo series of air coolers were completely revamped and launched with fresh looks and innovative features. A double decker model of Sumo was launched that was till now unprecedented in the air cooler category. Also, a new range of commercial coolers called Movicool was launched. These coolers are meant for cooling large commercial spaces, which have opened new avenues for the company.

#### Institutional Sales

A new vertical to generate sales from institutional business has been created and your company has received a very good response.

#### After-Sales services

Responsibility for after sales service was given to the sales department with all our service staff now reporting to the sales head. This change has enabled the company to ensure better coordination and early resolution of complaints.

#### Modern trade vertical

The Modern Trade vertical has performed exceedingly well with all time high sales both in value and volume. It has a huge potential to grow further.

#### Air Coolers - Overseas Business

During the year, revenue from operation of International Business was ₹65.23 Crores. There has been a decline in European business. However, other regions of South-East Asia, Middle-East, Africa and Latin

America showed marginal growth. Further there were orders worth over US\$ 1 million under production, out of which substantial part could have been shipped during the current year, had there been no lock-down due to COVID-19.

Your Company continues to have several International quality certifications like CE, SASO, NOM etc, which provide access to markets in several countries.

### Advertising and Marketing

To maintain an existing strong brand equity and to create a significant customer pull, your Company has launched new TV campaigns highlighting the innovative features of Symphony air coolers.

Your company maintained its dominance in print, electronic and digital media with over 50% share of voice. Your Company also invested considerable amount in its marketing budget in conducting various activities like in-shop brand promotion, retail outlet branding, dealer meets, etc. supported by various promotional schemes for the channel partners to increase volume and to improve ties.

### Central Air Cooling Solutions

- In Q2 the company successfully launched across India a unique Universal Cooler, The first of its kind, with 2 models PAC 20 U & PAC 25 U.
- New Movicool Range was launched PAN India in Q3.
- The benefits of the launch of the new models under this category will accrue in the times to come, starting next year.

Your company executed many prestigious projects during the year, which include a 40,000 sq. ft warehouse of Apollo Pharmacy,

Amazon's Lucknow sorting centre, Delhi Public School, Godrej, RK Marble and Supreme Industries to name a few.

### SEZ Unit

During the year under review, your Company's operations in its SEZ unit in Kandla were satisfactory.

## 5] Overseas Operations

### (i) Climate Technologies Pty Limited, Australia

The year ended on an improved note with higher consolidated revenues and EBIDTA.

The main factors of revenue improvement were: (a) strong growth in ducted gas heater sales in Australia by Climate Technologies Pty Ltd, (CT), wholly owned subsidiary of Symphony AU Pty Limited (b) the introduction of portable air coolers in the US market (c) the introduction of the Symphony India portable coolers range in Australia and (d) the new Bonaire Optima branded hi wall split range in Australia

After a strong start of summer, the temperatures quickly dropped beyond normal and the summer was relatively weak for the rest of the summer season. Despite this, CT was able to grow its market share in Australia for ducted evaporative cooling.

Several projects have been initiated with a view to outsource a large part of the manufacturing, thereby converting several fixed costs to variable costs.

With a view to ensuring EBIDTA growth in FY21, seven key project initiatives have been planned. These are: (a) outsourcing of the fabrication requirement of the high volume ducted gas heater range; (b) expansion of the presence of Climate Technologies in the Australian refrigerated air conditioning

market by leveraging the Bonaire brand name, (c) introduction of commercial portable air coolers in USA, (d) introduction of commercial portable air coolers in Australian market, (e) growth of portable spot coolers in Australian market, (f) growth of portable spot coolers in USA market and (g) outsourcing of ducted evaporative air coolers.

The organization structure of the business is simplified towards the end of the year in order to reduce the fixed overheads and cost of doing business, without compromising sales growth.

Symphony AU Pty Limited and its subsidiaries implemented SAP with effect from October 1, 2019.

#### **(ii) IMPCO S de R. L. de C. V. (IMPCO), Mexico**

During the year under review IMPCO focused on market share growth strategy delivering a sales growth of 13%, and thereby consolidated its leadership in cooler business.

However, currency devaluation led to raw material cost increases in steel and plastic resulting in a reduced EBITDA against the previous year.

This year IMPCO successfully introduced new all-plastic window and portable coolers fully manufactured in Mexico. During this year, IMPCO also introduced all-plastic, roof-top ducted coolers brought from Bonaire USA – a stepdown subsidiary of CT - which too was a success.

With regard to the new product categories, the heaters business saw a good growth despite mild winter. However, IMPCO is yet to achieve sizeable sales volume for portable fans.

Export to Central America and Colombia grew threefold.

During Q4, IMPCO implemented a different brand strategy - consolidating Symphony brand as the main brand for the cooler Products. This is expected to result in better brand positioning and more efficient use of the advertising spends. The Company registered a solid growth in Q4 compared to the corresponding period in the previous year, despite an early effect of Covid19.

#### **(iii) Guangdong Symphony Keruilai Aircoolers Co. Ltd, (GSK), China**

This year saw a substantial reduction in China domestic sales due to continued US-China trade-war and Covid 19 which resulted in reduced manufacturing activity and lower capital investments by factories, which are our principal customers.

During the year, a few changes were made in the GSK Sales team to ensure better sales orientation. These changes are expected to yield results in the coming years.

The strategy planned for domestic sales revolves around: (a) focus on top distributors, (b) streamlined product pricing and sales policies, (c) focused marketing efforts, (d) launch of innovative products in all three categories, (e) launch of portable coolers in retail and online channels (f) launch of commercial coolers in commercial kitchen channel.

The new products launched during the year were highly successful. These included an IC model (KD25) and a CC model (KF100).

Although Q4 has been quite challenging for entire China owing to Covid19 and related issues, GSK has been amongst the companies which managed to resume operations rather quickly.

GSK implemented SAP, w.e.f. January 1, 2020.

#### **(iv) Symphony Climatizadores Ltda, (SCL) Brazil**

Brazil is a significantly large market for industrial and household portable coolers. In order to scale up our business there, SCL has been established to import coolers from Symphony India and from GSK China to distribute in the local market.

#### **6] Awards and Accolades**

- Information Security Management System certification ISO-27001 by Bureau Veritas Certification Holding SAS UK.
- Received award for India's Most Trusted Air Coolers Brand – 2019 from Trust Research Advisory (TRA).
- ISO 9001 : 2015 certification for quality management and systems for its design, sales, marketing and after sales services of air coolers, certified by BVC.
- Some of our products are ETL / CE / CEC /FCC certified.

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

Pursuant to the provisions of Regulation 34 of the Listing Regulations, Management Discussion and Analysis Report for the financial year ended on March 31, 2020, is forming part of this annual report.

#### **8] Corporate Governance**

Pursuant to the provisions of Regulation 34(3) read with Schedule V of the Listing Regulations, Corporate Governance Report

for the financial year ended on March 31, 2020, is annexed to this annual report.

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

#### **9] Subsidiaries**

Your Company has six overseas subsidiary companies, (i) IMPCO S. de R. L. de C.V., (IMPCO), México, (ii) Guangdong Symphony Keruilai Air Coolers Co. Ltd., China, (iii) Symphony AU Pty Limited, Australia, (iv) Climate Technologies Pty Limited, Australia, (v) Bonaire USA LLC, U.S.A. and (vi) Symphony Climatizadores Ltda. Brazil.

During the year under review, the Company incorporated a subsidiary company Symphony Climatizadores Ltda, Brazil.

As per the requirements of Regulation 24 of the SEBI Listing Regulations, the Company has appointed Mr. Naishadh Parikh, Independent Director of the Company on the board of its subsidiary companies viz. (i) Climate Technologies Pty Limited, Australia and (ii) Symphony AU Pty Limited, Australia, w.e.f. April 1, 2019.

In accordance with Section 129 (3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company and its subsidiary companies, which forms part of the Annual Report. Pursuant to the provisions of Section 129 (3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Company's subsidiaries in Form No. AOC-1 is annexed to the financial statements of the Company.



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

The financial statements 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 statements of subsidiaries and all other documents required to be attached to this report have been uploaded on the website of the Company [www.symphonylimited.com](http://www.symphonylimited.com).

## 10] Auditors

Members of the Company, at its 28<sup>th</sup> Annual General Meeting held on October 27, 2015 had appointed M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 117365W) as the Statutory Auditors for a term of five consecutive years (first term) from the conclusion of the 28<sup>th</sup> ensuing Annual General Meeting to the conclusion of the 33<sup>rd</sup> AGM of the Company.

Accordingly, in terms of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the present Statutory Auditors of the Company, M/s. Deloitte Haskins & Sells, will hold office until the conclusion of the ensuing Annual General Meeting. They have expressed their willingness to be reappointed for a further term. In terms of

the provisions of Section 139 (2) (b) of the Companies Act, 2013, an Audit Firm can be appointed for two terms of five consecutive years each.

The Board of Directors after considering the recommendations of the Audit Committee, has recommended the re-appointment of M/s. Deloitte Haskins & Sells, as the Statutory Auditors of the Company, for approval of the Members, to hold office for a further period of five consecutive years (second term), from the conclusion of the ensuing 33<sup>rd</sup> Annual General Meeting until the conclusion of 38<sup>th</sup> Annual General Meeting to be held in the calendar year 2025.

M/s. Deloitte Haskins & Sells, have submitted their confirmation to the effect that they continue to satisfy the criteria provided in Section 141 of the Companies Act, 2013 and that their appointment is within the limits prescribed under Section 141(3)(g) of the Act. Members are requested to approve their appointment as the Statutory Auditors of the Company and to fix their remuneration.

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.

## 11] Cost Auditors

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

Cost records: The cost accounts and records as required to be maintained under section 148(i) of the Companies Act, 2013 are duly prepared and maintained by the Company.

## 12] Corporate Social Responsibility

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

## 13] Secretarial Audit Report

As required under the provisions of section 204 of the Companies Act, 2013, the Board of Directors of your Company had appointed M/s. SPANJ & Associates, Practicing Company Secretaries, to conduct Secretarial Audit. The Secretarial Audit Report for the financial year ended on March 31, 2020, is annexed to Board's Report as **Annexure 2**.

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

As part of good corporate governance practices adopted by the Company, the Company has voluntarily carried out audit of KFin Technologies Private Limited (KFin), Registrar and Transfer Agent of the Company in respect of various activities related to transfer, transmission, issue of duplicate share certificates, name corrections, additions, demat/ remat of shares etc. executed by KFin to strengthen the verification and approval process and make the system better controlled, robust and full-proof.

## 14] Directors and Key Managerial Personnel

Mr. Naishadh Parikh was appointed as an Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013 for the first term of 5 (five) years and will hold office upto August 12, 2020. Considering his knowledge, expertise and experience and the substantial contribution made by him during his tenure as an Independent Director, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of Mr. Parikh as an Independent Director on the Board of the Company, to hold office for the second term of five consecutive years commencing from August 13, 2020 upto August 12, 2025 and not liable to retire by rotation.

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

Brief profiles of Mr. Naishadh Parikh and Mr. Nrupesh Shah as required under Regulation 36 (3) of the Listing Regulations and Secretarial Standards - 1, are annexed to the notice convening the 33<sup>rd</sup> Annual General Meeting, which forms part of this Annual Report. Your directors recommend their appointment.

The members of the Company in their annual general meeting held on July 31, 2019, had appointed Mr. Santosh Nema as an Independent Director of the Company for a period of five years effective from July 31, 2019.

During the year under review, Mr. Dipak Palkar had conveyed his desire not to seek re-appointment as an Independent Director

of the Company for another term due to his frequent and extensive overseas travel. Accordingly, Mr. Dipak Palkar had ceased to be a director of the Company on expiry of his first term on August 19, 2019. The Board has placed on record its appreciation for valuable contribution received from Mr. Dipak Palkar during his tenure as an Independent Director of the company.

### 15] Extract of Annual Return

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

The Annual Return of the Company has been placed on the website of the Company and can be accessed at <https://www.symphonylimited.com/investor-annual-reports-documents.aspx>

### 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, 2020, the applicable Indian accounting standards have been followed and there are no material departures from the same;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 read with Rules made thereunder for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 17] Meetings of the Board

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

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

### 18] Audit Committee

The Committee comprises Mr. Naishadh Parikh, Chairman, Mr. Ashish Deshpande, Ms. Reena Bhagwati and Mr. Santosh Nema as members. In accordance with the provisions of section 177(8) of the Companies

Act, 2013 and Listing Regulations, the Board has accepted all the recommendations of the Audit Committee during the financial year 2019-20.

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

### **19] Nomination & Remuneration Policy**

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

### **20] Particulars of loans, guarantees or investments**

The liquidity position of your Company is fairly comfortable and therefore the surplus funds were invested to generate returns.

The Company has given loan and provided guarantee and security to the subsidiary companies for general business purpose.

Details of loans, guarantees and investments under the provisions of Section 186 of the Act as on March 31, 2020, are set out in Note nos. 4, 9, 33 and 35 to the Standalone Financial Statements of the Company.

### **21] Particulars of contracts or arrangements with related parties**

The particulars of contracts or arrangements entered with related parties as per Section 188 (1) of the Companies Act,

2013, in prescribed Form No. AOC-2 are given in **Annexure 4** to the Board's Report.

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

There are no materially significant related party transactions that may have potential conflict with interest of the Company at large.

Transactions with person or entity belonging to the promoter / promoter group which holds 10% or more shareholding in the Company have been disclosed in the accompanying financial statements.

### **22] Risk Management**

As per requirement of the Listing Regulations, Risk Management Committee has been constituted by the Company. The Risk Management Committee comprises of Mr. Naishadh Parikh, Chairman, Mr. Nrupesh Shah and Mr. Achal Bakeri as Members.

The Company is aware of the risks associated with its business. It regularly analyses and takes corrective actions for managing / mitigating the same. The Board of Directors of the Company have framed a risk management policy and the same is being adhered to by the Company. There are no risks which, in the opinion of the Board, threaten the existence of the Company. However, some of the risks which may pose

challenges are set out in the Management Discussion and Analysis which forms part of this Report.

## 23] Annual Performance Evaluation

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

### i. Criteria for evaluation of Board

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

### ii. Criteria for evaluation of Committee

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

### iii. Criteria for evaluation of Directors

These broadly cover qualification, experience, knowledge and competency, ability to function as a team, initiative,

attendance, commitment, contribution, integrity, independence, participation at meetings, knowledge & skills, personal attributes, leadership, impartiality etc.

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

## 24] Declaration by Independent Directors

Independent Directors have submitted their declarations stating that they meet the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and Listing Regulations as amended from time to time.

## 25] Vigil Mechanism

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

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

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

## 27] Particulars of Employees

The statement of disclosure of remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the Rules) are set out as **Annexure 5** to the Board's Report.

The statement of disclosures and other information as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and (3) of the Rules is forming part of this Report. However, as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(3) of the Rules, the Report and Financial Statement are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Rules. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

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

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

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

Your Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention,

Prohibition and Redressal) Act, 2013. An internal Complaints Committee has been set up to redress complaints regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

There were no complaints received, disposed off during the year under review and pending as at the end of the financial year.

### **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, 2020.

### **31] Insurance**

The insurable interests of the Company including building, plant & machinery, stocks, vehicles and other insurable interests are adequately covered.

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

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

### **33] Business Responsibility Report**

The Business Responsibility Report for the financial year 2019-20, as stipulated under Regulation 34 of the Listing Regulations is annexed to this Report as **Annexure - 7**.

### 34] Impact of COVID 19 Pandemic

In 2019 the company had taken several measures to scale up sales in the summer of 2020. It introduced several new, cutting-edge models in the household, commercial and industrial categories, it developed a brand-new marketing campaign, it enhanced its trade network, and was all set to reap the harvest in the summer of 2020.

But the pandemic hit India at the beginning of summer when consumers buy air coolers and could not have come at a worse time for Symphony. Up until the middle of March sales of air coolers were very robust, but the countrywide lock down in the second fortnight of March resulted in a loss of about 15%-17% of sales for the quarter that ended in March, 2020. Despite the company having firm orders from both domestic and international customers, it was unable to

deliver the goods towards the end of March, leading to several orders being cancelled.

The Company strictly followed the guidelines issued by the local, state and central governments and beyond to protect the health and well-being of its workforce and ensured minimum disruption to its customers.

### 35] Appreciation

Your Directors wish to place on record their appreciation of the contribution made by employees at all levels to the continued growth and prosperity of your Company. Your Directors also wish to place on record their deep sense of appreciation to the shareholders, OEMs, dealers, distributors, service franchises, CFA, consumers, banks and other financial institutions for their continued support.

For and on behalf of the Board

For Symphony Limited

Achal Bakeri

Chairman & Managing Director

DIN - 00397573

Place : Ahmedabad

Date : August 11, 2020

## Annexure - 1

# CORPORATE SOCIAL RESPONSIBILITY

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

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

Details of CSR activities are available on website of the company and can be accessed through the link: [https://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov\\_18318312.pdf](https://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_18318312.pdf)

2. Focus areas:

The Company supports various bodies in carrying out activities in the areas of education, health care, women empowerment, old age homes and environment protection.

3. The composition of the CSR Committee:

(i) Mr. Naishadh Parikh, Chairman

(ii) Mr. Achal Bakeri, Member

(iii) Mr. Nrupesh Shah, Member

4. Average net profit of the Company for last three financial years: ₹200.63 Crores
5. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹4.01 Crores
6. Details of CSR spent during the financial year:
  - (a) Total amount to be spent for the financial year: ₹4.02 Crores
  - (b) Amount unspent, if any: N. A.
  - (c) Manner in which the amount spent during the financial year:



CSR projects/ activities	Sector in which the Project is covered	Location where project is undertaken State (Local Area/ District)	Amount outlay (budget) Project/ Program wise	Amount spent on the Project(s) or Program(s)		Cumulative expenditure upto reporting period
				(1)	(2)	
				director expenditure / overheads	through implementing agency	
Development and Maintenance of Public Park	Ensuring environmental sustainability, ecological balance and protection of flora and fauna	Bodakdev, Off S.G. Highway, Ahmedabad Gujarat	4.000	3.921	Nil	3.921
Promoting education and empowerment of Women	Education and empowerment of Women	Family Planning Association of India, Ahmedabad Gujarat	0.150	0	0.100	0.125
Promoting Education	Promoting Education	Ahmedabad Management Association, Ahmedabad, Gujarat	0.030	0	0.003	0.017

7. In case the Company has failed to spend 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: **NOT APPLICABLE.**

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

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

**Naishadh Parikh**

Chairman - CSR Committee  
DIN - 00009314

**Achal Bakeri**

Chairman & Managing Director  
DIN - 00397573

Date: May 29, 2020

Place: Ahmedabad

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

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

To,  
The Members  
SYMPHONY LIMITED  
{CIN: L32201GJ1988PLC010331}  
Regd. Off: "Symphony House",  
Third Floor, FP-12, TP-50,  
Off S.G. Highway, Bodakdev,  
Ahmedabad – 380 059

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SYMPHONY LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives in electronic form in online system due to lockdown on account of COVID 19 during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 2020 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-

mechanism in place to an extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company copies of which were made available in electronic form by electronic transmission mode as per **Annexure - A** for the Financial Year ended on 31<sup>st</sup> March 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder read with notified provisions of Companies (Amendment) Act, 2017;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 2018 and the Regulations and Byelaws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (ii) The Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended).
- vi. **We further report that** having regard to the compliance management system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof made available to us in electronic form, on test-check basis, the Company has compliance management system for the sector specific laws applicable specifically to the Company, however due to lockdown on account of COVID 19 across the nation, physical verification was not possible.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned herein above. However, letters dated 21/06/2019 were received from BSE Limited and National Stock Exchange of India Limited in relation to non-compliance of Regulation 29 (2) & (3). The Company had paid fine of ₹10,000/- to each stock exchange aggregating to ₹20,000/-. We have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other sector specific laws applicable to the Company.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the year Mr. Dipak Palkar, Independent Director had expressed his

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

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

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

intention not to seek reappointment upon completion of his term on 19/08/2019. Moreover, Mr. Santosh Nema was appointed as Non-Executive Independent Director on the Board of the Company. 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 the agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

the same as part of the minutes, wherever required.

**We further report that** based on review of compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the company secretary and taken on record by the board of directors at their meeting(s), we are of the opinion that the management has adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable rules, regulations and guidelines as referred hereinabove.

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

Place : Ahmedabad  
Date : May 29, 2020

Sign:  
**ASHISH C DOSHI, PARTNER**  
**SPANJ & ASSOCIATES**  
Company Secretaries  
FCS No.: F3544  
COP No.: 2356  
PR Certificate No. : 702/2020  
UDIN : F003544B000296971

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

## Annexure - A

List of documents verified in electronic mode:

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

## Annexure - B

To,

The Members

**SYMPHONY LIMITED**

{CIN: L32201GJ1988PLC010331}

Regd. Off: "Symphony House",

Third Floor, FP-12, TP-50,

Off S.G. Highway, Bodakdev,

Ahmedabad – 380 059

Sir,

**Sub: Secretarial Audit Report for the Financial Year ended on 31<sup>st</sup> March, 2020**

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

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

Place : Ahmedabad

Date : May 29, 2020

Sign:

**ASHISH C DOSHI, PARTNER**

**SPANJ & ASSOCIATES**

Company Secretaries

FCS No.: F3544

COP No.: 2356

PR Certificate No. : 702/2020

UDIN : F003544B000296971

## Annexure - 3

Form No. MGT - 9

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2020

[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 a share capital
v)	Address of the Registered Office and contact details	Symphony House, Third Floor, FP12, TP50, Off S. G. Highway, Bodakdev, Ahmedabad – 380 059, Gujarat, India. Tele: +91-79-6621 111 E-mail ID: investors@symphonylimited.com Website: www.symphonylimited.com
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	KFin Technologies Private Limited Selenium Building, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032. Phone No.: +91-40- 6716 2222, Fax No.: +91-40-2342 0814 E-mail: einward.ris@kfintech.com Website: www.kfintech.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Air Coolers	46529	92.30

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

Sr. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1.	Guangdong Symphony Keruilai Air Coolers Co. Ltd. Taiying Industrial Area, Hongmei Town, Dongguan, China, Zip Code: 523160.	-	Subsidiary	100.00	2(87)
2.	IMPCO S. de R. L. de C.V. AYAX 611, Parque Industrial, Kalos Guadalupe, Guadalupe, Nuevo Leon, 67205, Mexico.	-	Subsidiary	100.00	2(87)
3.	Symphony AU Pty Limited C/o- Climate Technologies, 26, Nylex Avenue, Salisbury South, SA - 5108.	-	Subsidiary	95.00	2 (87)
4.	Climate Technologies Pty Limited 26, Nylex Avenue, Salisbury South, SA - 5108.	-	Step Down Subsidiary	95.00	2 (87)
5.	Bonaire USA LLC 470, Mirror Court, Ste 101, Henderson NV, 89011, USA	-	Step Down Subsidiary	95.00	2 (87)
6.	Symphony Climatizadores Ltda Avenida Pedra Branca, 184- Sala 22 cd 04, Pedra Branca Palhoca/SCCEP: 88.137-270, Brazil	-	Subsidiary	100.00	2 (87)

### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity)

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2019				No. of Shares held at the end of the year March 31, 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter / Promoter Group</b>									
<b>1. Indian</b>									
Individual/HUF / Family Trust	3,99,84,540	0	3,99,84,540	57.16	3,99,83,540	0	3,99,83,540	57.16	0.00
Bodies Corporate	1,24,83,200	0	1,24,83,200	17.84	1,24,83,200	0	1,24,83,200	17.84	0.00
<b>2. NRI</b>									
Individual	0	0	0	0	1,000	0	1,000	0.00	0.00
<b>Total shareholding of Promoter/ Promoter Group (A)</b>	<b>5,24,67,740</b>	<b>0</b>	<b>5,24,67,740</b>	<b>75.00</b>	<b>52467740</b>	<b>0</b>	<b>52467740</b>	<b>75.00</b>	<b>0.00</b>



Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2019				No. of Shares held at the end of the year March 31, 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	60,21,607	6,500	60,28,107	8.62	70,97,693	0	70,97,693	10.15	1.53
b) Banks / FI	12,121	0	12,121	0.02	7,313	0	7,313	0.01	(0.01)
c) Foreign Portfolio / FII's	46,67,975	0	46,67,975	6.67	36,94,270	0	36,94,270	5.28	(1.39)
<b>Sub-total (B) (1):-</b>	<b>1,07,01,703</b>	<b>6,500</b>	<b>1,07,08,203</b>	<b>15.31</b>	<b>1,07,99,276</b>	<b>0</b>	<b>1,07,99,276</b>	<b>15.44</b>	<b>0.13</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate – Indian	15,24,305	1,000	15,25,305	2.18	15,33,910	1,000	15,34,910	2.19	0.01
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lacs	29,00,739	6,49,450	35,50,189	5.07	30,39,099	5,12,950	35,52,049	5.08	0.01
ii) Individual shareholders holding nominal share capital in excess of ₹2 lacs	1,06,842	0	1,06,842	0.15	0	0	0	0.00	(0.15)
c) Others									
i) Non Resident (Rep)	94,587	1,11,500	2,06,087	0.30	98,726	1,02,000	2,00,726	0.29	(0.01)
ii) Non Resident (Non-Rep)	50,140	0	50,140	0.07	65,941	0	65,941	0.09	0.02
iii) Clearing Members	15,093	0	15,093	0.02	20,278	0	20,278	0.03	0.01
iv) Trust	972	0	972	0.00	562	0	562	0.00	0.00
v) Director and Director's relatives [Note 1]	7,21,241	0	7,21,241	1.03	7,21,241	0	7,21,241	1.03	0.00
vi) IEPF	4,01,500	0	4,01,500	0.58	4,04,500	0	4,04,500	0.58	0.00
vii) Unclaimed Shares Suspense Account	1,07,000	0	1,07,000	0.16	82,000	0	82,000	0.12	(0.04)
viii) HUF	78,178	0	78,178	0.11	77,677	0	77,677	0.11	0.00
ix) NBFC	3,910	0	3,910	0.01	285	0	285	0.00	(0.01)

Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2019				No. of Shares held at the end of the year March 31, 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
x) Alternate Investment Fund	14,600	0	14,600	0.02	22,215	0	22,215	0.03	0.01
xi) Qualified Institutional Buyer	0	0	0	0.00	7,600	0	7,600	0.01	0.01
<b>Sub-total (B) [2]-</b>	<b>60,19,107</b>	<b>7,61,950</b>	<b>67,81,057</b>	<b>9.69</b>	<b>60,74,034</b>	<b>6,15,950</b>	<b>66,89,984</b>	<b>9.56</b>	<b>(0.13)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1,67,20,810</b>	<b>7,68,450</b>	<b>1,74,89,260</b>	<b>25.00</b>	<b>1,68,73,310</b>	<b>6,15,950</b>	<b>1,74,89,260</b>	<b>25.00</b>	<b>0.00</b>
<b>Grand Total (A+B)</b>	<b>6,91,88,550</b>	<b>7,68,450</b>	<b>6,99,57,000</b>	<b>100.00</b>	<b>6,93,41,050</b>	<b>6,15,950</b>	<b>69,957,000</b>	<b>100.00</b>	<b>0.00</b>

Notes:

1. Shareholding of Mr. Nrupesh Shah, Executive Director:

Total 11,74,052 equity shares (1.68%) held by himself, spouse, two bodies corporate in which Mr. Nrupesh Shah, Executive Director, is substantially interested as a partner, his HUF and family trust in which he and his family members are beneficiaries. Mr. Nrupesh Shah is not a promoter director and hence holding is classified under 'Any Others' - Other, The break up is as under:

- i. 4,52,811 equity shares held by two bodies corporate in which Mr. Nrupesh Shah is substantially interested have been classified under "Bodies Corporate" category.
- ii. 4,25,480 equity shares in aggregate held by himself, spouse and his HUF is classified under 'Any Others (Director and Director's Relatives)".
- iii. 2,95,761 equity shares held by Family Trust in which he and his family members are beneficiaries is classified under "Any others (Director and Director's Relatives)".

2. Company has not mentioned category of shareholders whose holding is NIL.

**(ii) Shareholding of Promoter / Promoter Group**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year April 1, 2019			Shareholding at the end of the year March 31, 2020			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Achal Anil Bakeri	2,92,62,600	41.83	0.00	2,92,62,600	41.83	0.00	0.00
2	Achal Anil Bakeri HUF	24,00,000	3.43	0.00	24,00,000	3.43	0.00	0.00
3	Pavan Bakeri Jt. Anil Bakeri	12,04,000	1.72	0.00	12,04,000	1.72	0.00	0.00
4	Rupa Achal Bakeri	70,93,940	10.14	0.00	70,92,940	10.14	0.00	0.00
5	Hansa Bakeri Jt. Anil Bakeri	20,000	0.03	0.00	20,000	0.03	0.00	0.00

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year April 1, 2019			Shareholding at the end of the year March 31, 2020			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
6	Sanskrut Tradecom Private Limited	1,24,83,200	17.84	0.00	1,24,83,200	17.84	0.00	0.00
7	Jonaki Achal Bakeri Jt. Achal Anil Bakeri	1,000	0.00	0.00	1,000	0.00	0.00	0.00
8	Achal Bakeri Family Trust	1,000	0.00	0.00	1,000	0.00	0.00	0.00
9	Jonaki Bakeri Family Trust	1,000	0.00	0.00	1,000	0.00	0.00	0.00
10	Hirva Bakeri Family Trust	1,000	0.00	0.00	1,000	0.00	0.00	0.00
11	Hirva Achal Bakeri	0	0.00	0.00	1,000	0.00	0.00	0.00
<b>Total</b>		<b>5,24,67,740</b>	<b>75.00</b>	<b>0.00</b>	<b>5,24,67,740</b>	<b>75.00</b>	<b>0.00</b>	<b>0.00</b>

### (iii) Change in Promoters' Shareholding

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year April 1, 2019		Date	Increase/ (Decrease) In shareholding	Reason	Cumulative Shareholding during the year March 31, 2020	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Rupa Achal Bakeri	70,93,940	10.14	30.09.2019	(1,000)	Sold in open market	70,92,940	10.14
2	Hirva Achal Bakeri	Nil	Nil	30.09.2019	1,000	Purchase from open market	1,000	0.00

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

Sr. No.	Name of the Share Holder	Shareholding at the beginning of the year April 1, 2019		Date	Type	Increase/ Decrease in share holding	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	AXIS MUTUAL FUND TRUSTEE LIMITED A/C. (THROUGH VARIOUS SCHEMES)	28,83,156	4.12	01/04/2019	Opening Balance		28,83,156	4.12
				19/04/2019	Purchase	5,343	28,88,499	4.13
				26/04/2019	Purchase	69,292	29,57,791	4.23
				10/05/2019	Purchase	6,538	29,64,329	4.24
				24/05/2019	Purchase	1,00,000	30,64,329	4.38
				31/05/2019	Purchase	66,858	31,31,187	4.48
				07/06/2019	Purchase	1,95,076	33,26,263	4.75
				07/06/2019	Sale	-1,00,566	32,25,697	4.61

Sr. No.	Name of the Share Holder	Shareholding at the beginning of the year April 1, 2019		Date	Type	Increase/Decrease in share holding	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				14/06/2019	Purchase	60,000	32,85,697	4.70
				12/07/2019	Purchase	13,481	32,99,178	4.72
				09/08/2019	Purchase	21,012	33,20,190	4.75
				27/09/2019	Purchase	54,436	33,74,626	4.82
				01/11/2019	Purchase	6,395	33,81,021	4.83
				08/11/2019	Purchase	22,800	34,03,821	4.87
				10/01/2020	Purchase	2,36,840	36,40,661	5.20
				10/01/2020	Sale	-2,36,842	34,03,819	4.87
				14/02/2020	Purchase	912	34,04,731	4.87
				21/02/2020	Purchase	83,436	34,88,167	4.99
				28/02/2020	Purchase	3,831	34,91,998	4.99
				20/03/2020	Purchase	97,165	35,89,163	5.13
				<b>31/03/2020</b>	<b>Closing Balance</b>		<b>35,89,163</b>	<b>5.13</b>
<b>2</b>	<b>MATTHEWS INDIA FUND</b>	<b>19,27,475</b>	<b>2.76</b>	<b>01/04/2019</b>	<b>Opening Balance</b>		<b>19,27,475</b>	<b>2.76</b>
				14/06/2019	Sale	-96,664	18,30,811	2.62
				21/06/2019	Sale	-8,816	18,21,995	2.60
				05/07/2019	Sale	-5,445	18,16,550	2.60
				12/07/2019	Sale	-21	18,16,529	2.60
				09/08/2019	Sale	-7,878	18,08,651	2.59
				06/09/2019	Sale	-5	18,08,646	2.59
				13/09/2019	Sale	-2,184	18,06,462	2.58
				20/09/2019	Sale	-2,016	18,04,446	2.58
				27/09/2019	Sale	-47,635	17,56,811	2.51
				30/09/2019	Sale	-1,261	17,55,550	2.51
				11/10/2019	Sale	-954	17,54,596	2.51
				01/11/2019	Sale	-15,889	17,38,707	2.49
				08/11/2019	Sale	-11	17,38,696	2.49
				15/11/2019	Sale	-18,133	17,20,563	2.46
				22/11/2019	Sale	-16,893	17,03,670	2.44
				29/11/2019	Sale	-27,911	16,75,759	2.40
				06/12/2019	Sale	-7,783	16,67,976	2.38
				13/12/2019	Sale	-17,317	16,50,659	2.36
				20/12/2019	Sale	-36,574	16,14,085	2.31
				27/12/2019	Sale	-5,200	16,08,885	2.30
				31/12/2019	Sale	-7,062	16,01,823	2.29
				03/01/2020	Sale	-12,385	15,89,438	2.27
				10/01/2020	Sale	-29,006	15,60,432	2.23
				17/01/2020	Sale	-45,777	15,14,655	2.17
				24/01/2020	Sale	-1,24,420	13,90,235	1.99
				31/01/2020	Sale	-45,373	13,44,862	1.92
				07/02/2020	Sale	-17,667	13,27,195	1.90

Sr. No.	Name of the Share Holder	Shareholding at the beginning of the year April 1, 2019		Date	Type	Increase/Decrease in share holding	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				14/02/2020	Sale	-1,31,523	11,95,672	1.71
				21/02/2020	Sale	-58,741	11,36,931	1.63
				28/02/2020	Sale	-1,12,038	10,24,893	1.47
				06/03/2020	Sale	-68,767	9,56,126	1.37
				20/03/2020	Sale	-43,787	9,12,339	1.30
				27/03/2020	Sale	-90,854	8,21,485	1.17
				31/03/2020	Sale	-8,023	8,13,462	1.16
				<b>31/03/2020</b>	<b>Closing Balance</b>		<b>8,13,462</b>	<b>1.16</b>
3	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAP OPPORTUNITIES FUND	10,10,500	1.44	01/04/2019	Opening Balance		10,10,500	1.44
				24/01/2020	Purchase	96,580	11,07,080	1.58
				06/03/2020	Purchase	47,880	11,54,960	1.65
				13/03/2020	Purchase	3,200	11,58,160	1.66
				20/03/2020	Purchase	21,114	11,79,274	1.69
				<b>31/03/2020</b>	<b>Closing Balance</b>		<b>11,79,274</b>	<b>1.69</b>
4	UTI MUTUAL FUND (THROUGH VARIOUS SCHEMES)	9,71,866	1.39	01/04/2019	Opening Balance		9,71,866	1.39
				26/04/2019	Sale	-30,000	9,41,866	1.35
				24/05/2019	Sale	-1,14,411	8,27,455	1.18
				31/05/2019	Sale	-37,526	7,89,929	1.13
				21/06/2019	Sale	-5,000	7,84,929	1.12
				28/06/2019	Purchase	3,000	7,87,929	1.13
				09/08/2019	Purchase	2,000	7,89,929	1.13
				25/10/2019	Sale	-6,500	7,83,429	1.12
				15/11/2019	Purchase	9,000	7,92,429	1.13
				15/11/2019	Sale	-9,000	7,83,429	1.12
				22/11/2019	Purchase	19,000	8,02,429	1.15
				29/11/2019	Purchase	37,000	8,39,429	1.20
				06/12/2019	Purchase	9,079	8,48,508	1.21
				13/12/2019	Purchase	11,000	8,59,508	1.23
				20/12/2019	Purchase	3,000	8,62,508	1.23
				27/12/2019	Purchase	3,500	8,66,008	1.24
				31/12/2019	Purchase	2,670	8,68,678	1.24
				03/01/2020	Purchase	7,000	8,75,678	1.25
				10/01/2020	Purchase	5,000	8,80,678	1.26
				17/01/2020	Purchase	5,000	8,85,678	1.27
				24/01/2020	Purchase	9,000	8,94,678	1.28
				31/01/2020	Purchase	22,000	9,16,678	1.31
				31/01/2020	Sale	-5,000	9,11,678	1.30

