

August 13, 2015

To,

1) The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Code No.:- 517385

2) The Secretary
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051

Symphony :- SYMPHONY
Series :- EQ

3) The Secretary
Ahmedabad Stock Exchange Limited
Kamdheni Complex, Opp. Sahajanand Complex,
Panjarapole,
Ahmedabad – 380 015

Code No.:- 51760

Sub: Approval of Annual Audited Financial Results

Dear Sir,

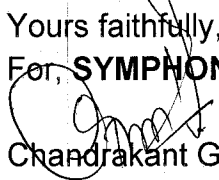
We are pleased to enclose herewith the Annual Audited Financial Results for the fourth quarter and the financial year ended on June 30, 2015 which has been approved by the Board of Directors at its meeting held today. Further, subject to approval of members at the ensuing annual general meeting, the Board of Directors has also recommended final dividend of ₹ 10 (500%) per equity share having face value of ₹ 2/- each for the financial year ended on June 30, 2015. [Total dividend of ₹ 14 (700%) per equity share including interim dividend of ₹ 4 (200%) for financial year 2014-15]

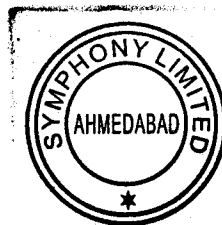
We also enclose herewith "The Symphony Brand Report, 2014-15" and Datasheet.

Thanking you,

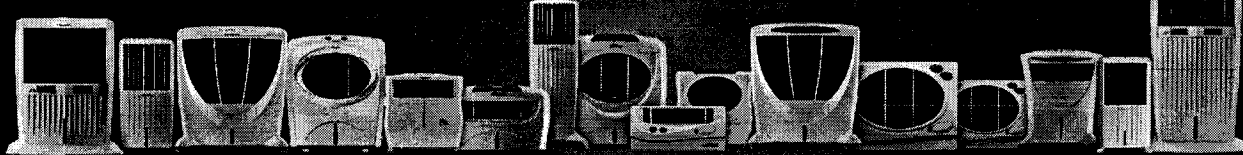
Yours faithfully,

For, **SYMPHONY LIMITED**


Chandrakant Gandhi
Company Secretary



Encl: (i) Audited Financial Results
(ii) Symphony Brand Report
(iii) Datasheet



PART I

Statement of Standalone and Consolidated Audited Financial Results for the Quarter and Year Ended on June 30, 2015

(Rs. in Lacs)

Statement of Standalone and Consolidated Audited Financial Results for the Quarter and Year Ended on June 30, 2015									
	Standalone			Sr. No.	Particulars	Standalone		Consolidated	
	Quarter Ended					Year Ended		Year Ended	
	30-Jun-15	30-Jun-14	31-Mar-15			30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14
	(Audited)	(Audited)	(Unaudited)			(Audited)	(Audited)	(Audited)	(Audited)
	12,368	15,063	13,751	1	Income from operations				
	974	283	878	a.	Net sales/income from operations (Net of excise duty)	51,531	45,122	57,849	53,242
	13,342	15,346	14,629	b.	Operating & Other income	3,035	1,515	3,239	1,586
					Total income from operations (net)	54,566	46,637	61,088	54,828
	477	671	952	2	Expenses				
	4,199	4,725	4,801	a.	Cost of materials consumed	2,460	2,547	5,288	5,614
	38	484	(161)	b.	Purchase of stock-in-trade	19,811	17,000	19,697	16,739
	718	606	848	c.	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(552)	(161)	(1,115)	450
	71	29	42	d.	Employee benefits expenses	3,033	2,555	4,490	4,168
	4,354	3,926	2,591	e.	Depreciation and amortisation expense	213	115	410	382
	593	335	483	f.	Selling & Distribution expense	11,212	9,221	11,797	9,975
	10,450	10,776	9,556	g.	Other expenses	2,158	1,798	4,508	3,892
	2,892	4,570	5,073		Total expenses	38,335	33,075	45,075	41,220
	2	(0)	(0)	3	Profit from operations before finance costs (1-2)	16,231	13,562	16,013	13,608
	2,890	4,570	5,073	4	Finance costs	57	5	58	5
				5	Profit before tax (3-4)	16,174	13,557	15,955	13,603
	654	1,297	1,382	6	Tax Expenses				
	49	(3)	40	a.	Current Tax	4,438	3,662	4,440	3,676
	(39)	3	-	b.	Deferred Tax	133	8	(37)	9
	2,226	3,273	3,651	c.	Provision of earlier years	(39)	-	(39)	(727)
	-	-	-	7	Profit for the year from continuing operations (5-6)	11,642	9,887	11,591	10,645
	2,226	3,273	3,651	8	Loss from discontinuing operations	-	-	-	(73)
	700	700	700	9	Profit for the year (7 + 8)	11,642	9,887	11,591	10,572
				10	Paid-up Equity Share Capital (Face Value Rs.2/- per share)	700	700	700	700
				11	Reserves excluding Revaluation Reserve as per Balance Sheet of previous accounting year	28,319	22,574	32,136	26,878
	6.36	9.36	10.44	12	Earning Per Share (of Rs. 2/- each) (not annualised)				
					Basic & diluted	33.28	28.27	33.14	30.23

