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 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.

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.

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.

xi) 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

- 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 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 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								Total (A)	Other Intangible Assets				Total (B)	Capital WIP (C)	Grand Total (A+B+C)
	Free Hold Land	Right-of-use asset	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments	Computers		Software	Trademarks	Designs	Copy Rights			
Gross Block																
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**	**-**	**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**	**-**	**1.10**
Reclassified as held for sale	-	-	1.37	0.09	0.00	-	0.01	0.01	**1.48**	-	-	-	-	**-**	**-**	**1.48**
As at 01/04/2019	**19.63**	**-**	**17.35**	**32.50**	**3.75**	**3.09**	**1.05**	**1.12**	**78.49**	**6.45**	**0.07**	**0.01**	**0.00**	**6.53**	**1.23**	**86.25**
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**
As at 31/03/2020	**19.63**	**1.98**	**17.35**	**37.28**	**3.75**	**5.04**	**1.07**	**1.17**	**87.27**	**6.45**	**0.07**	**0.01**	**0.00**	**6.53**	**-**	**93.80**
Accumulated Depreciation and Amortization																
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**	**-**	**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**
As at 01/04/2019	**-**	**-**	**3.52**	**7.01**	**1.44**	**2.06**	**0.78**	**1.00**	**15.81**	**2.78**	**0.03**	**0.01**	**0.00**	**2.82**	**-**	**18.63**
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**
As at 31/03/2020	**-**	**1.32**	**3.86**	**8.88**	**1.79**	**1.26**	**0.95**	**1.04**	**19.10**	**3.85**	**0.04**	**0.01**	**0.00**	**3.90**	**-**	**23.00**
Net Block																
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	
Non-current Investments				
Unquoted Investments				
Investments in subsidiaries	**Nos.**		**Nos.**	
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	-	-
IMPCO 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)		-
Other Investments				
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
Quoted Investments				
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

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)
		210.91		**274.44**
Aggregate carrying value of quoted investments		**120.87**		**191.23**
Aggregate market value of quoted investments		**120.87**		**191.23**
Aggregate carrying value of unquoted investments		**108.95**		**104.71**
Aggregate amount of impairment in value of investments		**(18.91)**		**(21.50)**

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	-
	1.24	**-**

(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
	0.38	**0.63**

(7) Other Non-Current Assets

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Unsecured, considered good		
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
	1.70	**1.57**

(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
	41.31	**37.76**

Notes forming part of the Financial Statements

(9) Other Investments

(₹ in Crores)

Particulars	As at 31/03/2020		As at 31/03/2019	
Current Investments	**Nos.**		**Nos.**	
Quoted Investments				
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 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. 40.2)		(4.14)		-
Unquoted Investments				
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)
	59.72	**41.80**

Movement in the expected credit loss allowance

(₹ in Crores)

	As at 31/03/2020	As at 31/03/2019
Balance at beginning of the year	0.00	-
Allowance for credit impairment during the year	0.56	0.00
Trade receivables written off during the year	(0.02)	-
Balance at end of the year	**0.54**	**0.00**

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
	2.24	**12.89**
Other Bank Balances		
In Earmarked Accounts		
Unpaid Dividend Accounts	4.31	3.85
Margin Accounts	0.02	0.02
In Deposit Accounts	-	23.54
	6.57	**40.30**

(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	-
	18.78	**-**

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
	3.55	**2.30**

(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
	38.85	**29.13**

(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) Equity Shares of ₹2/- each fully paid up	**13.99**	**13.99**
	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%
Sanskrut 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
	634.86	**654.84**

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	**(0.49)**	**(1.47)**

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	**591.31**	**612.27**

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)	**3.95**	**5.69**

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)	**5.69**	**(1.87)**	**0.05**	**0.08**	**3.95**

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.)

(₹ 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
(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	-	-	-
Deferred Tax Liabilities (Net)	**8.91**	**(3.55)**	**0.06**	**0.27**	**5.69**

(18) 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	38.57	41.33
	39.09	**44.02**

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.