Sr. No.	Name of the Share Holder	Shareholding at the beginning of the year April 1, 2019		Date	Type	Increase/Decrease in share holding	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				27/03/2020	Purchase	15,000	9,26,678	1.32
				31/03/2020	Closing Balance		9,26,678	1.32
5	ROWENTA NETWORKS PRIVATE LIMITED	8,58,847	1.23	01/04/2019	Opening Balance		8,58,847	1.23
				28/02/2020	Sale	-20,000	8,38,847	1.20
				31/03/2020	Closing Balance		8,38,847	1.20
6	DSP MIDCAP FUND	7,88,049	1.13	01/04/2019	Opening Balance		7,88,049	1.13
				31/03/2020	Closing Balance		7,88,049	1.13
7	MONDRIAN EMERGING MARKETS SMALL CAP EQUITY FUND, L.P.	4,05,551	0.58	01/04/2019	Opening Balance		4,05,551	0.58
				07/06/2019	Sale	-3,500	4,02,051	0.57
				14/06/2019	Sale	-48,100	3,53,951	0.51
				21/06/2019	Sale	-43,156	3,10,795	0.44
				28/06/2019	Sale	-3,800	3,06,995	0.44
				05/07/2019	Sale	-18,000	2,88,995	0.41
				12/07/2019	Sale	-23,348	2,65,647	0.38
				27/09/2019	Sale	-22,000	2,43,647	0.35
				24/01/2020	Sale	-24,002	2,19,645	0.31
				31/01/2020	Sale	-5,500	2,14,145	0.31
				07/02/2020	Sale	-9,477	2,04,668	0.29
				31/03/2020	Closing Balance		2,04,668	0.29
8	CHANDRAVADAN B SHAH - HUF	3,55,000	0.51	01/04/2019	Opening Balance		3,55,000	0.51
				31/03/2020	Closing Balance		3,55,000	0.51
9	NABAB CONSULTANTS LLP	3,12,549	0.45	01/04/2019	Opening Balance		3,12,549	0.45
				31/03/2020	Closing Balance		3,12,549	0.45
10	ONTARIO PENSION BOARD - MONDRIAN INVESTMENT PARTNER	2,95,836	0.42	01/04/2019	Opening Balance		2,95,836	0.42
				31/03/2020	Closing Balance		2,95,836	0.42

Note:

1. The above information is based on the weekly beneficiary position received from depositories.

**(v) Shareholding of Directors and Key Managerial Personnel**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2019)		Date	Increase/ (Decrease) in shareholding	Reason	Shareholding at the end of the year (March 31, 2020)	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Mr. Achal Bakeri	2,92,62,600	41.83	-	-	-	2,92,62,600	41.83
2	Mr. Nrupesh Shah	65,480	0.09	-	-	-	65,480	0.09
3	Mr. Santosh Nema	500	0.00	-	-	-	500	0.00
4	Mr. Mayur Barvadiya	4	0.00	-	-	-	4	0.00

**V) INDEBTEDNESS:**

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

**VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director and Whole-time Director**

[₹ in lacs]

Sr. No.	Particulars of Remuneration	Name of MD/WTD		Total Amount
		Mr. Achal Bakeri, Chairman and Managing Director	Mr. Nrupesh Shah, Executive Director	
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in u/s. 17(1) of the Income-tax Act, 1961	24.12	12.59	<b>36.71</b>
	(b) Value of perquisites u/s. 17(2) of the Income-tax Act, 1961	0.29	0.25	<b>0.54</b>
	(c) Profits in lieu of salary u/s. 17(3) of the Income-tax Act, 1961	-	-	-
2	<b>Stock option</b>	-	-	-
3	<b>Sweat equity</b>	-	-	-
4	<b>Commission /Performance Bonus</b>			
	as % of profit	-	-	-
	Profit linked performance incentive*	200.00	143.63	<b>343.63</b>
5	<b>PF, Gratuity and others</b>	13.24	6.68	<b>19.92</b>
	<b>Total</b>	<b>237.65</b>	<b>163.15</b>	
	<b>Total remuneration to executive directors (Total - A)</b>			<b>400.80</b>
	<b>Ceiling as per the Act</b> : Being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013			<b>2252.69</b>

\* Provisions of profit linked performance incentives made for the year 2019-20.

## B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors						(₹ in lacs)
		Mr. Dipak Palkar* (ID)	Mr. Naishadh Parikh (ID)	Mr. Ashish Deshpande (ID)	Ms. Reena Bhagwati (ID)	Mr. Santosh Nema @ (ID)	Ms. Jonaki Bakeri# (NED)	Total Amount
1.	Sitting Fees - Board/ Committee	0.00	1.50	2.00	2.00	0.90	0.00	6.40
2.	Commission	-	-	-	-	-	-	-
3.	Others, please specify	-	-	-	-	-	-	-
		<b>0.00</b>	<b>1.50</b>	<b>2.00</b>	<b>2.00</b>	<b>0.90</b>	<b>0.00</b>	
	<b>Total Remuneration to other directors (Total - B)</b>							<b>6.40</b>
	<b>Total Managerial Remuneration (Total A + B)</b>							<b>407.20</b>
	<b>Overall Ceiling as per the Act</b> : Being 11% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013							<b>2477.95</b>

\* ceased as director w.e.f. August 19, 2019

@ appointed as director w.e.f. July 31, 2019

# She has waived her rights to receive sitting fees.

## C. Remuneration to key managerial personnel other than MD/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		(₹ In lacs)
		Mr. Bhadresh Mehta CFO - Global	Mr. Mayur Barvadiya, Company Secretary	Total
1.	<b>Gross salary</b>			
	(a) Salary as per provisions contained in u/s. 17(1) of the Income-tax Act, 1961	49.16	28.41	77.57
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.25	-	0.25
	(c) Profits in lieu of salary u/s. 17(3) of the Income-tax Act, 1961	-	-	-
2.	<b>Stock Option</b>	-	-	-
3.	<b>Sweat Equity</b>	-	-	-
4.	<b>Commission</b>	-	-	-
	as % of profit	-	-	-
	others, specify...	-	-	-
5.	<b>PF, Gratuity and others</b>	9.73	5.64	15.37
	<b>Total</b>	<b>59.14</b>	<b>34.05</b>	<b>93.18</b>

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

There were no penalties / punishment / compounding of offences for breach of any section of the Companies Act, 2013 against the Company or its directors or other officers in default during the financial year 2019-20.



## Annexure - 4

## FORM NO. AOC-2

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

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

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

There were no contracts or arrangements, or transactions entered into during the year ended March 31, 2020, which were not at arm's length basis.

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

The details of material contracts or arrangements or transactions at arm's length basis for the year ended on March 31, 2020, are as follows:

							(₹ in Crores)
Sr. No.	Name of Related Party	Nature of Relationship	Nature of Contract / Arrangement / Transaction	Duration of the contract	Salient Terms	Date of Approval by the Board	Amount paid as Advance, if any*
1	Impco S. de R. L. de C.V, Mexico	Subsidiary	Purchase / Sale of Goods	On-going	As per Transfer Pricing guidelines	February 05, 2019	-
2	Guangdong Symphony Keruilai Air Coolers Co., Ltd, China	Subsidiary	Purchase / Sale of Goods	On-going	As per Transfer Pricing guidelines	February 05, 2019	₹2.90
3	Elephant Design Private Limited	Enterprises in which Director has significant influence	Availing services of design	On-going	Availing Services on Arm's length basis	February 05, 2019	-
4	Climate Technologies Pty Limited	Step down subsidiary	Purchase / Sale of Goods	On-going	As per Transfer Pricing guidelines	February 05, 2019	-
5	Bonaire USA LLP	Step down subsidiary	Purchase / Sale of Goods	On-going	As per Transfer Pricing guidelines	February 05, 2019	-
6	Symphony Climatizadores Ltda	Subsidiary	Purchase / Sale of Goods	On-going	As per Transfer Pricing guidelines	November 12, 2019	-

\* Outstanding as of March 31, 2020.

For and on behalf of the Board  
For Symphony Limited  
Achal Bakeri  
Chairman & Managing Director  
DIN - 00397573

Place : Ahmedabad  
Date : May 29, 2020

## Annexure - 5

### A. INFORMATION PURSUANT TO SECTION 197(12) READ WITH RULE 5 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 / KMPs	Remuneration		% increase in Remuneration	Ratio to median remuneration
	2019-20 (₹ in lacs)	2018-19 (₹ in lacs)		
Executive Directors~				
Mr. Achal Bakeri, Chairman & Managing Director	237.65	237.44	0.09	28.60
Mr. Nrupesh Shah, Executive Director	163.15	100.28	62.68	19.63
Non-Executive Independent Directors*				
Mr. Naishadh Parikh	1.50	2.00	N.A.	0.18
Mr. Dipak Palkar#	-	1.00	N.A.	-
Mr. Ashish Deshpande	2.00	1.40	N.A.	0.24
Ms. Reena Bhagwati	2.00	0.40	N.A.	0.24
Mr. Santosh Nema^	0.90	-	N.A.	0.11
Non-Executive Non-Independent Director				
Ms. Jonaki Bakeri#	-	-	N.A.	-
Key Managerial Personnel				
Mr. Bhadresh Mehta, Chief Financial Officer - Global	59.14	54.95	7.63	N.A.
Mr. Mayur Barvadiya, Company Secretary	34.05	31.71	7.38	

~ Calculated on the basis of annual CTC plus performance linked incentives for better comparison.

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

# Ceased as a director w.e.f. August 19, 2019.

^Appointed as an Independent Director w.e.f. July 31, 2019.

# She has waived her rights to receive sitting fees.

- 2 The median remuneration of employees during the financial year under review was **₹8,30,952/-**.
- 3 The percentage increase in the median remuneration of employees in the financial year : **5.99%**.
- 4 The number of permanent employees on the rolls of Company as on March 31, 2020: **444**
- 5 Average percentile increase already made in the salaries of employees other than 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:  
Average Increase in remuneration of employees other than Managerial Personnel is 6.88% and average increase/ (decrease) in remuneration of Managerial Personnel is 31.39%. 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 the overall performance of the Company.
- 6 We affirm that the remuneration is as per the Nomination and Remuneration Policy of the Company.

#### Note:

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

## 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, 2020.

The Company has constantly focused on the key aspect of Social & Environment Impacts. The Company has taken a few steps to maintain & improve carbon footprints:

### (A) Conservation Of Energy

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

- i. Incorporation of more efficient fan design in the product.
- ii. All products are having RoHS compliance.
- iii. Lead-free PCB developed for saving the energy and thus environment.
- iv. Company is using PCBA which complies with ErP (Energy resource Products).
- v. Introduced bearing in a few motors to minimise friction to reduce energy consumption.
- vi. Use of polymers which are 100% recyclable.
- vii. Focused towards family kind of mould so that maximum output can be achieved with minimal use of energy.
- viii. Replaced metallic components by global specially engineered plastics.
- ix. Introduced changes in electrical distribution system viz. L T Panels, cable routing etc.
- x. Replacement of ballasts (chokes) by more efficient ones and pumps with energy-efficient pumps and also Development of smaller and more efficient pumps.

- xi. Reduction of inwards and online inspection by bringing manufacturing procedures under statistical quality control [SQC].
- xii. Redesigning the product and packaging dimensions to allow the optimum quantity of transportation per truck or container. This leads to lower fuel consumption per piece.
- xiii. Designing of Motor (A most critical part of coolers) to consume minimum power.
- xiv. Use of Dura pump technology which cuts off the power supply in case of overheating.
- xv. Switching to LED lights instead of CFL.

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

#### (c) Capital investment on energy conservation equipment : Nil

### (B) Technology Absorption:

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

- Constant R & D efforts directed towards product improvement, new product development, enhancement of features of existing products, cost reduction, automation, OEMs, development, environmentally friendly products, import substitute and energy-efficient products.
- In house development of aesthetically designed full plastic body air coolers/ storage.

- In house testing of all types of plastic materials for their development, reliability and usability.
  - Intelligent electronic components with user-friendly features.
  - Revolutionary water distribution technology.
  - Special plastic formulation developed for the fan blades which has drastically reduced its breakage.
  - LCD technology in coolers.
  - Introduction of power PCB to work even in fluctuating voltage.
  - Energy-efficient products
  - Extensive usage of simulation and prototypes to reduce development time and predict failures.
  - Developed and adopted new RPT technology to avoid the laser cutting of plastic pollution flames and save power.
  - Enhanced reliability of parts to avoid 100% testing and thereby saving usage of power.
- (ii) **The benefits derived like product improvement, cost reduction, product development or import substitution**
- Reduced part/ component replacement in the 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 proven technology which is duly tested and approved. However, certain critical tools & moulds have been imported.

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

Particulars	(₹ in Crores)			
	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
1. Revenue	3.79	4.08	7.71	7.62
2. Capital	0.35	0.00	1.59	1.14
3. Total	4.14	4.08	9.30	8.76
4. Total R&D expenditure [as % of turnover]	0.58	0.78	0.85	1.04

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

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

Particulars	(₹ in Crores)	
	2019-20	2018-19
Foreign Exchange Earnings	63.95	53.53
Foreign Exchange Outgo	54.27	34.30

## Annexure - 7

## BUSINESS RESPONSIBILITY REPORT

### Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L32201GJ1988PLC010331
2.	Name of the Company	Symphony Limited
3.	Registered Office Address	"Symphony House", Third Floor, FP-12, TP-50, Off S. G. Highway, Bodakdev, Ahmedabad - 380059, Gujarat, India.
4.	Website	www.symphonylimited.com
5.	E-mail id	investors@symphonylimited.com
6.	Financial Year reported	April 1, 2019 to March 31, 2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	46529
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Air Coolers
9.	Total number of locations where business activity is undertaken by the Company	
	i. Number of International Locations (Provide details of major 5)	Six International Subsidiaries The Company, through its subsidiaries, has operations in Mexico, China, Australia, USA and Brazil
	ii. Number of National Locations	22 locations across India.
10.	Markets served by the Company Local/State/National/International/	National and International

### Section B: Financial Details of the Company

1.	Paid up Capital (₹ In Crores)	13.99
2.	Total Turnover (₹ In Crores)	714.24
3.	Total profit after taxes (₹ In Crores)	185.91
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Details of CSR spending given in CSR report forming part of Board's Report.
5.	List of activities in which expenditure in 4 above has been incurred:-	Details of CSR spending given in CSR report forming part of Board's Report.

## Section C: Other Details

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

## Section D: BR Information

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

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

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for....	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2.	Has the policy being formulated in consultation with the relevant stakeholders?	-	-	Yes	-	-	Yes	-	-	-
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	-	-	-	-	-	Yes	-	-	-
		Yes. The policies are based on the "National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business" released by the Ministry of Corporate Affairs.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Yes. Policy (ies) which are mandatory under the Companies Act, 2013 and SEBI Listing Regulations are approved by the Board. Other policies are approved by the Chairman and Managing Director.								
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Yes. The Company has various committees to oversee the implementation of the policy and adequate internal control systems for implementation of the same.								
6.	Indicate the link for the policy to be viewed online?	1. <a href="http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_131213223941.pdf">http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_131213223941.pdf</a> 2. <a href="http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_72701231.pdf">http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_72701231.pdf</a> 3. <a href="http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_131213224045.pdf">http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_131213224045.pdf</a> 4. <a href="http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_13121322489.pdf">http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_13121322489.pdf</a> 5. <a href="http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_31331225958.pdf">http://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_31331225958.pdf</a>								

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, wherever applicable								
8.	Does the company have in-house structure to implement the policy /policies.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes, wherever applicable								
10.	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Yes, wherever applicable								

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles						Not applicable			



Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									Not applicable
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

### 3. Governance related to BR

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

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

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

**The Company does not publish a Sustainability Report. However the BRR is part of the Annual Report which is available on the website of the Company i.e. <http://www.symphonylimited.com/investor-annual-reports.aspx>**

## Section E: Principle-wise performance

### Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

**Yes. The Company has a code of conduct and business ethics and a vigil mechanism (whistle blower policy). These are applicable to all directors and employees of the Company and all its subsidiaries.**

**All Group Companies / Suppliers/ Dealers/ Distributors/ agents are also expected to adopt and implement the Company's Code of Ethics and Business Conduct in its true letter and spirit.**

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

**Nil.**

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## Principle 2

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

**Air Cooler is an environment friendly product, considered as a green product. Symphony air coolers are specially designed in such a way that is energy efficient and more cooling with less power consumption.**

**Further, the i-pure series of air coolers launched by the Company also provides air purification over and above efficient air cooling.**

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

i. **At Symphony, we continually strive to improve our operations and minimize our impact on the environment. A commitment to sustainability requires across-the-board efforts. We pursue new ways to reduce emissions and improve energy management through conservation, and energy-efficient product design.**

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

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

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

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

**The Company continuously strives to implant sustainability throughout its supply chain system. The Company has implemented SAP/ ERP system to enhance the sustainability as well as supply chain.**

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

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

**Yes**

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

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

**Not applicable**

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### Principle 3

1.	Please indicate the Total number of employees. <b>Total number of Employees as of March 31, 2020 is 444.</b>				
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis. <b>65</b>				
3.	Please indicate the Number of permanent women employees. <b>9 (Nine)</b>				
4.	Please indicate the Number of permanent employees with disabilities. <b>NIL</b>				
5.	Do you have an employee association that is recognized by management? <b>The Company does not have any employee association.</b>				
6.	What percentage of your permanent employees are members of this recognized employee association? <b>Not Applicable.</b>				
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.				
	<b>Sr. No.</b>	<b>Category</b>	<b>number of complaints filed during the financial year</b>	<b>number of complaints disposed of during the financial year</b>	<b>number of complaints pending as on end of the financial year</b>
	1.	Child labour/forced labour/involuntary labour	Nil	Nil	Nil
	2.	Sexual harassment	Nil	Nil	Nil
	3.	Discriminatory employment	Nil	Nil	Nil
8.	What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?				
	Permanent Employees		- 96%		
	Permanent Women Employees		- 100%		
	Casual/Temporary/Contractual Employees		- 64%		
	Employees with Disabilities		- N.A.		

## Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No  
**Yes, the Company has mapped its key internal and external stakeholders. (i) Employees, (ii) Original Equipment Manufacturers, (iii) Distributors, (iv) Dealers (v) Customers, (vi) Governments and their authorities, (vii) Shareholders, (viii) Suppliers, (ix) Bankers (x) Lenders and (xi) Auditors.**
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.  
**As per Company's information, there are no disadvantaged or vulnerable or marginalised stakeholders.**
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.  
**Nil**

## Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?  
**The Company's Policy on Human Rights covers not only the Company but also extends to its Subsidiaries and Group Companies, Suppliers, etc.**
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?  
**The Company did not receive any complaint for financial year ended on March 31, 2020.**

## Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.  
**The Company has adopted sustainability policy and the same is available at [https://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov\\_31331225958.pdf](https://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_31331225958.pdf) The Company is a manufacturer of Air coolers which is an environment friendly and green product. Air Coolers have following advantages :**  

i. Energy-efficient	ii. Eco-friendly,
iii. Use minimal water	iv. Do not emit harmful CFCs.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.  
**Climate change, global warming and environmental degrading pose unique challenges as well as opportunities for the Company. The Company is continually investing in new technologies and innovation to address global environment challenges.**
3. Does the company identify and assess potential environmental risks? Y/N  
**Yes. On account of pollution hazards, the Company has come out with i-pure series of air coolers which also purifies the air over and above air cooling.**

- 4 Does the company have any project related to Clean Development Mechanism?  
If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

**Green Cooling for a Cleaner and Better Tomorrow:**

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

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

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

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

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

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

**N. A.**

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

**NIL**

**Principle 7**

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

**(a) Gujarat Chamber of Commerce, (b) Confederation of Indian Industry and (c) Federation of Indian Export Organisations.**

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

**No**

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## Principle 8

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1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

**Yes, the Company has identified specified projects in the pursuit of the CSR policy of the Company.**

**Details of the programme are given in CSR report forming part of Board's Report**

2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?

**The identified projects are carried out directly by the Company itself.**

**The Company also supplementing the efforts of the local institutions/ NGOs in the field of Education, Healthcare, empowerment of Women, Old age homes, Family Planning to meet priority needs of the underprivileged communities with the aim to help them to become self-reliant.**

3. Have you done any impact assessment of your initiative?

**The CSR Committee of the Board assess the impact of its CSR programmes. Any update on CSR programme is placed before the Board for their review.**

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

**INR 4.02 Crores. Details of the programme are given in CSR report forming part of Board's Report.**

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

**Yes. CSR Programmes are done independently as well as rolled out through Public Charitable Trust, NGO. This helps in increasing reach as well as ensuring the adoption of initiative by communities.**

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## Principle 9

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1. What percentage of customer complaints /consumer cases are pending as on the end of the financial year.

**The Company is committed to provide world class products and services to its customers. 67 cases /complaints were pending as on March 31, 2020.**

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

**Yes. Company adheres to all applicable laws, regulations regarding product labelling and displays relevant information on it.**

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

**No.**

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

**Yes. The Company continuously carries out consumer surveys to understand consumer feedback, product satisfaction and consumer's latest trend.**

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# CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Corporate Governance Report for the year ended March 31, 2020, in terms of Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Symphony Limited (hereinafter referred as "Symphony" or "the Company") believes in the highest level of accountability towards its stakeholders and actively promotes fair, transparent and ethical Corporate Governance practices. The basic philosophy for better Corporate Governance practices is to achieve business excellence and strengthen the confidence of all stakeholders. The Company's philosophy on Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values.

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

of companies, their agents, and affected stakeholders.

The Company has adopted the best practices of corporate governance over a period of time as per the provisions of the Listing Regulations and the Companies Act, 2013. The Company continues to focus on good Corporate Governance, in line with the best practices in the areas of Corporate Governance.

## (A) BOARD OF DIRECTORS

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

1. The Board comprises 7 directors with an executive chairman as of March 31, 2020, out of which more than 50% directors are independent directors and two women directors including one Independent Woman Director which are in line with the 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, 2020.

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

## 2. Matrix setting out the skills/ expertise/ competencies of Board of Directors:

The Company (Symphony) is an Indian multi-national Company with presence in more than 60 countries and world's largest manufacturer of air-coolers. From inventions to innovations, energy responsibility to environment stewardship, Symphony is a market leader which has been cooling customers for generations. The massive supremacy of Symphony

coolers in the residential, industrial and commercial segments has made the brand synonymous with 'cooling'.

The Board of Directors comprises of professionals of eminence and stature drawn from diverse fields. They collectively bring to the fore a wide range of skills and experience to the Board, which elevates the quality of the Board's decision making process. Brief Profile of directors may be accessed on the website of the Company at [www.symphonylimited.com](http://www.symphonylimited.com)

The following is the list of core skills/ expertise/ competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and along with the names of directors who have such skills/ expertise/ competence:

Skills/ Expertise / Competencies and its description	Name of Directors						
	Mr. Achal Bakeri	Mr. Nrupesh Shah	Mr. Naishadh Parikh	Mr. Ashish Deshpande	Ms. Reena Bhagwati	Mr. Santosh Nema	Ms. Jonaki Bakeri
<b>Sales and Marketing</b> Experience in sales and marketing management based on Insights of consumer behaviour and experience in understanding trends of consumer preferences and Innovation management.	✓	✓	✓	✓	✓	✓	✓
<b>International Business</b> Experience in leading, expansion and diversification of business indifferent geographies/markets around the world.	✓	✓	✓			✓	✓
<b>Financials</b> expertise in understanding and management of complex financial functions and processes of the organisation, deep knowledge of accounting, finance and treasury	✓	✓	✓	✓	✓	✓	✓



<b>Innovation / Quality Assurance/ Design of Product</b> experience in understanding trends of consumer preferences and Innovation management/ quality assurance and design of products.	✓	✓	✓	✓		
<b>Supply Chain Management</b> Ability and expertise in the management of complex supply chain operations. Understanding technological developments in supply chain management and experience in leveraging the use of technology in supply chains	✓	✓	✓		✓	✓
<b>General Management</b> Experience of leading operations of organizations with deep understanding of regulatory and governance, strategic thinking, decision making, legal and regulatory aspects	✓	✓	✓	✓	✓	✓

3. Details of listed entities where the person is director and category of directorship as on March 31, 2020 are as under:

Name of Director	Name of Listed entities where the person is a director	Category of directorship
Mr. Achal Bakeri	Symphony Limited	Chairman & Managing Director
	Arvind Fashions Limited	Independent Director
Mr. Nrupesh Shah	Symphony Limited	Executive Director
Ms. Jonaki Bakeri	Symphony Limited	Non-Executive Director
Mr. Naishadh Parikh	Symphony Limited	Independent Director
	Amol Minechem Limited	Independent Director
Mr. Ashish Deshpande	Symphony Limited	Independent Director
Ms. Reena Bhagwati	Symphony Limited	Independent Director
	Bhagwati Autocast Limited	Managing Director
	Eimco Elecon (India) Limited	Independent Director
	The Anup Engineering Limited	Independent Director
Mr. Santosh Nema	Symphony Limited	Independent Director

4. The names and categories of the directors, number of board meetings held and attended by directors, number of directorship held in other public companies, number of committee chairmanship / membership held in other public companies, attendance at last annual general meeting and the number of shares held as on March 31, 2020 are given below:

Name of Director	Category	Number of Board Meeting held	Number of Board Meeting entitled to attend	Number of Board Meeting attended	No. of directorship held in public companies including Symphony	No. of committee chairmanship/ membership held in public companies including Symphony	Attended last AGM	No. of shares held as on March 31, 2020
Mr. Achal Bakeri <sup>&amp;</sup>	CMD	4	4	4	2	-	Yes	5,24,67,740 <sup>#</sup>
Mr. Nrupesh Shah	ED	4	4	4	1	1	Yes	11,74,052 <sup>*</sup>
Ms. Jonaki Bakeri <sup>^</sup>	NED	4	4	4	1	-	Yes	5,24,67,740 <sup>#</sup>
Mr. Dipak Palkar <sup>%</sup>	NE - ID	4	2	-	-	-	No	-
Mr. Naishadh Parikh	NE - ID	4	4	3	5	4	Yes	-
Mr. Ashish Deshpande	NE - ID	4	4	4	1	1	Yes	-
Ms. Reena Bhagwati	NE - ID	4	4	4	4	5	Yes	-
Mr. Santosh Nema <sup>@</sup>	NE - ID	4	2	2	1	1	Yes	500

@@ CMD – Chairman and Managing Director, ED – Executive Director, NED – Non-Executive Director, ID - Independent Director

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

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

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

^ Ms. Jonaki Bakeri is daughter of Mr. Achal Bakeri.

% ceased as director w.e.f. August 19, 2019.

@ Appointed as an Independent director w.e.f. July 31, 2019.

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.

5. During the year, the Board met four times on the following dates:  
May 22, 2019, July 31, 2019, November 12, 2019 and February 7, 2020.
6. The Company has a system to circulate and provide adequate information to the Board, including minimum information to be placed before the Board as required under Part- A of Schedule II of Listing Regulations to enable the Board to take informed decisions. As required under Regulation 17(3) of the Listing Regulations, the Board periodically reviews compliances of various laws applicable to the Company.
7. The Board meets at least once a quarter with the gap between two meetings not exceeding 120 days.
8. 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.
9. The Company has in place a structured induction and familiarization programme for all its directors including the independent directors. The objective of the programme is to familiarize the Directors to enable them to understand the Company, its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. The Company also educates them regarding their role, responsibility and duties under the Companies Act, 2013 and under the Listing Regulations.  
  
Details of familiarization programmes imparted to independent directors is available at [https://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov\\_151215221621.pdf](https://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_151215221621.pdf)
10. The disclosures regarding appointment/re-appointment of Directors are forming part of Notice.
11. Confirmation as regards independence of Independent Directors  
  
In the opinion of the Board Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are independent of the Management.
12. Roles of various constituents of Corporate Governance in the Company:
  - (i) Board: The directors of the Company are in a fiduciary position, empowered to oversee the management functions in order to ensure effectiveness and enrichment of stakeholders' value. The Board reviews, considers and approves management's strategic business plan and business objectives and monitors the Company's strategic direction.
  - (ii) Chairman and Managing Director: The role of a chairman and managing director is to provide leadership to the Board and the senior executive team for realizing 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



- related parties, review and monitor the auditor's independence and performance and effectiveness of audit process, scrutiny of intercorporate loans and investments, evaluation of internal financial controls and risk management system, review of utilization of loans/ advances from / investment by the Company in the subsidiary exceeding ₹100 Crores or 10% of the assets size of the subsidiary, valuation of undertaking and assets, performance of statutory auditors and internal auditors and adequacy of internal control systems, and reviewing the functioning of the whistle blower mechanism and such other functions as is mentioned in the terms of reference of the audit committee and more specifically stated in Part C of Schedule II of the Listing Regulations.
2. The Audit Committee consists of Mr. Naishadh Parikh, Chairman, Mr. Ashish Deshpande, Mr. Santosh Nema and Ms. Reena Bhagwati as members.
  3. All members of Committee are financially literate as specified in Regulation 18 of the Listing Regulations. The Company Secretary acts as Secretary to the Committee.
  4. Executive summary of the Audit Committee Meeting is placed before the Board Meeting held after the Audit Committee Meeting for deliberation and the full minutes of the same are placed before the following Board Meeting for record. The Chairman of the Audit Committee apprises the Board on the recommendations made by the Committee.
  5. The Committee has freedom to invite executives, as it considers appropriate, (particularly the head of finance function) the head of internal audit, auditor and chief financial officer to be present at the meeting of the Committee.
  6. Mr. Naishadh Parikh, Chairman of the Committee has attended the last annual general meeting held on July 31, 2019.
  7. During the year under review, the committee met four times on May 22, 2019, July 31, 2019, November 12, 2019 and February 7, 2020 and attendance of the members is shown below:

Name of Member	Membership	Meetings entitled to attend	Meetings Attended
Mr. Naishadh Parikh	Chairman	4	3
Mr. Ashish Deshpande	Member	4	4
Ms. Reena Bhagwati	Member	4	4
Mr. Dipak Palkar <sup>§</sup>	Chairman	2	0
Mr. Santosh Nema <sup>#</sup>	Member	1	1

§ ceased as a member of Audit Committee w.e.f. August 19, 2019

# appointed as a member of Audit Committee w.e.f. November 12, 2019

## (C) NOMINATION AND REMUNERATION COMMITTEE

1. The Board has constituted a Nomination and Remuneration Committee pursuant to Section 178 of the Companies Act, 2013 and Listing Regulations. The terms of reference of the Committee are as per the Companies Act, 2013 and the Listing Regulations, which broadly covers the following:
  - (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
  - (ii) Formulation of criteria for evaluation of independent directors 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 for their appointment and removal.
  - (v) Whether to extend or continue the term of appointment of the independent director based on the report of performance evaluation of independent directors.
  - (vi) Any other terms of reference as per the provisions of the Companies Act, 2013 and Listing Regulations (including any amendments thereto).
2. The Nomination and Remuneration Committee of the Company as on March 31, 2020 comprised of the following members:
 

Ms. Reena Bhagwati, Chairperson, Mr. Naishadh Parikh, Mr. Ashish Deshpande and Mr. Santosh Nema, as members. All members of the committee are Independent Directors.
3. Executive summary of the Nomination and Remuneration Committee Meeting is generally placed before the Board Meeting held after the Nomination and Remuneration Committee Meeting for deliberation and the full minutes of the same are placed before the following Board Meeting for record. The Chairman of the Nomination and Remuneration Committee apprises the Board on the recommendations made by the Committee.
4. During the year under review, the committee met on May 22, 2019 and attendance of the members is shown below:

Name of Member	Membership	Meeting details	
		Entitled to Attend	Attended
Ms. Reena Bhagwati <sup>Ⓘ</sup>	Chairperson	-	-
Mr. Naishadh Parikh	Member	1	1
Mr. Ashish Deshpande	Member	1	1
Mr. Santosh Nema*	Member	-	-
Mr. Dipak Palkar <sup>^</sup>	Member	1	-

Ⓘ appointed as chairperson /member w.e.f. July 31, 2019

\* appointed as member w.e.f. November 12, 2019

^ ceased as member w.e.f. July 31, 2019

## 5. Nomination and Remuneration Policy

### I. Appointment

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

### II. Evaluation

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

### III. 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.

## IV. Remuneration

- i. 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.
  - ii. The Nomination and Remuneration Committee shall recommend remuneration to be paid to key managerial personnel and employees at senior management at the time of their appointment. Further, the Committee may recommend increment / incentive to key managerial personnel and employees at senior management based on their performance annually or at such intervals.
6. The criteria for performance evaluation of independent directors are part of the Board's Report. The performance of evaluation of independent directors was done by the entire Board of Directors and in the evaluation of the Directors, the Directors being evaluated had not participated.

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

(₹ in lacs)

Name of Director	Salary	Perquisites/ Gratuity/ PF/ Others	Profit linked performance incentive / commission*	Total
Mr. Achal Bakeri	24.12	13.53	200.00	237.65
Mr. Nrupesh Shah	12.59	6.93	143.63	163.15

\* Provision for the year 2019-20 and payable in the year 2020-21.

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

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

(₹ in lacs)

Name of Directors	Sitting Fees	
	Board Meeting	Audit Committee
Mr. Naishadh Parikh	1.20	0.30
Mr. Ashish Deshpande	1.60	0.40
Ms. Reena Bhagwati	1.60	0.40
Mr. Santosh Nema <sup>#</sup>	0.80	0.10
Mr. Dipak Palkar <sup>*</sup>	-	-

<sup>#</sup> Appointed as director w.e.f. July 31, 2019

<sup>\*</sup> ceased as director w.e.f. August 19, 2019

9. Ms. Reena Bhagwati being chairperson of the Committee has attended the last annual general meeting held on July 31, 2019.
10. Elephant Design Private Limited in which Mr. Ashish Deshpande, an Independent Director, is a director, were paid ₹44.24 lacs as professional fees for design services provided by it during the year. Apart from above, there were no other pecuniary relationships / transactions with the Non-Executive / Independent Directors vis-à-vis the Company. None of the Independent Directors shall be entitled to any stock option of the Company.