PART II

Select Information for the Quarter and Year Ended on June 30, 2015

	PARTICULARS OF SHAREHOLDING			A	PARTICULARS OF SHAREHOLDING				
	30-Jun-15	30-Jun-14	31-Mar-15						
8,744,630	8,744,630	8,744,630	8,744,630	1	Public shareholding	8,744,630	8,744,630	8,744,630	8,744,630
25%	25%	25%	25%	a.	Number of shares	25%	25%	25%	25%
				b.	Percentage of shareholding				
				2	Promoters and Promoters group shareholding				
				a.	Pledged / Encumbered				
				-	Number of shares				
				-	Percentage of shares (as a % of the total shareholding of promoter and promoter group)				
				-	Percentage of shares (as a % of the total share capital of the company)				
26,233,870	26,233,870	26,233,870	26,233,870	b.	Non-encumbered	26,233,870	26,233,870	26,233,870	26,233,870
100%	100%	100%	100%	-	Number of shares	100%	100%	100%	100%
				-	Percentage of shares (as a % of the total shareholding of promoter and promoter group)				
75%	75%	75%	75%	-	Percentage of shares (as a % of the total share capital of the company)	75%	75%	75%	75%

B INVESTOR COMPLAINTS FOR THE QUARTER ENDED ON JUNE 30, 2015

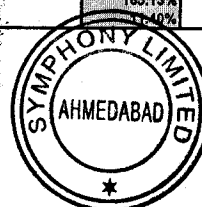
Pending at the beginning of the quarter - NIL ; Received during the quarter - 5 ; Disposed off during the quarter - 5 ; Remaining unresolved at the end of the quarter - NIL.

NOTES:

- The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on August 13, 2015.
- The Board of Directors has recommended, subject to approval of shareholders, a final dividend of Rs. 10/- per equity share of Rs. 2/- each for the year ended June 30, 2015. Further an interim dividend of Rs. 4/- per equity share was paid during the year. Total Dividend proposed/paid is Rs. 14/- per equity share (700%) (previous year Rs. 13/- per equity share (650%)). The total dividend appropriation for the year ended June 30, 2015 amounts to Rs. 5,889 lacs including dividend distribution tax of Rs. 992 lacs.
- The Company has revised depreciation rate on fixed assets as per the useful life specified in the Schedule II of the Companies Act, 2013 w.e.f. July 01, 2014. Accordingly,
 - Depreciation of Rs. 7.65 lacs on account of assets whose useful life is already exhausted as on July 01, 2014 has been adjusted to retained earnings.
 - Depreciation for the year ended June 30, 2015 debited to the Statement of Profit & Loss is lower by Rs. 14.95 lacs.
- Consolidated audited figures include financials of Symphony Limited and financials of its Wholly Owned Subsidiaries (WOS) and Step-down subsidiaries as under:
 - a. Audited financials for the period July 2014 to June 2015 of Sylvan Holdings Pte. Ltd., Singapore.
 - b. Audited Financials for the period July 2014 to June 2015 of Impco S. DE. R.L. DE.C.V., Mexico (Subsidiary of Sylvan Holdings Pte. Ltd. Singapore), as well as Audited financials of Symphony USA Inc. (formerly known as "Impco Air Coolers Inc., USA" - 100% subsidiary of Impco, Mexico).
 - c. Audited financials for the period July 2014 to June 2015 of Symphony Air Coolers Inc, USA.
- Previous period figures have been rearranged/regrouped wherever necessary to make them comparable with the figures of the current period.