(₹ in Crores)

Particulars	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
	6.18	**7.59**

(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
	38.10	**34.14**

(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
	6.99	**5.17**

(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:

(₹ in Crores)

Particulars	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)
Closing balance	**6.62**	**4.88**

(22) Current Tax Liabilities (Net)

(₹ in Crores)

Particulars	As at 31/03/2020	As at 31/03/2019
Tax liabilities		
Provision for income tax	56.33	42.78
Total	**56.33**	**42.78**
Tax assets		
Advance income tax	53.34	39.42
Total	**53.34**	**39.42**
Net	**2.99**	**3.36**

(23) Revenue From Operations

(₹ in Crores)

Particulars	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
	716.18	**523.85**
Sale of products comprises of :		
Air Coolers	659.26	492.34
Others	54.98	29.78
	714.24	**522.12**

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
	46.87	**33.35**

(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
	31.35	**30.03**
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
	330.15	**219.78**

(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
	(5.69)	**10.59**

(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
	55.34	**52.56**

(29) Finance Costs

(₹ in Crores)

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Interest Expenses	0.25	0.29
	0.25	**0.29**

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
	65.07	**50.58**

(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)
	Total income tax recognised in statement of profit and loss	**54.36**	**38.80**

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
	Profit before tax	**240.27**	**139.80**
	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)
	Current Year Income tax expense	**54.36**	**39.12**
	Prior Year Income tax expense	**-**	**(0.32)**
	Total income tax recognised in statement of profit and loss	**54.36**	**38.80**

(32.2) Income tax recognised in Other Comprehensive Income

(₹ in Crores)

Sr. No.	Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Deferred tax			
(a)	**Arising on income and expenses recognised in other comprehensive income:**		
	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
Total income tax recognised in other comprehensive income		**0.05**	**0.06**
	Bifurcation of the income tax recognised in other comprehensive income into:-		
	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
		0.05	**0.06**

Notes forming part of the Financial Statements

(33) Contingent Liabilities and Commitments (to the extent not provided for) :

(₹ in Crores)

	2019-20	2018-19
(i) Contingent Liabilities:		
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**
	2.60	**2.80**

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
(ii) Commitments :		
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**
	245.47	**253.04**

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
	Total	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
	Total	240.52	140.09
	Less: Finance Costs	0.25	0.29
	Less: Taxes	54.36	38.80
	Total Profit After Tax	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
	Total	746.15	768.80
(4)	Segment Liabilities		
	Air Cooling and Other Appliances	97.30	99.97
	Corporate Funds	-	-
	Un-allocable	-	-
	Total	97.30	99.97
(5)	Capital Employed		
	Air Cooling and Other Appliances	123.70	99.09
	Corporate Funds	405.69	481.07
	Total	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
Total	240.52	140.09
Less: Finance Costs	0.25	0.29
Less: Taxes	54.36	38.80
Total Profit After Tax	185.91	101.00

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	18.89		-	
			Interest Income	0.15	18.77	-	-
12	Climate Technologies Pty. Limited	Subsidiary / Entity controlled by Holding Company	Sale of Goods	0.98		-	
			Accounting Charges recovered	0.04		-	
			Guarantee Charges recovered / Receivable	0.27	1.39	0.10	0.10
13	Climate Technologies Pty. Limited	Subsidiary / Entity controlled by Holding Company	Purchase of Goods	0.01		-	
			Software charges recovered/Receivable	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	1.14		-	
			Interest Income	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:

(₹ 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
	2.38	**1.63**	**2.37**	**1.00**
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)

(₹ in Crores)

Particulars	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
	0.37	**0.37**

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.

Investment risk:	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.
Interest risk:	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 mark to market value of the assets depending on the duration of asset.
Longevity risk:	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.
Salary risk:	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
Components of defined benefit cost recognised in profit or loss	**1.07**	**0.96**
Actuarial (gains)/losses on obligation for the year	0.32	0.31
Return on plan assets (excluding interest income)	0.01	(0.08)
Components of defined benefit costs recognised in other comprehensive income	**0.33**	**0.23**
Total	**1.40**	**1.19**

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
Opening defined benefit obligation	**8.86**	**7.45**
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
Closing defined benefit obligation	**10.38**	**8.86**

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
Opening fair value of plan assets	**8.57**	**7.40**
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)
Closing fair value of plan assets	**10.01**	**8.57**

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**
Closing fair value of plan assets	**10.01**	**10.01**

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:

(₹ in Crores)

Particulars	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
Total		4.14		4.08

(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
Total	**4.02**	**1.49**	**-**	**-**	**4.02**	**1.49**

(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
Total Equity	**648.85**	**668.83**

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
	Total	**593.49**	**630.39**

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
	Total	**45.27**	**51.61**

(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
Foreign currency monetary assets				
USD	(1.39)	1.39	(0.71)	0.71
AUD	(1.02)	1.02	(0.03)	0.03
Foreign currency monetary liabilities				
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