## (D) STAKEHOLDERS RELATIONSHIP COMMITTEE

- (a) The Board has constituted a Stakeholders Relationship Committee pursuant to Section 178 of the Companies Act, 2013 and Listing Regulations.
- (b) The terms of reference of the Committee are to consider and resolve grievances of shareholders of the Company and more specifically prescribed under Section 178 of the Companies act, 2013 and Regulation 20 of the Listing Regulations.
- (c) The Stakeholders Relationship Committee of the Company as on March 31, 2020 comprised of Mr. Naishadh Parikh, Chairman, Mr. Nrupesh Shah and Ms. Reena Bhagwati as members.
- (d) Mr. Mayur Barvadiya, Company Secretary of the Company is a Compliance Officer of the Company.
- (e) During the year, the Committee met six times on May 22, 2019, July 31, 2019, September 2, 2019, November 12, 2019, January 8, 2020 and February 7, 2020.



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

Opening balance at 01.04.2019	Received during the year	Resolved during the year	Closing balance as at 31.03.2020
1	13	14	0

## (E) OTHER COMMITTEES

### 1. Corporate Social Responsibility Committee

- Corporate Social Responsibility Committee consists of Mr. Naishadh Parikh, Chairman, Mr. Achal Bakeri and Mr. Nrupesh Shah as members of the Committee.
- The terms of reference of the Committee are as under:
  - 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.
  - to recommend the amount of expenditure to be incurred on the activities.
  - to monitor the corporate social responsibility policy of the Company from time to time.
- During the year, the Committee met two times on May 22, 2019 and November 12, 2019.
- Meeting and attendance during the year:

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

### 2. Risk Management Committee

- Risk Management Policy:
 

Pursuant to the provisions of Regulation 21 of the Listing Regulations, a Risk Management Committee has been constituted by the Board. The Company satisfies the requirement of Regulation 21 of the Listing Regulations, which states that the majority of Committee shall consist of members of the Board of Directors; senior executives of the Company may be members of the said committee but chairman of the Risk Committee shall be a member of the Board of Directors. The Company is having well defined Risk Management Policy and Risk Management Framework.
- The composition of the Risk Management Committee is as under:
 

Mr. Naishadh Parikh, Chairman, Mr. Nrupesh Shah and Mr. Achal Bakeri as Member
- Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

The Company does not have any exposure to commodity price risk. However, foreign exchange exposure risks have not been hedged by any derivative instrument or otherwise.

### 3. Management Committee

- a. The Management Committee consists of Mr. Achal Bakeri, Chairman, Mr. Nrupesh Shah, Mr. Naishadh Parikh and Ms. Jonaki Bakeri as members of the Committee.
- b. Management Committee deals with day-today business operations such as banking, treasury, insurance, legal, GST, customs, authorization, administration and dealing with other government/non-government authorities.
- c. During the year, the Committee met three times on April 15, 2019, June 17, 2019 and January 8, 2020.
- d. Meeting and attendance during the year:

Name of Member	Membership	Meeting details	
		Held	Attended
Mr. Achal Bakeri	Chairman	3	3
Mr. Nrupesh Shah	Member	3	3
Mr. Naishadh Parikh	Member	3	3
Ms. Jonaki Bakeri	Member	3	1

### 4. Separate Meetings of Independent Directors

During the year, separate meetings of independent directors were held on May 22, 2019 and February 7, 2020 in which majority independent directors were present. In these meetings, they have discussed and evaluated:

- (i) performance of Non-Independent Directors, Independent Directors and the Board of Directors as a whole.
- (ii) performance of the Chairman of the Company, considering the views of the Executive and Non-Executive Directors.
- (iii) performance of the various committees of the Board.
- (iv) Evaluation of the quality, content

and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Mr. Naishadh Parikh has been appointed as Lead Independent Director of the Company.

### (F) DISCLOSURES

1. There have been no materially significant related party transactions, which have potential conflict with the interests of the Company at large. Audit Committee considers and approves related party transactions and omnibus approval from Audit Committee is taken as per the terms and conditions of as

required under the Listing Regulations. The details showing related party transactions are provided in Note no. 35 of Notes forming part of the standalone financial statements for the financial year ended on March 31, 2020 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 fine has been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority except token fine of ₹10,000/- each imposed by BSE and NSE under regulation 29(2) of the Listing Regulations (already paid and settled).
3. In preparation of the financial statements, the Company has followed the applicable Accounting Standards. The significant accounting policies applied in the preparation and presentation of financial statements have been set out in Note 2 of Notes forming part of the financial statements for the financial year ended on March 31, 2020.

**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 a Code of Conduct to Regulate, Monitor and Report trading by Insiders which provides for disclosures from promoter, director and designated person as well as pre-clearance of transactions above the threshold limit as prescribed under the Code.

**6. Vigil Mechanism:**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and directors who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. This policy has been posted on the Company's website [https://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov\\_31331225650.pdf](https://www.symphonylimited.com/Uploads/Investor/CorporateGovernance/CorpGov_31331225650.pdf)

## 7. Reconciliation of Share Capital Audit:

Every quarter, a practicing company secretary provides reconciliation of share capital audit to reconcile total admitted equity shares with the National Securities Depository Limited and Central Depository Services (India) Limited. This audit is carried out every quarter and the report thereon are submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and the total number of shares in physical form.

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

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

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

## 10. Subsidiary Companies:

Climate Technologies Pty Limited, Australia (on standalone basis) and Symphony AU Pty Limited, Australia (on consolidated basis), subsidiaries of the Company come under the purview of the material non-listed subsidiary as per criteria given in Regulation 16(1) I 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 a personal interest, which may have a potential conflict with the interests of the Company at large.
13. Details of Compliance with mandatory requirements and adoption of non-mandatory requirements:

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

- I. During the year under review, there was no audit qualification on your Company's financial statements.
- II. Quarterly/Half yearly results of the Company are sent to shareholders and other stakeholders through an email.
- III. The Internal Auditor has direct access to the Audit Committee.
14. The Company has obtained a certificate from M/s. SPANJ & Associates, Practising Company Secretaries

- regarding confirmation that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board (i.e. SEBI) / Ministry of Corporate Affairs or any such statutory authority and the same is attached to the Report on Corporate Governance.
15. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:

	(₹ In lacs)
<b>Payment to Statutory Auditors (excluding taxes)</b>	<b>FY 2019-20</b>
Audit Fees	15.50
Limited Review Reports & Certifications	21.00
Fees paid to Network Entities	16.09

16. Disclosure of complaint received, disposed of during the year under review and pending as at the end of the financial year under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: **NONE**

17. Legal Compliance Management Tool

The Company has in place an on-line legal compliance management tool, which has been devised to ensure compliance with all applicable laws that impact the Company's business. The tool is intended to provide an assurance to the Board on legal compliances as ensured by the Company. The Board is informed about the progress and the status of legal compliances through this tool.

## (G) GENERAL BODY MEETING

1. Annual General Meeting

Financial Year	Date of AGM	Venue	Time	Special resolution passed at AGM
2016-17	September 8, 2017	Ahmedabad Management Association,	10.00 a.m.	Appointment of Mr. Achal Bakeri as Managing Director
2017-18	August 31, 2018	ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad -	10.00 a.m.	Creation of Charge on assets of the Company including subsidiaries
2018-19	July 31, 2019	380 015	5.00 p.m.	-

2. No extra ordinary general meeting was held during the year under review.
3. No resolution has been passed through postal ballot during the financial year 2019-20.
4. None of the businesses proposed to be transacted in the ensuing Annual General Meeting requires passing a special resolution through postal ballot.

## **(H) 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, Company is communicating quarterly results to the shareholders and other stakeholders through emails.

### **2. Annual Report**

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

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

Quarterly results are normally published in Financial Express/ Economic Times / Indian Express / Times of India 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](http://www.symphonylimited.com)

### **5. Presentations to Analysts / Investors**

Detailed Analysts' Conference call is being made with financial analysts on a quarterly basis to discuss unaudited quarterly results as well as audited annual results of the

Company. The transcripts of this conference call are uploaded on the Company's website. Presentation made to Institutional Investors or to other Analysts is uploaded on the Company's website from time to time.

### **6. BSE Listing Centre**

BSE has developed a web-based application namely BSE Listing Centre for corporates to file all periodical compliance namely quarterly corporate governance report, shareholding pattern, board meeting intimation, announcement media releases, reconciliation of share capital audit report and many others in electronic mode.

### **7. NSE Electronic Application Processing System (NEAPS)**

NSE has developed a web-based application namely NEAPS for corporates to file all periodical compliance namely quarterly corporate governance report, shareholding pattern, board meeting intimation, announcement media releases, reconciliation of share capital audit report and many others in electronic mode.

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

Investor complaints are processed on the centralized web-based complaints redress system. The salient features of the systems are: Centralized 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 complaint and its status.

### **9. Reminder to the Shareholders**

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

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

Financial Year		Date of declaration of dividend	Dividend per share (amount in ₹)	Due date for transfer to IEPF + 30 days
2012-13	Final	December 17, 2013	6.50	January 16, 2021
2013-14	Interim	January 27, 2014	2.00	February 27, 2021
	Final	September 24, 2014	11.00	October 24, 2021
2014-15	Interim	January 17, 2015	4.00	February 17, 2022
	Final	October 27, 2015	10.00	November 27, 2022
2015-16	1 <sup>st</sup> Interim	January 28, 2016	5.00	February 27, 2023
	2 <sup>nd</sup> Interim	March 10, 2016	20.00	April 10, 2023
2016-17	1 <sup>st</sup> Interim	July 26, 2016	1.50	August 24, 2023
	2 <sup>nd</sup> Interim	October 25, 2016	1.00	November 24, 2023
	3 <sup>rd</sup> Interim	February 10, 2017	1.00	March 13, 2024
	Final Dividend	September 8, 2017	1.00	October 12, 2024
2017-18	1 <sup>st</sup> Interim	August 10, 2017	1.00	September 12, 2024
	2 <sup>nd</sup> Interim	October 31, 2017	1.00	November 30, 2024
	3 <sup>rd</sup> Interim	January 23, 2018	1.00	February 22, 2025
	Final Dividend	August 31, 2018	1.50	October 1, 2025
2018-19	1 <sup>st</sup> Interim	July 24, 2018	1.00	August 23, 2025
	2 <sup>nd</sup> Interim	October 30, 2018	1.00	December 20, 2025
	3 <sup>rd</sup> Interim	February 5, 2019	1.00	March 9, 2026
	Final Dividend	July 31, 2019	1.50	August 31, 2026
2019-20	1 <sup>st</sup> Interim	July 31, 2019	1.00	August 31, 2026
	2 <sup>nd</sup> Interim	November 12, 2019	2.00	December 27, 2026
	3 <sup>rd</sup> Interim	February 7, 2020	20.00	March 11, 2027

## (J) Investor Education and Protection Fund (IEPF)

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

Shareholders to take note that both the unclaimed dividend and corresponding shares transferred to the IEPF Authority including all benefits accruing on such shares, if any,

can be claimed back by them from IEPF Authority after following the stipulated procedure viz., an application in E-form No. IEPF-5 prescribed in the Rules is to be filed with IEPF authority.

The unclaimed dividend for the financial year 2011-12 amounting to ₹33,32,659/- has been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government and no claim shall lie with the Company in respect of the unclaimed dividend transferred to IEPF. The Company used to send individual reminders to all the members at their registered address whose dividend have remained unclaimed, before transferring the monies to the IEPF. The information on unclaimed dividend is also posted on the website of the Company.

### **(K) Unclaimed Shares Suspense Account**

As per Regulations 34(3) and 39(4) read with Schedule V of the Listing Regulations, the details of unclaimed suspense account are as follows:

<b>Particulars</b>	<b>No. of Shareholders</b>	<b>No. of Shares</b>
Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the beginning of the year	135	1,07,000
Number of Shares transferred to Suspense account during the year	0	0
Number of shareholders/legal heirs to whom the shares were transferred from the Unclaimed Suspense Account	16	12,000
Number of shareholders whose shares were transferred from the Unclaimed Suspense Account to IEPF authority account	7	13,000
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	112	82,000

\*The voting rights on the above shares shall remain frozen till the rightful owner of such shares claims the shares.

### **(L) GENERAL SHAREHOLDERS INFORMATION**

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

<b>Date</b>	<b>Time</b>	<b>Venue</b>
Tuesday, September 22, 2020	10:00 a.m.	Through Video Conferencing / Other Audio Visual Means as set out in the Notice convening the Annual General Meeting



2. Financial Year: April 1 to March 31

3. Financial Calendar (FY 2020-21) :

Quarterly Results	Tentative Schedule
Quarter ending on June 30, 2020	On or before August 14, 2020
Quarter ending on September 30, 2020	On or before November 14, 2020
Quarter ending on December 31, 2020	On or before February 14, 2021
Quarter ending on March 31, 2021	On or before May 30, 2021

4. Book Closure: Saturday, September 19, 2020 to Tuesday, September 22, 2020 (both days inclusive).

5. Dividend Payment date :

For interim dividends 2019-20:

1<sup>st</sup> Interim dividend declared on July 31, 2019 : August 20, 2019

2<sup>nd</sup> Interim dividend declared on November 12, 2019 : November 26, 2019

3<sup>rd</sup> Interim dividend declared on February 7, 2020 : February 26, 2020

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

National Stock Exchange of India Limited - Symbol: SYMPHONY

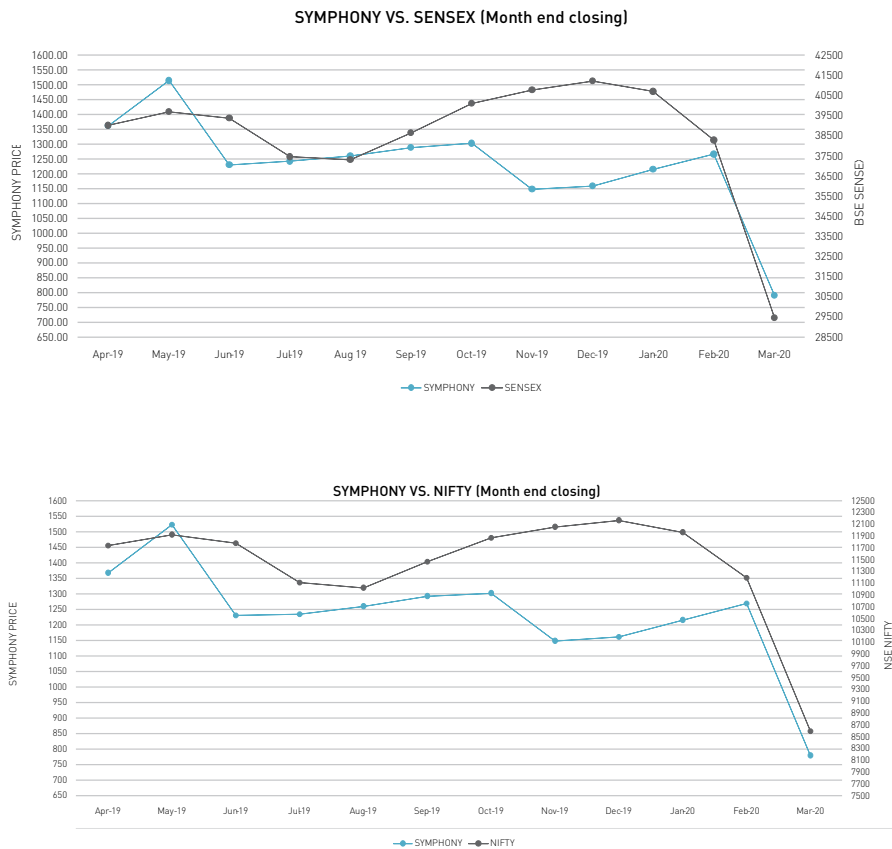
7. Payment of Listing Fees: The Company has paid the Listing fee to BSE and NSE for the year 2019-20. The Company has also paid the listing fees to BSE and NSE for the year 2020-21.

8. Corporate Identity No.: L32201GJ1988PLC010331

9. Market Price Data Monthly high and low during financial year ended on March 31, 2020, is as under:

Month	BSE		NSE	
	High	Low	High	Low
<b>2019</b>				
April	1447.60	1340.00	1450.00	1341.80
May	1528.00	1150.00	1529.25	1150.00
June	1575.00	1150.00	1589.10	1155.50
July	1285.00	1172.00	1274.00	1171.00
August	1285.65	1205.00	1287.85	1199.25
September	1328.00	1181.60	1333.85	1181.30
October	1313.30	1201.05	1315.00	1195.00
November	1310.00	1119.25	1315.95	1096.05
December	1170.00	1070.00	1170.00	1071.00
<b>2020</b>				
January	1286.20	1112.25	1288.00	1109.90
February	1407.35	1190.75	1408.95	1190.85
March	1344.30	690.00	1344.00	690.70

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



**11. ISIN of the Company:** INE225D01027

**12. Registrar and Share Transfer Agent:**

KFin Technologies Private Limited

Selenium Building, Tower B, Plot 31-32, Gachibowli, Financial District,  
Nanakaramguda, Hyderabad - 500 032.

Phone No.: +91-40-6716 2222, Fax No. +91-40-2342 0814

E-mail: einward.ris@kfinotech.com

**13. Share Transfer and other related activities:**

The Company has regularly obtained half-yearly certificates from practising company secretary regarding compliance with share transfer formalities including other matters pursuant to Listing Regulations and the same is filed with stock exchanges.

**14. Distribution of shareholding:**

Distribution of Shareholding as on March 31, 2020 is as under:

Category	No. of holders	% of holders	No. of shares	% of total shares
1-5000	25,807	98.98	30,68,535	4.39
5001- 10000	111	0.43	4,03,189	0.58
10001- 20000	65	0.25	4,72,599	0.68
20001- 30000	12	0.05	1,57,019	0.22
30001- 40000	15	0.06	2,72,172	0.39
40001- 50000	6	0.02	1,36,893	0.20
50001- 100000	17	0.07	6,53,542	0.93
100001& Above	40	0.15	647,93,051	92.62
<b>Total</b>	<b>26,073</b>	<b>100.00</b>	<b>699,57,000</b>	<b>100.00</b>

**15. Category wise holding as on March 31, 2020 is as under:**

Category	No. of shares	% of total shares
Promoter and Promoter Group	524,67,740	75.00
Mutual Funds	70,97,693	10.15
FPIs / FIIIs	36,94,270	5.28
Bodies Corporate	16,16,910	2.31
Bank/ FI/NBFC	7,598	0.01
NRIs	2,66,667	0.38
Trust	562	0.00
Clearing Members	20,278	0.03
Resident Individuals	35,52,049	5.08
HUF	77,677	0.11
IEPF	4,04,500	0.58
Alternate Investment Fund	22,215	0.03
Director and Directors relatives	7,21,241	1.03
Qualified Institutional Buyer	7,000	0.01
<b>Total</b>	<b>6,99,57,000</b>	<b>100.00</b>

**16. Dematerialization of Shares and Liquidity:**

As on March 31, 2020, 6,93,41,050 equity shares of the Company equivalent to 99.12% of total shares are held in electronic form.

**17. Plant Locations :** Survey No.703/704, Sanand Kadi Highway, Village Thol, Tal.Kadi, Dist. Mehsana, Gujarat PIN-382728.

**18. Communication Address****Symphony Limited**

Symphony House, Third Floor, FP12-TP50, Bodakdev, Off S.G. Highway, Ahmedabad - 380 059. Gujarat, India  
 Phone No.: +91-79-6621 1111,  
 Fax No.: +91-79- 6621 1140  
 Email ID: investors@symphonylimited.com

## (M)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 accounts 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 dividend warrants promptly to avoid problems of revalidation/

losing your right of claim due to transfer of unclaimed dividends to Investor Education and Protection Fund.

### 4. To support the 'Green Initiative'

Members holding shares in demat form are requested to register their email id with their DPs and members holding shares in physical form are requested to register their email addresses with the registrar and share transfer agent. This would facilitate receipt of the annual report and other communications from the Company through email.

### 5. KPRISM - Mobile service application by KFin Technologies Private Limited

Members are requested to note that, Registrar and Share Transfer Agents, M/s. KFin Technologies Private Limited have launched a new mobile application –KPRISM and website <https://kprism.kfintech.com> for online service to shareholders.

Members can download the mobile application, register yourself (one time) for availing host of services viz., consolidated portfolio view serviced by KFin, dividends status and send requests for change of address, change / update bank mandate. Through the Mobile app, members can download Annual reports, standard forms and keep track of upcoming General Meetings, IPO allotment status and dividend disbursements. The mobile application is available for download from Android Play Store or scan the below QR code. Alternatively visit the link <https://kprism.kfintech.com/app/> to download the mobile application.

Logo: 

QR Code: 

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

The Members of  
**SYMPHONY LIMITED**  
{CIN: L32201GJ1988PLC010331}  
Ahmedabad

We have examined the compliance of conditions of Corporate Governance by **SYMPHONY LIMITED**, for the year ended 31<sup>st</sup> March, 2020, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us along with documents & submissions for regulatory compliances provided for our verification in electronic form in online system due to lockdown on account of COVID 19 and representation made by the management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Moreover, as per information provided by the company and declarations provided by the directors, in terms of schedule V, Part C, Clause [10](i), we further state that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of the company by the Board/Ministry of Corporate Affairs or any such statutory authority.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Ahmedabad  
Date : May 29, 2020

Sign:

**ASHISH C DOSHI, PARTNER**

**SPANJ & ASSOCIATES**

Company Secretaries

FCS No.: F3544

COP No.: 2356

PR Certificate No. : 702/2020

UDIN : F003544B000297035

# **Financial Statements**

## Independent Auditor's Report

To  
The Members of  
**Symphony Limited**

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Symphony Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state

of affairs of the Group as at March 31, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the

context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Inventories of the Group – Existence of inventories of raw materials, packing materials, finished goods and stock in trade</b> (Refer Note 7 to the consolidated financial statements)</p>	<p>(Refer Note 7 to the consolidated financial statements)</p>
	<p>1. The Parent Company has its inventories placed in the factory, a warehouse and at various clearing &amp; forwarding agent (CFA) locations. The Parent Company has a policy of performing physical verification of inventories across locations:</p> <ul style="list-style-type: none"> <li>• during the year at reasonable intervals, and</li> <li>• also as on / or near to the balance sheet date.</li> </ul> <p>Prior to the COVID-19 related lockdown restrictions, management of the Parent Company was able to perform physical verification of inventories at all the CFA locations. Subsequent to the year-end, Management of the Parent Company has carried out physical verification of inventories at the warehouse. In respect of the inventories at the factory, Management of the Parent Company has carried out other procedures to validate the existence of its inventory, such as carrying out stock movement analysis to determine the quantities of the inventory as at the balance sheet date.</p>	<p>1. We have performed the following alternate audit procedures to audit the existence of inventories of the Parent Company as at the year-end, since we were not able to observe the physical verification of inventories:</p> <ul style="list-style-type: none"> <li>• Understood and evaluated the management's internal control process to establish the existence of inventory such as: <ul style="list-style-type: none"> <li>a) the process of periodic physical verification carried out by the management of the Parent Company, the scope and coverage of the periodic verification programme, the results of such verification including analysis and accounting of the discrepancies, if any;</li> <li>b) report of the Parent Company's in-house internal audit team who physically verify the inventory of the Parent Company at the CFA locations.</li> </ul> </li> </ul>



Sr. No.	Key Audit Matter	Auditor's Response
1	<b>Inventories of the Group – Existence of inventories of raw materials, packing materials, finished goods and stock in trade</b> (Refer Note 7 to the consolidated financial statements)	(Refer Note 7 to the consolidated financial statements)
	<p>We were not able to observe the physical verification of inventories as at the balance sheet date, due to the COVID-19 travel restrictions and have performed alternate procedures to test existence of inventories as at year-end, in accordance with the requirements of the auditing standards; and identified 'Inventories - Existence' as a key audit matter.</p>	<ul style="list-style-type: none"> <li>For inventories at CFA locations, obtained direct confirmations (100%) as at the year end, and tallied with stock quantities as per inventory records of the Parent Company. Also, read the CFA warehousing agreements to understand the obligations of the CFA with respect to maintenance of the inventory records for the Parent Company and their ability to provide confirmation on the inventories held by them on behalf of the Parent Company. Verified the stock movement analysis for the year in respect of key items of raw materials and finished goods at the factory to determine the quantities of inventory as at the balance sheet date.</li> <li>Observed the physical verification of inventories carried out by management of Parent Company at the warehouse, subsequent to year end through a virtual medium (video call using Microsoft Teams) to verify the compliance with the standard operating procedures issued by the management for physical verification of inventory. On a sample basis, verified the roll back procedures performed by the management from the inventory quantities physically verified by them subsequent to the year end to arrive at the quantities at the balance sheet date. Compared such quantities derived based on the roll back procedures, at the balance sheet date, with the quantities as per the inventory records and obtained explanations for differences, if any.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
1	<b>Inventories of the Group – Existence of inventories of raw materials, packing materials, finished goods and stock in trade</b> (Refer Note 7 to the consolidated financial statements)	(Refer Note 7 to the consolidated financial statements)
	2. In case of one of the subsidiary company i.e. the Australian subsidiary, the physical verification of inventories was done much prior to the year-end and hence Management of that subsidiary company has carried out other procedures such as stock movement analysis from the date of physical verification, to determine the quantities of the inventory, as at the balance sheet date.	2. In respect of the existence of inventories at one of the subsidiary company where the physical verification of Inventories was done much prior to the year end, the Component auditors have performed the following alternate audit procedures to test the existence of inventories as at the year-end: <ul style="list-style-type: none"> <li>• Observed the physical verification of inventories as carried out by the Management on a date much prior to the year-end date and performed test counts on a sample of items.</li> <li>• Performed stock movement analysis from the date of physical verification to the year-end date in respect of the items verified to ensure the stock movements are in line with inwards and outwards during the year.</li> <li>• Performed substantive testing on the stock movements through testing of sales and purchases of stocks through the year to verify the existence inventories.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance, but does not include the standalone and consolidated financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.
- When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in

accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not

be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- (a) We did not audit the financial statements of 5 subsidiaries, whose financial statements reflect total assets of ₹464.71 Crores as at March 31, 2020, total revenues of ₹419.56 Crores and net cash inflows amounting to ₹4.82 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹1.05 Crores as at March 31, 2020, total revenues of ₹(0.01) Crores and net cash inflows amounting to ₹1.05 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and 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 such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above 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 other auditors and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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, returns and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Parent as on March 31, 2020 taken on record by the Board of Directors of the Parent, being the only company in the Group to which such requirements of the Act are applicable, none of the directors of the parent is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating

- effectiveness of internal financial controls over financial reporting of the parent.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
  - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent, being the only company to which such requirements apply.

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For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm's Registration No. 117365W)

Varsha A. Fadte  
Partner  
(Membership No. 103999)  
(UDIN: 20103999AAAACM1225)

Chicalim, Goa, May 29, 2020

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

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Symphony Limited (hereinafter referred to as “Parent”), as of that date.

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

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

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the Parent’s internal financial controls

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

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



We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Parent's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

### Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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.

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For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm's Registration No. 117365W)

Varsha A. Fadte  
Partner  
(Membership No. 103999)  
(UDIN: 20103999AAAACM1225)

Chicalim, Goa, May 29, 2020

## Consolidated Balance Sheet as at March 31, 2020

Particulars	Note	[₹ in Crores]	
		As at 31/03/2020	As at 31/03/2019
<b>ASSETS</b>			
(1) Non-current assets			
(a) Property, plant and equipment	3(A)	99.96	89.63
(b) Right-of-use asset	3(A)	35.52	-
(c) Capital work- in-Progress	3(C)	1.83	5.84
(d) Goodwill		135.97	143.08
(e) Other intangible assets	3(B)	46.90	4.67
(f) Financial Assets			
(i) Investments			
a) Other investments	4	113.35	186.63
(ii) Other financial assets	5	0.70	0.94
		434.23	430.80
(g) Deferred Tax Assets (Net)	19.2	-	19.12
(h) Other non-current assets	6	3.97	6.61
<b>Total Non-current assets</b>		<b>438.20</b>	<b>456.52</b>
(2) Current assets			
(a) Inventories	7	117.82	119.49
(b) Financial assets			
(i) Other investments	8	298.72	271.86
(ii) Trade receivables	9	120.99	104.69
(iii) Cash and cash equivalents	10	20.59	26.15
(iv) Bank balances other than (iii) above	10	4.85	27.60
(v) Other financial assets	11	1.63	1.95
(c) Other current assets	12	61.48	59.97
		626.08	611.71
Assets classified as held for sale	46	-	2.33
<b>Total Current assets</b>		<b>626.08</b>	<b>614.04</b>
<b>Total Assets</b>		<b>1,064.28</b>	<b>1,070.56</b>
<b>II EQUITY AND LIABILITIES</b>			
(1) Equity			
(a) Equity share capital	13	13.99	13.99
(b) Other equity	14	625.22	652.07
<b>Equity attributable to owners of the Company</b>		<b>639.21</b>	<b>666.06</b>
Non-controlling interests	15	4.25	3.36
<b>Total Equity</b>		<b>643.46</b>	<b>669.42</b>
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	71.51	123.60
(ii) Lease liabilities	17	28.19	-
		99.70	123.60
(b) Provisions	18	9.15	7.06
(c) Deferred tax liabilities (Net)	19.1	6.79	5.69
<b>Total Non-current liabilities</b>		<b>115.64</b>	<b>136.35</b>
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	101.69	64.25
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	21	0.52	2.69
- total outstanding dues of creditors other than micro enterprises and small enterprises	21	114.02	126.40
(iii) Lease liabilities	22	8.85	-
(iv) Other financial liabilities	22	9.46	7.59
		234.54	200.93
(b) Other current liabilities	23	55.21	47.23
(c) Provisions	24	12.53	13.27
(d) Current tax liabilities (Net)	25	2.90	3.36
<b>Total Current liabilities</b>		<b>305.18</b>	<b>264.79</b>
<b>Total Liabilities</b>		<b>420.82</b>	<b>401.14</b>
<b>Total Equity and Liabilities</b>		<b>1,064.28</b>	<b>1,070.56</b>
See accompanying notes forming part of the consolidated financial statements	1-52		

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

Varsha A. Fadte  
Partner

For and on behalf of the board

Achal Bakeri  
Chairman & Managing Director  
DIN-00397573

Mayur Barvadiya  
Company Secretary

Nrupesh Shah  
Executive Director  
DIN-00397701

Bhadresh Mehta  
Chief Financial Officer

Place : Chicalim, Goa  
Date : May 29, 2020

Place : Ahmedabad  
Date : May 29, 2020

## Consolidated Statement of Profit and Loss for the year ended March 31, 2020

[₹ in Crores]

Particulars	Note	Year Ended 31/03/2020	Year Ended 31/03/2019
I Revenue from Operations	26	1,102.64	843.61
II Other income	27	54.72	38.91
<b>III Total Revenue (I + II)</b>		<b>1,157.36</b>	<b>882.52</b>
<b>IV Expenses:</b>			
Cost of materials consumed	28	262.21	247.83
Purchase of stock-in-trade	29	327.86	220.71
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(6.76)	(15.54)
Employee benefits expense	31	112.56	103.06
Finance costs	32	10.68	6.91
Depreciation and amortisation expense	3	21.15	9.86
Advertisement and Sales Promotion Expenses		44.70	32.70
Other Expenses	33	150.49	122.78
<b>Total Expenses (IV)</b>		<b>922.89</b>	<b>728.31</b>
<b>V Profit Before Exceptional Items and Tax (III - IV)</b>		<b>234.47</b>	<b>154.21</b>
VI Exceptional Items	44	4.00	24.05
<b>VII Profit Before Tax (V - VI)</b>		<b>230.47</b>	<b>130.16</b>
<b>VIII Tax expense / (Benefits):</b>			
(1) Current tax	35.1	56.23	40.38
(2) Excess provision of tax relating to previous years	35.1	-	(0.32)
(3) Net current tax		56.23	40.06
(4) Deferred tax	35.1	(7.53)	(1.45)
<b>Net tax expense (VIII)</b>		<b>48.70</b>	<b>38.61</b>
<b>IX Profit for the year (VII - VIII)</b>		<b>181.77</b>	<b>91.55</b>
<b>X Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
(i) Remeasurements of the defined benefit plans	41	(0.83)	(0.10)
(ii) Income tax effect on above	35.2	0.08	0.08
<b>Items that will be reclassified to profit or loss:</b>			
(i) Gain / (Loss) on Items designated as Fair Value Through Other Comprehensive Income	14.3	0.49	0.67
(ii) Income tax effect on above	35.2	(0.13)	(0.14)
<b>Total other comprehensive income (X)</b>		<b>(0.39)</b>	<b>0.51</b>
<b>XI Total comprehensive income for the year (IX+X)</b>		<b>181.38</b>	<b>92.06</b>
<b>Profit for the year attributable to</b>			
Owners of the Company		181.45	92.27
Non Controlling Interests		0.32	(0.72)
		<b>181.77</b>	<b>91.55</b>
<b>Total comprehensive income for the year attributable to</b>			
Owners of the Company		181.06	92.78
Non Controlling Interests		0.32	(0.72)
		<b>181.38</b>	<b>92.06</b>
<b>XII Earnings per equity share of face value of ₹2/- each :</b>			
(1) Basic	34	25.98	13.09
(2) Diluted	34	25.98	13.09
<b>See accompanying notes forming part of the consolidated financial statements</b>	1-52		

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants

**Varsha A. Fadte**

Partner

**For and on behalf of the board****Achal Bakeri**Chairman & Managing Director  
DIN-00397573**Mayur Barvadiya**

Company Secretary

**Nrupesh Shah**Executive Director  
DIN-00397701**Bhadresh Mehta**

Chief Financial Officer

Place : Chicalim, Goa

Date : May 29, 2020

Place : Ahmedabad

Date : May 29, 2020

## Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

### A. Equity Share Capital

	No. of Shares	Amount (₹ in Crores)
<b>Balance as at April 01, 2018</b>	<b>6,99,57,000</b>	<b>13.99</b>
Add: Issued during the year	-	-
<b>Balance as at March 31, 2019</b>	<b>6,99,57,000</b>	<b>13.99</b>
Add: Issued during the year	-	-
<b>Balance as at March 31, 2020</b>	<b>6,99,57,000</b>	<b>13.99</b>

### B. Other Equity

Particulars	₹ in Crores							
	General Reserve	Capital Reserve	Reserve for Debt Instruments through Other Comprehensive Income	Translation Reserve	Retained Earnings	Attributable to owners of the parent	Non-controlling interests	Total
<b>Balance as on April 01, 2018</b>	<b>35.00</b>	<b>9.04</b>	<b>(4.01)</b>	<b>(2.69)</b>	<b>560.28</b>	<b>597.62</b>	<b>-</b>	<b>597.62</b>
Profit during the year	-	-	-	(2.39)	92.27	89.88	(0.72)	89.16
Other Comprehensive Income for the year, net of income tax	-	-	0.53	-	(0.02)	0.51	-	0.51
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>0.53</b>	<b>(2.39)</b>	<b>92.25</b>	<b>90.39</b>	<b>(0.72)</b>	<b>89.67</b>
Non-controlling interests arising on the acquisition of Climate Technologies Pty. Ltd.	-	-	-	-	-	-	4.08	4.08
Reclassification to Profit & Loss on disposal of Instruments designated as FVTOCI	-	-	(0.01)	-	-	(0.01)	-	(0.01)
Reclassification to Profit & Loss on impairment of Instruments designated as FVTOCI	-	-	2.02	-	-	2.02	-	2.02
Dividend on Equity Shares	-	-	-	-	(31.48)	(31.48)	-	(31.48)
Tax on Dividend	-	-	-	-	(6.47)	(6.47)	-	(6.47)
<b>Balance as on March 31, 2019</b>	<b>35.00</b>	<b>9.04</b>	<b>(1.47)</b>	<b>(5.08)</b>	<b>614.58</b>	<b>652.07</b>	<b>3.36</b>	<b>655.43</b>
Profit during the year	-	0.01	-	(1.92)	181.45	179.54	0.32	179.86
Other Comprehensive Income for the year, net of income tax	-	-	0.36	-	(0.75)	(0.39)	-	(0.39)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>0.01</b>	<b>0.36</b>	<b>(1.92)</b>	<b>180.70</b>	<b>179.15</b>	<b>0.32</b>	<b>179.47</b>
Non-controlling interests arising on the acquisition of Climate Technologies Pty. Ltd.	-	-	-	-	-	-	0.57	0.57
Reclassification to Profit & Loss on disposal of Instruments designated as FVTOCI	-	-	0.70	-	-	0.70	-	0.70
Reclassification to Profit & Loss on impairment of Instruments designated as FVTOCI	-	-	(0.08)	-	-	(0.08)	-	(0.08)
Dividend on Equity Shares	-	-	-	-	(171.39)	(171.39)	-	(171.39)
Tax on Dividend	-	-	-	-	(35.23)	(35.23)	-	(35.23)
<b>Balance as on March 31, 2020</b>	<b>35.00</b>	<b>9.05</b>	<b>(0.49)</b>	<b>(7.00)</b>	<b>588.66</b>	<b>625.22</b>	<b>4.25</b>	<b>629.47</b>