Primary Segmentwise Revenue and Results

Primary Segmentwise Revenue and Results						(Rs. in Lacs)			
Standalone			Sr. No.	Particulars	Standalone		Consolidated		
Quarter Ended					Year Ended		Year Ended		
30-Jun-15 (Audited)	30-Jun-14 (Audited)	31-Mar-15 (Unaudited)			30-Jun-15 (Audited)	30-Jun-14 (Audited)	30-Jun-15 (Audited)	30-Jun-14 (Audited)	
12,561	15,173	13,890	1	Segment Revenue					
781	173	739		a. Home Appliances	52,329	45,711	58,851	53,902	
13,342	15,346	14,629		b. Corporate Funds	2,237	926	2,237	926	
				Segment Total	54,566	46,637	61,088	54,828	
2,111	4,399	4,335	2	Segment Profit before Interest and Taxes (PBIT)					
781	171	738		a. Home Appliances	14,000	12,652	13,782	12,625	
2,892	4,570	5,073		b. Corporate Funds	2,231	910	2,231	910	
2	(0)	(0)		Segment Total	16,231	13,562	16,013	13,535	
664	1,297	1,422		Less: Finance Costs	57	5	58	5	
2,226	3,273	3,651		Less: Taxes	4,532	3,670	4,364	2,958	
				Total Profit After Tax	11,642	9,887	11,591	10,572	
4,413	3,800	12,160	3	Capital Employed					
24,606	19,474	18,851		a. Home Appliances	4,413	3,800	8,230	8,104	
29,019	23,274	31,011		b. Corporate Funds	24,606	19,474	24,606	19,474	
				Segment Total	29,019	23,274	32,836	27,578	
89.43%	174.27%	156.81%	4	Segment Profit (PBIT) % on Capital Employed (Annualised)					
14.13%	4.38%	16.27%		a. Home Appliances	165.13%	154.21%	113.48%	106.02%	
				b. Corporate Funds (See Note 2)	6.41%	6.41%	11.40%	6.41%	



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NOTES:

- 1 The company has two primary segments namely Home Appliances and Corporate Funds.
- 2 Segment Profit (PBIT) % on Capital Employed has been calculated on average monthly Capital Employed (PBIT % of Home Appliances of previous periods also recalculated accordingly, from end of period to average monthly balances).
- 3 Investment of Corporate Funds includes investment in Growth Mutual Funds and Fixed Maturity Plans, income of which is accounted on maturity / distribution of dividend.

Secondary Segmentwise Revenue and Results								(Rs. in Lacs)	
	Standalone			Sr. No.	Particulars	Standalone		Consolidated	
	Quarter Ended					Year Ended		Year Ended	
	30-Jun-15	30-Jun-14	31-Mar-15			30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14
	(Audited)	(Audited)	(Unaudited)			(Audited)	(Audited)	(Audited)	(Audited)
	11,411	13,104	11,174	1	Segment Revenue	46,159	39,460	46,420	39,467
	957	1,959	2,577		a. India	5,372	5,662	11,429	13,775
	12,368	15,063	13,751		b. Rest of the world	51,531	45,122	57,849	53,242
					Net Sales / Income from Operations				
	2,508	3,730	4,002	2	Segment Profit Before Interest and Taxes	14,279	11,410	14,373	11,464
	384	841	1,071		a. India	1,952	2,153	1,640	2,071
	2,892	4,571	5,073		b. Rest of the world	16,231	13,563	16,013	13,535
	2	(0)	(0)		Segment Total	57	5	58	5
	664	1,298	1,422		Less: Finance Costs	4,532	3,671	4,364	2,958
	2,226	3,273	3,651		Less: Taxes	11,642	9,887	11,591	10,572
					Total Profit After Tax				

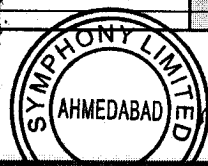
NOTE:

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 segment disclosures relating to Capital employed.

Standalone and Consolidated statement of Assets & Liabilities as at June 30, 2015							
Sr. No.	Particulars	Standalone		Consolidated		12 Months Consolidated Performance	(Rs. in Lacs)
		As at	As at	As at	As at		
		30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14		
		(Audited)	(Audited)	(Audited)	(Audited)		
A	EQUITY AND LIABILITIES						
1	Shareholders' funds					Dividend	
	(a) Share Capital	700	700	700	700		
	(b) Reserves and surplus	28,319	22,574	32,136	26,878		
	Sub-total - Shareholders' funds	29,019	23,274	32,836	27,578		
2	Non-current liabilities					700%	
	(a) Deferred tax liabilities	186	53	186	53		
	(b) Long-term provisions	14	21	711	728		
	Sub-total - Non-current liabilities	200	74	897	781		
3	Current liabilities						
	(a) Trade payables	3,300	2,081	4,006	2,576		
	(b) Other current liabilities	1,012	1,594	1,852	3,095		
	(c) Short-term provisions	4,891	5,295	4,896	5,303		
	Sub-total - Current liabilities	9,203	8,970	10,754	10,974		
	TOTAL - EQUITY AND LIABILITIES	38,422	32,318	44,487	39,333		
B	ASSETS						
1	Non-current assets					Dividend Payout	
	(a) Fixed assets	5,942	3,951	9,044	7,780		
	(b) Goodwill on Consolidation	-	-	7	7		
	(c) Non-current investments	15,468	16,187	13,158	13,875		
	(d) Deferred tax assets	-	-	159	-		
	(e) Long-term loans and advances	120	269	146	298		
	Sub-total - Non-current assets	21,530	20,407	22,512	21,960		
2	Current assets					51%	
	(a) Current investments	10,967	5,763	11,074	5,988		
	(b) Inventories	2,455	2,164	4,570	3,851		
	(c) Trade receivables	660	984	3,268	4,158		
	(d) Cash and cash equivalents	693	352	756	569		
	(e) Short-term loans and advances	1,328	2,382	1,517	2,595		
	(f) Other current assets	789	266	790	212		
	Sub-total - Current assets	16,892	11,911	21,975	17,373		
	TOTAL ASSETS	38,422	32,318	44,487	39,333		

