



Most people look at the tip
and say 'Wow!'

Cautionary statement

This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

Since these statements reflect our beliefs and assumptions that are based on ground realities, we expect the outcomes to be close

to the projections. However, it is impossible for any person or organisation to guarantee that forward-looking statements such as these will be realised. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, projected or even guesstimated. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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At Symphony, we would rather see things
below the surface instead.

“...and yet we are only
scratching the surface.”



*Chairman Achal Bakeri explains
his growing optimism*

Dear shareholders,

Irrespective of what our numbers indicate, 2012-13 was a challenging year for your Company. External vagaries tested the flexibility of our business model but not our conviction to grow our business in a sustainable way.

There were some valid reasons for the challenging environment.

One, the economic slowdown translated into consumer apprehension and a deferment of purchases.

Two, a heat wave in North India and rising temperatures in the early summer in South India were followed by early rain, affecting sales.

At a time when it may have been a trifle acceptable to blame the usual suspects (slowdown, climate etc.), the rebel within dissented. Refused to accept that spending cuts would extend to comfort appliances. Refused to accept that the point of satiety had been reached in consumption. Refused to accept that erratic climatic patterns would translate into lower sales.

This is the result of the dissent. We sold more. We earned more.

Our consolidated top line grew 23% (7% in the previous year). Our bottomline increased 13% (4% in the previous year).

Interestingly, we sold a record 5,74,750 units in 2012-13 whereas the pessimist would have been inclined to believe that the market would be peaking, the reality is that we are only scratching the surface.

The big opportunity

The big opportunity lies in enhancing revenues for Symphony.

Consider these opportunities:

- **Opportunity based on upward mobility:** In India, there are about 247 million households; about 83 million do not own a fan. Only about 3.8% of the total households own an air-conditioner (9.4 million) and about 5% own coolers. This means that the addressable cooler market is about 91%

households over and above the replacement market.

• **Opportunity based on location:** In India, about 132 million households live in hot dry climatic regions (about 54% of the total) and about 11 million households live in moderate climatic regions. This represents an aggregate 143 million households (58% of total) of potential customers.

Responding to the opportunity

Symphony brings to this staggering marketplace opportunity a complement of competencies.

The company understands the consumer mindset. The company understands demand patterns. The company understands regional preferences. The company understands inventory management. The company understands financing structures. The result is a deep competence in managing the entire ecosystem.

Symphony is attractively placed to capitalise on the prevailing and evolving realities of a competitive marketplace.

The average Indian needs the assurance of an organised brand; Symphony's organised corporate structure and pan-Indian presence have translated into brand assurance.

The average Indian is earning more; Symphony enjoys access to large capacities to address the growing volumetric requirements of the marketplace.

The average Indian wants a cooler to look as good as an air-conditioner; have features like an air-conditioner. Symphony has progressively styled its coolers to look like

air-conditioners, enhancing the owner's pride.

The average Indian wants a world-class product; Symphony introduced the technologically superior i-series with pioneering features like dura pump technology, empty water tank alarm, etc.

The average Indian needs to be spoilt for choice; Symphony introduced a number of features and upgraded its existing models to offer a wide range of choices.

The average Indian needs products round the corner; Symphony strengthened its distribution network and expects to scale from approximately 16,400 outlets as on June 30, 2013 to 40,000+ over the medium term across India's rural and semi-urban markets.

The average Indian needs excellent service; Symphony revamped its service processing system, which will significantly collapse our initial response time and problem resolution time cycle.

The average Indian needs a brand to stand out in his or her mind; Symphony increased its advertisement and sales promotion expenditure almost 55% over the previous year, enjoying more than 70% share of voice in media in the air cooler category, probably the highest for any brand in the country's durable and appliances category.

The average Indian needs to buy a product that he or she knows is patronised the world over; Symphony marketed its products in 60 countries by forging alliances with large distributors and retail chains and establishing warehouses and branch offices across large markets.

Subsidiary Company (IMPCO, Mexico)

Mexico is a promising market for air coolers. Like in previous year, this year too, our focus on brand building activities continued and we had another successful campaign. Unfortunately there were erratic and mild summer consecutively for two years. However, we believe that it is a temporary phenomenon. We have created nationwide service network and also increased presence through key retailers like Wal-Mart, Home Depot, Sears and many others. We are best poised to tap the vast potential existing. Even for metal coolers manufactured in IMPCO, Mexico, there exists a potential in various countries. We have selectively launched industrial air coolers in Africa, Colombia and Russia. We are exploring opportunities for this range in other countries as well.