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

**Varsha A. Fadte**  
 Partner

Place : Chicalim, Goa  
 Date : May 29, 2020

**For and on behalf of the board**

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

**Mayur Barvadiya**  
 Company Secretary

Place : Ahmedabad  
 Date : May 29, 2020

**Nrupesh Shah**  
 Executive Director  
 DIN-00397701

**Bhadresh Mehta**  
 Chief Financial Officer

## Consolidated Statement of Cash Flows for the year ended March 31, 2020

(₹ in Crores)

Particulars	Year ended 31/03/2020	Year ended 31/03/2019
<b>A Cash Flow from Operating Activities</b>		
Profit for the year	181.77	91.55
<b>Adjustment For:</b>		
Income tax expenses recognised in profit or loss	48.70	38.61
Depreciation and amortization expenses	21.15	9.86
Finance costs recognised in profit or loss	10.68	6.91
Mark to Market Loss	4.10	-
Interest Income recognised in profit or loss	(13.64)	(13.16)
Dividend Income recognised in profit or loss	(8.18)	(10.08)
Net (gain)/loss on disposal of instruments designated at FVTOCI	2.22	(0.01)
Net gain on disposal of instruments designated at FVTPL	(15.88)	(2.27)
Net gain on financial assets mandatorily measured at FVTPL	(5.53)	(4.73)
Impairment of Goodwill	4.00	-
Impairment of investments	-	21.50
Compensation expense	-	2.55
Adjustment on Foreign Currency Translation	4.52	(2.60)
Unrealised foreign exchange (gain)/loss	(3.30)	-
Allowances for credit losses on trade receivables	0.51	(0.05)
Provisions / Liabilities no longer required written back	(1.49)	(3.98)
Receivables / Advances written off	0.07	0.14
Gain on disposal of property, plant and equipment	(0.57)	(0.82)
<b>Operating Profit Before Working Capital Changes</b>	<b>229.13</b>	<b>133.42</b>
<b>Movements in working capital:</b>		
(Increase)/Decrease in trade and other receivables	(14.87)	16.55
Decrease in inventories	1.67	4.79
Decrease in other assets	3.43	19.06
(Decrease) in trade payables	(11.76)	(0.49)
Increase in other liabilities	5.47	18.48
Increase/(Decrease) in provisions	0.53	(7.85)
<b>Cash Generated from Operations</b>	<b>213.60</b>	<b>183.95</b>
Income taxes paid	(56.68)	(44.39)
Net Cash generated by Operating Activities (A)	<b>156.92</b>	<b>139.57</b>
<b>B Cash Flow from Investing Activities</b>		
Payments for property, plant and equipment, intangible assets and capital advances	(19.60)	(11.90)
Proceeds from disposal of property, plant and equipment	2.62	3.27
Interest received	9.78	8.64
Dividend received	9.23	9.99
Net proceeds on sale of mutual funds	13.51	45.01
Payments to acquire financial assets	(108.77)	(285.82)
Proceeds on sale of financial assets	187.85	173.77
Net payment for the acquisition of Subsidiaries	(16.49)	(192.96)
Net Cash generated / (Used) in Investing Activities (B)	<b>78.13</b>	<b>(250.00)</b>

## Consolidated Statement of Cash Flows for the year ended March 31, 2020

(₹ in Crores)

Particulars	Year ended 31/03/2020	Year ended 31/03/2019
<b>C Cash Flow from Financing Activities</b>		
Dividend paid on equity shares	(170.93)	(31.16)
Dividend distribution tax paid	(35.23)	(6.47)
Payments on lease liabilities	(9.12)	-
Proceeds from/ (Repayment of) borrowings	(14.65)	162.30
Finance cost paid	(10.68)	(6.91)
Net Cash generated / (Used) in Financing Activities (C)	<b>(240.61)</b>	<b>117.76</b>
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	<b>(5.56)</b>	<b>7.33</b>
Cash & Cash Equivalents at the beginning of the year	<b>26.15</b>	<b>18.82</b>
Cash & Cash Equivalents at the end of the year	<b>20.59</b>	<b>26.15</b>
Cash on Hand	<b>0.48</b>	<b>0.35</b>
Balances with Schedule Bank in Current Account	<b>20.11</b>	<b>25.80</b>
Cash & Cash Equivalents included in Note no.10	<b>20.59</b>	<b>26.15</b>

Summary of significant accounting policies refer note 2

### Notes to Statement of Cash Flows:

- The Consolidated Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement of Cash Flows notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).
- Previous year's figures have been regrouped wherever necessary, to conform to this year's classification.
- \* Amount spent in Cash towards Corporate Social Responsibility is ₹4.02 Crores (Previous year ₹1.49 Crores).

In terms of our report attached

### For Deloitte Haskins & Sells

Chartered Accountants

**Varsha A. Fadte**

Partner

Place : Chicalim, Goa

Date : May 29, 2020

### For and on behalf of the board

**Achal Bakeri**

Chairman & Managing Director

DIN-00397573

**Mayur Barvadiya**

Company Secretary

Place : Ahmedabad

Date : May 29, 2020

**Nrupesh Shah**

Executive Director

DIN-00397701

**Bhadresh Mehta**

Chief Financial Officer

## Notes forming part of the Consolidated Financial Statements

### (1) Corporate Information

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

### (2) Significant Accounting Policies

#### i) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

#### ii) Basis of preparation and presentation

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

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

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

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

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

## Notes forming part of the Consolidated Financial Statements

The principal accounting policies are set out below.

### iii) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

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

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

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

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

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

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

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

The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the



## Notes forming part of the Consolidated Financial Statements

consolidated financial statements and is tested for impairment on annual basis. The Goodwill is determined separately for each subsidiary company and such amounts are not set off between different entities.

Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Sr. No.	Name of Subsidiary Company	Country of Incorporation	Extent of Holding/ Voting Power (%) as on March 31, 2020
1	IMPCO S DE RL DE C V.	Mexico	100
2	Guangdong Symphony Keruilai Air Coolers Co., Limited	China	100
3	Symphony AU Pty. Limited	Australia	95
4	Climate Technologies Pty. Limited	Australia	95
5	Bonaire USA LLC	USA	95
6	Symphony Climatizadores Ltda (w.e.f. June 10, 2019)	Brazil	100

### iv) Use of Estimates

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

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

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

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the

## Notes forming part of the Consolidated Financial Statements

Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

### vi) Revenue Recognition

#### a) Revenue from contracts with customer

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset. Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods & service tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts if any.

#### b) Dividend and interest income

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

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

### vii) Leases

Effective from April 01, 2019, the Group adopted 'Ind AS 116 – Leases' and applied the Standard to all lease contracts existing as on April 01, 2019 using the modified retrospective method on the date of initial application i.e. April 01, 2019.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

## Notes forming part of the Consolidated Financial Statements

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

### viii) Foreign currencies

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

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

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the

## Notes forming part of the Consolidated Financial Statements

dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

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

### ix) Borrowing costs

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

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

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

### x) Government grants

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

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

### xi) Employee Benefits

#### **Retirement benefit costs and termination benefits**

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

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

## Notes forming part of the Consolidated Financial Statements

is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

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

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

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

### Short-term and other long-term employee benefits

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

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

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

## xii) Taxation

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

### Current tax

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

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding

## Notes forming part of the Consolidated Financial Statements

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

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

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

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

### **Current and deferred tax for the year**

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

### **xiii) Property, plant and equipment**

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

Freehold land is not depreciated.

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant

## Notes forming part of the Consolidated Financial Statements

and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

### Useful lives of tangible assets

Estimated useful lives of the Plant Property Equipment are as follows:

Buildings	10-60 years
Plant & Machinery	5-20 years
Vehicles / Transportation equipments	4-8 years
Furniture and fixtures, Computers & Office Equipment	3-10 years

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

### xiv) Intangible Fixed Assets

#### Intangible assets acquired separately

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

#### Internally-generated intangible assets - research and development expenditure

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

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

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

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can

## Notes forming part of the Consolidated Financial Statements

be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

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

### **Derecognition of intangible assets**

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

### **Useful lives of intangible assets**

Estimated useful lives of the intangible assets are as follows:

Software	6 years
Trademarks	5 years
Designs	5 years
Copy Rights	5 years

### xv) **Impairment of tangible and intangible assets other than goodwill**

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

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is



## Notes forming part of the Consolidated Financial Statements

reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

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

### xvi) Inventories

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

Work-in-process and Finished goods are valued at lower of cost or net realizable value. The cost includes direct materials, labour, other direct costs and related production overheads based on normal operating capacity. Cost is determined on "Moving Average" basis.

### xvii) Provisions

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

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

### xviii) Warranties

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

### xix) Financial instruments

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

## Notes forming part of the Consolidated Financial Statements

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

### xx) Financial assets

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

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

#### **Classification of financial assets**

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

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

## Notes forming part of the Consolidated Financial Statements

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

All other financial assets are subsequently measured at fair value through profit and loss (FVTPL).

### Effective interest method

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

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

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

Investments in equity instruments are classified as at FVTPL.

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### Impairment of financial assets

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

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and

## Notes forming part of the Consolidated Financial Statements

all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

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

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

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

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

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

## Notes forming part of the Consolidated Financial Statements

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

### **Derecognition of financial assets**

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

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

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

### **xxi) Financial liabilities**

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

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

### **Financial liabilities subsequently measured at amortised cost**

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

## Notes forming part of the Consolidated Financial Statements

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

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

### **Financial guarantee contracts**

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

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

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

### **Derecognition of financial liabilities**

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

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

## Notes forming part of the Consolidated Financial Statements

### xxii) Statement of Cash Flows

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

### xxiii) Operating Cycle

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

## Notes forming part of the Consolidated Financial Statements

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

(₹ in Crores)

	Plant Property Equipment				Other Intangible Assets				Grand Total (A+B+C)								
	Free Hold Land	Right-of-use asset	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments	Computers		Total (A)	Software	Trademarks	Patents	Designs	Copy Rights	Total (B)	Capital WIP (C)
<b>Gross Block</b>																	
As at 01/04/2018	21.41	-	20.14	50.20	4.06	4.40	3.96	2.52	106.69	8.64	2.18	16.58	0.01	0.00	27.41	-	134.10
Additions	-	-	-	6.93	0.05	-	0.03	6.93	7.04	0.62	-	-	-	-	0.62	3.05	10.71
Additions on account of acquisition of subsidiary	-	-	-	20.02	1.14	0.57	0.29	-	22.02	-	-	-	-	-	-	2.79	24.81
Disposals	1.80	-	0.22	1.28	-	0.21	0.10	0.20	3.81	0.66	-	-	-	-	0.66	-	4.27
Reclassified as held for sale	-	-	1.37	0.09	0.00	-	0.01	0.01	1.48	-	-	-	-	-	-	-	1.48
Foreign Currency Translation	0.02	-	0.01	(0.08)	0.00	0.01	(0.03)	(0.00)	(0.07)	(0.01)	-	(0.15)	-	-	(0.16)	0.00	(0.23)
As at 01/04/2019	19.63	-	18.56	75.70	5.25	4.77	4.14	2.34	130.39	8.79	2.18	16.43	0.01	0.00	27.41	5.84	163.64
Additions	-	46.16	-	16.74	0.00	3.54	0.07	0.42	66.93	1.90	0.03	0.00	-	-	1.93	6.11	74.97
Account of acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	44.10	-	-	-	44.10	-	44.10
Disposals	-	-	-	1.49	-	1.34	0.03	0.17	3.03	-	-	-	-	-	-	9.88	12.91
Foreign Currency Translation	-	0.03	0.03	(0.27)	(0.05)	(0.01)	0.08	0.04	(0.18)	0.08	(2.20)	0.59	-	-	(1.53)	(0.24)	(1.95)
As at 31/03/2020	19.63	46.16	18.59	90.68	5.20	6.96	4.26	2.63	194.11	10.77	44.11	17.02	0.01	0.00	71.91	1.83	267.85
<b>Accumulated Depreciation and Amortization</b>																	
As at 01/04/2018	-	-	3.67	21.50	1.09	3.07	3.34	2.16	34.83	3.36	2.10	15.90	0.01	0.00	21.37	-	56.20
Depreciation and Amortization For The Year	-	-	0.45	6.66	0.49	0.39	0.28	0.13	8.20	1.28	0.02	0.36	0.00	0.00	1.66	-	9.86
Eliminated on disposals of assets	-	-	0.19	0.93	-	0.28	0.08	0.19	1.67	0.12	-	0.02	-	-	0.14	-	1.81
Eliminated on reclassification as held for sale	-	-	0.33	0.04	0.00	-	0.01	0.01	0.39	-	-	-	-	-	-	-	0.39
Foreign Currency Translation	-	-	0.00	(0.19)	(0.00)	0.01	(0.03)	(0.00)	(0.21)	(0.01)	-	(0.14)	-	-	(0.15)	-	(0.36)
As at 01/04/2019	-	10.81	3.60	26.80	1.58	3.19	3.50	2.09	40.76	4.51	2.12	16.10	0.01	0.00	22.74	-	63.50
Depreciation and Amortization For The Year	-	-	0.41	7.03	0.45	0.42	0.31	0.16	19.59	1.34	0.02	0.20	-	-	1.56	-	21.15
Eliminated on disposals of assets	-	-	0.00	0.71	0.05	1.21	(0.05)	0.16	2.08	-	-	-	-	-	-	-	2.08
Foreign Currency Translation	-	(0.17)	0.00	0.39	(0.01)	0.02	0.10	0.03	0.36	0.06	0.07	0.58	-	-	0.71	-	1.07
As at 31/03/2020	-	10.64	4.01	33.51	1.97	2.42	3.96	2.12	58.63	5.91	2.21	16.88	0.01	0.00	25.01	-	83.64
<b>Net Block</b>																	
As at 31/03/2019	19.63	-	14.96	48.90	3.67	1.58	0.64	0.25	89.63	4.28	0.06	0.33	-	-	4.67	5.84	100.14
As at 31/03/2020	19.63	35.52	14.58	57.17	3.23	4.54	0.30	0.51	135.48	4.86	41.90	0.14	-	-	46.90	1.83	184.21



## Notes forming part of the Consolidated Financial Statements

### (4) Non-Current Investments

(₹ in Crores)

Particulars	As at 31/03/2020		As at 31/03/2019	
	Nos.		Nos.	
<b>Non-current Investments</b>				
<b>Unquoted Investments</b>				
<b>Other Investments</b>				
In fully paid cumulative redeemable preference shares at FVTOCI				
Tata Capital Ltd	1,00,000	9.84	1,00,000	9.20
In fully paid non convertible debentures at amortised cost				
Wondrous Buildmart Pvt Ltd-NCD	-	-	700	7.70
<b>Quoted Investments</b>				
In fully paid up bonds at FVTOCI				
Tax Free Bond of HUDCO Ltd.	86,477	9.68	86,477	9.68
Tax Free Bond of HUDCO Ltd.	1,00,000	11.21	1,00,000	11.19
Tax Free Bond of IRFC Ltd.	30,000	3.38	30,000	3.34
Tax Free Bond of IRFC Ltd.	24,157	2.65	24,157	2.67
Tax Free Bond of NABARD	1,20,000	13.55	1,20,000	13.02
Tax Free Bond of NHAI	100	11.19	100	10.70
Tax Free Bond of NHAI	50,000	5.99	50,000	5.83
Tax Free Bond of NHAI	75,000	9.07	75,000	8.66
Tax Free Bond of NHAI	1,10,000	12.33	1,10,000	12.31
Tax Free Bond of NHB	100	11.71	100	12.12
Tax Free Bond of NTPC Ltd.	60,000	6.85	60,000	6.91
Tax Free Bond of REC Ltd.	50,000	5.90	50,000	5.85
In fully paid non convertible debentures at FVTOCI				
Aditya Birla Finance Ltd Zero Coupon NCD 15-05-2020	-	-	100	11.49
In fully paid non convertible debentures at FVTPL				
Aditya Birla Finance Ltd MLD 8.55% 23-07-2020	-	-	50	5.09
HDB Financial Services Ltd MLD 8.45% 30-07-2020	-	-	100	10.11
HDB Financial Services Ltd MLD 8.35% 04-02-2021	-	-	100	10.00
Tata Capital Financial Services MLD 8.45% 14-08-2020	-	-	100	10.08

## Notes forming part of the Consolidated Financial Statements

### (4) Non-Current Investments (contd.)

(₹ in Crores)

Particulars	As at 31/03/2020		As at 31/03/2019	
In fully paid cumulative redeemable preference shares at FVTOCI				
IL&FS Ltd.	6,700	10.04	6,700	10.04
IL&FS Ltd.	800	1.07	800	1.07
IL&FS Ltd.	2,699	4.18	2,699	4.18
IL&FS Ltd.	680	1.05	680	1.05
IL&FS Ltd.	-	-	3,123	4.14
IL&FS Ltd.	660	1.02	660	1.02
Zee Entertainment Enterprises Ltd.	-	-	3,50,00,000	20.68
Less: Provision for impairment on Investments (Refer note no. 44.2)		(17.36)		(21.50)
		<b>113.35</b>		<b>186.63</b>
Aggregate carrying value of quoted investments		<b>120.87</b>		<b>191.23</b>
Aggregate market value of quoted investments		<b>120.87</b>		<b>191.23</b>
Aggregate carrying value of unquoted investments		<b>9.84</b>		<b>16.90</b>
Aggregate amount of impairment in value of investments		<b>(17.36)</b>		<b>(21.50)</b>

For category-wise classification of Non-Current Investments Refer note 49.

The Group has pledged tax free bonds worth ₹103.51 Crores out of the above mentioned investments and mutual fund units worth of ₹9.73 Crores shown under current investments in favour of Standard Chartered Bank, India towards issuance of standby letter of credit upto ₹84.24 Crores for availing working capital facility by Guangdong Symphony Keruilai Air Cooler Co Limited, China (wholly owned subsidiary) and Symphony AU Pty. Limited, Australia (Subsidiary in which Company holds 95%).

### (5) Other Non-Current Financial Assets

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Balance held as Margin Money	0.08	0.11
Deposit Others	0.62	0.83
	<b>0.70</b>	<b>0.94</b>

## Notes forming part of the Consolidated Financial Statements

### (6) Other Non-Current Assets

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
<b>Unsecured, considered good</b>		
Capital advances	2.40	1.78
Prepaid expenses	1.55	4.81
Other loans and advances		
Balance with statutory / government authorities	0.02	0.02
	<b>3.97</b>	<b>6.61</b>

### (7) Inventories

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Raw materials (Including Packing Material) (Including Goods in Transit ₹0.12 Crores, Previous year ₹2.21 Crores)	31.37	39.80
Work-in-Progress	1.28	1.23
Finished Goods (Including Goods in Transit ₹18.56 Crores, Previous year ₹12.54 Crores)	47.29	49.26
Stock-In-Trade (Including Goods in Transit ₹10.15 Crores, Previous year ₹6.68 Crores)	37.88	29.20
	<b>117.82</b>	<b>119.49</b>

### (8) Other Investments

(₹ in Crores)

Particulars	As at 31/03/2020		As at 31/03/2019	
	Nos.		Nos.	
<b>Current Investments</b>				
<b>Quoted Investments</b>				
In fully paid non convertible debentures at FVTPL				
IIFL Wealth Finance Ltd MLD 8.45% 21-06-2019	-	-	1,000	10.06
Aditya Birla Finance Ltd MLD 8.55% 23-07-2020	50	5.49	-	-
HDB Financial Services Ltd MLD 8.45% 30-07-2020	100	11.02	-	-
HDB Financial Services Ltd MLD 8.35% 04-02-2021	100	10.92		
JM Financial Products Ltd-Tranche Be-2017(XX)-MLD 29-11-2019	-	-	100	11.00
JM Financial Products Ltd-MLD-9% 16-12-2019	-	-	100	10.90
Kotak Mahindra Prime Ltd MLD 8.25% 08-11-2019	-	-	150	15.83

## Notes forming part of the Consolidated Financial Statements

### (8) Other Investments (contd.)

(₹ in Crores)

Particulars	As at 31/03/2020		As at 31/03/2019	
M&M Financial Services Ltd MLD 8.70% 24-03-2020	-	-	100	10.15
Tata Capital Financial Services MLD8.45% 14-08-2020	100	11.01	-	-
In fully paid non convertible debentures at FVTOCI				
Aditya Birla Finance Ltd Zero Coupon NCD 15-05-2020	100	12.45	-	-
HDFC Ltd 8.49% 27-04-2020-NCD	500	25.03	-	-
In fully paid cumulative redeemable preference shares at FVTOCI				
IL&FS Ltd.	3,123	4.14	-	-
Less: Provision for impairment on Investments (Refer note no. 44.2)		(4.14)		-
<b>Unquoted Investments</b>				
Investment in Mutual Funds at FVTPL				
BBVA BANCOMER S.A.-BMRGOBP Series E	12,99,612	6.38	2,08,368	0.94
BNP Paribas Arbitrage Fund-Regular	-	-	20,43,257	2.05
Edelweiss Arbitrage Fund-Direct	-	-	1,91,61,065	24.13
Edelweiss Arbitrage Fund-Regular	-	-	49,03,764	6.00
Kotak Equity Arbitrage-Regular	-	-	26,04,562	6.01
Kotak Equity Arbitrage-Direct	-	-	1,02,09,421	24.03
Reliance Arbitrage Fund	-	-	1,85,26,238	20.37
Reliance Arbitrage Fund-Direct	-	-	91,72,965	10.09
SBI Arbitrage Opportunities Fund MD Direct	-	-	1,41,20,006	20.04
Aditya Birla Sunlife Overnight Fund	-	-	2,66,503	26.66
Axis Overnight Fund	1,92,176	20.28	-	-
HDFC Overnight Fund	1,01,331	30.09	-	-
SBI Overnight Fund	53,072	17.27	2,64,284	26.69
HDFC Arbitrage Fund-Regular	-	-	55,31,993	5.97
HDFC Arbitrage Fund-Direct	-	-	2,28,57,143	23.92
ICICI Prudential Corporate Bond Fund*	78,92,245	16.98	78,92,245	15.52
DSP BlackRock Ultra Short Term Fund- Growth	1,01,712	27.68	-	-
IDFC Ultra Short Term Fund-Growth	60,38,165	6.89	-	-
ICICI Pru Overnight Fund Direct Growth	27,92,776	30.09	-	-
Kotak Savings Fund - Direct - Growth	7,61,807	2.50	-	-
Kotak Overnight Fund Direct Growth	2,82,461	30.11	-	-
SBI Ultra Short Term Fund (G) (Dir)	58,825	26.35	-	-

## Notes forming part of the Consolidated Financial Statements

### (8) Other Investments (contd.)

(₹ in Crores)

Particulars	As at 31/03/2020		As at 31/03/2019	
In fully paid cumulative redeemable preference shares at FVTOCI				
Tata Capital Ltd	-	-	10,000	1.50
In fully paid non convertible debentures at amortised cost				
Wondrous Buildmart Pvt Ltd-NCD	700	8.18	-	-
		<b>298.72</b>		<b>271.86</b>
Aggregate carrying value of quoted investments		<b>80.06</b>		<b>57.94</b>
Aggregate market value of quoted investments		<b>80.06</b>		<b>57.94</b>
Aggregate carrying value of unquoted investments		<b>222.80</b>		<b>213.92</b>
Aggregate amount of impairment in value of investments		<b>(4.14)</b>		-

For category-wise classification of Current Investments Refer note 49.

\* Please refer the note shown under Non-Current Investments

### (9) Trade Receivables

(₹ in Crores)

Particulars	As at 31/03/2020		As at 31/03/2019	
Considered good - Unsecured		121.22		104.69
Credit impaired		0.54		0.26
Less : Allowances for credit losses		(0.77)		(0.26)
		<b>120.99</b>		<b>104.69</b>

Majority business of the Group is on Cash and Carry basis, for credit business the Group trades with recognised and credit worthy third parties. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables for credit sales based on provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the

## Notes forming part of the Consolidated Financial Statements

### (9) Trade Receivables (contd.)

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:

#### Movement in the expected credit loss allowance

	(₹ in Crores)	
	As at 31/03/2020	As at 31/03/2019
<b>Balance at beginning of the year</b>	0.26	-
Allowance for credit impairment during the year	0.79	0.26
Trade receivables written off during the year	(0.28)	-
<b>Balance at end of the year</b>	<b>0.77</b>	<b>0.26</b>

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

### (10) Cash & Cash Equivalents

	(₹ in Crores)	
Particulars	As at 31/03/2020	As at 31/03/2019
Cash and Cash Equivalents		
Cash on Hand	0.05	0.07
Balance with employees Imprest account	0.43	0.28
Balance with banks in current accounts	20.11	25.80
	20.59	26.15
Other Bank Balances		
In Earmarked Accounts		
Unpaid Dividend Accounts	4.31	3.85
Margin Accounts	0.21	0.21
In Deposit Accounts	0.33	23.54
	<b>25.44</b>	<b>53.75</b>

### (11) Other Financial Assets

	(₹ in Crores)	
Particulars	As at 31/03/2020	As at 31/03/2019
Dividend Receivable	-	0.09
Export Incentive Receivable	1.63	1.86
	<b>1.63</b>	<b>1.95</b>

### (12) Other Current Assets

	(₹ in Crores)	
Particulars	As at 31/03/2020	As at 31/03/2019
Advance for supply of goods and rendering of services		
Unsecured, considered good	51.27	43.48
Prepaid expenses	4.65	10.96
Balance with statutory / government authorities	5.56	5.53
	<b>61.48</b>	<b>59.97</b>

## Notes forming part of the Consolidated Financial Statements

### (13) Equity Share Capital

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Authorised :		
750,00,000 Equity Shares of ₹2/- each	15.00	15.00
Issued, Subscribed & Paid up :		
699,57,000 (As at March 31, 2019: 699,57,000)	13.99	13.99
Equity Shares of ₹2/- each fully paid up	13.99	13.99

The Parent 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 Parent Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors of the Parent Company 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 Parent Company, the holders of equity shares will be entitled to receive assets of the Company of the Parent Company remaining after settlement of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Parent Company has allotted 349,78,500 bonus equity shares of ₹2/- each fully paid up on September 17, 2016 in the proportion of one (1) bonus equity share for every fully Paid up equity share (1:1). As a result of the bonus issue the Paid up capital of the Parent Company stands increased to ₹13.99 Crores from ₹7.00 Crores.

The details of shareholder holding more than 5% shares as at March 31, 2020 is set out below :

Name of the shareholder	No. of shares	% held as at March 31, 2020	No. of shares	% held as at March 31, 2019
Mr. Achal A. Bakeri	2,92,62,600	41.83%	2,92,62,600	41.83%
Ms. Rupa A. Bakeri	70,92,940	10.14%	70,93,940	10.14%
Sanskrit Tradecom Pvt. Ltd.	1,24,83,200	17.84%	1,24,83,200	17.84%
Axis Mutual Fund Trustee Limited	35,89,163	5.13%	28,83,156	4.12%

The reconciliation of the number of shares outstanding as at March 31, 2020 is set out below:

Particulars	As at 31/03/2020		As at 31/03/2019	
	No. of Shares	Amount (₹ in Crores)	No. of Shares	Amount (₹ in Crores)
Closing Balance	6,99,57,000	13.99	6,99,57,000	13.99

## Notes forming part of the Consolidated Financial Statements

### (14) Other Equity

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
General Reserve	35.00	35.00
Capital Reserve	9.05	9.04
Reserve for Debt Instruments through Other Comprehensive Income	(0.49)	(1.47)
Translation Reserve	(7.00)	(5.08)
Retained Earnings	588.66	614.58
	<b>625.22</b>	<b>652.07</b>

#### 14.1 General Reserve

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Closing balance	<b>35.00</b>	<b>35.00</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

#### 14.2 Capital Reserve

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Closing balance	<b>9.05</b>	<b>9.04</b>

#### 14.3 Reserve for Debt Instruments through Other Comprehensive Income

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Opening balance	(1.47)	(4.01)
Net fair value gain on investments in debt instruments at FVTOCI	0.49	0.67
Income tax on net fair value gain on investments in debt instruments at FVTOCI	(0.13)	(0.14)
Cumulative gain reclassified to profit or loss on sale of debt instruments at FVTOCI	0.70	(0.01)
Income tax on gain reclassified to profit or loss on sale of debt instruments at FVTOCI	(0.08)	0.00
Impairment loss allowance on debt instruments at FVTOCI	-	2.29
Income tax on impairment loss allowance on debt instruments at FVTOCI	-	(0.27)
Closing balance	<b>(0.49)</b>	<b>(1.47)</b>

This reserve represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or impairment losses on such instruments.



## Notes forming part of the Consolidated Financial Statements

### (14) Other Equity (contd.)

#### 14.4 Translation Reserve

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Opening balance	(5.08)	(2.69)
Movement during the year	(1.92)	(2.39)
Closing balance	<b>(7.00)</b>	<b>(5.08)</b>

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly and accumulated in the foreign currency translation reserve.

#### 14.5 Retained Earnings

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Opening balance	614.58	560.28
Profit for the year	181.45	92.27
Other Comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(0.75)	(0.02)
Dividend on Equity Shares	(171.39)	(31.48)
Tax on Dividend	(35.23)	(6.47)
Closing balance	<b>588.66</b>	<b>614.58</b>

The Company has paid three interim dividends aggregating ₹23/- (including Special dividend ₹18/-) per equity share during the year. The total dividend appropriation for the year ended on March 31, 2020 amounts to ₹193.97 Crores including dividend distribution tax of ₹33.07 Crores.

### (15) Non-Controlling Interests

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Opening balance	3.36	-
Profit for the year	0.32	(0.72)
Non-controlling interests arising on the acquisition of Climate Technologies Pty. Ltd.	0.57	4.08
Closing balance	<b>4.25</b>	<b>3.36</b>

## Notes forming part of the Consolidated Financial Statements

### (16) Non-Current Borrowings

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Unsecured		
Loan from Bank	71.51	123.60
	<b>71.51</b>	<b>123.60</b>

This represents non-current portion of loan availed from Standard Chartered Bank in Australian dollars for acquisition of subsidiary company in Australia carrying interest rate @ 5.35% and repayable on quarterly basis with loan term upto July 04, 2023. The above acquisition loan alongwith working capital loan shown under current borrowings are secured by Corporate Guarantee of ₹204.82 Crores (valued at end of the year) issued by Parent Company and by way of pledge of 15,200,000 equity shares of Symphony AU Pty. Limited, Australia.

### (17) Other Non-Current Financial Liabilities

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Lease liabilities	28.19	-
	<b>28.19</b>	<b>-</b>

### (18) Long-Term Provisions

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Provision for		
Employee benefits (Refer note (i) below)	5.94	2.92
Warranty (Refer note (ii) below)	3.21	4.14
	<b>9.15</b>	<b>7.06</b>

- (i) The provision for employee benefits includes gratuity, seniority premium, leave encashment and pension plan. The increase in the carrying amount of the net provision for the current year results from lower payment of contribution to fund in the current year. For detailed disclosures, refer note no. 42.
- (ii) The provision for warranty claims represents the present value of the Directors' best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under local sale of goods legislation. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality. For movement refer note 24(ii).

## Notes forming part of the Consolidated Financial Statements

### (19.1) Deferred Tax Liabilities/(Assets) (Net) - Parent Company

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Deferred Tax Liabilities/(Assets) on		
(i) Property, plant and equipment and intangible assets	5.56	7.32
(ii) Financial Assets at FVTOCI	(0.09)	(0.30)
(iii) Financial Assets at FVTPL	1.52	1.17
(iv) Impairment allowance on financial assets	(2.89)	(2.50)
(v) Provision for doubtful advance	(0.15)	-
<b>Deferred Tax Liabilities/(Assets) Net</b>	<b>3.95</b>	<b>5.69</b>

### (19.2) Deferred Tax Liabilities/(Assets) (Net) - Australian subsidiaries

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Deferred Tax Liabilities/(Assets) on		
(i) Property, plant and equipment and intangible assets	20.51	0.25
(ii) Tax effect on non deductible expenses	(6.17)	(7.33)
(iii) Carry forward tax losses	(11.33)	(10.25)
(iv) Others	(0.17)	(1.79)
<b>Deferred Tax Liabilities/(Assets) Net</b>	<b>2.84</b>	<b>(19.12)</b>

### Movement of Deferred Tax Liabilities / Assets

For the year ended March 31, 2020 - Parent Company

(₹ in Crores)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Reclassified from Other Equity to Profit or Loss	Closing Balance
Deferred Tax Liabilities/(Assets) on					
(i) Property, plant and equipment and intangible assets	7.32	(1.76)	-	-	5.56
(ii) Financial Assets at FVTOCI	(0.30)	-	0.13	0.08	(0.09)
(iii) Financial Assets at FVTPL	1.17	0.35	-	-	1.52
(iv) Impairment allowance on financial assets	(2.50)	(0.39)	-	-	(2.89)
(v) Remeasurements of the defined benefit plans	-	0.08	(0.08)	-	-
(vi) Provision for doubtful advance	-	(0.15)	-	-	(0.15)
<b>Deferred Tax Liabilities/(Assets) Net</b>	<b>5.69</b>	<b>(1.87)</b>	<b>0.05</b>	<b>0.08</b>	<b>3.95</b>

## Notes forming part of the Consolidated Financial Statements

### (19) Deferred Tax Liabilities/(Assets) (Net) (contd.)

For the year ended March 31, 2020 - Australian subsidiaries

(₹ in Crores)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Reclassified from Other Equity to Profit or Loss	Acquisitions	Closing Balance
(i) Property, plant and equipment and intangible assets	0.25	(6.75)	-	-	27.01	20.51
(ii) Tax effect on non deductible expenses	(7.33)	1.16	-	-	-	(6.17)
(iii) Carry forward tax losses	(10.25)	(0.49)	-	(0.59)	-	(11.33)
(iv) Others	(1.79)	1.62	-	-	-	(0.17)
(v) Exchange difference on foreign operations	-	(1.20)	-	1.20	-	-
<b>Deferred Tax Liabilities/(Assets) Net</b>	<b>(19.12)</b>	<b>(5.66)</b>	<b>-</b>	<b>0.61</b>	<b>27.01</b>	<b>2.84</b>

For the year ended March 31, 2019 - Parent Company

(₹ in Crores)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Reclassified from Other Equity to Profit or Loss	Closing Balance
Deferred Tax Liabilities/(Assets) on					
(i) Property, plant and equipment and intangible assets	6.59	0.73	-	-	7.32
(ii) Financial Assets at FVTOCI	(0.71)	-	0.14	0.27	(0.30)
(iii) Financial Assets at FVTPL	3.29	(2.12)	-	-	1.17
(iv) Impairment allowance on financial assets	-	(2.50)	-	-	(2.50)
(v) Remeasurements of the defined benefit plans	-	0.08	(0.08)	-	-
(vi) Provision for doubtful advance	(0.26)	0.26	-	-	-
<b>Deferred Tax Liabilities/(Assets) Net</b>	<b>8.91</b>	<b>(3.55)</b>	<b>0.06</b>	<b>0.27</b>	<b>5.69</b>

## Notes forming part of the Consolidated Financial Statements

### (19) Deferred Tax Liabilities/(Assets) (Net) (contd.)

For the year ended March 31, 2019 - Australian subsidiaries

(₹ in Crores)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Reclassified from Other Equity to Profit or Loss	Acquisitions	Closing Balance
(i) Property, plant and equipment and intangible assets	-	0.52	-	-	(0.27)	0.25
(ii) Tax effect on non deductible expenses	-	1.99	-	-	(9.32)	(7.33)
(iii) Carry forward tax losses	-	(0.02)	-	(2.20)	(8.03)	(10.25)
(iv) Others	-	(0.48)	-	-	(1.31)	(1.79)
(v) Exchange difference on foreign operations	-	0.09	-	(0.09)	-	-
<b>Deferred Tax Liabilities/(Assets) Net</b>	<b>-</b>	<b>2.10</b>	<b>-</b>	<b>(2.29)</b>	<b>(18.93)</b>	<b>(19.12)</b>

### (20) Current Borrowings

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Unsecured		
Loan from Bank	101.69	64.25
	<b>101.69</b>	<b>64.25</b>

- (i) ₹38.30 Crores represents working capital loan availed from Westpac Bank by Climate Technologies Pty. Limited, Australia carrying interest rate @ 3.80 %. The working capital loan alongwith acquisition loan are secured by Corporate Guarantee of ₹204.82 Crores (valued at end of the year) issued by Parent Company.
- (ii) ₹32.93 Crores represents working capital loan availed from Standard Chartered Bank by Guangdong Symphony Keruilai Air Coolers Co., Limited, China carrying interest rate @ 5.00 %. The above loan is secured by Corporate Guarantee of ₹37.69 Crores (valued at end of the year) issued by Parent Company.
- (iii) Both these working capital loans have been secured by way of pledge of tax free bonds worth ₹103.51 Crores and mutual fund units worth of ₹9.73 Crores in favour of Standard Chartered Bank, India towards issuance of standby letter of credit upto ₹84.24 Crores for availing working capital.
- (iv) ₹30.46 Crores represents current portion of loan availed from Standard Chartered Bank in Australian dollars for acquisition of subsidiary company in Australia carrying interest rate @ 5.35% and repayable on quarterly basis.