Place : Ahmedabad
Date : August 13, 2015



By Order Of The Board
For Symphony Limited

Achal Bakeri
Chairman & Managing Director

Symphony

World's largest manufacturer of Residential, Commercial and Industrial Air Coolers. Available in more than 60 countries.

Symphony Limited, Symphony House, FP12-TP50, Bodakdev, Off SG Highway, Ahmedabad 380054, India. CIN: L32201GJ1988PLC010331
Web: www.symphonylimited.com | Email: corporate@symphonylimited.com | Phone: +91-79-66211111 | Fax: +91-79-66211139

Our Global Brands: **storm** **DIET** **HiCool** winter **SUMO** **JUMBO** **WINDOW** Arctic Circle. Master Cool.

White.

Sometimes it takes the
blackest of times to know
how white things
can really get.

This is the first of our Interim Brand Report being sent out to shareholders, analysts, media and opinion makers immediately after the announcement of our financial performance for 2014-15.

This report is the result of our conviction that it is not financial outperformance alone that assures stakeholders; it is complete and consistent transparency instead.

This report is also the result of a growing need for external stakeholders to be educated on the 'why' behind the 'what' of our financial numbers.

So here we are.

At Symphony, the performance
of our last quarter
(April-June 2015) can be
encapsulated in a simple
analogy.

352 for one wicket. 360 all out.

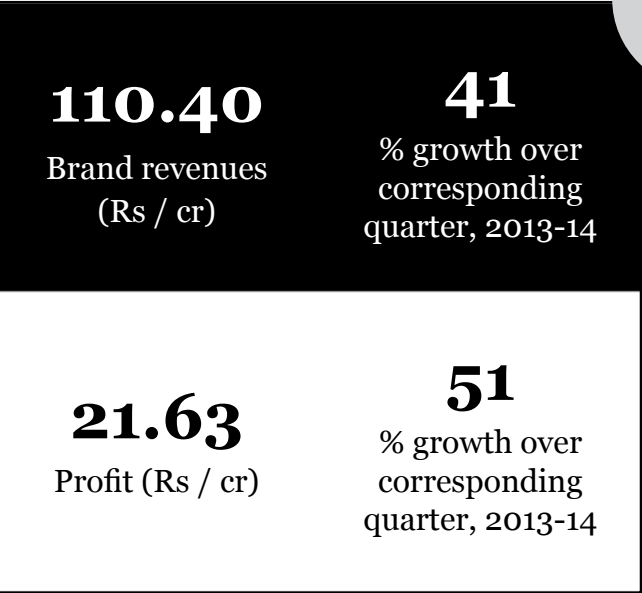
Our brand grew faster
(quantum terms) in the first
three quarters of 2014-15 than
we had ever done in the past.

Our brand de-grew in the last
quarter of 2014-15 compared
to our performance in the
corresponding quarter of 2013-14.

The net result: our brand
grew 17 per cent in revenues
and 18 per cent in profit after
tax in 2014-15 on a *standalone*
basis and grew 11 per cent in
revenues and 10 per cent in
profit after tax in 2014-15 on a
consolidated basis.

But first, a look into how we got to 352 runs
for one wicket across the first three quarters.

First quarter (July-Sept) 2014-15



Profitable growth

Sectoral background

- The 2014 summer was harsh, accelerating offtake. This encouraged dealers/ distributors to stock higher for the prospective 2015 summer.
- The company's outstanding performance in this quarter encouraged competing branded air cooler players to initiate trade sales in this period and offer products

at off-season prices to distributors and dealers. Their success was partial as traders and distributors were not entirely convinced whether stocking these products would enhance their capital efficiency to the level when they worked with Symphony's products.

- A sharp decline in crude oil prices helped moderate raw material costs.