International Business

International Business has been a focus area, which offers scope for higher potential of growth. We have devised a systematic approach to widen our reach and deeper our penetration. We have added more number of distributors and that too with a better business profile in emerging potential markets. We plan to create and strengthen the brand in important international markets. This will create substantial customer pull over a period of time and enhance volumes. We are also planning to introduce products exclusively designed for international markets. Further, company's initiatives include opening a branch in UAE as well as setting up a warehousing facility in Europe.

Investing in a new engine

Over the last few years, Symphony strengthened its industrial cooler business. This priority was the result of an expansive opportunity canvass – factories, office spaces, malls and hotels – which initial estimates suggest is even larger than residential coolers.

Symphony embarked on the following initiatives to strengthen its presence: strengthened its leadership team, widened its distribution network to 44 dealers in 2012-13, collaborated with 10 large opinion-driving HVAC consultants, participated in various meets and advertised in trade media.

The result was that Symphony secured orders from a number of globally-respected Indian companies as well as the Indian Railways, providing us with the confidence that this business can be sustainably scaled over the foreseeable future.

Message to shareholders

At Symphony, we are inspired by what lies ahead of us and focused on the implementation of our strategic blueprint. As this continues to transpire, we are optimistic that this will extend into a stronger market capitalisation and superior value in the hands of all those who own shares in our company.

On behalf of the Company, we take this opportunity to convey our sincere appreciation to all shareholders and place on record our gratitude to customers, employees, channel partners, suppliers and all the rest.

With warm regards,

Achal Bakeri
Chairman and Managing Director

Board of Directors



Achal Bakeri

Chairman and Managing Director and the founder

Architect, MBA (University of Southern California)

He is an architect with about 25 years of experience in varied functions of the company. He contributes to policy formation, strategy and provides overall guidance and support to the Board and the management team in achieving aggressive corporate objectives.



Nrupesh Shah

Executive Director

B.Com., FCA and CS

He looks after overall corporate affairs including strategy, finance, M.I.S., accounts and taxation along with other corporate functions. He has around 25 years of experience in his areas of expertise. He has been with the company since 1993.



Dipak Palkar

Independent Director

B.Com., DTP and DBM

He has about 33 years of experience in marketing, business promotion and international sales.



Himanshu Shah

Independent Director

B.Com. and MBA (Marketing)

He has about 25 years of experience in sales, marketing and business promotion.

Management team

- India



Vijay R. Joshi

Sr. Vice President-Operations

BE (Mech), Diploma in Business Management

He has over 26 years of experience and holds overall responsibility for operations including development of new products, materials management and production.



Pallab Bhattacharya

Vice President-Quality & Business Excellence and Customer Care

BE (Elect.), PG Diploma in Statistical Quality Control & Operations Research and Diploma in Materials Management

He has over 31 years of experience in the field of quality assurance. His responsibilities include setting up and maintenance of quality systems and global certifications.



Bhadresh Mehta

Vice President-Finance & Accounts

B.Com., ACA, ACS, AICWA, IFRS and DISA

He is a finance and audit professional with 30 years of experience. He is responsible for finance, audit, accounts, costing and infotech functions.



Chandrakant Gandhi

Company Secretary and Head - Legal

M.Com., LLB, FCS

He has more than 31 years of experience and looks after secretarial and legal functions.



Ramendra Sahai

Vice President – Industrial & Commercial Air Cooling

BE (Mechanical), MBA (Marketing)

He has over 22 years of experience in the field of sales and marketing. He is responsible for Industrial & Commercial Air Coolers Sales division of the organisation.



Markand Pandit

Vice President & Chief Service Officer

Diploma in Electrical Engineering

He has experience of more than 29 years in the Field of Customer Service in the consumer durables sector. He is responsible for all India customer service function.



Jayesh Gupta

Associate Vice President – Sales

B.Com.

He has over 30 years of experience in the field of sales. He is responsible for all India domestic sales, logistics and commercial functions.



Rajesh Mishra

Associate Vice President – Marketing – Domestic & International Markets

BE (Mechanical)

He has over 18 years of experience in the field of sales and marketing. He is responsible for all marketing functions in the Company's domestic and international business.



Madhu Mohan

Associate Vice President – International Markets

BE (Mech.), MBA (International Business)

He has over 20 years of experience in international business.

Management team

– Mexico (IMPCO S. de R. L de C.V)



Juan Bendeck

General Director (CEO)

BS Industrial Engineering, MBA

He has over 26 years of experience in Sales, Marketing, Quality Manufacturing and General Management. He oversees Finance, Sales and Marketing, Operations, Engineering, Industrial Relations and Procurement.