## Notes forming part of the Consolidated Financial Statements

### (21) Trade Payables

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises	0.52	2.69
- Total outstanding dues of creditors other than micro enterprises and small enterprises	114.02	126.40
	<b>114.54</b>	<b>129.09</b>

### (22) Other Financial Liabilities

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Trade deposits	1.18	1.14
Unpaid dividends	4.31	3.85
Creditors for capital goods	0.01	0.05
Lease liabilities	8.85	-
Derivative liabilities	3.96	-
Compensation payable (Refer note no. 44.2)	-	2.55
	<b>18.31</b>	<b>7.59</b>

### (23) Other Current Liabilities

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Advance from customers	32.36	27.56
Statutory dues	10.39	11.79
Deferred revenue (Refer note (i) below)	3.29	2.69
Other payables	9.17	5.19
	<b>55.21</b>	<b>47.23</b>

- (i) The deferred revenue arises in respect of the Group's Point Credits Scheme recognised in accordance with Ind AS 115 Customer Loyalty Programmes.

### (24) Provisions

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Provision for		
Employee benefits (Refer note (i) below)	3.49	5.35
Warranty (Refer note (ii) below)	9.04	7.92
	<b>12.53</b>	<b>13.27</b>

- (i) The provision for employee benefits includes gratuity, seniority premium, leave encashment and pension plan. The increase in the carrying amount of the net provision for the current year results from lower payment of contribution to fund in the current year. For detailed disclosures, refer note no. 42.

## Notes forming part of the Consolidated Financial Statements

### (24) Provisions (contd.)

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

Particulars	(₹ in Crores)	
	Warranty As at 31/03/2020	Warranty As at 31/03/2019
Opening balance	12.06	10.51
Additional provisions recognised	17.12	13.37
Reductions arising from payments	(15.94)	(7.87)
Reductions arising from remeasurement or settlement without cost	(0.34)	(3.94)
Foreign currency translation	(0.65)	(0.01)
Closing balance	<b>12.25</b>	<b>12.06</b>

### (25) Current Tax Liabilities (Net)

Particulars	(₹ in Crores)	
	As at 31/03/2020	As at 31/03/2019
<b>Tax liabilities</b>		
Provision for income tax	56.33	42.78
<b>Total</b>	<b>56.33</b>	<b>42.78</b>
<b>Tax assets</b>		
Advance income tax	53.43	39.42
<b>Total</b>	<b>53.43</b>	<b>39.42</b>
<b>Net</b>	<b>2.90</b>	<b>3.36</b>

### (26) Revenue from Operations

Particulars	(₹ in Crores)	
	Year Ended 31/03/2020	Year Ended 31/03/2019
Revenue from Sale of Products	1,100.20	841.43
Other Operating Revenue	2.44	2.18
	<b>1,102.64</b>	<b>843.61</b>
Sale of products comprises of :		
Air Coolers	898.90	746.03
Others	201.30	95.40
	<b>1,100.20</b>	<b>841.43</b>

## Notes forming part of the Consolidated Financial Statements

### (27) Other Income

Particulars	(₹ in Crores)	
	Year Ended 31/03/2020	Year Ended 31/03/2019
Interest Income:		
Bank deposits (at amortised cost)	1.68	1.84
Investments in debt instruments measured at FVTOCI	8.43	8.19
Other financial assets carried at amortised cost	3.52	3.13
Dividend Income		
Dividend income from investments measured at FVTPL	8.18	10.08
Other gains and losses		
Gain on disposal of property, plant and equipment	0.57	0.82
Cumulative gain reclassified from equity on disposal of debt instruments designated at FVTOCI	-	0.01
Net foreign exchange gains	8.77	0.20
Net gain on disposal of instruments designated at FVTPL	15.88	2.27
Net gain on financial assets mandatorily measured at FVTPL	5.53	4.73
Other Non Operating Income	2.16	7.64
	<b>54.72</b>	<b>38.91</b>

### (28) Cost of Materials Consumed

Particulars	(₹ in Crores)	
	Year Ended 31/03/2020	Year Ended 31/03/2019
Opening Stock of Raw Materials	39.80	15.42
Add: Purchases	253.78	272.21
Less: Closing Stock of Raw Materials	31.37	39.80
	<b>262.21</b>	<b>247.83</b>

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

### (29) Purchase of Stock-In-Trade

Particulars	(₹ in Crores)	
	Year Ended 31/03/2020	Year Ended 31/03/2019
Air Coolers	267.79	187.20
Others	60.07	33.51
	<b>327.86</b>	<b>220.71</b>



## Notes forming part of the Consolidated Financial Statements

### (30) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

(₹ in Crores)

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Opening Stock		
Work-in-Progress	1.23	0.48
Finished Goods	49.26	23.18
Stock-In-Trade	29.20	40.49
Less:		
Closing Stock		
Work-in-Progress	1.28	1.23
Finished Goods	47.29	49.26
Stock-In-Trade	37.88	29.20
	<b>(6.76)</b>	<b>(15.54)</b>

### (31) Employee Benefits Expense

(₹ in Crores)

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Salaries, Wages and Bonus	98.94	90.65
Contribution to Provident Fund and Other Funds (Refer Note no. 42)	12.31	11.30
Staff Welfare Expenses	1.31	1.11
	<b>112.56</b>	<b>103.06</b>

### (32) Finance Costs

(₹ in Crores)

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Interest Expenses	10.68	6.91
	<b>10.68</b>	<b>6.91</b>

## Notes forming part of the Consolidated Financial Statements

### (33) Other Expenses

(₹ in Crores)

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Stores and Spare parts consumed	0.39	0.35
Assembly and Labour Charges	15.05	11.58
Power and Fuel	1.62	1.93
Repairs & Maintenance		
Building	0.28	0.78
Machinery	2.00	2.89
Rent (Refer Note no. 40)	5.12	16.56
Rates & Taxes	0.57	0.49
Travelling	9.30	10.28
Conveyance	1.62	1.83
Communication Expenses	1.94	1.79
Insurance	5.18	3.86
Printing and stationery charges	0.93	0.44
Legal & Professional Charges	11.58	8.08
Payment to Auditors (Refer Note no. 39)	2.26	1.24
Vehicle Expenses	0.76	0.83
CSR Expenditure	4.02	1.49
General Expenses	11.80	11.18
Mark to Market Loss	4.10	-
Repairs Others	0.33	0.26
Bank Charges	1.89	0.88
Loss on disposal of instruments designated at FVTOCI	2.22	-
Freight & Forwarding Charges	40.57	27.38
Warranty Expense	18.33	11.91
Sales Commission	7.33	5.49
CFA Handling Charges	1.28	1.25
VAT and Sales Tax	0.02	0.01
	<b>150.49</b>	<b>122.78</b>

### (34) Earnings Per Share

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Face value of Equity Shares (₹)	2	2
Net Profit available for Equity Shareholders (₹ in Crores)	181.77	91.55
No. of Equity Shares	6,99,57,000	6,99,57,000
Basic and Diluted EPS (₹)	25.98	13.09

## Notes forming part of the Consolidated Financial Statements

### (35) Tax Expense

#### (35.1) Income tax recognised in statement of profit and loss

(₹ in Crores)

Sr. No.	Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
<b>(a)</b>	<b>Current tax</b>		
	In respect of the current year	56.23	40.38
	In respect of prior years	-	(0.32)
		56.23	40.06
<b>(b)</b>	<b>Deferred tax</b>		
	In respect of the current year	(7.53)	(1.45)
		(7.53)	(1.45)
	<b>Total income tax recognised in statement of profit and loss</b>	<b>48.70</b>	<b>38.61</b>

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

(₹ in Crores)

Sr. No.	Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
	<b>Profit before tax</b>	<b>230.47</b>	<b>130.16</b>
	Income tax expense calculated at 25.168% (Previous year 34.944%)	58.01	45.48
<b>(a)</b>	<b>Effect of income that is exempt from taxation</b>		
	Dividend income	(2.38)	(4.60)
	Interest on tax free bonds	(1.76)	(1.77)
<b>(b)</b>	<b>Effect of expense that are not deductible in taxable profit</b>		
	Expenses in relation to exempt income	(0.04)	0.06
<b>(c)</b>	<b>Effect of additional deduction of research and product development cost</b>		
		-	(0.59)
<b>(d)</b>	<b>Effect of additional deduction of Contribution to scientific research project u/s 35(1)(ii)</b>		
		-	(0.22)
<b>(e)</b>	<b>Effect of lower tax on capital gain from investment in Bonds &amp; Market Linked Debentures</b>		
		(0.51)	(0.48)
<b>(f)</b>	<b>Effect of impairment of investments</b>		
		0.62	5.01
<b>(g)</b>	<b>Effect of income tax exemption u/s 10(AA) being profit of SEZ units</b>		
		-	(6.79)

## Notes forming part of the Consolidated Financial Statements

### (35) Tax Expense (contd.)

(₹ in Crores)

Sr. No.	Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
(h)	Effect of CSR Expenditure not allowed under income tax	0.99	-
(i)	Effect of carry forward tax losses utilised, not recognised as deferred tax assets during prior years	(0.74)	(2.28)
(j)	Effect of unused tax losses and tax offsets not recognised as deferred tax assets	(3.08)	5.46
(k)	Effect of Reversal of Opening DTL due to Lower rate of Tax	(2.36)	-
(l)	Others	(0.05)	(0.35)
	<b>Current Year Income tax expense</b>	<b>48.70</b>	<b>38.93</b>
	<b>Prior Year Income tax expense</b>	<b>-</b>	<b>(0.32)</b>
	<b>Total income tax recognised in statement of profit and loss</b>	<b>48.70</b>	<b>38.61</b>

### (35.2) Income tax recognised in other Comprehensive Income

(₹ in Crores)

Sr. No.	Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
	<b>Deferred tax</b>		
(a)	<b>Arising on income and expenses recognised in other comprehensive income:</b>		
	Re-measurement of defined benefit obligation	(0.08)	(0.08)
	Net fair value gain on investments in debt instruments at FVTOCI	0.13	0.14
	<b>Total income tax recognised in other comprehensive income</b>	<b>0.05</b>	<b>0.06</b>
	<b>Bifurcation of the income tax recognised in other comprehensive income into:-</b>		
	Items that will not be reclassified to profit or loss	(0.08)	(0.08)
	Items that may be reclassified to profit or loss	0.13	0.14
		<b>0.05</b>	<b>0.06</b>

## Notes forming part of the Consolidated Financial Statements

### (36) Contingent Liabilities and Commitments (to the extent not provided for):

	(₹ in Crores)	
	2019-20	2018-19
<b>(i) Contingent Liabilities:</b>		
a) Claims against the Group not acknowledged as debt.	0.07	0.07
b) Demand on account of VAT / sales tax matters.	0.27	0.99
c) Demand on account of Income Tax matters.	0.85	0.33
d) Demand on account of central excise matters.	1.41	1.41
	<b>2.60</b>	<b>2.80</b>

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

	(₹ in Crores)	
	2019-20	2018-19
<b>(ii) Commitments :</b>		
a) Estimated amount of contracts remaining to be executed and not provided for..	2.96	2.47
b) Corporate Guarantee given by parent company on behalf of subsidiary.	242.51	250.57
	<b>245.47</b>	<b>253.04</b>

### (37) Segment Reporting

#### (a) Primary Segment : Business

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

	(₹ in Crores)	
	2019-20	2018-19
(1) Segment Revenue		
Air Cooling and Other Appliances	1,114.57	852.60
Corporate Funds	42.79	29.92
<b>Total</b>	<b>1,157.36</b>	<b>882.52</b>
(2) Segment Profit before Interest and Taxes (PBIT)		
Air Cooling and Other Appliances	204.93	128.94
Corporate Funds	40.22	8.13

## Notes forming part of the Consolidated Financial Statements

### (37) Segment Reporting (contd.)

	(₹ in Crores)	
	2019-20	2018-19
Un-allocable	(4.00)	-
<b>Total</b>	<b>241.15</b>	<b>137.07</b>
Less: Finance Costs	10.68	6.91
Less: Taxes	48.70	38.61
<b>Total Profit After Tax</b>	<b>181.77</b>	<b>91.55</b>
(3) Segment Assets		
Air Cooling and Other Appliances	658.59	589.49
Corporate Funds	405.69	481.07
<b>Total</b>	<b>1,064.28</b>	<b>1,070.56</b>
(4) Segment Liabilities		
Air Cooling and Other Appliances	420.82	401.14
Corporate Funds	-	-
<b>Total</b>	<b>420.82</b>	<b>401.14</b>
(5) Capital Employed		
Air Cooling and Other Appliances	309.28	311.95
Corporate Funds	405.69	481.07
<b>Total</b>	<b>714.97</b>	<b>793.02</b>

### (b) Secondary Segment : Geographical segment

	(₹ in Crores)	
	2019-20	2018-19
(1) Segment Revenue		
India	650.95	466.76
Rest of the world	451.69	376.85
Revenue from operations	1,102.64	843.61
(2) Segment Profit before Interest and Taxes (PBIT)		
India	217.02	121.16
Rest of the world	24.13	15.91
<b>Total</b>	<b>241.15</b>	<b>137.07</b>
Less: Finance Costs	10.68	6.91
Less: Exceptional Items	-	-
Less: Taxes	48.70	38.61
<b>Total Profit After Tax</b>	<b>181.77</b>	<b>91.55</b>

#### Secondary Segment Capital Employed :

Fixed assets used in the Group'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 Group believes that it is not practical to provide secondary segment disclosures relating to Capital employed.

## Notes forming part of the Consolidated Financial Statements

### (38) Related Party Disclosures

(₹ in Crores)

Sr no	Name of the Related Parties	Nature of relationship with Group	Nature of transaction	2019-20		2018-19	
				Volume of transaction	Balance at the end of the year	Volume of transaction	Balance at the end of the year
1	Elephant Design Private Limited	Enterprise in which Director has significant influence	Consultancy Expense & reimbursement of Travelling Expense	0.44	0.01	0.46	-

#### 38.1 Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows:

(₹ in Crores)

Particulars	2019-20		2018-19	
	Mr. Achal Bakeri, Chairman and Managing Director	Mr. Nrupesh Shah, Executive Director	Mr. Achal Bakeri, Chairman and Managing Director	Mr. Nrupesh Shah, Executive Director
Short-term benefits	2.36	1.61	2.36	0.98
Post-employment benefits	0.02	0.02	0.01	0.02
	<b>2.38</b>	<b>1.63</b>	<b>2.37</b>	<b>1.00</b>
Balance outstanding at the end of the year	2.00	1.44	2.00	0.81

#### Policy on dealing with Related party transactions:

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

## Notes forming part of the Consolidated Financial Statements

### (39) Payment to Auditors (Refer Note no. 33)

Particulars	[₹ in Crores]	
	2019-20	2018-19
a) As Auditor	2.05	1.04
b) In other capacity, in respect of		
i) Certification	0.02	0.05
ii) Limited Review	0.19	0.15
	<b>2.26</b>	<b>1.24</b>

### (40) Leases

#### 40.1 : Leasing Arrangement

Effective from April 01, 2019, the Group adopted 'Ind AS 116 – Leases' and applied the Standard to all lease contracts existing as on April 01, 2019 using the modified retrospective method on the date of initial application i.e. April 01, 2019. The impact of Ind AS 116 is as follows:

#### Balance Sheet

The adoption of Ind AS 116 has resulted in an increase in total assets of ₹46.16 Crores and liabilities are increased by ₹46.16 Crores as at April 01, 2019.

#### Statement of profit and loss

Depreciation increased by ₹10.81 Crores, finance costs increased by ₹1.74 Crores due to the interest on lease liabilities and operating lease expenses decreased by ₹12.55 Crores during the year ended March 31, 2020.

#### Statement of cash flows

Cash flows from operating activities increased by ₹12.55 Crores with a corresponding increase in cash used in financing activities on account of lease payments during the year ended March 31, 2020.

#### Right-of-use asset is related to

- i) Lease of land at Kandla SEZ for 48 months from Sept,16.
- ii) Factory rental located at China and Mexico pertaining to subsidiaries.
- iii) Lease of premises at 26 Nylex Avenue, Salisbury, Australia for a period of 7 years from July 2018.
- iv) Lease of premises at 444-446 South Gippsland Highway, Dandenong South, Australia for a period of 10 years from July 2009 which is renewed for further 3 years.
- v) Lease of Office equipments for Australian subsidiary

#### Operating lease is related to

- i) Lease of CFA premises at various location of India with a lease period of one year.
- ii) Lease of premises at Henderson, NV, USA with a lease period of one year.



## Notes forming part of the Consolidated Financial Statements

### (40) Leases (contd.)

#### 40.2 : Payment recognised as an expenses

	(₹ in Crores)	
	2019-20	2018-19
Minimum Lease Payments	5.12	16.56
<b>Total</b>	<b>5.12</b>	<b>16.56</b>

#### 40.3 : Non-cancellable operating lease commitments

	(₹ in Crores)	
	2019-20	2018-19
Not later than 1 year	3.76	10.24
Later than 1 year and not later than 5 years	3.15	34.96
Later than 5 years	-	1.43
	6.91	46.63

**(41)** Symphony AU Pty Limited, Australia, a subsidiary of the Group, acquired 100% equity capital of Climate Technologies Pty Limited, Australia effective from July 01, 2018 and in accordance with the requirements of Ind AS 103-“Business Combination”, the Group consolidated the financial figures on provisional basis effective from the quarter ended on September 30, 2018 and for the period thereafter. The determination of the purchase price consideration of ₹203.26 Crores (A\$ 41.408 Million) of the acquired company have been validated by an independent agency. Accordingly, the Company has accounted for the said acquisition in its books at fair values as on the date of acquisition. In pursuant to the above, the figures for year ended March 31, 2019 include the figures of the business of Symphony AU Pty. Limited., Australia only for the period from July 01, 2018 to March 31, 2019 i.e. 9 months and hence, the figures of year ended on March 31, 2020 are not comparable with the figures of corresponding year ended on March 31, 2019.

### (42) Employee Benefits

#### (A) Defined contribution plans

The Group makes provident fund contribution which is defined contribution plan, for qualifying employees. Under the scheme, the Group is required to contribute a specified percentage of payroll costs to fund the benefits. The Group recognised ₹1.41 Crores (Year ended March 31, 2019 ₹1.41 Crores) for provident fund contributions in the Statement of Profit and Loss. The contribution payable to this plan by the Group is at rate specified in the rule of the scheme.

#### (B) Defined benefit plans

The defined benefit plan of the Group includes entitlement of gratuity for each year of service until the retirement age, seniority premium and pension plan.

## Notes forming part of the Consolidated Financial Statements

### (42) Employee Benefits (contd.)

The plan typically expose the Group to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

<b>Investment risk:</b>	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities and other debt instruments.
<b>Interest risk:</b>	A fall in the discount rate which is linked to the Government Securities. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the market value of the assets depending on the duration of asset.
<b>Longevity risk:</b>	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
<b>Salary risk:</b>	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

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

#### I) The principal assumptions used for the purposes of actuarial valuation were as follows:

Particulars	As at 31/03/2020			As at 31/03/2019		
	Gratuity	Seniority Premium	Pension Plan	Gratuity	Seniority Premium	Pension Plan
Expected return on plan assets	6.82%	-	-	7.59%	-	-
Discount rate	6.82%	7.00%	7.25%	7.59%	7.50%	7.50%
Rate of salary increase	7.00%	4.50%	4.50%	7.00%	4.50%	4.50%

## Notes forming part of the Consolidated Financial Statements

### (42) Employee Benefits (contd.)

Particulars	As at 31/03/2020			As at 31/03/2019		
	Gratuity	Seniority Premium	Pension Plan	Gratuity	Seniority Premium	Pension Plan
Rate of employee turnover	For services 4 years and below 13.00% and For services 5 years and above 5.00%			7.00%		
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ult			Indian Assured Lives Mortality (2006-08) Ult		
Mortality rate after employment	N.A.			N.A.		

### II) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

(₹ in Crores)

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	Gratuity	Seniority Premium	Pension Plan	Gratuity	Seniority Premium	Pension Plan
Current service cost	1.05	0.04	0.12	0.96	0.02	0.13
Net interest expense	0.02	0.04	0.19	0.00	0.02	0.15
Actuarial (gains)/losses arising from experience adjustments	-	-	-	-	-	-
Adjustment in OCI due to extinction of obligations.	-	-	-	-	-	-
<b>Components of defined benefit cost recognised in profit or loss</b>	<b>1.07</b>	<b>0.08</b>	<b>0.31</b>	<b>0.96</b>	<b>0.04</b>	<b>0.28</b>

## Notes forming part of the Consolidated Financial Statements

### (42) Employee Benefits (contd.)

(₹ in Crores)

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	Gratuity	Seniority Premium	Pension Plan	Gratuity	Seniority Premium	Pension Plan
Actuarial (gains)/losses on obligation for the year	0.32	0.19	(0.69)	0.31	(0.18)	0.31
Adjustment in OCI due to extinction of obligations.	-	-	-	-	-	-
Return on plan assets (excluding interest income)	0.01	-	-	(0.08)	-	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>0.33</b>	<b>0.19</b>	<b>(0.69)</b>	<b>0.23</b>	<b>(0.18)</b>	<b>0.31</b>
<b>Total</b>	<b>1.40</b>	<b>0.27</b>	<b>(0.38)</b>	<b>1.19</b>	<b>(0.14)</b>	<b>0.59</b>

III) The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in Crores)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Gratuity	Seniority Premium	Pension Plan	Gratuity	Seniority Premium	Pension Plan
Present value of funded defined benefit obligation	(10.38)	(0.26)	(2.37)	(8.86)	(0.43)	(1.86)
Fair value of plan assets	10.01	-	-	8.57	-	-
Deficit or Surplus	(0.37)	(0.26)	(2.37)	(0.29)	(0.43)	(1.86)
Net liability arising from defined benefit obligation	(0.37)	(0.26)	(2.37)	(0.29)	(0.43)	(1.86)

## Notes forming part of the Consolidated Financial Statements

### (42) Employee Benefits (contd.)

IV) Movements in the present value of the defined benefit obligation are as follows:

(₹ in Crores)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Gratuity	Seniority Premium	Pension Plan	Gratuity	Seniority Premium	Pension Plan
<b>Opening defined benefit obligation</b>	<b>8.86</b>	<b>0.43</b>	<b>1.86</b>	<b>7.45</b>	<b>0.28</b>	<b>2.03</b>
Current service cost	1.05	0.04	0.12	0.96	0.02	0.13
Interest cost	0.67	0.04	0.19	0.57	0.02	0.15
Benefits paid from the fund	(0.46)	-	-	(0.37)	-	-
Benefits paid directly by the employer	(0.07)	(0.07)	(0.52)	(0.06)	(0.07)	(0.16)
Actuarial (gains)/losses arising from changes in financial assumptions	(0.14)	-	-	-	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions	0.54	0.05	0.52	0.06	-	-
Actuarial (gains)/losses arising from experience adjustments	(0.07)	(0.24)	0.16	0.25	0.18	(0.31)
Translation exchange difference	-	0.01	0.04	-	(0.00)	0.02
<b>Closing defined benefit obligation</b>	<b>10.38</b>	<b>0.26</b>	<b>2.37</b>	<b>8.86</b>	<b>0.43</b>	<b>1.86</b>

V) Movements in the fair value of the plan assets are as follows:

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
	Gratuity	Gratuity
<b>Opening fair value of plan assets</b>	<b>8.57</b>	<b>7.40</b>
Interest income	0.65	0.57
Return on plan assets (excluding amounts included in net interest expense)	(0.01)	0.08
Contributions from the employer	1.26	0.89
Benefits paid	(0.46)	(0.37)
<b>Closing fair value of plan assets</b>	<b>10.01</b>	<b>8.57</b>

## Notes forming part of the Consolidated Financial Statements

### (42) Employee Benefits (contd.)

VII) The fair value of the plan assets at the end of reporting period for each category are as follows:

Particulars	(₹ in Crores)	
	As at March 31, 2020 Gratuity	As at March 31, 2019 Gratuity
HDFC Group Traditional Plan	10.01	8.57
<b>Closing fair value of plan assets</b>	<b>10.01</b>	<b>8.57</b>

VIII) The following payments are expected contributions to the defined benefit plan in future years:

Particulars	(₹ in Crores)	
	As at March 31, 2020 Gratuity	As at March 31, 2019 Gratuity
1st following year	1.21	1.22
2nd following year	0.71	0.70
3rd following year	1.27	0.80
4th following year	0.89	0.94
5th following year	0.58	1.10
Sum of years 6 to 10	4.64	3.98
Sum of years 11 and above	9.68	7.43

### (43) Leave encashment

As per the policy followed by the Group except Symphony AU Pty Ltd., Australia all the leaves are enjoyable in the year itself. Therefore there is no liability of leave encashment existing at the end of the year. Accordingly no provision is made for leave encashment.

Symphony AU Pty Ltd., Australia has a policy on leave encashment. The expected cost of leave encashment is determined at present value on the additional amount expected to be paid as a result of unused entitlement that has accumulated at the balance sheet date.

### (44) Exceptional Items

(44.1) The Group has assessed the recoverable amount of Goodwill of ₹4 Crores of wholly owned subsidiary namely Guangdong Symphony Keruilai Air Coolers Co. Limited, China which represent a single cash-generating unit (CGU), as at March 31, 2020, due to change in market conditions especially in China, and considering the financial position of the subsidiary. This has resulted in impairment charges of ₹4 Crores being recognised as exceptional charge for the year ended March 31, 2020.

(44.2) Exceptional items for the year ended March 31, 2019 of ₹24 Crores is related

## Notes forming part of the Consolidated Financial Statements

### (44) Exceptional Items (contd.)

to provision made for (i) impairment of investment in redeemable cumulative preference shares of Infrastructure Leasing & Financial Services Limited (IL&FS) ₹21.50 Crores and (ii) compensation payable ₹2.55 Crores for the matter of two cases of the fraudulent transfers made by erstwhile Registrar & Transfer Agent M/s. Sharepro Services (India) Private Limited.

(45) The outbreak of Coronavirus disease (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The operations of the Group was impacted due to country to country lockdowns ordered by the Governments of respective countries, in which the respective entities of the Group operate. The management has considered the possible effects in FY 20-21 that may result from the pandemic on the Group's operations including the impact on carrying amount of receivables, inventories, assets and investments as on March 31, 2020. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of these assets in toto without any loss. However, the management will continue to closely monitor any material changes to future economic conditions.

### (46) Assets classified as held for sale

(₹ in Crores)

Particulars	2019-20	2018-19
Leasehold land	-	1.23
Building	-	1.04
Other Assets	-	0.06
Total assets held for sale (net of depreciation)	-	2.33

The Group has disposed off Leasehold land along with Building thereon and other assets at Surat SEZ during the financial year 2019-20 which were classified as assets held for sale as at March 31, 2019.

### (47) Additional information pursuant to Schedule III of Companies Act, 2013.

(Previous year figures are in brackets)

(₹ in Crores)

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	100.74%	648.19	99.01%	179.98
	(99.83%)	(668.31)	(110.60%)	(101.25)
<b>Subsidiaries:</b>				
Foreign				
(1) IMPCO S DE RL DE CV, Mexico	6.00%	38.61	1.62%	2.94
	(5.63%)	(37.69)	(7.25%)	(6.64)
(2) Guangdong Symphony Keruilai Air Coolers Co., Limited, China	(-)-5.11%	(32.89)	(-)-3.93%	(7.14)
	(-)-3.55%	(-)-23.76	(-)-2.14%	(-)-1.96

## Notes forming part of the Consolidated Financial Statements

### (47) Additional information pursuant to Schedule III of Companies Act, 2013. (contd.)

(Previous year figures are in brackets)

(₹ in Crores)

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
(3) Symphony AU Pty. Limited, Australia	(-)2.34%	(14.98)	(-)4.70%	(8.55)
	([-]0.47%)	([-]3.17)	([-]4.81%)	([-]4.40)
(4) Climate Technologies Pty. Limited, Australia	1.07%	6.88	8.17%	14.86
	([-]1.13%)	([-]7.59)	([-]8.64%)	([-]7.91)
(5) Bonaire USA LLC, USA	(-)0.30%	(1.94)	0.01%	0.01
	([-]0.31%)	([-]2.06)	([-]2.26%)	([-]2.07)
(6) Symphony Climatizadores Ltda, Brazil (w.e.f. June 10, 2019)	(-)0.06%	(0.41)	(-)0.18%	(0.33)
<b>Total</b>	<b>100.00%</b>	<b>643.46</b>	<b>100.00%</b>	<b>181.77</b>
	<b>(100.00%)</b>	<b>(669.42)</b>	<b>(100.00%)</b>	<b>(91.55)</b>

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

### (49) Financial Instruments

#### Capital Management

The Group manages its capital to ensure that the Group will be able to continue as going concern, while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options.

The Group is not subject to any externally imposed capital requirements.

The management of the Group reviews the capital structure of the Group on regular basis.

The following table summarises the capital of the Group.

	(₹ in Crores)	
	As at 31/03/2020	As at 31/03/2019
Debts	173.20	187.85
Total Equity	639.21	666.06
Net debt to equity ratio	27.10%	28.20%



## Notes forming part of the Consolidated Financial Statements

### (49) Financial Instruments (contd.)

Other disclosure pursuant to Ind AS 107 "Financial instruments: Disclosures":

#### (a) Category-wise classification for applicable financial assets:

(₹ in Crores)

Sr. No.	Particulars	As at 31/03/2020	As at 31/03/2019
I	Measured at fair value through Profit or Loss (FVTPL):		
	(i) Investment in mutual funds	214.62	212.42
	(ii) Investment in NCD	38.44	93.22
		253.06	305.64
II	Measured at amortised cost:		
	(i) Investment in NCD	8.18	7.70
	(ii) Trade receivables	120.99	104.69
	(iii) Cash and cash equivalents and bank balances	25.44	53.75
	(iv) Other financial assets	2.33	2.89
		156.94	169.03
III	Measured at fair value through Other Comprehensive Income (FVTOCI):		
	(i) Investment in bonds	103.51	102.28
	(ii) Investment in NCD	37.48	11.49
	(iii) Investment in preference shares	9.84	31.38
		150.83	145.15
	<b>Total</b>	<b>560.83</b>	<b>619.82</b>

#### (b) Category-wise classification for applicable financial liabilities:

(₹ in Crores)

Sr. No.	Particulars	As at 31/03/2020	As at 31/03/2019
	Measured at amortised cost:		
	(i) Borrowings	173.20	187.85
	(ii) Trade payables	114.54	129.09
	(iii) Lease liabilities	37.04	-
	(iv) Other financial liabilities	9.46	7.59
	<b>Total</b>	<b>334.24</b>	<b>324.53</b>

## Notes forming part of the Consolidated Financial Statements

### (50) Fair value measurements

(a) Fair value Hierarchy of the Group's financial assets that are measured at fair value on a recurring basis:

(₹ in Crores)

Particulars	As at 31/03/2020				As at 31/03/2019			
	Level1	Level2	Level3	Total	Level1	Level2	Level3	Total
I Financial assets at FVTPL								
(i) Investment in mutual funds	214.62	-	-	214.62	212.42	-	-	212.42
(ii) Investment in bonds & NCD	38.44	-	-	38.44	93.22	-	-	93.22
II Financial assets at FVTOCI								
(i) Investment in bonds & NCD	89.21	51.78	-	140.99	47.40	66.37	-	113.77
(ii) Investment in preference shares	-	9.84	-	9.84	20.68	10.70	-	31.38
<b>Total</b>	<b>342.27</b>	<b>61.62</b>	<b>-</b>	<b>403.89</b>	<b>373.72</b>	<b>77.07</b>	<b>-</b>	<b>450.79</b>

#### Valuation technique and key inputs used to determine fair value:

- A. Level 1 : Mutual funds, Bonds, NCD - Quoted prices in active market.
- B. Level 2 : Bonds, NCD, Preference shares - Discounted cash flow at discount rate that reflects the issuer's current borrowing rate at the end of the reporting period.

(b) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

#### I. Financial assets measured at amortised cost

The carrying amount of Trade receivables, Loans, Cash and cash equivalents and bank balances & Other current financial assets are considered to be the same as their fair value due to their short term nature. The carrying amount of Other non-current financial assets are considered to be close to the fair value.

#### II. Financial liabilities measured at amortised cost

The carrying amount of Trade payables and Other financial liabilities are considered to be the same as their fair values due to their short term nature.

## Notes forming part of the Consolidated Financial Statements

### (51) Financial Risk Management Objectives and Policies

#### Financial risk management objectives

The Group's management monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's risk management is done in close co-ordination with the board of directors and focuses on actively securing the Group's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The most significant risks to which the Group is exposed are described below:

#### Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates risk, liquidity risk, credit risk and price risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

#### Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group minimises foreign currency risk by taking 100% advance in majority cases.