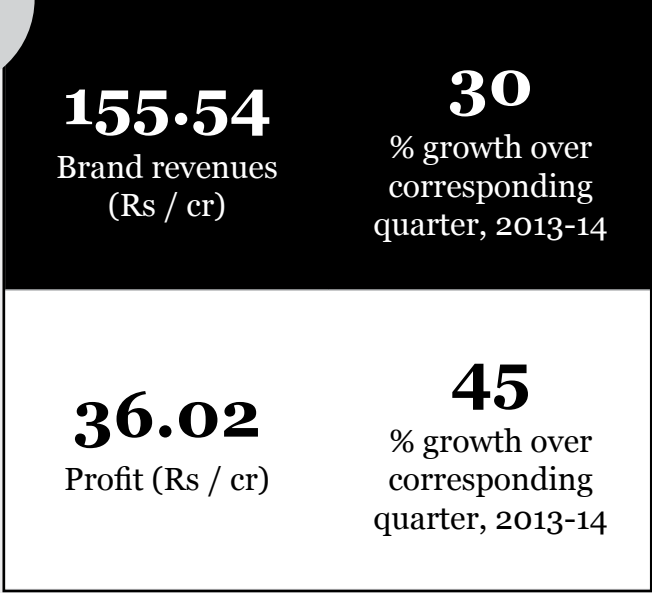
- An increase in AC prices widened the gap between air-coolers and air-conditioners, strengthening overall price-value.
- An accelerated consumption shift from unorganised to organised / branded coolers strengthened Symphony's prospects.

Our initiatives

- We initiated the proactive enrolment of distributors.
- We launched new models in July 2014.
- We opened additional sales branches to penetrate deeper.
- We launched exhaust fan models in the window cooler range, an industry first.
- Symphony raised prices by nearly 8%.
- The company's new models in the desert cooler category were positioned in the higher-priced category, generating higher margins.

Second quarter (Oct-Dec) 2014-15

Profitable growth



Sectoral background

- Dealers generally start stocking cooling products after the festive season.
- 2014 festive sales were subdued on account of large discounts offered by e-tailers

Our initiatives

- We offered separate models for e-tailers, preventing under-cutting
- This initiative strengthened the confidence of traditional trade channels (almost 90% of our overall sales route).
- We held pan-India dealer, covering all key markets.
- We addressed 95% of our targeted distributors.
- We increased dealer coverage, moving stocks seamlessly from distributors to dealers.

Third quarter (Jan-March) 2014-15

Profitable growth

146.29

Brand revenues
(Rs / cr)

27

% growth over
corresponding
quarter, 2013-14

36.51

Profit (Rs / cr)

35

% growth over
corresponding
quarter, 2013-14

Sectoral background

- The January-March quarter is when product placement happens at the dealer end; air cooler companies focus on maximizing shelf-space to be able to ready for the big summer season.
- Dealer buying is also a function of sales in the festive season and winter products
- The overall sector reported good winter sales; dealer sentiment was positive.

Our initiatives

- We embarked on aggressive market coverage, marked by daily visits
- We enrolled over 50% dealers ahead of the big season
- We enrolled regional retail chains and activated the modern retail channel well before competition
- We initiated an advertising campaign as early as January to enhance awareness

At the start of the last quarter, Symphony’s run-rate was considerably higher than the previous year

UNAUDITED STANDALONE FINANCIAL RESULTS (Rs. / Cr)			
	FY2015(9)	FY2014(9)	Growth
Total Income	412.23	312.91	32%
EBDITA	134.81	90.77	49%
PBT	132.84	89.87	48%
PAT	94.16	66.14	42%
EPS	26.92	18.91	42%

And just when we looked
set to post a record score...

Fourth quarter (Apr-June) 2014-15

133.42

Brand revenues
(Rs / cr)

-13

% growth over
corresponding
quarter, 2013-14

22.26

Profit (Rs / cr)

-32

% growth over
corresponding
quarter, 2013-14

Sectoral background

- Summer 2015 was delayed, affecting product offtake.
- Unseasonal rains in South and Northern India affected offtake.
- Sales revived in May 2015 following a heat wave in Andhra Pradesh and parts of Eastern India.
- The timely arrival of monsoons in June staggered

offtake.

- The multi-brand dealers could not invest in fresh Symphony stock as they were unable to divest competing inventory.

Our initiatives

- We engaged in a high-decibel advertising campaign addressing fan users.
- We increased our campaign budget to carve out a greater

Share of Voice.

- We introduced a TV campaign for central cooling solutions to accelerate sales.
- We continuously monitored stocks to ensure that our distributors and dealers were able to liquidate their inventories and stock afresh in subsequent quarters.

So finally, this is how we finished a challenging year.

AUDITED CONSOLIDATED FINANCIAL RESULTS (Rs. / Cr)			
	FY2015	FY2014	Growth
Total Income	610.88	548.28	11%
EBDITA	164.23	139.90	17%
PBT	159.56	135.30	18%
PAT	115.91	105.72	10%
EPS	33.14	30.23	9.6%

Other highlights

Domestic sales (incl. Modern Retail)

- Unfavourable weather; unusual rains in April and June affected cooler offtake.
- Increased Modern Trade outlets; market share increased to about 60%
- Launched nine exclusive models for e-commerce offtake to minimize conflict of interest between traditional and modern retail.