Jaime Enriquez

Finance and Administration Director

CPA and DBMS Degree



Javier Reza

Sales and Marketing Director

Associate Degree in Business



Edgar Moneta

Director – Industrial Sales

BS in Mechanical Engineering, Master in Manufacturing and Management



Nelda O. Jauregui

Human Resource Manager

BA, MBA



Jose Carmen Contreras

Supply Procurement Director

BS Industrial Engineering



Alvaro Trevino

Engineering Manager

BS in Mechanical and Administrative Engineering, Master in Material Sciences



Alejandro de la Cerda

Operations Manager

BS in Mechanical and Administrative Engineering, MBA

Management team

– USA (Symphony USA Inc.)



Bill Hobson

Vice President



Iram Galvan

Head – Operations



Dianna Olivas

Head – Sales

Global team

– sales



Vladislav Silferskiy

Country Manager, Russia



Farooq Khan

Country Manager, Saudi Arabia



Khaled Nabil

Country Manager, Egypt



Partha Kumar Das

Sales Manager, Bangladesh



Celia Guerrero

Sales Manager, Central America



Hector Connor

Sales Manager, South America



Antonio Carlos Vasconcelos

Sales Manager, Brazil

Symphony...

... Represents a product whose market is perceived to have reached saturation but is only scratching the surface in reality.

... Represents an idea where the opportunities for a boxed-up product have enlarged due to out-of-the box thinking.

Corporate pillars

Mission

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

Corporate philosophy

Continuous innovation is the core mantra at Symphony

The Company

A leader of global air cooling solutions that effectively address the cooling needs of residential and industrial customers in 60 countries

The DNA

- Committed to the manufacture of eco-friendly products
- Passionate towards creating innovative designs
- Firmly believes in maximising returns from every invested rupee reflected in the company's asset-light and lean business model

The presence

- Headquartered in Ahmedabad, Gujarat, India
- Manufacturing facilities in India (for residential coolers) and Mexico (for industrial coolers)

- Sales teams stationed in 15 countries across Europe, America, Asia and Africa
- Shares listed on National Stock Exchange, Bombay Stock Exchange and Ahmedabad Stock Exchange
- Products occupy the shelf spaces of large retail brands namely Walmart, Lowes, Carrefour, Singer, Sears, Costco and Home Depot, among others.

The products

- Air coolers for residential, commercial and industrial applications
- 23 plastic and 64 metal air cooler models for diverse residential, commercial and industrial applications
- Comprehensive air cooling solutions for industrial applications

Symphony possesses a unique distinction of having the largest number of trademarks and registered designs in the international air cooler industry.

Global watermark

- Authorisation for the ISO 9001:2008 mark for its processes and systems
- Holds certification of Underwriters Laboratories Inc., Electrical Testing Laboratories, Norma Oficial Mexicana and German Safety of Equipment, KuCas from Kuwait Conformity Assurance Scheme, SIRIM from Malaysia, Saudi Arabian Standards Organisation (SASO) and CE Certification for Russia

Awards and recognitions

Year	Awards
2013	<ul style="list-style-type: none"> • Award for Excellence in Financial Reporting by The Institute of Chartered Accountants of India for its Annual Report FY 2010-11 consecutively for the second year • Good Design Award of India Design Mark from India Design Council for Diet 22 i-model
2012	<ul style="list-style-type: none"> • The company's R&D centre accorded certificate of recognition from the Ministry of Science and Technology, Government of India • Recognised as Star Export House by the Government of India • Award for Excellence in Financial Reporting by The Institute of Chartered Accountants of India for its Annual Report FY 2009-2010
2000	<ul style="list-style-type: none"> • Recognised by the Guinness Book of World Records for creating the world's largest functioning air cooler
1995	<ul style="list-style-type: none"> • Achal Bakeri, Chairman and Managing Director, felicitated by Sir John Major, the then Prime Minister of United Kingdom
1994	<ul style="list-style-type: none"> • Achal Bakeri, Chairman and Managing Director, awarded the Young Achiever Award by Worldcom

The journey

1988

- Sanskrut Comfort Systems Pvt. Ltd. commences operations in India

1990

- Company widens national distribution. Launches its first TV ad
- Launched ventilation fan and heaters

1992

- Symphony's coolers enjoy household visibility

1993

- Launched kaizen; promoted the air cooler that 'looks and feels like an AC'
- Launched the Columbia range of plastic water heaters

1994

- Renamed to Symphony Comfort Systems Ltd.
- Listed on the Bombay, Ahmedabad and Delhi Stock Exchanges with 10000+ individual investors.