The Group has taken an acquisition funding loan from Standard Chartered Bank at a fixed interest rate condition in Australian Dollars. To insulate the Group from interest rate fluctuation, an Interest Swap agreement has for the outstanding loan amount of AUD 21.906 millions has been entered. During the year, the effect of mark to market valuation as at the year end is taken at AUD 849,395 (₹4.10 Crores) provided in the statement of profit and loss.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(All figures in Crores)

Foreign currency exposure	As at March 31, 2020		As at March 31, 2019	
	Foreign currency monetary assets	Foreign currency monetary liabilities	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	0.21	0.05	0.07	0.06
AUD	-	0.08	-	-
CNY	-	0.00	-	0.07

## Notes forming part of the Consolidated Financial Statements

### (51) Financial Risk Management Objectives and Policies (contd.)

#### Foreign currency sensitivity

The following table details the Group's sensitivity to a 5% increase and decrease in the ₹ against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their transaction at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Currency	(₹ in Crores)			
	As at March 31, 2020		As at March 31, 2019	
	5% increase	5% decrease	5% increase	5% decrease
<b>Foreign currency monetary assets</b>				
USD	(0.79)	0.79	(0.23)	0.23
<b>Foreign currency monetary liabilities</b>				
USD	0.21	(0.21)	0.18	(0.18)
AUD	0.20	(0.20)	-	-
CNY	0.00	(0.00)	0.03	(0.03)
Impact on profit or loss at the end of the reporting year	(0.38)	0.38	(0.02)	0.02
Impact on total equity as at the end of the reporting year (net of tax)	(0.38)	0.38	(0.02)	0.02

#### Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments (Bond, NCD, preference share and mutual fund), trade receivables, loans and advances.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this risk, the Group periodically assesses the financial

## Notes forming part of the Consolidated Financial Statements

### (51) Financial Risk Management Objectives and Policies (contd.)

reliability of customers, taking into account their financial position, past experience and other factors. The Group manages credit risk through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue.

#### Price risk

The Group's exposure to price risk arises from investments in Bond, NCD, preference share and mutual fund held by the Group and classified in the balance sheet at fair value through OCI and at fair value through profit or loss. To manage its price risk arising from investments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

#### Price risk sensitivity

The table below summarises the impact of increases / decreases of the index on the Group's equity and profit for the year.

(₹ in Crores)					
	Movement in Rate	As at March 31, 2020		As at March 31, 2019	
		Impact on Profit	Impact on Other Comprehensive Income	Impact on Profit	Impact on Other Comprehensive Income
Bonds					
Increase	+2%	-	2.07	-	2.04
Decrease	-2%	-	(2.07)	-	(2.04)
Preference Shares					
Increase	+2%	-	0.20	-	0.63
Decrease	-2%	-	(0.20)	-	(0.63)
NCD					
Increase	+2%	0.77	0.75	1.86	0.23
Decrease	-2%	(0.77)	(0.75)	(1.86)	(0.23)
Mutual Funds					
Increase	+2%	4.29	-	4.25	-
Decrease	-2%	(4.29)	-	(4.25)	-

## Notes forming part of the Consolidated Financial Statements

### (51) Financial Risk Management Objectives and Policies (contd.)

(₹ in Crores)

	Movement in Rate	As at March 31, 2020		As at March 31, 2019	
		Impact on Profit	Impact on Other Comprehensive Income	Impact on Profit	Impact on Other Comprehensive Income
Total					
Increase	+2%	5.06	3.02	6.11	2.90
Decrease	-2%	(5.06)	(3.02)	(6.11)	(2.90)
Impact on total equity as at the end of the reporting year (net of tax)					
Increase	+2%		6.52		7.41
Decrease	-2%		(6.52)		(7.41)

#### Interest rate risk

- (i) The Group's majority investments are primarily in fixed rate interest bearing investments. Except in case of Market Linked Debentures the Group is not significantly exposed to interest rate risk.
- (ii) Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group's policy is to minimise interest rate cash flow risk exposures on working capital financing. As at March 31, 2020, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rate.

(₹ in Crores)

	Movement in Rate	As at March 31, 2020	As at March 31, 2019
Interest rates	+0.50%	(0.87)	(0.94)
Interest rates	-0.50%	0.87	0.94

#### Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

#### Maturities of financial liabilities:

The tables below analyse the Group's financial liabilities into relevant maturity groupings

## Notes forming part of the Consolidated Financial Statements

### (51) Financial Risk Management Objectives and Policies (contd.)

base on their contractual maturities for all non-derivative financial liabilities.

(₹ in Crores)

Particulars	As at March 31, 2020			
	Less than 1 year	1 to 5 years	>5 years	Total
Non-Current				
(i) Borrowings	-	71.51	-	71.51
(ii) Lease liabilities	-	28.19	-	28.19
Current				
(i) Borrowings	101.69	-	-	101.69
(ii) Trade payables	114.54	-	-	114.54
(iii) Lease liabilities	8.85	-	-	8.85
(iii) Other financial liabilities	9.46	-	-	9.46

(₹ in Crores)

Particulars	As at March 31, 2019			
	Less than 1 year	1 to 5 years	>5 years	Total
Non-Current				
(i) Borrowings	8.03	115.57	-	123.60
Current				
(i) Borrowings	64.25	-	-	64.25
(ii) Trade payables	129.09	-	-	129.09
(iii) Other financial liabilities	7.59	-	-	7.59

The surplus funds with the Group and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.

### (52) Approval of consolidated financial statements

The consolidated financial statements were approved for issue by the board of directors on May 29, 2020.

For and on behalf of the board

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

**Nrupesh Shah**  
Executive Director  
DIN-00397701

**Mayur Barvadiya**  
Company Secretary

**Bhadresh Mehta**  
Chief Financial Officer

Place : Ahmedabad  
Date : May 29, 2020

## Independent Auditor's Report

To  
The Members of  
**Symphony Limited**

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Symphony Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with

the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Key Audit Matter	Auditor's Response
<p><b>Inventories – Existence of inventories of raw materials, packing materials, finished goods and stock in trade</b> (Refer Note 8 to the standalone financial statements)</p> <p>The Company has its inventories placed in the factory, a warehouse and at various clearing &amp; forwarding agent (CFA) locations.</p> <p>The Company has a policy of performing physical verification of inventories across locations:</p> <ul style="list-style-type: none"> <li>• during the year at reasonable intervals, and</li> <li>• also as on / or near to the balance sheet date.</li> </ul> <p>Prior to the COVID-19 related lockdown restrictions, management was able to perform physical verification of inventories at all the CFA locations. Subsequent to the year-end, Management has carried out physical verification of inventories at the warehouse. In respect of the inventories at the factory, Management has carried out other procedures to validate the existence of its inventory, such as carrying out stock movement analysis to determine the quantities of the inventory as at the balance sheet date.</p> <p>We were not able to observe the physical verification of inventories as at the balance sheet date, due to the COVID-19 travel restrictions and have performed alternate procedures to test existence of inventory as at year-end, in accordance with the requirements of the auditing standards; and identified 'Inventories - Existence' as a key audit matter.</p>	<p>We have performed the following alternate audit procedures to audit the existence of inventories as at the year-end, since we were not able to observe the physical verification of inventories:</p> <ul style="list-style-type: none"> <li>• Understood and evaluated the management's internal control process to establish the existence of inventory such as:                             <ol style="list-style-type: none"> <li>a) the process of periodic physical verification carried out by the management, the scope and coverage of the periodic verification programme, the results of such verification including analysis and accounting of the discrepancies, if any;</li> <li>b) report of the Company's in-house internal audit team who physically verify the inventory of the Company at the CFA locations.</li> </ol> </li> <li>• For inventories at CFA locations, obtained direct confirmations (100%) as at the year end, and tallied with stock quantities as per inventory records of the Company. Also, read the CFA warehousing agreements to understand the obligations of the CFA with respect to maintenance of the inventory records for the Company and their ability to provide confirmation on the inventories held by them on behalf of the Company.</li> <li>• Verified the stock movement analysis for the year in respect of key items of raw materials and finished goods at the factory to determine the quantities of inventory as at the balance sheet date.</li> <li>• Observed the physical verification of inventories carried out by management at the warehouse, subsequent to year end through a virtual medium (video call using Microsoft Teams) to verify the compliance with the standard operating procedures issued by the management for physical verification of inventory. On a sample basis, verified the roll back procedures performed by the management from the inventory quantities physically verified by them, subsequent to the year end to arrive at the quantities at the balance sheet date. Compared such quantities derived based on the roll back procedures, at the balance sheet date, with the quantities as per the inventory records and obtained explanations for differences, if any.</li> </ul>

## Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance but does not include the standalone and consolidated financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other 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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions

and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not

be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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 including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity 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 Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and

Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm's Registration No. 117365W)

Varsha A. Fadte  
Partner  
(Membership No. 103999)  
(UDIN: 20103999AAAACL4285)

Chicalim, Goa, May 29, 2020

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

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

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

We have audited the internal financial controls over financial reporting of Symphony Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered

Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed

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

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

Because of the inherent limitations of internal financial controls over financial

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm's Registration No. 117365W)

Varsha A. Fadte  
Partner  
(Membership No. 103999)  
(UDIN: 20103999AAAACL4285)

Chicalim, Goa, May 29, 2020

## Annexure B to the Independent Auditor's Report

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets - Property, Plant & Equipment.  
(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.  
(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) 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 Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant



to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Customs Duty, Cess and other material statutory dues

applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(c) There were no disputed amounts payable in respect of Goods & Service Tax and Customs Duty as at 31st March, 2020. Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax and Entry Tax which have not been deposited as on March 31, 2020 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (₹ in Crores)	Amount Unpaid (₹ in Crores)
Income Tax Act, 1961	Income Tax Demand	Commissioner of Income Tax (Appeal), Ahmedabad	2014-2015	0.03	0.03
		Income Tax Appellate Tribunal	2010-2011	0.10	0.07
		Commissioner of Income Tax(Appeal), Ahmedabad	2012-2013	0.07	0.07
		Commissioner of Income Tax(Appeal), Ahmedabad	2017-2018	0.68	0.68

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (₹ in Crores)	Amount Unpaid (₹ in Crores)
Central Excise Act, 1944	Demand of Penalty	Central Excise and Service Tax Appellate Tribunal, Ahmedabad	2009-2010	0.03	0.03
		Commissioner of Central Excise and Customs, Baroda	2009-2011	0.89	0.89
		Jaipur High Court	2012-2017	0.50	0.50
Bihar Value Added Tax Act, 2005	Commercial Tax Demand	Commercial Taxes Tribunal, Bihar	2010-2011 & 2014-2015	0.12	0.05
		Joint Commissioner of Commercial Taxes(Appeals), Central Division, Patna	2009-2010 & 2011-2013	0.10	0.07
Orissa Entry Tax, 1999	Commercial Tax Demand	Assistant Commissioner, Circle Office Cuttack	2001-2002	0.01	0.01
Punjab Value Added Tax Act,2005	Demand of Penalty	VAT Tribunal, Punjab	2014-2015	0.03	0.02

(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 the Order 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 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud

by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm's Registration No. 117365W)

Varsha A. Fadte  
Partner  
(Membership No. 103999)  
(UDIN: 20103999AAAACL4285)

Chicalim, Goa, May 29, 2020

## Balance Sheet as at March 31, 2020

Particulars	Note	[₹ in Crores]	
		As at 31/03/2020	As at 31/03/2019
<b>I ASSETS</b>			
(1) Non-current assets			
(a) Property, plant and equipment	3(A)	67.51	62.68
(b) Right-of-use asset	3(A)	0.66	-
(c) Capital work - in - Progress	3(C)	-	1.23
(d) Other intangible assets	3(B)	2.63	3.71
(e) Financial Assets			
(i) Investments			
a) Investments in subsidiaries	4	97.56	87.81
b) Other investments	4	113.35	186.63
(ii) Loans	5	1.24	-
(iii) Other financial assets	6	0.38	0.63
		283.33	342.69
(f) Other non-current assets	7	1.70	1.57
<b>Total Non-current assets</b>		<b>285.03</b>	<b>344.26</b>
(2) Current assets			
(a) Inventories	8	41.31	37.76
(b) Financial assets			
(i) Other investments	9	292.34	270.92
(ii) Trade receivables	10	59.72	41.80
(iii) Cash and cash equivalents	11	2.24	12.89
(iv) Bank balances other than (iii) above	11	4.33	27.41
(v) Loans	12	18.78	-
(vi) Other financial assets	13	3.55	2.30
(c) Other current assets	14	38.85	29.13
		461.12	422.21
Assets classified as held for sale	42	-	2.33
<b>Total Current assets</b>		<b>461.12</b>	<b>424.54</b>
<b>Total Assets</b>		<b>746.15</b>	<b>768.80</b>
<b>II EQUITY AND LIABILITIES</b>			
(1) Equity			
(a) Equity share capital	15	13.99	13.99
(b) Other equity	16	634.86	654.84
<b>Total Equity</b>		<b>648.85</b>	<b>668.83</b>
(2) Non-current liabilities			
(a) Deferred tax liabilities (Net)	17	3.95	5.69
<b>Total Non-current liabilities</b>		<b>3.95</b>	<b>5.69</b>
(3) Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	18	0.52	2.69
- total outstanding dues of creditors other than micro enterprises and small enterprises	18	38.57	41.33
(ii) Lease liabilities	19	0.68	-
(iii) Other financial liabilities	19	5.50	7.59
		45.27	51.61
(b) Other current liabilities	20	38.10	34.14
(c) Provisions	21	6.99	5.17
(d) Current tax liabilities (Net)	22	2.99	3.36
<b>Total Current liabilities</b>		<b>93.35</b>	<b>94.28</b>
<b>Total Liabilities</b>		<b>97.30</b>	<b>99.97</b>
<b>Total Equity and Liabilities</b>		<b>746.15</b>	<b>768.80</b>
See accompanying notes forming part of the Financial Statements	1-48		

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**Varsha A. Fadte**  
Partner

**For and on behalf of the board**

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

**Mayur Barvadiya**  
Company Secretary

**Nrupesh Shah**  
Executive Director  
DIN-00397701

**Bhadresh Mehta**  
Chief Financial Officer

Place : Chicalim, Goa  
Date : May 29, 2020

Place : Ahmedabad  
Date : May 29, 2020

## Statement of Profit and Loss for the year ended March 31, 2020

[₹ in Crores]

Particulars	Note	Year Ended 31/03/2020	Year Ended 31/03/2019
I Revenue from Operations	23	716.18	523.85
II Other income	24	46.87	33.35
<b>III Total Revenue ( I + II )</b>		<b>763.05</b>	<b>557.20</b>
<b>IV Expenses:</b>			
Cost of materials consumed	25	31.35	30.03
Purchase of stock-in-trade	26	330.15	219.78
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(5.69)	10.59
Employee benefits expense	28	55.34	52.56
Finance costs	29	0.25	0.29
Depreciation and amortisation expense	3	5.94	4.26
Advertisement and Sales Promotion Expenses		38.82	25.26
Other Expenses	30	65.07	50.58
<b>Total Expenses (IV)</b>		<b>521.23</b>	<b>393.35</b>
<b>V Profit Before Exceptional Items and Tax (III - IV)</b>		<b>241.82</b>	<b>163.85</b>
VI Exceptional Items	40	1.55	24.05
<b>VII Profit Before Tax (V - VI)</b>		<b>240.27</b>	<b>139.80</b>
VIII Tax expense / (Benefits):			
(1) Current tax	32.1	56.23	42.67
(2) Excess provision of tax relating to previous years	32.1	-	(0.32)
(3) Net current tax		56.23	42.35
(4) Deferred tax	32.1	(1.87)	(3.55)
Net tax expense (VIII)		54.36	38.80
<b>IX Profit for the year (VII - VIII)</b>		<b>185.91</b>	<b>101.00</b>
<b>X Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss :</b>			
(i) Remeasurements of the defined benefit plans	38	(0.33)	(0.23)
(ii) Income tax effect on above	32.2	0.08	0.08
<b>Items that will be reclassified to profit or loss :</b>			
(i) Gain / (Loss) on Items designated as Fair Value Through Other Comprehensive Income	16.3	0.49	0.67
(ii) Income tax effect on above	32.2	(0.13)	(0.14)
<b>Total other comprehensive income/(loss), net of tax (X)</b>		<b>0.11</b>	<b>0.38</b>
<b>XI Total comprehensive income for the year (IX+X)</b>		<b>186.02</b>	<b>101.38</b>
XII Earnings per equity share of face value of ₹2/- each :			
(1) Basic	31	26.57	14.44
(2) Diluted	31	26.57	14.44
<b>See accompanying notes forming part of the Financial Statements</b>	1-48		

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants

**Varsha A. Fadte**

Partner

**For and on behalf of the board****Achal Bakeri**Chairman & Managing Director  
DIN-00397573**Mayur Barvadiya**

Company Secretary

**Nrupesh Shah**Executive Director  
DIN-00397701**Bhadresh Mehta**

Chief Financial Officer

Place : Chicalim, Goa

Date : May 29, 2020

Place : Ahmedabad

Date : May 29, 2020

## Statement of Changes in Equity for the year ended March 31, 2020

### A Equity Share Capital

	No. of Shares	Amount (₹ in Crores)
<b>Balance as at April 01, 2018</b>	69,957,000	13.99
Add: Issued during the year	-	-
<b>Balance as at March 31, 2019</b>	69,957,000	13.99
Add: Issued during the year	-	-
<b>Balance as at March 31, 2020</b>	<b>69,957,000</b>	<b>13.99</b>

### B Other Equity

Particulars	(₹ in Crores)				
	General Reserve	Capital Reserve	Reserve for Debt Instruments through Other Comprehensive Income	Retained Earnings	Total
<b>Balance as on April 01, 2018</b>	<b>35.00</b>	<b>9.04</b>	<b>(4.01)</b>	<b>549.37</b>	<b>589.40</b>
Profit during the year	-	-	-	101.00	101.00
Other Comprehensive Income for the year, net of income tax	-	-	0.53	(0.15)	0.38
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>0.53</b>	<b>100.85</b>	<b>101.38</b>
Reclassification to Profit & Loss on disposal of Instruments designated as FVTOCI	-	-	(0.01)	-	(0.01)
Reclassification to Profit & Loss on impairment of Instruments designated as FVTOCI	-	-	2.02	-	2.02
Dividend on Equity Shares	-	-	-	(31.48)	(31.48)
Tax on Dividend	-	-	-	(6.47)	(6.47)
<b>Balance as on March 31, 2019</b>	<b>35.00</b>	<b>9.04</b>	<b>(1.47)</b>	<b>612.27</b>	<b>654.84</b>
Profit during the year	-	-	-	185.91	185.91
Other Comprehensive Income for the year, net of income tax	-	-	0.36	(0.25)	0.11
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>0.36</b>	<b>185.66</b>	<b>186.02</b>
Reclassification to Profit & Loss on disposal of Instruments designated as FVTOCI	-	-	0.70	-	0.70
Reclassification to Profit & Loss on impairment of Instruments designated as FVTOCI	-	-	(0.08)	-	(0.08)
Dividend on Equity Shares	-	-	-	(171.39)	(171.39)
Tax on Dividend	-	-	-	(35.23)	(35.23)
<b>Balance as on March 31, 2020</b>	<b>35.00</b>	<b>9.04</b>	<b>(0.49)</b>	<b>591.31</b>	<b>634.86</b>

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

**Varsha A. Fadte**  
 Partner

Place : Chicalim, Goa  
 Date : May 29, 2020

**For and on behalf of the board**

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

**Mayur Barvadiya**  
 Company Secretary

Place : Ahmedabad  
 Date : May 29, 2020

**Nrupesh Shah**  
 Executive Director  
 DIN-00397701

**Bhadresh Mehta**  
 Chief Financial Officer

## Statement of Cash Flows for the year ended March 31, 2020

(₹ in Crores)

	Year Ended 31/03/2020	Year Ended 31/03/2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year	185.91	101.00
<b>Adjustments For:</b>		
Income tax expenses recognised in profit or loss	54.36	38.80
Depreciation and amortization expenses	5.94	4.26
Finance costs recognised in profit or loss	0.25	0.29
Interest Income recognised in profit or loss	(13.39)	(12.86)
Dividend Income recognised in profit or loss	(8.18)	(10.08)
Net (gain)/loss on disposal of instruments designated at FVTOCI	2.22	(0.01)
Net gain on disposal of instruments designated at FVTPL	(15.88)	(2.27)
Net gain on financial assets mandatorily measured at FVTPL	(5.53)	(4.73)
Impairment of investments	1.55	21.50
Compensation expense	-	2.55
Unrealised foreign exchange (gain)/loss	(1.14)	-
Allowances for credit losses on trade receivables	0.54	-
Provisions / Liabilities no longer required written back	(1.17)	(1.87)
Receivables / Advances written off	0.06	0.14
(Gain)/Loss on disposal of property, plant and equipment	(0.41)	0.39
<b>Operating Profit Before Working Capital Changes</b>	<b>205.13</b>	<b>137.11</b>
<b>Movements in working capital:</b>		
(Increase)/Decrease in trade and other receivables	(17.19)	2.12
(Increase)/Decrease in inventories	(3.56)	13.67
(Increase)/Decrease in other assets	(9.58)	46.60
Increase/(Decrease) in trade payables	(3.75)	7.98
Increase in other liabilities	1.45	19.04
Increase/(Decrease) in provisions	1.49	(4.26)
<b>Cash Generated from Operations</b>	<b>173.99</b>	<b>222.26</b>
Income taxes paid	(56.60)	(44.49)
Net Cash generated by Operating Activities (A)*	<b>117.39</b>	<b>177.77</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment, intangible assets and capital advances	(8.29)	(7.89)
Proceeds from disposal of property, plant and equipment	2.47	0.16
Interest received	9.41	8.39
Dividend received	9.24	9.99
Net proceeds on sale of mutual funds	18.95	45.59
Payments to acquire financial assets	(108.44)	(285.82)
Proceeds on sale of financial assets	187.85	173.77

## Statement of Cash Flows for the year ended March 31, 2020

(₹ in Crores)

	Year Ended 31/03/2020	Year Ended 31/03/2019
Investment in Subsidiary	(11.30)	(86.26)
Advances and Loans to Subsidiaries	(20.21)	-
Net Cash generated / (Used) in Investing Activities	<b>79.68</b>	<b>(142.07)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance cost paid	(0.25)	(0.29)
Payments on lease liabilities	(1.31)	-
Dividend paid on equity shares	(170.93)	(31.16)
Dividend distribution tax paid	(35.23)	(6.47)
Net Cash Used in Financing Activities (C)	<b>(207.72)</b>	<b>(37.92)</b>
Net Decrease in Cash & Cash Equivalents (A+B+C)	<b>(10.65)</b>	<b>(2.22)</b>
Cash & Cash Equivalents at the beginning of the year	<b>12.89</b>	<b>15.11</b>
Cash & Cash Equivalents at the end of the year	<b>2.24</b>	<b>12.89</b>
Cash on Hand	<b>0.36</b>	<b>0.19</b>
Balances with Schedule Bank in Current Account	<b>1.88</b>	<b>12.70</b>
Cash & Cash Equivalents included in Note no.11	<b>2.24</b>	<b>12.89</b>

Summary of significant accounting policies refer note 2

### Notes to Statement of Cash Flows:

- The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement of Cash Flows notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).
- Previous year's figures have been regrouped wherever necessary, to conform to this year's classification.
- \* Amount spent in Cash towards Corporate Social Responsibility is ₹4.02 Crores (Previous year ₹1.49 Crores).

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants

**Varsha A. Fadte**

Partner

Place : Chicalim, Goa

Date : May 29, 2020

**For and on behalf of the board**

**Achal Bakeri**

Chairman & Managing Director

DIN-00397573

**Mayur Barvadiya**

Company Secretary

Place : Ahmedabad

Date : May 29, 2020

**Nrupesh Shah**

Executive Director

DIN-00397701

**Bhadresh Mehta**

Chief Financial Officer



## Notes forming part of the Financial Statements

### (1) Corporate Information

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

### (2) Significant Accounting Policies

#### i) Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

#### ii) Basis of preparation and presentation

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

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

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

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

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

## Notes forming part of the Financial Statements

The principal accounting policies are set out below.

### iii) Revenue Recognition

#### a) Revenue from contracts with customer

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset. Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods & service tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts if any.

#### b) Dividend and interest income

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

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

### iv) Leases

Effective from April 01, 2019, the Company adopted 'Ind AS 116 – Leases' and applied the Standard to all lease contracts existing as on April 01, 2019 using the modified retrospective method on the date of initial application i.e. April 01, 2019.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

## Notes forming part of the Financial Statements

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

### v) Foreign currencies

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

### vi) Employee Benefits

#### **Retirement benefit costs and termination benefits**

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

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

## Notes forming part of the Financial Statements

cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

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

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

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

### **Short-term and other long-term employee benefits**

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

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

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

### **vii) Taxation**

Income tax expense represents the sum of the current tax payable and deferred tax

#### **Current tax**

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

## Notes forming part of the Financial Statements

### Deferred tax

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

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

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

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

### Current and deferred tax for the year

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

### viii) Property, plant and equipment

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

Freehold land is not depreciated.

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

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

## Notes forming part of the Financial Statements

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

### Useful lives of tangible assets

Estimated useful lives of the Plant Property Equipment are as follows:

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

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

### ix) Intangible Fixed Assets

#### Intangible assets acquired separately

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

#### Internally-generated intangible assets - research and development expenditure

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

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

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;

## Notes forming part of the Financial Statements

- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

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

### Derecognition of intangible assets

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

### Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Software	6 years
Trademarks	5 years
Designs	5 years

### x) Impairment of tangible and intangible assets

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

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

## Notes forming part of the Financial Statements

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

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

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

### x) Inventories

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

Work-in-process and Finished goods are valued at lower of cost or net realizable value. The cost includes direct materials and labour. Cost is determined on "Moving Average" basis.

### xii) Provisions

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

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



## Notes forming part of the Consolidated Financial Statements

### xiii) Warranties

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

### xiv) Financial instruments

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

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

### xv) Financial assets

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

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

#### **Classification of financial assets**

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

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

## Notes forming part of the Financial Statements

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

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

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

All other financial assets are subsequently measured at fair value through profit and loss (FVTPL).

### **Effective interest method**

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

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

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

Investments in equity instruments are classified as at FVTPL.

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

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

## Notes forming part of the Financial Statements

dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### **Impairment of financial assets**

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

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

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

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

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial

## Notes forming part of the Financial Statements

recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

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

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

### **Derecognition of financial assets**

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

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

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

## Notes forming part of the Financial Statements

### xvi) Financial liabilities

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

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

#### **Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

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

#### **Financial guarantee contracts**

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

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

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

#### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment

## Notes forming part of the Financial Statements

of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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

### xvii) Statement of Cash Flows

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

### xviii) Operating Cycle

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

## Notes forming part of the Financial Statements

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

(₹ in Crores)

	Plant Property Equipment										Other Intangible Assets			Capital		Grand Total (A+B+C)								
	Free Hold Land	Right-of-use asset	Buildings			Plant & Machinery		Furniture & Fixtures		Vehicles		Office Equipments	Computers	Total (A)	Software		Trademarks	Designs	Copy Rights	Total (B)	WIP (C)			
<b>Gross Block</b>																								
As at 01/04/2018	19.63	-	18.72	28.17	3.75	3.30	1.03	1.22	75.82	6.77	0.07	0.01	0.00	6.85	-	-	-	0.14	1.23	6.16	-	-	82.67	
Additions	-	-	-	4.74	-	-	0.03	0.02	4.79	0.14	-	-	-	0.14	1.23	6.16	-	-	-	-	-	-	-	
Disposals	-	-	-	0.32	-	0.21	-	0.11	0.64	0.46	-	-	-	0.46	-	-	-	-	-	-	-	-	-	
Reclassified as held for sale	-	-	1.37	0.09	0.00	-	0.01	0.01	1.48	-	-	-	-	-	-	-	-	-	-	-	-	-	1.48	
<b>As at 01/04/2019</b>	<b>19.63</b>	<b>-</b>	<b>17.35</b>	<b>32.50</b>	<b>3.75</b>	<b>3.09</b>	<b>1.05</b>	<b>1.12</b>	<b>78.49</b>	<b>6.45</b>	<b>0.07</b>	<b>0.01</b>	<b>0.00</b>	<b>6.53</b>	<b>1.23</b>	<b>6.25</b>	<b>-</b>	<b>0.00</b>	<b>0.72</b>	<b>12.03</b>	<b>-</b>	<b>-</b>	<b>93.80</b>	
Additions	-	1.98	-	6.03	-	3.22	0.02	0.06	11.31	0.00	0.00	-	-	0.00	0.72	12.03	-	-	-	-	-	-	-	
Disposals	-	-	-	1.25	-	1.27	0.00	0.01	2.53	-	-	-	-	-	1.95	4.48	-	-	-	-	-	-	-	
<b>As at 31/03/2020</b>	<b>19.63</b>	<b>1.98</b>	<b>17.35</b>	<b>37.28</b>	<b>3.75</b>	<b>5.04</b>	<b>1.07</b>	<b>1.17</b>	<b>87.27</b>	<b>6.45</b>	<b>0.07</b>	<b>0.01</b>	<b>0.00</b>	<b>6.53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>93.80</b>	
<b>Accumulated Depreciation and Amortization</b>																								
As at 01/04/2018	-	-	3.46	5.32	1.08	1.99	0.62	1.05	13.52	1.75	0.02	0.01	0.00	1.78	-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	15.30
Depreciation and Amortization For The Year	-	-	0.39	1.86	0.36	0.26	0.17	0.06	3.10	1.15	0.01	0.00	0.00	1.16	-	-	-	-	-	-	-	-	-	4.26
Eliminated on disposals of assets	-	-	-	0.13	-	0.19	-	0.10	0.42	0.12	-	-	-	0.12	-	-	-	-	-	-	-	-	-	0.54
Eliminated on reclassification as held for sale	-	-	0.33	0.04	0.00	-	0.01	0.01	0.39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.39
<b>As at 01/04/2019</b>	<b>-</b>	<b>-</b>	<b>3.52</b>	<b>7.01</b>	<b>1.44</b>	<b>2.06</b>	<b>0.78</b>	<b>1.00</b>	<b>15.81</b>	<b>2.78</b>	<b>0.03</b>	<b>0.01</b>	<b>0.00</b>	<b>2.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>18.63</b>
Depreciation and Amortization For The Year	-	1.32	0.34	2.30	0.35	0.33	0.17	0.05	4.86	1.07	0.01	-	-	1.08	-	-	-	-	-	-	-	-	-	5.94
Eliminated on disposals of assets	-	-	0.00	0.43	0.00	1.13	0.00	0.01	1.57	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.57
<b>As at 31/03/2020</b>	<b>-</b>	<b>1.32</b>	<b>3.86</b>	<b>8.88</b>	<b>1.79</b>	<b>1.26</b>	<b>0.95</b>	<b>1.04</b>	<b>19.10</b>	<b>3.85</b>	<b>0.04</b>	<b>0.01</b>	<b>0.00</b>	<b>3.90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>23.00</b>
<b>Net Block</b>																								
As at 31/03/2019	19.63	-	13.83	25.49	2.31	1.03	0.27	0.12	62.68	3.67	0.04	-	-	3.71	1.23	67.62	-	-	-	-	-	-	-	-
As at 31/03/2020	19.63	0.66	13.49	28.40	1.96	3.78	0.12	0.13	68.17	2.60	0.03	-	-	2.63	-	70.80	-	-	-	-	-	-	-	-

## Notes forming part of the Financial Statements

### (4) Non-Current Investments

(₹ in Crores)

Particulars	As at 31/03/2020		As at 31/03/2019	
<b>Non-current Investments</b>				
<b>Unquoted Investments</b>				
<b>Investments in subsidiaries</b>	<b>Nos.</b>		<b>Nos.</b>	
In fully paid equity shares of subsidiaries at amortised cost				
Symphony AU Pty. Limited, Australia	1,74,80,000	97.47	1,52,00,000	86.26
Symphony Climatizadores Ltda, Brazil	49,999	0.09	-	-
IMPSCO S DE RL DE CV, Mexico	-	0.00	-	0.00
Guangdong Symphony Keruilai Air Coolers Co. Limited, China	-	1.55	-	1.55
Less: Provision for impairment on Investments (Refer note no. 40.1)		(1.55)		-
<b>Other Investments</b>				
In fully paid cumulative redeemable preference shares at FVTOCI				
Tata Capital Ltd	1,00,000	9.84	1,00,000	9.20
In fully paid non convertible debentures at amortised cost				
Wondrous Buildmart Pvt Ltd-NCD	-	-	700	7.70
<b>Quoted Investments</b>				
In fully paid up bonds at FVTOCI				
Tax Free Bond of HUDCO Ltd.	86,477	9.68	86,477	9.68
Tax Free Bond of HUDCO Ltd.	1,00,000	11.21	1,00,000	11.19
Tax Free Bond of IRFC Ltd.	30,000	3.38	30,000	3.34
Tax Free Bond of IRFC Ltd.	24,157	2.65	24,157	2.67
Tax Free Bond of NABARD	1,20,000	13.55	1,20,000	13.02
Tax Free Bond of NHA1	100	11.19	100	10.70
Tax Free Bond of NHA1	50,000	5.99	50,000	5.83
Tax Free Bond of NHA1	75,000	9.07	75,000	8.66
Tax Free Bond of NHA1	1,10,000	12.33	1,10,000	12.31
Tax Free Bond of NHB	100	11.71	100	12.12
Tax Free Bond of NTPC Ltd.	60,000	6.85	60,000	6.91
Tax Free Bond of REC Ltd.	50,000	5.90	50,000	5.85
In fully paid non convertible debentures at FVTOCI				
Aditya Birla Finance Ltd Zero Coupon NCD 15-05-2020	-	-	100	11.49
In fully paid non convertible debentures at FVTPL				
Aditya Birla Finance Ltd MLD 8.55% 23-07-2020	-	-	50	5.09



## Notes forming part of the Financial Statements

### (4) Non-Current Investments (contd.)

(₹ in Crores)

Particulars	As at 31/03/2020		As at 31/03/2019	
HDB Financial Services Ltd MLD 8.45% 30-07-2020	-	-	100	10.11
HDB Financial Services Ltd MLD 8.35% 04-02-2021	-	-	100	10.00
Tata Capital Financial Services MLD8.45% 14-08-2020	-	-	100	10.08
In fully paid cumulative redeemable preference shares at FVTOCI				
IL&FS Ltd.	6,700	10.04	6,700	10.04
IL&FS Ltd.	800	1.07	800	1.07
IL&FS Ltd.	2,699	4.18	2,699	4.18
IL&FS Ltd.	680	1.05	680	1.05
IL&FS Ltd.	-	-	3,123	4.14
IL&FS Ltd.	660	1.02	660	1.02
Zee Entertainment Enterprises Ltd.	-	-	3,50,00,000	20.68
Less: Provision for impairment on Investments (Refer note no. 40.2)		(17.36)		(21.50)
		<b>210.91</b>		<b>274.44</b>
Aggregate carrying value of quoted investments		<b>120.87</b>		<b>191.23</b>
Aggregate market value of quoted investments		<b>120.87</b>		<b>191.23</b>
Aggregate carrying value of unquoted investments		<b>108.95</b>		<b>104.71</b>
Aggregate amount of impairment in value of investments		<b>(18.91)</b>		<b>(21.50)</b>

For category-wise classification of Non-Current Investments Refer note 45.