Central Air Cooling Solutions

- Appointed executives pan-India .
- Introduced new PAC range .
- Sales increased more than 80% over the previous year.
- CACS machine coverage exceeded more than 5 million CFM.
- Installed solutions in 30 different religious, commercial and industrial segments
- Launched aggressive campaigns in print media and television
- Implemented projects for prominent companies

International Business

- Reported marginal de-growth of 4.4% over the previous year (by value).
- IMPCO de-grew following a delayed summer; average July temperatures were lower than in the previous year.
- Political disturbances in some countries affected offtake .
- Added four countries to the customer list
- Commenced industrial cooler export to countries like Saudi Arabia.

What we invested in our Symphony brand ...

22.20 Brand investment in the last quarter, 2014-15 (Rs / cr)	133.42 Revenue generated in the last quarter, 2014-15 (Rs / cr)
10.69 Revenue derived from every rupee of brand investment, Q4 2013-14 (Rs)	6.01 Revenue derived from every rupee of brand investment, Q4 2014-15 (Rs)

What we generated from our brand investment ...

81 Symphony Share of Voice (%) in the air-coolers sector, 2014-15 (highest in the sector by far).	71 Symphony Share of Voice (%) in the air-coolers sector, 2013-14 (highest in the sector by far).
1 Market ranking of Symphony in India's air cooler market, 2014-15	1 Market ranking of Symphony in India's air cooler market, 2013-14
55 Symphony's estimated market share (%) by value of the Indian organized air-cooler market, 2014-15	50 Symphony's estimated market share (%) by value of the Indian organized air-cooler market, 2013-14



**questions answered
by Managing Director
Achal Bakeri on the April-
June quarter 2015**

❶ Why is the April-June quarter usually one of critical importance for Symphony?

A: Because this is the quarter in which the country's air-cooling (including air-conditioning) sector reports its largest offtake. It is estimated that the country's sector markets approximately 30-40 per cent of its annual offtake in three quarters; the April-June quarter accounts for 60-70 per cent of the annual revenue. Therefore, any sales spike or decline during this quarter can have a significant impact on the company's performance.

❷ How did Symphony protect itself from this unexpected demand erosion?

A: The results of the April-June quarter represented a validation of certain strategic correctives that we had implemented some years ago, when we generated a high 60-70 per cent of our revenues from this April-June quarter. As a sustainability-focused company, Symphony had recognized that it needed to moderate its excessively high revenue exposure to this quarter. The result is that the company embarked on a number of relevant initiatives to make this happen: it explored global sales where their summer is at the same time as the Indian winter; it marketed air coolers from a non-summer point of view, implying that it serviced as an excellent fan complement that could also be selectively used in the winter, and definitely during the monsoons. The result is that, over the years, we successively moderated our seasonal skew – from a time when the April-June quarter contributed 60-70 per cent of annual revenues, it accounts for only

24% per cent of revenues today. Which is why even after possibly the most challenging fourth quarter in years, we had a profit to report.

③ When do you expect offtake to normalize?

A: It would be pertinent to indicate that we experienced such an aberration in the last quarter a few years ago - 2011-12. The aberration was preceded by - and followed by - robust growth, so there is every reason to believe that the offtake of air-coolers will revert to its mean, growing by approximately 20-25 per cent per annum.

④ Is the outlook then optimistic for the company?

A: But for this temporary aberration, we expect revenues to normalize. While the business will continue to be driven by the dynamics of prosperity, aspirations, brand, distribution and product choice, weather will continue to be the last-minute determinant of decision making. Having said this, it would be pertinent to indicate a mild summer is just one of the variables; there could be mild winters that spur offtake as well. Besides, we expect that the long-term global warming curve will progressively assert itself; the world will get warmer. In such a scenario, we expect that air-cooling products will become must-have; within this segment, the air-cooler will progressively emerge as the inevitable priority. When you see the air-cooler through this long-term telescope, you will recognise why we are perched at one of the most exciting opportunities within the country's consumer appliance industry.

⑤ One last question. How did the company continue to reinforce its brand in a challenging quarter?

A: One of the point that one needs to emphasise is that despite a challenging quarter when revenues and profits were under pressure, the Symphony management considered it prudent to continue investing in its brand. Of the Rs 32.04 cr invested in the brand in 2014-15 (40% higher than in the previous year), a sizable Rs 22.20 cr was invested in the last quarter. The management could have played to the gallery; it could have excused itself from a higher brand spend; it could have spent what it did in the previous year, a decision that would have enhanced the pre-tax profit for the year by Rs 9.16 cr. But we considered it prudent to continue investing in the brand, which we expect will generate benefits faster than we expect.

