

Symphony Limited Annual Report 2018-19

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#### **Cautionary statement**

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

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

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

### The storm.

One of the most unpredictable, vicious and devastating.

## The eye.

Cool. Collected. Calm. Calculating. Seeing opportunities where most see challenges.

# This is Symphony Limited. One of the world's most exciting air-cooling solution companies.

Across domestic, commercial and industrial applications.

#### **Background**

It has been three decades since Symphony entered the air cooler industry. Promoted in 1988 as a small private company, headquartered in Ahmedabad, The Company quickly emerged as an industry leader and trend setter for air-coolers, recognised for innovative and differentiated products within India. With the acquisition of leading air-cooler companies in four countries and a marketing presence in over 60 countries, Symphony has since gone on to become a global leader in providing air cooling solutions.

#### Products

Symphony offers a range of commercial, industrial and residential air-coolers that addresses every cooling need in the most convenient, portable and cost-effective manner.

#### Leadership

Symphony is driven by about 700 active and motivated individuals, employed across five countries, who are guided by a management team of competent professionals led by its Founder, Chairman and Managing Director Achal Bakeri. Symphony's team members possess global competencies in various fields including engineering, product innovation, technology management, finance, marketing and branding.

#### Sustainability

Symphony's relentless commitment to energy conservation places it at the forefront of global environmental stewardship. The R&D team works inexorably with design engineers, air cooling technologists and consumers the world over to develop energy-efficient carbon footprint-reducing products.

#### **Brand**

Symphony innovates to deliver breakthrough air-cooling solutions – focusing on design innovation to evolve air-coolers for aspirational users and enterprise needs across the world.

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), and also a presence in respected supermarkets like Sears, Metro, Carrefour, Lowe's, Home Depot, Walmart, Sam's Club, Bauhaus, Amazon and many others.

#### Global presence

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

#### Mission

Our mission drives us to give all we can to all our stakeholders.

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

#### Listing

The Company's equity shares are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). The Company enjoyed a market capitalisation of ₹9682 Crores as on March 31, 2019.

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#### **Subsidiaries**

The Company comprises the following global subsidiaries:

#### **Mexico**

Symphony acquired IMPCO in 2009, facilitating a ready-made market access to North America, and forayed into industrial cooling space in which the Company was previously absent.

#### China

Symphony acquired Keruilai Air Coolers (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 (CT) in 2018, the leader of the Australian air cooling market owning multi- decade brands like Bonaire and Celair, and experience in the manufacturing of air coolers and also premium five star ducted gas heaters.

#### USA

Bonaire USA (BUSA), a subsidiary of Climate Technologies is now a step-down subsidiary of Symphony. BUSA produces air coolers and sells to Home Depot, and to Lowe's and Amazon going forward.

Symphony.
The world's
#1 air-cooling
company.

Symphony.
Manufacturing
facilities in
five countries.

#### **Awards**

- Symphony was awarded the Guinness World Record for creating the largest functioning air cooler in 2000.
- Symphony won twice consecutively the Awards for "Excellence in Financial Reporting" by The Institute of Chartered Accountants of India for its annual report of FY2009-10 as well as for FY2010-11.
- Symphony bagged the prestigious "Best Presented Annual Report Award for Manufacturing Sector" for its annual report of FY2011-12,awarded by the South Asian Federation of Accounts (SAFA).
- 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 the India Design Mark for the outstanding design of its Diet22i air cooler in 2013.
- Symphony won the coveted Quality Mark Award in 2014 in the Home Appliances category, edging past all the major players in the segment.
- Symphony bagged the 'Best Innovative Company Award' in 2015.
- Symphony won awards for Overall and Best SME Manufacturing in 2015.

75
Promoters' holding,
March 31, 2019 (%)

15.29
Institutional holding,
March 31, 2019 [%]

**9682**Market capitalisation,
March 31, 2019 (₹ Crores)

439
Team size, March 31, 2019
(standalone)

## Eye of the storm. Generally

The calm centre of the storm. Because the surface winds that converge towards the centre never actually reach it. The coriolis force deflects the wind slightly away from the centre. So ironically, even as the storm devastates the periphery with wind and rain, it leaves the centre intact.

In FY2018-19, the air-coolers sector de-grew. A number of manufacturers reported lower numbers. At Symphony, we did not escape the impact considerably lower than the industry average). However, we deepened our research, branding, sales promotion and dealer engagement to be the first off the blocks when consumer sentiment revives.

# Eye of the storm. Specifically



The year
FY2018-19
was possibly
the most
challenging
for the Indian
air-coolers
market in living
memory.
Raising
questions about
the sector,
brands and
players.