- i) The Company has pledged tax free bonds worth ₹103.51 Crores out of the above mentioned investments and mutual fund units worth of ₹9.73 Crores shown under current investments in favour of Standard Chartered Bank, India towards issuance of standby letter of credit upto ₹84.24 Crores for availing working capital facility by Guangdong Symphony Keruilai Air Cooler Co Limited, China (wholly owned subsidiary) and Symphony AU Pty. Limited, Australia (Subsidiary in which Company holds 95%).
- ii) The Company has pledged 15,200,000 ordinary shares of Symphony AU Pty. Limited, Australia worth ₹86.26 Crores out of the above mentioned investments in the said subsidiary in favour of Standard Chartered Bank, UK as collateral in respect to acquisition loan availed by Symphony AU Pty Limited, Australia.

## Notes forming part of the Financial Statements

### (5) Loans

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Loans to Subsidiaries (Refer note no. 35)		
Unsecured, considered good	1.24	-
	<b>1.24</b>	<b>-</b>

### (6) Other Non-Current Financial Assets

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Balance held as Margin Money	0.08	0.11
Deposit Others	0.30	0.52
	<b>0.38</b>	<b>0.63</b>

### (7) Other Non-Current Assets

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
<b>Unsecured, considered good</b>		
Capital advances	1.67	1.53
Prepaid expenses	0.01	0.02
Other loans and advances		
Balance with statutory / government authorities	0.02	0.02
	<b>1.70</b>	<b>1.57</b>

### (8) Inventories

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Raw materials (Including Packing Material) (Including Goods in Transit ₹0.10 Crores, Previous year ₹0.23 Crores)	2.45	4.59
Finished Goods (Including Goods in Transit ₹ Nil, Previous year ₹0.24 Crores)	1.05	2.76
Stock-In-Trade (Including Goods in Transit ₹6.91 Crores, Previous year ₹7.89 Crores)	37.81	30.41
	<b>41.31</b>	<b>37.76</b>

## Notes forming part of the Financial Statements

### (9) Other Investments

(₹ in Crores)

Particulars	As at 31/03/2020		As at 31/03/2019	
	Nos.		Nos.	
<b>Current Investments</b>				
<b>Quoted Investments</b>				
In fully paid non convertible debentures at FVTPL				
IIFL Wealth Finance Ltd MLD 8.45% 21-06-2019	-	-	1,000	10.06
Aditya Birla Finance Ltd MLD 8.55% 23-07-2020	50	5.49	-	-
HDB Financial Services Ltd MLD 8.45% 30-07-2020	100	11.02	-	-
HDB Financial Services Ltd MLD 8.35% 04-02-2021	100	10.92	-	-
JM Financial Products Ltd-Tranche Be-2017(XX)-MLD 29-11-2019	-	-	100	11.00
JM Financial Products Ltd-MLD-9% 16-12-2019	-	-	100	10.90
Kotak Mahindra Prime Ltd MLD 8.25% 08-11-2019	-	-	150	15.83
M&M Financial Services Ltd MLD 8.70% 24-03-2020	-	-	100	10.15
Tata Capital Financial Services MLD 8.45% 14-08-2020	100	11.01	-	-
In fully paid non convertible debentures at FVTOCI				
Aditya Birla Finance Ltd Zero Coupon NCD 15-05-2020	100	12.45	-	-
HDFC Ltd 8.49% 27-04-2020-NCD	500	25.03	-	-
In fully paid cumulative redeemable preference shares at FVTOCI				
IL&FS Ltd.	3,123	4.14	-	-
Less: Provision for impairment on Investments (Refer note no. 40.2)		(4.14)		-
<b>Unquoted Investments</b>				
Investment in Mutual Funds at FVTPL				
BNP Paribas Arbitrage Fund-Regular	-	-	20,43,257	2.05
Edelweiss Arbitrage Fund-Direct	-	-	1,91,61,065	24.13
Edelweiss Arbitrage Fund-Regular	-	-	49,03,764	6.00
Kotak Equity Arbitrage-Regular	-	-	26,04,562	6.01

## Notes forming part of the Financial Statements

### (9) Other Investments

(₹ in Crores)

Particulars	As at 31/03/2020		As at 31/03/2019	
Kotak Equity Arbitrage-Direct	-	-	1,02,09,421	24.03
Reliance Arbitrage Fund	-	-	1,85,26,238	20.37
Reliance Arbitrage Fund-Direct	-	-	91,72,965	10.09
SBI Arbitrage Opportunities Fund MD Direct	-	-	1,41,20,006	20.04
Aditya Birla Sunlife Overnight Fund	-	-	2,66,503	26.66
Axis Overnight Fund	1,92,176	20.28	-	-
HDFC Overnight Fund	1,01,331	30.09	-	-
SBI Overnight Fund	53,072	17.27	2,64,284	26.69
HDFC Arbitrage Fund-Regular	-	-	55,31,993	5.97
HDFC Arbitrage Fund-Direct	-	-	2,28,57,143	23.92
ICICI Prudential Corporate Bond Fund *	78,92,245	16.98	78,92,245	15.52
DSP BlackRock Ultra Short Term Fund-Growth	1,01,712	27.68	-	-
IDFC Ultra Short Term Fund-Growth	60,38,165	6.89	-	-
ICICI Pru Overnight Fund Direct Growth	27,92,776	30.09	-	-
Kotak Savings Fund - Direct - Growth	7,61,807	2.50	-	-
Kotak Overnight Fund Direct Growth	2,82,461	30.11	-	-
SBI Ultra Short Term Fund (G) (Dir)	58,825	26.35	-	-
In fully paid cumulative redeemable preference shares at FVTOCI				
Tata Capital Ltd	-	-	10,000	1.50
In fully paid non convertible debentures at amortised cost				
Wondrous Buildmart Pvt Ltd-NCD	700	8.18	-	-
		292.34		270.92
Aggregate carrying value of quoted investments		80.06		57.94
Aggregate market value of quoted investments		80.06		57.94
Aggregate carrying value of unquoted investments		216.42		212.98
Aggregate amount of impairment in value of investments		(4.14)		-

For category-wise classification of Current Investments Refer note 45.

\* Please refer the note shown under Non-Current Investments

## Notes forming part of the Financial Statements

### (10) Trade Receivables

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Considered good - Unsecured	59.72	41.80
Credit impaired	0.54	0.00
Less : Allowances for credit losses	(0.54)	(0.00)
	<b>59.72</b>	<b>41.80</b>

### Movement in the expected credit loss allowance

(₹ in Crores)

	As at 31/03/2020	As at 31/03/2019
<b>Balance at beginning of the year</b>	0.00	-
Allowance for credit impairment during the year	0.56	0.00
Trade receivables written off during the year	(0.02)	-
<b>Balance at end of the year</b>	<b>0.54</b>	<b>0.00</b>

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

### (11) Cash & Cash Equivalents

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Cash and Cash Equivalents		
Cash on Hand	0.01	0.01
Balance with employees Imprest account	0.35	0.18
Balance with banks in current accounts	1.88	12.70
	<b>2.24</b>	<b>12.89</b>
Other Bank Balances		
In Earmarked Accounts		
Unpaid Dividend Accounts	4.31	3.85
Margin Accounts	0.02	0.02
In Deposit Accounts	-	23.54
	<b>6.57</b>	<b>40.30</b>

### (12) Loans

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Loans to Subsidiaries (Refer note no. 35)		
Unsecured, considered good	18.78	-
	<b>18.78</b>	<b>-</b>

## Notes forming part of the Financial Statements

### (13) Other Financial Assets

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Dividend Receivable	-	0.09
Export Incentive Receivable	1.53	1.35
Others (Refer note no. 35)	2.02	0.86
	<b>3.55</b>	<b>2.30</b>

### (14) Other Current Assets

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Advance for supply of goods and rendering of services		
Unsecured, considered good	33.70	25.03
Advances to related parties (Refer note no. 35)	2.67	1.09
Prepaid expenses	0.79	0.67
Balance with statutory / government authorities	1.69	2.34
	<b>38.85</b>	<b>29.13</b>

### (15) Equity Share Capital

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Authorised :		
750,00,000 Equity Shares of ₹2/- each	15.00	15.00
Issued, Subscribed & Paid up :		
699,57,000 (As at March 31, 2019: 699,57,000)	13.99	13.99
Equity Shares of ₹2/- each fully paid up	13.99	13.99

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 shareholder.

## Notes forming part of the Financial Statements

### (15) Equity Share Capital (contd.)

The Company allotted 349,78,500 bonus equity shares of ₹2/- each fully paid up on September 17, 2016 in the proportion of one (1) bonus equity share for every fully Paid up equity share (1:1). As a result of the bonus issue the Paid up capital of the Company stands increased to ₹13.99 Crores from ₹7.00 Crores.

The details of shareholder holding more than 5% shares as at March 31, 2020 is set out below :

Name of the shareholder	No. of shares	% held as at March 31, 2020	No. of shares	% held as at March 31, 2019
Mr. Achal A. Bakeri	29,262,600	41.83%	29,262,600	41.83%
Ms. Rupa A. Bakeri	7,092,940	10.14%	7,093,940	10.14%
Sanskrit Tradecom Pvt. Ltd.	12,483,200	17.84%	12,483,200	17.84%
Axis Mutual Fund Trustee Limited	3,589,163	5.13%	2,883,156	4.12%

The reconciliation of the number of shares outstanding as at March 31, 2020 is set out below:

Particulars	As at 31/03/2020		As at 31/03/2019	
	No. of Shares	Amount [₹ in Crores]	No. of Shares	Amount [₹ in Crores]
Closing Balance	69,957,000	13.99	69,957,000	13.99

### (16) Other Equity

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
General Reserve	35.00	35.00
Capital Reserve	9.04	9.04
Reserve for Debt Instruments through Other Comprehensive Income	(0.49)	(1.47)
Retained Earnings	591.31	612.27
	<b>634.86</b>	<b>654.84</b>

#### 16.1 General Reserve

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Closing balance	35.00	35.00

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

## Notes forming part of the Financial Statements

### (16) Other Equity (contd.)

#### 16.2 Capital Reserve

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Closing balance	9.04	9.04

#### 16.3 Reserve for Debt Instruments through Other Comprehensive Income

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Opening balance	(1.47)	(4.01)
Net fair value gain on investments in debt instruments at FVTOCI	0.49	0.67
Income tax on net fair value gain on investments in debt instruments at FVTOCI	(0.13)	(0.14)
Cumulative gain reclassified to profit or loss on sale of debt instruments at FVTOCI	0.70	(0.01)
Income tax on gain reclassified to profit or loss on sale of debt instruments at FVTOCI	(0.08)	0.00
Impairment loss allowance on debt instruments at FVTOCI	-	2.29
Income tax on impairment loss allowance on debt instruments at FVTOCI	-	(0.27)
Closing balance	<b>(0.49)</b>	<b>(1.47)</b>

This reserve represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or impairment losses on such instruments.

#### 16.4 Retained Earnings

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Opening balance	612.27	549.37
Profit for the year	185.91	101.00
Other Comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(0.25)	(0.15)
Dividend on Equity Shares	(171.39)	(31.48)
Tax on Dividend	(35.23)	(6.47)
Closing balance	<b>591.31</b>	<b>612.27</b>

The Company has paid three interim dividends aggregating ₹23/- (including Special dividend ₹18/-) per equity share during the year. The total dividend appropriation for the year ended on March 31, 2020 amounts to ₹193.97 Crores including dividend distribution tax of ₹33.07 Crores.



## Notes forming part of the Financial Statements

### (17) Deferred Tax Liabilities (Net)

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Deferred Tax Liabilities/(Assets) on		
(i) Property, plant and equipment and intangible assets	5.56	7.32
(ii) Financial Assets at FVTOCI	(0.09)	(0.30)
(iii) Financial Assets at FVTPL	1.52	1.17
(iv) Impairment allowance on financial assets	(2.89)	(2.50)
(v) Provision for doubtful advances	(0.15)	-
Deferred Tax Liabilities (Net)	<b>3.95</b>	<b>5.69</b>

### Movement of Deferred Tax Liabilities / Assets

#### For the year ended March 31, 2020

(₹ in Crores)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Reclassified from Other Equity to Profit or Loss	Closing Balance
Deferred Tax Liabilities/(Assets) on					
(i) Property, plant and equipment and intangible assets	7.32	(1.76)	-	-	5.56
(ii) Financial Assets at FVTOCI	(0.30)	-	0.13	0.08	(0.09)
(iii) Financial Assets at FVTPL	1.17	0.35	-	-	1.52
(iv) Impairment allowance on financial assets	(2.50)	(0.39)	-	-	(2.89)
(v) Remeasurements of the defined benefit plans	-	0.08	(0.08)	-	-
(vi) Provision for doubtful advances	-	(0.15)	-	-	(0.15)
Deferred Tax Liabilities (Net)	<b>5.69</b>	<b>(1.87)</b>	<b>0.05</b>	<b>0.08</b>	<b>3.95</b>

#### For the year ended March 31, 2019

(₹ in Crores)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Reclassified from Other Equity to Profit or Loss	Closing Balance
Deferred Tax Liabilities/(Assets) on					
(i) Property, plant and equipment and intangible assets	6.59	0.73	-	-	7.32
(ii) Financial Assets at FVTOCI	(0.71)	-	0.14	0.27	(0.30)
(iii) Financial Assets at FVTPL	3.29	(2.12)	-	-	1.17

## Notes forming part of the Financial Statements

### (17) Deferred Tax Liabilities (Net) (contd.)

Particulars	(₹ in Crores)				
	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Reclassified from Other Equity to Profit or Loss	Closing Balance
(iv) Impairment allowance on financial assets classified as FVTOCI	-	(2.50)	-	-	(2.50)
(v) Remeasurements of the defined benefit plans	-	0.08	(0.08)	-	-
(vi) Provision for doubtful advances	(0.26)	0.26	-	-	-
<b>Deferred Tax Liabilities (Net)</b>	<b>8.91</b>	<b>(3.55)</b>	<b>0.06</b>	<b>0.27</b>	<b>5.69</b>

### (18) Trade Payables

Particulars	(₹ in Crores)	
	As at 31/03/2020	As at 31/03/2019
Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises	0.52	2.69
- Total outstanding dues of creditors other than micro enterprises and small enterprises	38.57	41.33
	<b>39.09</b>	<b>44.02</b>

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	(₹ in Crores)	
	As at 31/03/2020	As at 31/03/2019
Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
(i) (a) Principal amount remaining unpaid to any supplier	0.31	2.52
(b) Interest on (i)(a) above	0.01	0.01
(ii) The amount of interest paid along with the principal payment made to the supplier	-	-
(iii) Amount of interest due and payable on delayed payments	0.02	0.17

## Notes forming part of the Financial Statements

### (18) Trade Payables (contd.)

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
(iv) Amount of further interest remaining due and payable for the earlier years	0.18	-
(v) Total outstanding dues of Micro and Small Enterprises		
Principal	0.31	2.52
Interest	0.21	0.18

### (19) Other Financial Liabilities

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Trade deposits	1.18	1.14
Unclaimed dividends	4.31	3.85
Creditors for capital goods	0.01	0.05
Lease liabilities	0.68	-
Compensation payable (Refer note no. 40.2)	-	2.55
	<b>6.18</b>	<b>7.59</b>

### (20) Other Current Liabilities

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Advance from customers	30.14	24.58
Statutory dues	4.67	6.87
Deferred revenue (Refer note (i) below)	3.29	2.69
	<b>38.10</b>	<b>34.14</b>

(i) The deferred revenue arises in respect of the Company's Point Credits Scheme recognised in accordance with Ind AS 115 Customer Loyalty Programmes.

### (21) Provisions

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Provision for		
Employee benefits (Refer note (i) below)	0.37	0.29
Warranty (Refer note (ii) below)	6.62	4.88
	<b>6.99</b>	<b>5.17</b>

(i) The provision for employee benefits includes gratuity provision. The increase in the carrying amount of the net provision for the current year results from lower payment of contribution to fund in the current year. For detailed disclosures, refer note no. 38.

## Notes forming part of the Financial Statements

### (21) Provisions (contd.)

- (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. The movement in the warranty provision is as below:

Particulars	(₹ in Crores)	
	Warranty As at 31/03/2020	Warranty As at 31/03/2019
Opening balance	4.88	9.15
Additional provisions recognised	7.36	6.19
Reductions arising from payments	(5.62)	(6.83)
Reductions arising from remeasurement or settlement without cost	-	(3.63)
<b>Closing balance</b>	<b>6.62</b>	<b>4.88</b>

### (22) Current Tax Liabilities (Net)

Particulars	(₹ in Crores)	
	As at 31/03/2020	As at 31/03/2019
<b>Tax liabilities</b>		
Provision for income tax	56.33	42.78
<b>Total</b>	<b>56.33</b>	<b>42.78</b>
<b>Tax assets</b>		
Advance income tax	53.34	39.42
<b>Total</b>	<b>53.34</b>	<b>39.42</b>
<b>Net</b>	<b>2.99</b>	<b>3.36</b>

### (23) Revenue From Operations

Particulars	(₹ in Crores)	
	Year Ended 31/03/2020	Year Ended 31/03/2019
Revenue from Sale of Products	714.24	522.12
Other Operating Revenue	1.94	1.73
	<b>716.18</b>	<b>523.85</b>
Sale of products comprises of :		
Air Coolers	659.26	492.34
Others	54.98	29.78
	<b>714.24</b>	<b>522.12</b>

## Notes forming part of the Financial Statements

### (24) Other Income

(₹ in Crores)

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Interest Income:		
Bank deposits (at amortised cost)	1.25	1.54
Investments in debt instruments measured at FVTOCI	8.43	8.19
Other financial assets carried at amortised cost	3.71	3.13
Dividend Income		
Dividend income from investments measured at FVTPL	8.18	10.08
Other gains and losses		
Gain on disposal of property, plant and equipment	0.41	-
Cumulative gain reclassified from equity on disposal of debt instruments designated at FVTOCI	-	0.01
Net Foreign Exchange gains	0.95	0.17
Net gain on disposal of instruments designated at FVTPL	15.88	2.27
Net gain on financial assets mandatorily measured at FVTPL	5.53	4.73
Other Non Operating Income	2.53	3.23
	<b>46.87</b>	<b>33.35</b>

### (25) Cost of Materials Consumed

(₹ in Crores)

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Opening Stock of Raw Materials	4.59	7.67
Add: Purchases	29.21	26.95
Less: Closing Stock of Raw Materials	2.45	4.59
	<b>31.35</b>	<b>30.03</b>
Cost of material comprises of Moulded Parts & components of Air Cooler		

## Notes forming part of the Financial Statements

### (26) Purchase of Stock-In-Trade

(₹ in Crores)

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Air Coolers	272.61	188.32
Others	57.54	31.46
	<b>330.15</b>	<b>219.78</b>

### (27) Changes in Inventories of Finished Goods, Work-In-Progress and Stock-in-Trade

(₹ in Crores)

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Opening Stock		
Finished Goods	2.76	2.12
Stock-In-Trade	30.41	41.64
Less:		
Closing Stock		
Finished Goods	1.05	2.76
Stock-In-Trade	37.81	30.41
	<b>(5.69)</b>	<b>10.59</b>

### (28) Employee Benefits Expense

(₹ in Crores)

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Salaries, Wages and Bonus	51.72	49.35
Contribution to Provident Fund and Other Funds (Refer Note no. 38)	2.94	2.77
Staff Welfare Expenses	0.68	0.44
	<b>55.34</b>	<b>52.56</b>

### (29) Finance Costs

(₹ in Crores)

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Interest Expenses	0.25	0.29
	<b>0.25</b>	<b>0.29</b>

## Notes forming part of the Financial Statements

### (30) Other Expenses

(₹ in Crores)

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Assembly and Labour Charges	0.63	0.39
Power and Fuel	0.07	0.06
Repairs & Maintenance		
Building	0.02	0.70
Machinery	0.20	0.16
Rent (Refer Note no. 37)	3.02	5.70
Rates & Taxes	0.10	0.10
Travelling	7.52	8.17
Conveyance	1.62	1.83
Communication Expenses	0.63	0.73
Insurance	0.39	0.61
Printing and stationery charges	0.15	0.20
Legal & Professional Charges	7.73	5.36
Payment to Auditors (Refer Note no. 36)	0.37	0.37
Vehicle Expenses	0.12	0.10
CSR Expenditure (Refer Note no. 44)	4.02	1.49
General Expenses	4.31	3.80
Repairs Others	0.15	0.16
Loss on Sale of Fixed Assets(Net)	-	0.39
Loss on disposal of instruments designated at FVTOCI	2.22	-
Bank Charges	0.16	0.16
Freight & Forwarding Charges	21.49	16.04
Warranty Expense	8.57	2.48
Sales Commission	0.30	0.33
CFA Handling Charges	1.28	1.25
	<b>65.07</b>	<b>50.58</b>

### (31) Earnings Per Share

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Face value of Equity Shares (₹)	2	2
Net Profit available for Equity Shareholders (₹ in Crores)	185.91	101.00
No. of Equity Shares	69,957,000	69,957,000
Basic and Diluted EPS (₹)	26.57	14.44

## Notes forming part of the Financial Statements

### (32) Tax Expense

#### (32.1) Income tax recognised in statement of profit and loss

(₹ in Crores)

Sr. No.	Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
(a)	Current tax		
	In respect of the current year	56.23	42.67
	In respect of prior years	-	(0.32)
		56.23	42.35
(b)	Deferred tax		
	In respect of the current year	(1.87)	(3.55)
		(1.87)	(3.55)
	<b>Total income tax recognised in statement of profit and loss</b>	<b>54.36</b>	<b>38.80</b>

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

(₹ in Crores)

Sr. No.	Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
	<b>Profit before tax</b>	<b>240.27</b>	<b>139.80</b>
	Income tax expense calculated at 25.168% (Previous year 34.944%)	60.47	48.85
(a)	Effect of income that is exempt from taxation		
	Dividend income	(2.38)	(4.60)
	Interest on tax free bonds	(1.76)	(1.77)
(b)	Effect of expense that are not deductible in taxable profit		
	Expenses in relation to exempt income	(0.04)	0.06
(c)	Effect of additional deduction of research and product development cost	-	(0.59)
(d)	Effect of additional deduction of Contribution to scientific research project u/s 35(1)(ii)	-	(0.22)
(e)	Effect of lower tax on capital gain from investment in Bonds & Market Linked Debentures	(0.51)	(0.48)
(f)	Effect of impairment of investments	-	5.01
(g)	Effect of income tax exemption u/s 10(AA) being profit of SEZ units	-	(6.79)



## Notes forming part of the Financial Statements

### (32) Tax Expense (contd.)

(₹ in Crores)

Sr. No.	Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
(h)	Effect of CSR Expenditure not allowed under income tax	0.99	-
(i)	Effect of Reversal of Opening DTL due to Lower rate of Tax	(2.36)	-
(j)	Others	(0.05)	(0.35)
	<b>Current Year Income tax expense</b>	<b>54.36</b>	<b>39.12</b>
	<b>Prior Year Income tax expense</b>	<b>-</b>	<b>(0.32)</b>
	<b>Total income tax recognised in statement of profit and loss</b>	<b>54.36</b>	<b>38.80</b>

### (32.2) Income tax recognised in Other Comprehensive Income

(₹ in Crores)

Sr. No.	Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
	<b>Deferred tax</b>		
(a)	<b>Arising on income and expenses recognised in other comprehensive income:</b>		
	Re-measurement of defined benefit obligation	(0.08)	(0.08)
	Net fair value gain on investments in debt instruments at FVTOCI	0.13	0.14
	<b>Total income tax recognised in other comprehensive income</b>	<b>0.05</b>	<b>0.06</b>
	<b>Bifurcation of the income tax recognised in other comprehensive income into:-</b>		
	Items that will not be reclassified to profit or loss	(0.08)	(0.08)
	Items that may be reclassified to profit or loss	0.13	0.14
		<b>0.05</b>	<b>0.06</b>

## Notes forming part of the Financial Statements

### (33) Contingent Liabilities and Commitments (to the extent not provided for) :

(₹ in Crores)

	2019-20	2018-19
<b>(i) Contingent Liabilities:</b>		
a) Claims against the Company not acknowledged as debt.	0.07	0.07
b) Demand on account of VAT / sales tax matters.	0.27	0.99
c) Demand on account of Income Tax matters.	0.85	0.33
d) Demand on account of central excise matters.	1.41	1.41
	<b>2.60</b>	<b>2.80</b>

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

(₹ in Crores)

	2019-20	2018-19
<b>(ii) Commitments :</b>		
a) Estimated amount of Property, plant and equipment contracts remaining to be executed and not provided for.	2.96	2.47
b) Corporate Guarantee given for subsidiary company.	242.51	250.57
	<b>245.47</b>	<b>253.04</b>

- c) Letter of Support issued to Guangdong Symphony Keruilai Air Coolers Co. Limited, China, wholly owned subsidiary, to provide financial support in order to allow it to meet its liabilities as they fall due and to carry on its business without significant curtailment of operations.

### (34) Segment Reporting

#### (a) Primary Segment :

As per recognition criteria mentioned in Ind AS - 108, Operating Segments, the Company has identified only one operating segment i.e. Air Cooling and Other Appliances 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 Cooling and Other Appliances Business.

## Notes forming part of the Financial Statements

### (34) Segment Reporting (contd.)

	(₹ in Crores)	
	2019-20	2018-19
(1) Segment Revenue		
Air Cooling and Other Appliances	719.27	526.42
Corporate Funds	42.79	29.92
Un-allocable	0.99	0.86
<b>Total</b>	763.05	557.20
(2) Segment Profit before Interest and Taxes (PBIT)		
Air Cooling and Other Appliances	200.86	131.10
Corporate Funds	40.22	8.13
Un-allocable	(0.56)	0.86
<b>Total</b>	240.52	140.09
Less: Finance Costs	0.25	0.29
Less: Taxes	54.36	38.80
<b>Total Profit After Tax</b>	185.91	101.00
(3) Segment Assets		
Air Cooling and Other Appliances	221.00	199.06
Corporate Funds	405.69	481.07
Un-allocable	119.46	88.67
<b>Total</b>	746.15	768.80
(4) Segment Liabilities		
Air Cooling and Other Appliances	97.30	99.97
Corporate Funds	-	-
Un-allocable	-	-
<b>Total</b>	97.30	99.97
(5) Capital Employed		
Air Cooling and Other Appliances	123.70	99.09
Corporate Funds	405.69	481.07
<b>Total</b>	529.39	580.16

### (b) Secondary Segment : Geographical segment

	(₹ in Crores)	
	2019-20	2018-19
(1) Segment Revenue		
India	650.95	466.36
Rest of the world	65.23	57.49
Revenue from operations	716.18	523.85

## Notes forming part of the Financial Statements

### (34) Segment Reporting (contd.)

		(₹ in Crores)	
		2019-20	2018-19
(2)	Segment Profit before Interest and Taxes (PBIT)		
	India	217.02	120.96
	Rest of the world	23.50	19.13
	<b>Total</b>	<b>240.52</b>	<b>140.09</b>
	Less: Finance Costs	0.25	0.29
	Less: Taxes	54.36	38.80
	<b>Total Profit After Tax</b>	<b>185.91</b>	<b>101.00</b>

#### Secondary Segment Capital Employed :

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

### (35) Related Party Disclosures

				(₹ in Crores)			
Sr no	Name of the Related Parties	Nature of relationship with company	Nature of transaction	2019-20		2018-19	
				Volume of transaction	Balance at the end of the year	Volume of transaction	Balance at the end of the year
1	IMPCO S DE RL DE C V., Mexico	Subsidiary / Entity controlled by Holding Company	Sale of Goods / Receivables	25.91	24.21	16.72	13.39
2	IMPCO S DE RL DE C V., Mexico	Subsidiary / Entity controlled by Holding Company	Software charges recovered/Receivable	0.04	0.04	-	-
3	IMPCO S DE RL DE C V., Mexico	Subsidiary / Entity controlled by Holding Company	Investment in Capital	-	0.00	-	0.00
4	IMPCO S DE RL DE C V., Mexico	Subsidiary / Entity controlled by Holding Company	Loan Given	-	-	0.07	-
			Loan Received back	-	-	0.07	-
5	Guangdong Symphony Keruilai Air Coolers Co. Limited	Subsidiary / Entity controlled by Holding Company	Investment in Capital	-	-	-	-
			Provision for impairment on Investments	1.55	-	-	1.55
6	Guangdong Symphony Keruilai Air Coolers Co. Limited	Subsidiary / Entity controlled by Holding Company	Guarantee Charges recovered	0.29	-	0.21	-
			Software charges recovered	0.01	-	-	-
			R&D Material Expenses	0.02	-	0.10	-
			Design Charges	-	-	0.21	-
			Purchase of Goods / Advances	3.04	2.90	6.09	1.30

## Notes forming part of the Financial Statements

### (35) Related Party Disclosures (contd.)

(₹ in Crores)

Sr no	Name of the Related Parties	Nature of relationship with company	Nature of transaction	2019-20		2018-19	
				Volume of transaction	Balance at the end of the year	Volume of transaction	Balance at the end of the year
7	Guangdong Symphony Keruilai Air Coolers Co. Limited	Subsidiary / Entity controlled by Holding Company	Sale of Goods / Receivables	(0.00)	0.00	0.00	0.00
8	Guangdong Symphony Keruilai Air Coolers Co. Limited	Subsidiary / Entity controlled by Holding Company	Corporate Guarantee given in favour of Standard Chartered Bank	-	37.69	-	34.59
9	Symphony AU Pty. Limited	Subsidiary / Entity controlled by Holding Company	Investment in Capital	11.21	97.47	86.26	86.26
10	Symphony AU Pty. Limited	Subsidiary / Entity controlled by Holding Company	Guarantee Charges recovered / Receivable	0.71	1.26	0.55	0.55
11	Symphony AU Pty. Limited	Subsidiary / Entity controlled by Holding Company	Loan Given/Receivable Interest Income	18.89		-	
				0.15	18.77	-	-
12	Climate Technologies Pty. Limited	Subsidiary / Entity controlled by Holding Company	Sale of Goods Accounting Charges recovered	0.98		-	
			Guarantee Charges recovered / Receivable	0.04		-	
				0.27	1.39	0.10	0.10
13	Climate Technologies Pty. Limited	Subsidiary / Entity controlled by Holding Company	Purchase of Goods Software charges recovered/Receivable	0.01		-	
				0.04	0.03	-	-
14	Bonaire USA, LLC	Subsidiary in which Company holds 95%	Sale of Goods/ Receivable	0.28	0.28	-	-
15	Symphony Climatizadores Ltda	Subsidiary / Entity controlled by Holding Company	Investment in Capital	0.09	0.09	-	-
16	Symphony Climatizadores Ltda	Subsidiary / Entity controlled by Holding Company	Sale of Goods/ Receivable	0.09	0.09	-	-
17	Symphony Climatizadores Ltda	Subsidiary / Entity controlled by Holding Company	Loan Given/Receivable Interest Income	1.14		-	
				0.03	1.24	-	-
18	Elephant Design Private Limited	Enterprise in which Director has significant influence	Consultancy Expense & reimbursement of Travelling Expense	0.44	0.01	0.46	-
19	Symphony AU Pty. Limited	Subsidiary / Entity controlled by Holding Company	Corporate Guarantee given in favour of Standard Chartered Bank	-	204.82	-	215.98

## Notes forming part of the Financial Statements

### (35) Related Party Disclosures (contd.)

#### 35.1 Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows:

Particulars	(₹ in Crores)			
	2019-20		2018-19	
	Mr. Achal Bakeri, Chairman and Managing Director	Mr. Nrupesh Shah, Executive Director	Mr. Achal Bakeri, Chairman and Managing Director	Mr. Nrupesh Shah, Executive Director
Short-term benefits	2.36	1.61	2.36	0.98
Post-employment benefits	0.02	0.02	0.01	0.02
	<b>2.38</b>	<b>1.63</b>	<b>2.37</b>	<b>1.00</b>
Balance outstanding at the end of the year	2.00	1.44	2.00	0.81

#### 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.

### (36) Payment to Statutory Auditors (excluding GST) (Refer Note no. 30)

Particulars	(₹ in Crores)	
	2019-20	2018-19
a) As Auditor	0.16	0.20
b) In other capacity, in respect of		
i) Certification	0.02	0.02
ii) Limited Review	0.19	0.15
	<b>0.37</b>	<b>0.37</b>

## Notes forming part of the Financial Statements

### (37) Leases

#### 37.1 : Leasing Arrangement

Effective from April 01, 2019, the Company adopted 'Ind AS 116 – Leases' and applied the Standard to all lease contracts existing as on April 01, 2019 using the modified retrospective method on the date of initial application i.e. April 01, 2019. The impact of Ind AS 116 is as follows:

#### Balance Sheet

The adoption of Ind AS 116 has resulted in an increase in total assets of ₹1.98 Crores and liabilities are increased by ₹1.98 Crores as at April 01, 2019.

#### Statement of profit and loss

Depreciation Increased by ₹1.32 Crores, finance costs increased by ₹0.10 Crores due to the interest on lease liabilities and operating lease expenses decreased by ₹1.42 Crores during the year ended March 31, 2020.

#### Statement of cash flows

Cash flows from operating activities increased by ₹1.42 Crores with a corresponding increase in cash used in financing activities on account of lease payments during the year ended March 31, 2020.

The Company does not have any Non-cancellable lease.

- i) Operating lease is related to lease of CFA premises at various location of India with a lease period of one year.
- ii) Right-of-use asset is related to lease of land at Kandla SEZ for 48 months from Sept, 16 for which lease expense was debited to statement of profit and Loss in the prior period. In the current year, the same is accounted for in accordance with Ind AS 116.

#### 37.2 : Payment recognised as an expenses

Particulars	2019-20	2018-19
Minimum Lease Payments	3.02	5.70

### (38) Employee Benefits

#### (A) Defined contribution plans

The Company makes provident fund contribution which is defined contribution plan, for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The Company recognised ₹1.41 Crores (Year ended March 31, 2019 ₹1.41 Crores) for provident fund contributions in the Statement of Profit and Loss. The contribution payable to this plan by the Company is at rate specified in the rule of the scheme.

## Notes forming part of the Financial Statements

### (38) Employee Benefits (contd.)

#### (B) Defined benefit plans

The defined benefit plan of the Company includes entitlement of gratuity for each year of service until the retirement age.

The plan typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

<b>Investment risk:</b>	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities and other debt instruments.
<b>Interest risk:</b>	A fall in the discount rate which is linked to the Government Securities. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the market value of the assets depending on the duration of asset.
<b>Longevity risk:</b>	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
<b>Salary risk:</b>	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

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

#### I) The principal assumptions used for the purposes of actuarial valuation were as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Expected return on plan assets	6.82%	7.59%
Discount rate	6.82%	7.59%
Rate of salary increase	7.00%	7.00%
Rate of employee turnover	For services 4 years and below 13.00% and For services 5 years and above 5.00%	7.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Mortality rate after employment	N.A.	N.A.