We continue to be optimistic of prospects at Symphony for some good reasons...

■ It will continue to get warmer. Globally, June 2015 broke all temperature records; the first half of 2015 is possibly the hottest year in more than 100 years of records. Official climate reporting organizations including NASA, the Japan Meteorological Agency and the National Oceanic and Atmospheric Administration (NOAA) have revealed that June 2015 was the third month this year to have broken a monthly temperature record since 1880. The average global temperature across land surfaces in June was 1.26 degrees Celsius above the 20th-century average, the NOAA said. This was the highest June temperature over land on record, surpassing the previous record set in 2012 by 0.06°C.

■ Indians will continue to become more prosperous. India's monthly per capita income is increasing steadily and touched Rs.7,378 in 2014-15, rising 10% over last year.

■ Indians will continue to place a premium on interior comfort (the cooler is the third most utilized product after refrigerator and television).

■ The home ownership market in India will grow faster than ever (following the launch of the "Housing for, all by 2022" campaign by the government).

Post-Balance Sheet development
Inorganic growth through a
proposed acquisition

The acquisition of 100% equity in Munters Keruilai Air Treatment Equipment (Guangdong) Co. Ltd. China

This is to inform that the Company is in process of signing an Equity Transfer Agreement (ETA) with shareholders of Munters Keruilai Air Treatment Equipment (Guangdong) Co. Ltd. (MKE), China, to acquire - directly or through its subsidiaries - 100% of the equity share capital of MKE.

About MKE

MKE is a market leading brand in China, producing energy-saving and environment-friendly evaporative air coolers under brand Keruilai. MKE came into existence in 2011 as a joint venture merger between Dongguan Keda Electrical and Mechanical Equipment Co. Ltd (KEDA) and a Swedish company Munters AB (“Munters”). Subsequently, Munters acquired 100% equity of MKE.

About Munters

Munters is a global leader in the air treatment industry, specializing in the development of humidity and climate control technology. Headquartered in Sweden, Munters is a multi-product company with a turnover of approximately EUR 450 M (2014). Munters is a part of Nordic Capital, which had assets under management of approximately EUR 11 bn (January 2014).

For Munters, the evaporative cooling business of MKE was a strategic acquisition to complement the sales seasonality of its heating products business. However, upon the subsequent exit from heating products, the rational of being in cooling products did not exist anymore. In view of this, Munters embarked on a strategic decision to divest its non-core evaporative cooling operation and focus on its core air treatment products.

Strengths of MKE

Outstanding R & D: MKE owns more than 80 intellectual property rights (including 51 patents) with a large three-year innovation pipeline.

Premium products: MKE comprises a wide range of premium commercial air coolers in addition to household air coolers.

Test Center: MKE’s Test Center was built in accordance with US and

Australian quality standards, the only facility of its kind in Asia.

Manufacturing facility: MKE has 32,850 sq. m manufacturing facility in Wanjiang district, Dongguan city, Guangdong Province in China.

Knowledge pool: MKE employs more than 140 competent and experienced employees, with its sales and marketing functions spread across

several countries.

Brand: Keruilai is the only Chinese air cooler brand enjoying international recognition. The Swedish owners introduced sound governance, systems, processes and practices.

Others: MKE enjoys an asset-light business model with no debt or significant contingent liability.

Symphony’s opportunities

Market access: The acquisition will facilitate Symphony’s access into China, the second largest air-cooler market after India.

Enhanced international access: China has created a robust customer pull. Since China enjoys Free Trade Agreements with most ASEAN countries, the MKE acquisition will provide Symphony

with a wider international access.

Premium products and R & D advantage: MKE enjoys a strong R&D advantage. Its robust range of premium air coolers with commercial applications enjoys attractive international prospects.

Synergy: MKE’s is an asset-free and debt-free

business built around good governance and processes, similar to Symphony’s business model.

Sourcing advantage: Symphony’s OEM sources a number of components from China which can now be facilitated through MKE, reducing costs while enhancing quality.

MKE’s financials

MKE’s peak turnover from its air-cooler business was approximately Rs. 130 cr. The key financials (half yearly) as on June 2015, however, are as tabulated below.

PROVISIONAL FINANCIALS OF MKE AS ON 30-06-2015		
Particulars	Amount in ‘000 RMB	Amount (Rs. in lacs)
Sales / Gross Revenue	36,064	3,666
EBIDTA	-4,509	-458
PBT	-6,969	-708
PAT	-6,969	-708
Net worth	8,102	823
Outside Borrowings	-	-
Loan from Promoters Group	-	-
Net Block	12,328	1,253
Net Working Capital	-3,576	-363

The estimated turnover for 2015 is Rs. 56 Cr.