1996

- Launched Air Conditioners, Washing Machines and Water Purifiers

2000

- Sumo desert air cooler launched. Established as a household brand

2004

- Symphony HiCool launched for coastal markets

2006

- Launched Jumbo models of Air Coolers

2009

- Launched the Diet Range of air coolers, the world's first tower coolers.
- Embarked on creating a new corporate office (ready in 2014)
- Strategic investment in Impco Air Coolers (Mexico) founded by the inventor of evaporative air coolers with a rich track record going back to 1939

2010

- Launched industrial air cooling solutions in India.
- Introduced the first summer campaign
- Renamed to Symphony Limited

2011

- Strengthened network and TV campaigns to promote the 'first summer' concept.
- Launched a TV campaign for South America / Mexico, a first by any evaporative cooler company in those regions
- Listed on NSE

2012

- Introduced Storm, the world's largest tower cooler with advanced electronics

2013

- Launched i-series models with intelligent features
- Launched new models of coolers in window series
- Strengthened after sales service substantially

As on June 30, 2013

75%

Promoter holding

5.56%

Institutional holding

₹ 11.02 bn

Enterprise value

Approx. 50%

Market share in India's organised residential air cooler market

60 nations

Global marketing footprint

375+

Team size (Indian operations)

2012-13 in retrospect

Consolidated

Revenue		Profit before tax		Profit after tax	
23% ↑		25% ↑		13% ↑	
2011-12 ₹31,974 Lacs	2012-13 ₹39,473 Lacs	2011-12 ₹7,326 Lacs	2012-13 ₹9,131 Lacs	2011-12 ₹5,310 Lacs	2012-13 ₹6,011 Lacs
Ploughback		Dividend per share			
18% ↑		18% ↑			
2011-12 ₹18,215 Lacs	2012-13 ₹21,521 Lacs	2011-12 ₹5.50 per share on face value of ₹2 each	2012-13 ₹6.50 per share on face value of ₹2 each		
PBT margin	Net profit margin	Return on network		ROCE	
23%	15%	27%		27%	
2012-13	2012-13	2012-13		2012-13	

Standalone

Revenue		Profit before tax		Profit after tax	
26% ↑		32% ↑		25% ↑	
2011-12 ₹25,849 Lacs	2012-13 ₹32,512 Lacs	2011-12 ₹6,978 Lacs	2012-13 ₹9,222 Lacs	2011-12 ₹5,034 Lacs	2012-13 ₹6,268 Lacs
Ploughback		Dividend per share			
25% ↑		18% ↑			
2011-12 ₹14,399 Lacs	2012-13 ₹18,007 Lacs	2011-12 ₹5.50 per share on face value of ₹2 each	2012-13 ₹6.50 per share on face value of ₹2 each		
PBT margin	Net profit margin	Return on network		ROCE	
28%	19%	34%		34%	
2012-13	2012-13	2012-13		2012-13	

Residential segment

Product development

- Introduced New i-series models with features comprising the following

- (a) Dura pump technology leading to a longer pump life
- (b) An empty water tank alarm system
- (c) System restore function
- (d) Feather touch, water proof digital control panel

- Introduced a cool flow dispenser in six models for better cooling efficiency

Distribution network

- Increased our distribution network from 14,000 dealers (June 30, 2012) to 16,400 dealers (June 30, 2013)
- Revamped the service processing system for improving response time

Visibility

- Increased advertisement and sales promotion expenses substantially - in 2013, the Symphony brand had over 70% share of voice in media in the air cooler category, probably the highest for any brand in the consumer durable and appliances category

Global footprint

- Widened the global footprint by establishing a presence in Ecuador, Bolivia, Armenia, Kazakhstan and Mauritius
- Finalised a large distributor in Pakistan for focused market development
- Tied up with prominent large format stores in various nations for strengthening our global presence

Industrial segment

Business development

- Increased installations from 56 in 2011-12 to 109 installations in 2012-13
- Successfully installed a cooling solution for new business segments – paints industry, logistics, moulding industry, worship places, food industry etc
- Executed orders for renowned clients, namely Asian Paints, DHL, Dixon Technologies, Swaminarayan Temple, ISKCON Temple and Marico, among others
- Received orders for the first time from railways for installing air coolers in the waiting rooms at the Kota and Godhra railway stations

Distribution network

- Increased the dealer base from about 15 dealers as on June 30, 2012 to 44 dealers as on June 30, 2013
- Tied up with about 10 large HVAC consultants (playing a key role in advising customers on cooling solutions) and two large national renowned contractors (for promoting our industrial cooling solutions)