## Notes forming part of the Financial Statements

### (38) Employee Benefits (contd.)

II) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

(₹ in Crores)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current service cost	1.05	0.96
Net interest expense	0.02	0.00
<b>Components of defined benefit cost recognised in profit or loss</b>	<b>1.07</b>	<b>0.96</b>
Actuarial (gains)/losses on obligation for the year	0.32	0.31
Return on plan assets (excluding interest income)	0.01	(0.08)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>0.33</b>	<b>0.23</b>
<b>Total</b>	<b>1.40</b>	<b>1.19</b>

III) The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of funded defined benefit obligation	(10.38)	(8.86)
Fair value of plan assets	10.01	8.57
Funded status	(0.37)	(0.29)
Net liability arising from defined benefit obligation	(0.37)	(0.29)

IV) Movements in the present value of the defined benefit obligation are as follows:

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Opening defined benefit obligation</b>	<b>8.86</b>	<b>7.45</b>
Current service cost	1.05	0.96
Interest cost	0.67	0.57
Benefits paid from the fund	(0.46)	(0.37)
Benefits paid directly by the employer	(0.07)	(0.06)
Actuarial (gains)/losses arising from changes in demographic assumptions	(0.14)	-
Actuarial (gains)/losses arising from changes in financial assumptions	0.54	0.06
Actuarial (gains)/losses arising from experience adjustments	(0.07)	0.25
<b>Closing defined benefit obligation</b>	<b>10.38</b>	<b>8.86</b>

## Notes forming part of the Financial Statements

### (38) Employee Benefits (contd.)

V) Movements in the fair value of the plan assets are as follows:

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Opening fair value of plan assets</b>	<b>8.57</b>	<b>7.40</b>
Interest income	0.65	0.57
Return on plan assets (excluding amounts included in net interest expense)	(0.01)	0.08
Contributions from the employer	1.26	0.89
Benefits paid	(0.46)	(0.37)
<b>Closing fair value of plan assets</b>	<b>10.01</b>	<b>8.57</b>

VI) The fair value of the plan assets at the end of reporting period for each category are as follows:

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
HDFC Group Traditional Plan	10.01	10.01
<b>Closing fair value of plan assets</b>	<b>10.01</b>	<b>10.01</b>

VII) The following payments are expected contributions to the defined benefit plan in future years:

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
1st following year	1.21	1.22
2nd following year	0.71	0.70
3rd following year	1.27	0.80
4th following year	0.89	0.94
5th following year	0.58	1.10
Sum of years 6 to 10	4.64	3.98
Sum of years 11 and above	9.68	7.43

VIII) Sensitivity analysis:

(₹ in Crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate increase by 1%	(0.69)	(0.52)
Discount rate decrease by 1%	0.79	0.59
Rate of salary increase by 1%	0.78	0.58
Rate of salary decrease by 1%	(0.69)	(0.53)
Rate of employee turnover increase by 1%	(0.02)	0.00
Rate of employee turnover decrease by 1%	0.03	(0.00)

## Notes forming part of the Financial Statements

### (39) Leave encashment

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

### (40) Exceptional Items

(40.1) The Company has invested ₹1.55 Crores as equity investment (for 100% equity stake) in wholly owned subsidiary namely, Guangdong Symphony Keruilai Air Coolers Co. Limited, China in FY 2015-16. Considering COVID-19 Pandemic, its implications in China and consequent likely impact on the financial position of the subsidiary, the Company has provided an amount of ₹1.55 Crores towards diminution (impairment) in carrying cost of the investment and the same is shown as an exceptional item for the year ended March 31, 2020.

(40.2) Exceptional items for the year ended March 31, 2019 of ₹24 Crores is related to provision made for (i) impairment of investment in redeemable cumulative preference shares of Infrastructure Leasing & Financial Services Limited (IL&FS) ₹21.50 Crores and (ii) compensation payable ₹2.55 Crores for the matter of two cases of the fraudulent transfers made by erstwhile Registrar & Transfer Agent M/s. Sharepro Services (India) Private Limited.

(41) The outbreak of Coronavirus disease (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The operations of the Company were impacted particularly in last fortnight of FY 2019-20 due to nationwide lockdown ordered by the Government of India. The management has considered the possible effects in FY 20-21 that may result from the pandemic on the Company's operations including the impact on carrying amount of receivables, inventories, assets and investments as on March 31, 2020. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of these assets in toto without any loss. However, the management will continue to closely monitor any material changes to future economic conditions.

### (42) Assets classified as held for sale

(₹ in Crores)

Particulars	2019-20	2018-19
Leasehold land	-	1.23
Building	-	1.04
Other Assets	-	0.06
Total assets held for sale (net of depreciation)	-	2.33

The Company has disposed off Leasehold land along with Building thereon and other assets at Surat SEZ during the financial year 2019-20 which were classified as assets held for sale as at March 31, 2019.

## Notes forming part of the Financial Statements

### (43) Expenditure on Research & Development activities are as under

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

Particulars	(₹ in Crores)			
	2019-20		2018-19	
Capital Expenditure		0.35		0.00
Revenue Expenditure				
Material Consumed	0.13		0.28	
Employee Benefit Expenses	3.23		3.12	
Other Expenses	0.43	3.79	0.68	4.08
<b>Total</b>		<b>4.14</b>		<b>4.08</b>

### (44) Expenditure on Corporate Social Responsibility are as under

(a) Gross amount required to be spent by the Company during the year ₹4.01 Crores (Previous year ₹4.16 Crores).

(b) Amount spent during the year on

	(₹ in Crores)					
	In Cash		Yet to be paid in Cash		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
(i) Development and Maintenance of Public Park	3.92	-	-	-	3.92	-
(ii) Scientific Research	-	1.30	-	-	-	1.30
(iii) Others	0.10	0.19	-	-	0.10	0.19
<b>Total</b>	<b>4.02</b>	<b>1.49</b>	<b>-</b>	<b>-</b>	<b>4.02</b>	<b>1.49</b>

### (45) Financial Instruments

#### Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern, while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options. The Company does not have any debt to meet its capital requirement and uses the operational cash flows and equity to meet its capital requirements.

The Company is not subject to any externally imposed capital requirements.

The management of the Company reviews the capital structure of the Company on regular basis.

## Notes forming part of the Financial Statements

### (45) Financial Instruments (contd.)

The following table summarises the capital of the Company.

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Equity share capital	13.99	13.99
Other equity	634.86	654.84
<b>Total Equity</b>	<b>648.85</b>	<b>668.83</b>

### Other disclosure pursuant to Ind AS 107 "Financial instruments: Disclosures":

#### (a) Category-wise classification for applicable financial assets:

(₹ in Crores)

Sr. No.	Particulars	As at 31/03/2020	As at 31/03/2019
I	Measured at fair value through Profit or Loss (FVTPL):		
	(i) Investment in mutual funds	208.24	211.48
	(ii) Investment in NCD	38.44	93.22
		246.68	304.70
II	Measured at amortised cost:		
	(i) Investment in equity shares of subsidiaries	97.56	87.81
	(ii) Investment in NCD	8.18	7.70
	(iii) Trade receivables	59.72	41.80
	(iv) Cash and cash equivalents and bank balances	6.57	40.30
	(v) Loans	20.02	-
	(vi) Other financial assets	3.93	2.93
		195.98	180.54
III	Measured at fair value through Other Comprehensive Income (FVTOCI):		
	(i) Investment in bonds	103.51	102.28
	(ii) Investment in NCD	37.48	11.49
	(iii) Investment in preference shares	9.84	31.38
		150.83	145.15
	<b>Total</b>	<b>593.49</b>	<b>630.39</b>

## Notes forming part of the Financial Statements

### (45) Financial Instruments (contd.)

#### (b) Category-wise classification for applicable financial liabilities:

(₹ in Crores)

Sr. No.	Particulars	As at 31/03/2020	As at 31/03/2019
	Measured at amortised cost:		
(i)	Trade payables	39.09	44.02
(ii)	Lease liabilities	0.68	-
(ii)	Other financial liabilities	5.50	7.59
	<b>Total</b>	<b>45.27</b>	<b>51.61</b>

### (46) Fair value measurements

#### (a) Fair value Hierarchy of the Company's financial assets that are measured at fair value on a recurring basis:

(₹ in Crores)

Particulars	As at 31/03/2020				As at 31/03/2019			
	Level1	Level2	Level3	Total	Level1	Level2	Level3	Total
I Financial assets at FVTPL								
(i) Investment in mutual funds	208.24	-	-	208.24	211.48	-	-	211.48
(ii) Investment in bonds & NCD	38.44	-	-	38.44	93.22	-	-	93.22
II Financial assets at FVTOCI								
(i) Investment in bonds & NCD	89.21	51.78	-	140.99	47.40	66.37	-	113.77
(ii) Investment in preference shares	-	9.84	-	9.84	20.68	10.70	-	31.38
Total	335.89	61.62	-	397.51	372.78	77.07	-	449.85

#### Valuation technique and key inputs used to determine fair value:

- A. Level 1 : Mutual funds, Bonds, NCD - Quoted prices in active market.
- B. Level 2 : Bonds, NCD, Preference shares - Discounted cash flow at discount rate that reflects the issuer's current borrowing rate at the end of the reporting period.

## Notes forming part of the Financial Statements

### (46) Fair value measurements (contd.)

(b) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

#### I Financial assets measured at amortised cost

The carrying amount of Trade receivables, Loans, Cash and cash equivalents and bank balances & Other current financial assets are considered to be the same as their fair value due to their short term nature. The carrying amount of Other non-current financial assets are considered to be close to the fair value.

#### II Financial liabilities measured at amortised cost

The carrying amount of Trade payables and Other financial liabilities are considered to be the same as their fair values due to their short term nature.

### (47) Financial Risk Management Objectives and Policies

#### Financial risk management objectives

The Company's management monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's risk management is done in close co-ordination with the board of directors and focuses on actively securing the Company's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The most significant risks to which the Company is exposed are described below:

#### Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates risk, liquidity risk, credit risk and price risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

#### Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company minimises foreign currency risk by taking 100% advance in majority cases. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

## Notes forming part of the Financial Statements

### (47) Financial Risk Management Objectives and Policies (contd.)

(All figures in Crores)

Foreign currency exposure	As at March 31, 2020		As at March 31, 2019	
	Foreign currency monetary assets	Foreign currency monetary liabilities	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	0.39	-	0.20	0.00
AUD	0.44	-	0.01	-
CNY	-	0.00	-	0.05

#### Foreign currency sensitivity

The following table details the Company's sensitivity to a 5% increase and decrease in the ₹ against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their transaction at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(₹ in Crores)

Currency	As at March 31, 2020		As at March 31, 2019	
	5% increase	5% decrease	5% increase	5% decrease
<b>Foreign currency monetary assets</b>				
USD	(1.39)	1.39	(0.71)	0.71
AUD	(1.02)	1.02	(0.03)	0.03
<b>Foreign currency monetary liabilities</b>				
USD	-	-	0.00	(0.00)
CNY	0.00	(0.00)	0.02	(0.02)
Impact on profit or loss at the end of the reporting year	(2.41)	2.41	(0.72)	0.72
Impact on total equity as at the end of the reporting year (net of tax)	(2.15)	2.15	(0.71)	0.71

#### Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.



## Notes forming part of the Financial Statements

### (47) Financial Risk Management Objectives and Policies (contd.)

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments (Bond, NCD, preference share and mutual fund), trade receivables, loans and advances.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this risk, the Company periodically assesses the financial reliability of customers, taking into account their financial position, past experience and other factors. The Company manages credit risk through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

#### Price risk

The Company's exposure to price risk arises from investments in Bond, NCD, preference share and mutual fund held by the Company and classified in the balance sheet at fair value through OCI and at fair value through profit or loss. To manage its price risk arising from investments, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

#### Price risk sensitivity

The table below summarises the impact of increases / decreases of the index on the Company's equity and profit for the year.

(₹ in Crores)

	Movement in Rate	As at March 31, 2020		As at March 31, 2019	
		Impact on Profit	Impact on Other Comprehensive Income	Impact on Profit	Impact on Other Comprehensive Income
Bonds					
Increase	+2%	-	2.07	-	2.04
Decrease	-2%	-	(2.07)	-	(2.04)
Preference Shares					
Increase	+2%	-	0.20	-	0.63
Decrease	-2%	-	(0.20)	-	(0.63)

## Notes forming part of the Financial Statements

### [47] Financial Risk Management Objectives and Policies (contd.)

(₹ in Crores)

	Movement in Rate	As at March 31, 2020		As at March 31, 2019	
		Impact on Profit	Impact on Other Comprehensive Income	Impact on Profit	Impact on Other Comprehensive Income
NCD					
Increase	+2%	0.77	0.75	1.86	0.23
Decrease	-2%	(0.77)	(0.75)	(1.86)	(0.23)
Mutual Funds					
Increase	+2%	4.16	-	4.23	-
Decrease	-2%	(4.16)	-	(4.23)	-
Total					
Increase	+2%	4.93	3.02	6.09	2.90
Decrease	-2%	(4.93)	(3.02)	(6.09)	(2.90)
Impact on total equity as at the end of the reporting year (net of tax)					
Increase	+2%		6.39		7.39
Decrease	-2%		(6.39)		(7.39)

#### Interest rate risk

The Company's majority investments are primarily in fixed rate interest bearing investments. Except in case of Market Linked Debentures the Company is not significantly exposed to interest rate risk.

#### Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

#### Maturities of financial liabilities:

The tables below analyse the Company's financial liabilities into relevant maturity groupings base on their contractual maturities for all non-derivative financial liabilities.

## Notes forming part of the Financial Statements

### (47) Financial Risk Management Objectives and Policies (contd.)

(₹ in Crores)

Particulars	As at March 31, 2020			
	Less than 1 year	1 to 5 years	>5 years	Total
Current				
(i) Trade payables	39.09	-	-	39.09
(ii) Lease liabilities	0.68	-	-	0.68
(iii) Other financial liabilities	5.50	-	-	5.50

(₹ in Crores)

Particulars	As at March 31, 2019			
	Less than 1 year	1 to 5 years	>5 years	Total
Current				
(i) Trade payables	44.02	-	-	44.02
(iii) Other financial liabilities	7.59	-	-	7.59

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.

### (48) Approval of financial statements

The financial statements were approved for issue by the board of directors on May 29, 2020.

For and on behalf of the board

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

**Nrupesh Shah**  
Executive Director  
DIN-00397701

**Mayur Barvadiya**  
Company Secretary

**Bhadresh Mehta**  
Chief Financial Officer

Place : Ahmedabad  
Date : May 29, 2020

## Form AOC-1

(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 Crores)							
Sr. No.	Particulars	IMPCO S DE RL DE CV, Mexico	Guangdong Symphony Keruilai Air Coolers Co., Limited, China	Bonaire USA LLC, USA	Climate Technologies Pty. Limited, Australia	Symphony AU Pty. Limited, Australia	Symphony Climatizadores Ltda, Brazil
1	Reporting period	31-12-2019	31-12-2019	31-12-2019	31-03-2020	31-03-2020	31-12-2019
2	(i) Reporting currency	Mexican Peso	CNY	US Dollar	Australian Dollar	Australian Dollar	Brazilian Real
	(ii) Exchange rate as on the last date of the relevant Financial year	3.59	10.64	75.39	46.55	46.55	14.50
3	Share Capital	0.00	90.44	0.00	0.00	85.65	0.07
4	Reserves & Surplus	44.64	(120.99)	(5.88)	67.74	(15.02)	(0.04)
5	Total Assets	66.63	15.53	3.51	201.88	206.54	1.27
6	Total Liabilities	29.39	46.08	9.39	134.14	135.91	1.24
7	Investments (Excl. Investment in Subsidiaries)	7.40	-	-	-	-	-
8	Turnover	87.75	48.17	12.00	257.78	-	0.16
9	Profit before taxation	3.41	(6.00)	(0.33)	11.87	(11.37)	(0.03)
10	Provision for taxation	-	-	-	0.19	(3.13)	0.01
11	Profit after taxation	3.41	(6.00)	(0.33)	11.68	(8.24)	(0.04)
12	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil
13	% of shareholding	100%	100%	95%	95%	95%	100%
14	The date since when subsidiary was acquired	01-04-2011	01-01-2016	01-07-2018	01-07-2018	15-06-2018	10-06-2019

For and on behalf of the board

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

**Mayur Barvadiya**  
Company Secretary

Place : Ahmedabad  
Date : May 29, 2020

**Nrupesh Shah**  
Executive Director  
DIN-00397701

**Bhadresh Mehta**  
Chief Financial Officer



## SYMPHONY LIMITED

CIN – L32201GJ1988PLC010331

Regd. Office: Symphony House, Third Floor, FP12-TP50, Off S.G. Highway, Bodakdev,  
Ahmedabad – 380 059, Gujarat, India.

Phone: +91-79-66211111 • Fax: +91-79-66211140

E-mail ID: investors@symphonylimited.com • Website: www.symphonylimited.com

## NOTICE

**NOTICE** is hereby given that the 33<sup>rd</sup> Annual General Meeting (“AGM”) of the Members of Symphony Limited (“The Company”) will be held on Tuesday, September 22, 2020 at 10:00 a.m. (IST) through Video Conferencing (‘VC’) facility or Other Audio Visual Means (‘OAVM’) to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited standalone financial statements for the financial year ended on March 31, 2020, together with the Reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the audited consolidated financial statements for the financial year ended on March 31, 2020, together with the Report of the Auditors thereon.
3. To confirm payment of three interim dividends (including special dividend) aggregating to ₹23.00 per share for the financial year 2019-20.
4. To appoint a director in place of Mr. Nrupesh Shah (DIN-00397701) who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint the Statutory Auditors of the Company and to fix their remuneration and in this regard, to

consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s. Deloitte Haskins and Sells, Chartered Accountants (ICAI Firm Registration No. 117365W), be and are hereby re-appointed as Statutory Auditors of the Company for second term of 5 (five) years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 38<sup>th</sup> Annual General Meeting to be held in the year 2025, at a remuneration of ₹31.50 lacs /- (Rupees Thirty One Lacs Fifty Thousand Only) for the financial year 2020-21, exclusive of applicable taxes thereon and out of pocket expenses, with the power to the Board/ Audit Committee to alter and vary the

terms and conditions of appointment, revision including upward revision in the remuneration during the remaining tenure of four years, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.”

#### **SPECIAL BUSINESS:**

6. To consider and, if thought fit, to pass the following resolution with or without modification(s) as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee, provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) (including any statutory modification(s) or re-

enactment(s) thereof, for the time being in force), the Articles of Association of the Company, Mr. Naishadh Parikh (DIN: 00009314), who holds the office of Independent Director up to August 12 2020 and being eligible, has submitted a declaration that he meets the criteria of Independence under Section 149(6) of the Act and the Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office as such for a second term from August 13, 2020 to August 12, 2025.”

By Order of the Board  
For, **SYMPHONY LIMITED**

Date: August 11, 2020 **Mayur Barvadiya**  
Place: Ahmedabad *Company Secretary*

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#### **NOTES:**

- [a] In view of the outbreak of Covid-19 pandemic, the Ministry of Corporate Affairs (‘MCA’) has vide its General Circular dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as ‘MCA Circulars’) permitted the holding of the AGM through Video Conferencing (‘VC’) facility or other audio visual means (‘OAVM’), without the physical presence of the Members

at a common venue. In compliance with the provisions of the Companies Act, 2013 (‘Act’), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) and MCA Circulars, the AGM of the Company is being held through VC/OAVM on Tuesday, September 22, 2020 at 10:00 a.m. (IST). The deemed venue for the 33<sup>rd</sup> AGM will be Symphony House, 3<sup>rd</sup> Floor, FP12, TP50, Off S. G. Highway, Bodakdev, Ahmedabad – 380059.

- (b) **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM VENUE ARE NOT ANNEXED TO THIS NOTICE.**
- (c) In accordance with the MCA Circulars and the said SEBI Circular dated May 12, 2020, the Notice alongwith the Annual Report of the Company for the financial year ended March 31, 2020, will be sent through e-mail, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA"), i.e., M/s. KFin Technologies Private Limited or the Depository Participant(s). The Notice and the Annual Report for the financial year ended March 31, 2020 shall be available on the website of the Company viz., [www.symphonylimited.com](http://www.symphonylimited.com) and of the Stock Exchanges where equity shares of the Company are listed. The Notice shall also be available on the e-voting website of the agency engaged for providing e-voting facility, i.e., National Securities Depository Limited (NSDL), viz., [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- (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 AGM.
- (e) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 19, 2020 to Tuesday, September 22, 2020 (both days inclusive) for the purpose of AGM.
- (f) 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 AGM.
- (g) Pursuant to Section 72 of Companies Act, 2013, members holding shares in physical form may file Nomination Form in respect of their shareholdings to Registrar and Share Transfer Agent.
- (h) Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 33<sup>rd</sup> AGM through VC/OAVM facility. Corporate Members intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC/OAVM or to vote through remote e-voting are requested to send a

certified copy of the board resolution / power of attorney to the Scrutinizer.

- (i) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- (j) The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings by logging into the National Securities Depository Limited's ('NSDL') e-voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The facility of participation at the AGM through VC/OAVM will be made available to atleast 1,000 Members on a first come first served basis as per the MCA Circulars.
- (k) 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.
- (l) **DIVIDEND TAX**

Pursuant to the changes introduced by the Finance Act, 2020 in the Income-tax Act, 1961 (the "IT Act"), w.e.f. April 1, 2020, the dividend paid or distributed by a company shall be taxable in the hands of the shareholders. Accordingly, in compliance with the said provisions, the Company shall make the payment of dividend, as and when declared by the Company, after necessary deduction of tax at source. The withholding tax rates would vary depending on the residential status of every shareholder and the eligible

documents submitted by them and accepted by the Company. Members are hereby requested to refer to the IT Act in this regard. In general, to enable compliance with TDS requirements, Members are requested to update the details like Residential Status, PAN and category as per the IT Act with their Depository Participants or in case shares are held in physical mode, with the Company / RTA.

A resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to [investors@symphonylimited.com](mailto:investors@symphonylimited.com). Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them during financial year 2020-21 does not exceed ₹5,000.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents, i.e., No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by e-mail to [investors@symphonylimited.com](mailto:investors@symphonylimited.com).

- (m) Details of directors seeking appointment/re-appointment at ensuing AGM 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.

- (n) Members holding shares in demat form who have not registered their email 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 email id with the Registrar and Share Transfer Agent for receipt of Annual Report, notice, quarterly results, circulars, etc. by electronic mode.
- (o) **Transfer of unclaimed / unpaid amounts and shares to the Investor Education and Protection Fund:**

Members who have not yet encashed their dividend(s) for the financial year 2012-13 onwards are requested to lodge their claims with the Company or Registrar and Share Transfer Agent. It may be noted that the unclaimed final dividend for the financial year 2012-13 declared by the Company on December 17, 2013 and interim dividend for the financial year 2013-14 declared by the Company on January 27, 2014 can be claimed by the members by January 10, 2021 and February 10, 2021 respectively.

The Company has been sending reminders to those members having unpaid/unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/unclaimed dividend are also uploaded as per the requirements, on the Company's website: <https://www.symphonylimited.com/investor-shareholders-information-iepf.aspx>

The Ministry of Corporate Affairs ('MCA') had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from September 7, 2016 ("IEPF Rules 2016") as amended/modified from time to time. The Company has, during financial year 2019-20, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more within 30 days from the due date i.e. January 8, 2020.

Details of shares transferred to the IEPF Authority are available on the website of the Company as well as IEPF Authority and the same can be accessed through the following links:

- (i) <http://www.symphonylimited.com/investor-shareholders-information-iepf.aspx>
- (ii) [www.iepf.gov.in](http://www.iepf.gov.in).

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from the IEPF authority. Concerned members/investors are advised to visit the weblink: <http://iepf.gov.in/IEPFA/refund.html> or contact our Registrar and Transfer Agent KFin Technologies Private Limited (KFin) for lodging a claim for refund of shares and / or dividend from the IEPF Authority.

(p) **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**

- Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsd.com> by using their remote

e-voting login credentials and selecting the EVEN for Company's AGM.

2. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
3. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
4. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / Toll Free No. 1800-222-990
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio Number, PAN, mobile number at [investors@symphonylimited.com](mailto:investors@symphonylimited.com) from September 14, 2020 (9:00 a.m. IST) to September 18, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the

number of speakers depending on the availability of time for the AGM.

**(q) Voting through electronic means**

- i. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company provide to its members, the facility to exercise their right to vote on resolutions proposed to be considered at the 33<sup>rd</sup> AGM by electronic means and the business may be transacted through remote e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- ii. The facility for voting through electronic mode shall be made available at the AGM and the members attending the meeting shall be able to exercise their right to vote in case they have not casted their vote by remote e-voting.
- iii. The members who have cast their votes by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their votes again.
- iv. The remote e-voting period commences on Friday, September 18, 2020 (9:00 a.m.) and ends on Monday, September 21, 2020

(5:00 p.m.). During this period, the members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date Tuesday, September 15, 2020 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.

- v. Once the vote on a resolution is cast by the member, such member shall not be allowed to change it subsequently.
- vi. A person who is not a member as on cut-off date should treat this Notice for information purposes only.

The process and manner for remote e-voting is as under:

Members, whose email IDs are registered with the Company/DPs, will receive an email informing them of their User-ID and Password. Once the Member receives the email, he or she need to go through the following steps to complete the e-voting process:

The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

**Step 1 : Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com>**

**Step 2 : Cast your vote electronically on NSDL e-voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-voting website?**

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from

NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please provide your name, Folio Number/ DPID-Client ID, No. of Shares held, copy of share certificate, PAN, AADHAAR, utility bill in support of the address of the Member as registered against their shareholding by e-mail to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) / [investors@symphonylimited.com](mailto:investors@symphonylimited.com).

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-voting will open.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of Symphony Limited to cast your vote.
4. Now you are ready for e-voting as the voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **Details on Step 2 is given below:**

#### **How to cast your vote electronically on NSDL e-voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csdoshiac@gmail.com](mailto:csdoshiac@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- (r) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, viz., September 15, 2020 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
- (s) M/s. SPANJ & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (t) Voting shall be allowed at the end of discussion on the resolutions on which voting is to be held, with the assistance of Scrutinizer, by use of electronic mode for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (u) The Scrutinizer 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 the employment of the Company, and make, not later than 48 hours from the conclusion of the meeting, a consolidated scrutinizer'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.
- (v) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.symphonylimited.com](http://www.symphonylimited.com) immediately after result is declared and the same shall be communicated to the National Stock Exchange of India Limited and BSE Limited.
- (w) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the AGM i.e. September 22, 2020.

## STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“THE ACT”)

The following Statement sets out all material facts relating to the Business mentioned in the Notice:

### Item No. 5

M/s. Deloitte Haskins and Sells, Chartered Accountants (ICAI Firm Registration No. 117365W) were appointed as Statutory Auditors of the Company by the Members at the 28<sup>th</sup> Annual General Meeting (AGM) held on October 27, 2015 to hold office as Statutory Auditors from the conclusion of AGM held in the year 2015 till the conclusion of 33<sup>rd</sup> AGM of the Company to be held in the year 2020. Accordingly, their present term gets completed on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 (‘the Act’) read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors of the Company (‘the Board’), on the recommendation of the Audit Committee (‘the Committee’), recommended for the approval of the Members, the re-appointment of M/s. Deloitte Haskins and Sells, Chartered Accountants, Ahmedabad as the Auditors of the Company for a period of five years from the conclusion of this AGM till the conclusion of the 38<sup>th</sup> AGM to be held in the year 2025. On the recommendation of the Committee, the Board also recommended for the approval of the Members, the remuneration of M/s. Deloitte Haskins and Sells, as set out in the Resolution relating to their re-appointment.

Before recommending their re-appointment, the Audit Committee has considered various parameters like capability to serve a business landscape

with multiple international subsidiaries, as that of the Company, audit experience in the Company’s operating segments, international standing of the firm, clientele served, technical knowledge etc., and found M/s. Deloitte Haskins & Sells to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company. M/s. Deloitte Haskins and Sells, statutory auditors have conducted the statutory audit of the company from FY 2015-16 to FY 2019-20 and their performance was found to be satisfactory.

M/s. Deloitte Haskins and Sells, Chartered Accountants have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act and have also provided confirmation that they have been subjected themselves to peer review process and hold a valid certificate issued by the ‘Peer Review Board of ICAI’.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board of Directors recommends the ordinary resolution set out in item no. 5 for your approval.

## Item No. 6

Pursuant to provisions of Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), inter alia, prescribe that an Independent Director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a Special Resolution by the Company and disclosure of such appointment in its Board's report. Mr. Naishadh Parikh (DIN: 00009314) was appointed as an Independent Director on the Board of the Company pursuant to Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Parikh hold office as an Independent Director of the Company up to August 12, 2020 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee, on the basis of the report of performance evaluation of Mr. Parikh and his consent, has recommended reappointment of Mr. Naishadh Parikh for second term from August 13, 2020 to August 12, 2025 as an Independent Director on the Board of the Company.

The Board, based on the performance evaluation of an Independent Director and as recommended by the Nomination and

Remuneration Committee, also considered that, given his background, experience and substantial contributions made by him during his tenure, the continued association of Mr. Parikh would be beneficial to the Company and it is desirable to continue availing his service as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Parikh as an Independent Director of the Company, not liable to retire by rotation.

Pursuant to Secretarial Standards on General Meetings, the performance evaluation of Mr. Parikh is summarized herein and the same serve as an adequate justification for recommending his reappointment. The performance evaluation of an Independent Director was based on various criteria, inter-alia, including attendance at Board and Committee Meetings, skills, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends, etc.

The Company has received from Mr. Parikh requisite consent, disclosure and declaration to the effect that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act, Rules thereunder and under the Listing Regulations.

The Board of Directors is of the opinion that Mr. Parikh fulfils the conditions for independence specified in the Act, the Rules made thereunder and the Listing Regulations and that they are independent of the Company's management. He also possess appropriate skills, experience and knowledge required for discharge



of his duties as an Independent Director. Brief resume, the nature of his expertise in specific functional areas, names of companies in which he hold directorships, committee memberships/ chairmanships, his shareholding, and other details as required under the Listing Regulations and Secretarial Standard on General Meetings, are separately annexed hereto.

Copy of draft letter of re-appointment of Mr. Parikh setting out the terms and conditions of appointment is available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, from the date of dispatch of this notice till the date of this Annual General Meeting.

Mr. Parikh is interested in the resolution set out at item no. 6 of the Notice with regard to his re-appointment. Relatives of Mr. Parikh may be deemed to be

interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolutions. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board of Directors recommends the special resolution set out in item no. 6 for your approval.

By Order of the Board  
For, **SYMPHONY LIMITED**

Date: August 11, 2020      **Mayur Barvadiya**  
Place: Ahmedabad      *Company Secretary*

**Details of the directors seeking Re-appointment in the forthcoming Annual General Meeting (in compliance of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meeting)**

The brief resume and other information of Mr. Nrupesh Shah and Mr. Naishadh Parikh are as under:

<b>Name</b>	<b>Mr. Nrupesh Shah (DIN: 00397701)</b>	<b>Mr. Naishadh Parikh (DIN: 00009314)</b>
Age	56 years	66 years
Qualification	B.Com., FCA, CS	B. Sc. and MBA
Date of Appointment	October 19, 2002	August 13, 2015
Relationship with other Director	None	None
Brief Resume, Functional expertise and experience	<p>Mr. Shah heads the company's financial &amp; commercial functions and is responsible for corporate affairs, growth and performance strategies, merger &amp; acquisitions, finance, M.I.S., treasury etc.</p> <p>Mr. Shah joined Symphony in 1993 as Finance Controller and became Executive Director in 2002. With more than 30 years of experience in finance and accounts, Mr. Shah is a key architect of the company's growth and turnaround.</p>	<p>Mr. Naishadh Parikh is an Entrepreneur-Manager with education in the areas of Science &amp; Management and a track record of more than 40 years in performing various roles at corporate level in diverse sectors viz. Air-conditioning &amp; Refrigeration, Textile &amp; Engineering.</p> <p>Mr. Parikh is currently Chairman &amp; Managing Director Equinox Solutions Limited, Mr. Parikh was a Director at Arvind Limited and associated for 20 years. He was also the Founder &amp; Managing Director of Amtrex Hitachi Appliances Limited (now Johnson Controls-Hitachi Air Conditioning India Limited).</p> <p>Additionally, Mr. Parikh is active in the field of education and is the Honorary Secretary of Ahmedabad Education Society (AES) and a Member of the Governing Board of two Universities promoted by AES viz. Ahmedabad University and CEPT University.</p>

No. of Shares held in the Company	11,74,052 (1.68%) equity shares*	Nil
Directorship in other Company	1. Helix Consultants Private Limited	1. Amol Minechem Limited 2. Ankalesh Textile Private Limited 3. Abeer Textile Private Limited 4. Arvind Envisol Limited 5. Equinox Solutions Limited 6. Suvik Electronics Private Limited 7. Anmol Spintex Private Limited 8. Avikal Tradelink Private Limited 9. Anveshan Textile Limited 10. CEPT Research & Development Foundation 11. Perfect Connections Limited 12. AIC-LMCP Foundation 13. Apparel Made-Ups and Home Furnishing sector Skill Council 14. Ahmedabad University Support Foundation 15. NEEKOEE Foundation
Chairman / Member of the committee of the Company	1. Stakeholders Relationship Committee- Member 2. Risk Management Committee - Member	1. Audit Committee – Chairman 2. Nomination and Remuneration Committee – Member 3. CSR Committee – Chairman 4. Stakeholders Relationship Committee – Chairman 5. Risk Management Committee - Chairman
No. of Board Meeting attended during 2019-20	Four	Three
Remuneration drawn during 2019-20	₹163.15 lacs#	Nil

\* includes shares held by himself, his spouse, bodies corporate in which he is substantially interested as a partner, Father's HUF in which he is Karta and Family Trust in which he is interested as Trustee and Beneficiary of the Trust.

# including profit linked performance incentives, as approved by the Board, payable for the year 2019-20.







# Corporate Information

## Board of Directors

**Achal Bakeri**

Chairman & Managing Director

DIN: 00397573

**Nrupesh Shah**

Executive Director

DIN: 00397701

**Naishadh Parikh**

Independent Director

DIN: 00009314

**Dipak Palkar (upto 19.08.2019)**

Independent Director

DIN: 00475995

**Jonaki Bakeri**

Non-Executive Director

DIN: 06950998

**Ashish Deshpande**

Independent Director

DIN: 00498890

**Reena Bhagwati**

Independent Director

DIN: 00096280

**Santosh Nema (w.e.f. 31.07.2019)**

Independent Director

DIN: 01907138

## Chief Financial Officer - Global

**Bhadresh Mehta**

## Company Secretary

**Mayur Barvadiya**

## Statutory Auditors

Deloitte Haskins & Sells,

Chartered Accountants, Ahmedabad

## Internal Auditors

**Mukesh M. Shah & Co.,**

Chartered Accountants

Ahmedabad

## Registered and Corporate Office

Symphony House, Third Floor, FP12-TP-50,

Off. S. G. Highway, Bodakdev,

Ahmedabad - 380 059, Gujarat, India.

Phone : +91-79-6621 1111

Fax : +91-79-6621 1140

Email: [investors@symphonylimited.com](mailto:investors@symphonylimited.com)

## Factory

Survey No. 703/704, Sanand Kadi Highway,

Village Thol, Taluka Kadi, District Mehsana, Gujarat,

India, Pin Code - 382 728.

## SEZ Unit - Kandla

Unit No. 310, 2<sup>nd</sup> Floor, Ganga SDF Complex,

Phase II, Kandla Special Economic Zone,

Gandhidham - 370230

## Website

[www.symphonylimited.com](http://www.symphonylimited.com)

[www.symphonylimited.com.mx](http://www.symphonylimited.com.mx)

[www.kerulai.com](http://www.kerulai.com)

[www.climatetechnologies.com.au](http://www.climatetechnologies.com.au)

[www.bonaire-usa.com](http://www.bonaire-usa.com)

## Connect with us on

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[www.instagram.com/symphonylimited](https://www.instagram.com/symphonylimited)

[www.twitter.com/symphonylimited.com](https://www.twitter.com/symphonylimited.com)

## Registrar & Share Transfer Agent

KFin Technologies Private Limited

Selenium Building, Tower B, Plot 31-32, Gachibowli,

Financial District, Nanakaramguda,

Hyderabad - 500 032.

Phone No.: +91-40-6716 2222

Fax No.: +91-40-2342 0814

E-mail: [einward.ris@kfinfintech.com](mailto:einward.ris@kfinfintech.com)

Website: [www.kfintech.com](http://www.kfintech.com)

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