Acquisition price and other details

The consideration for the proposed acquisition will be 1.5 M RMB (equivalent to Rs. 1.55 Cr). The acquisition could prove beneficial; the Board is optimistic of turning MKE operations around across the medium to long-term following the infusion of working capital beginning with Rs. 15 crores and peaking at Rs. 35 crores (including loss funding).

The proposed turnaround strategy will focus around market penetration (China and global) as well as cost optimization (product, operational and overheads).

The acquisition is subject to applicable regulatory and other approvals. No person belonging to the Promoter / Promoter Group(s) of Symphony has any interest in the acquisition and hence, this does not qualify as a related party transaction for the Company.

We could go on and on about our
brand, performance and prospects
but for a landscape view, it might be
better to wait for our Annual Report.

“Your’re only given one little
spark of madness. If you lose that,
you’re nothin’.”

Robin Williams

SYMPHONY LIMITED

Data Sheet : Performance Analysis : 1st July 2014 to 30th June 2015

(Rs. in Lacs)

Standalone						Consolidated	
Q4FY15	Q4FY14	Q3FY15	Particulars	FY15	FY14	FY15	FY14
12,368	15,063	13,751	Sales	51,531	45,122	57,849	53,242
-17.9%		21.4%	Y-O-Y Growth %	14.2%		8.7%	
974	283	878	Operating & Other income	3,035	1,515	3,239	1,586
13,342	15,346	14,629	Total Revenues	54,566	46,637	61,088	54,828
-13.1%		26.6%	Y-O-Y Growth %	17.0%		11.4%	
7,653	9,183	8,159	Gross Margin(Sales - Material Cost) Value	29,812	25,736	33,979	30,439
2,963	4,599	5,115	EBITDA	16,444	13,677	16,423	13,990
2,890	4,570	5,073	PBT (Rs.Lacs)	16,174	13,557	15,955	13,530
-36.8%		43.0%	Y-O-Y Growth %	19.3%		17.9%	
24.3%	28.3%	28.0%	Tax (%)	28.3%	27.1%	27.6%	27.2%
2,226	3,273	3,651	PAT (Rs.Lacs)	11,642	9,887	11,591	10,572
-32.0%		35.1%	Y-O-Y Growth %	17.8%		9.6%	
Secondary Segmentwise Revenue and Results							
Value	Value	Value	Segment Revenue	Value	Value	Value	Value
11,411	13,104	11,174	India	46,159	39,460	46,420	39,467
957	1,959	2,577	Rest of the world	5,372	5,662	11,429	13,775
12,368	15,063	13,751	Total	51,531	45,122	57,849	53,242
			Segment Profit before Interest and Taxes (PBIT)				
2,508	3,730	4,002	India	14,279	11,410	14,373	11,464
384	841	1,071	Rest of the world	1,952	2,153	1,640	2,071
2,892	4,571	5,073	Total	16,231	13,563	16,013	13,536
Air Cooler Realisation (India + Rest of the World)							
168,416	213,016	212,640	Sales Volume (In Numbers)	783,711	707,044	808,963	740,757
-20.9%		13.3%	Y-O-Y Growth %	10.8%		9.2%	
7,202	6,927	6,328	Average Realisation (Rs. per Unit)	6,470	6,299	7,049	7,109
Margins							
61.9%	61.0%	59.3%	Gross margin (%) of Sales	57.9%	57.0%	58.7%	57.2%
35.2%	26.1%	18.8%	S&M (%) of Sales	21.8%	20.4%	20.4%	18.7%
22.2%	30.0%	35.0%	EBITDA (%) of Gross Revenue	30.1%	29.3%	26.9%	25.5%
21.7%	29.8%	34.7%	PBT (%) of Gross Revenue	29.6%	29.1%	26.1%	24.7%
16.7%	21.3%	25.0%	PAT (%) of Gross Revenue	21.3%	21.2%	19.0%	19.3%
Capital Employed							
4,413	3,800	12,160	Home Appliances	4,413	3,800	8,230	8,104
24,606	19,474	18,851	Corporate Funds (Treasury Investments)	24,606	19,474	24,606	19,474
Return % on Capital Employed (PBIT) - Annualised							
89.4%	174.3%	156.6%	Home Appliances %	165.1%	154.2%	113.5%	106.0%
14.1%	4.4%	16.3%	Corporate Funds %	11.4%	6.4%	11.4%	6.4%
Dividend : (A) Interim Dividend							
				200%	100%	200%	100%
(B) Final Dividend							
				500%	550%	500%	550%

Notes :

- 1 PBIT % on Capital Employed of Corporate Funds Segment has been calculated on monthly average capital employed to work out appropriate return %.
- 2 Investment of Corporate Funds includes investment in Growth Mutual Funds and Fixed Maturity Plans, income of which is accounted on maturity / distribution of dividend.

