

1996 - 97

MD	✓		BKC	✓
CS	✓		DTY	NP
RO	✓		DIV	NP
TRA	✓		AC	✓
AGM	✓	✓	SH	✓
YE	✓	✓		



Symphony

symphony
comfort systems ltd
BAKERI GROUP

Report  junction.com

CONTENTS

	Page
1. Notice	2-3
2. Director's Report	4-6
3. Annexure to Director's Report	7-8
4. Auditor's Report	9
5. Annexure to Auditors' Report	9-10
6. Balance Sheet	11
7. Profit & Loss Account	12
8. Schedules Forming Part of Balance Sheet and Profit & Loss Account	13-23
9. Balance Sheet Abstract and Company's General Business Profile	24
10. Cash Flow Statement	25
11. Attendance Card / Proxy Form	27

BOARD OF DIRECTORS**Mr. ACHAL A. BAKERI***Chairman & Managing Director***Mr. LALIT P. BAKERI***Director***Prof. ASHOKE K. CHATTERJEE***Director***Mr. MUKESH M. PATEL***Director*COMPANY SECRETARY**KALPESH DESAI**AUDITORS**SHAH & DALAL***Chartered Accountants*

3, Kailash Society, Near H. K. House, C. G. Road, Ahmedabad 380 009.

REGISTRARS & TRANSFER AGENTS**M/s. KARVY CONSULTANTS LTD**

201-203, 'SHAIL' Opp. Madhusudan House, C. G. Road, Ahmedabad 380 006.

FACTORY

704, Village Thol, Ta. Kadi, Dist. Mehsana, Gujarat 382 728.



s y m p h o n y
comfort systems ltd.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of Symphony Comfort Systems Ltd. will be held at Ahmedabad Textiles Mills Association (ATMA) Hall, Near Mangal Murti Complex, Opp. National Chambers, Ranchhodlal Marg, Navrangpura, Ahmedabad 380 009 on Tuesday, the 30th December, 1997 at 10-00 A.M. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt Accounts for the year ended 30th June, 1997 and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Lalit P. Bakeri who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration and for that purpose to pass with or without modification the following resolution as an ORDINARY RESOLUTION.

RESOLVED THAT M/s. Shah & Dalal, Chartered Accountant, Ahmedabad, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and the Board of Directors of the Company be and are hereby authorised to fix their remuneration for the said period.

Registered Office:

"Sanskrit"

Highcourt Road,

Ahmedabad-380 009

Date : 24th November, 1997.

By Order of the Board
 For SYMPHONY COMFORT SYSTEMS LTD.

(KALPESH DESAI)
 COMPANY SECRETARY

NOTES

- 1) A MEMBER ENTITLED TO ATTEND THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLLS INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2) Members desirous of obtaining any informations as regards accounts and operations of the Company are requested to write to the Company atleast 7 days before the meeting to enable the Company to keep the required information ready at the forthcoming meeting.
- 3) The Register of Members and share transfer books of the Company will remain closed from Friday, the 2nd January, 1998 to Tuesday, the 6th January, 1998 (both days inclusive).
- 4) Those shareholders who have not encashed the dividend warrants for the financial year ended 30/06/96 are requested to approach the Company's Registrar and Transfer Agents for obtaining duplicate dividend warrants or for extending validity period of the warrants lying with them.
- 5) Unclaimed dividend for the Financial Year ended on 30th June, 1994 will be transferred to General Revenue Account of Central Government in the month of January, 1998.
- 6) Members are requested to notify the Company, the change if any, in the address in full with the postal area pincode quoting their folio Nos.
- 7) If you have not paid the allotment money due on equity shares allotted to you, please deposit the same alongwith interest @ 15% through cheque/D.D., favouring "Symphony Comfort Systems Ltd." payable at Ahmedabad.
- 8) Members holding shares in the same name under different folios are requested to apply for consolidating of such folios and send relevant share certificates.
- 9) Members are requested to quote folio nos. in all future correspondence.

Symphony

s y m p h o n y
comfort systems ltd.**DIRECTORS' REPORT**

Ladies and Gentlemen,

Your Directors have pleasure in presenting the 10th Annual report on your Company together with the Audited Balance Sheet as at 30/06/97 and Profit & Loss Account for the year ended 30/06/97.

1) FINANCIAL RESULTS:

(Rs.in lacs)

Particulars	Current Accounting Year ended on 30/06/97	Previous Accounting Year ended on 30/06/96
Sales & Other Income	1959.96	2908.43
Profit before interest, depreciation and tax	431.60	405.18
Less : Interest	252.16	150.91
Depreciation	140.29	125.27
Profit before tax	39.15	129.00
Less : Provision for taxation	—	—
Net profit after tax	39.15	129.00
Less : Excess (short) provisions for taxation of earlier years	—	—
Balance for the year	39.15	129.00
Add : Balance as per last Balance Sheet	380.61	286.67
Appropriation :		
Proposed dividend	—	35.07
General reserve	—	—
Balance carried to Balance Sheets	419.76	380.61

2) DIVIDEND :

It is advisable not to recommend any dividend due to inadequate profits

3) REVIEW OF OPERATION:

During the year under review Company was able to achieve a sales turnover of Rs. 1937.29 lacs against Rs. 2900.03 lacs of previous year. Similarly the net profit stands at Rs. 39.15 lacs as against Rs. 129 lacs of previous year. This is indeed a cause of concern. Performance during this period has been on account of the following reasons :

- 1) Air Cooler contributes majority of sales. However, Air Coller industry as a whole performed badly due to unfriendly weather. There were occasional rains throughout summer all over the country. Temperature hardly touched 40°C. It is said that 1997 summer was the worst ever summer for Air Coller industry. This resulted into poor off take.
- 2) Consumer durable industry as a whole has performed badly due to overall sluggishness, entry of M.N.Cs and severe competition.
- 3) Company has made major investment in new products viz Water Heater, Washing Machine and Domestic Flour Mill. These products have been quite successfully commercially launched. However, they have yet to contribute major turnover.

- 4) Interest cost has been substantially high at a level of Rs. 252.16 lacs (13.01% of sales) against Rs. 150.91lacs (5.20 % of Sales) of previous year. This has been on account of substantially higher inventory, receivable and lower turnover/asset ratio.

The Company has decided to respond the challenges by following steps :

- 1) Aggressive and innovative marketing strategies so as to have product penetration.
- 2) Major reduction in inventory and higher turnover/asset ratio by rationalising the models, reduction in lead time, tight control on inventory etc.
- 3) Tight control in costs aimed at reduction in overheads.
- 4) Value engineering wherever possible.

You will be pleased to learn that your company has been recommended for ISO 9001 which should be major steps towards standardising procedures and quality.

4) FIXED DEPOSITS:

The total fixed deposits as at 30/6/97 were to the tune of Rs.446.35 lacs (the previous year the same were Rs.377 lacs). The Company repaid during the year Fixed Deposits worth Rs.177.16 lacs (previous year it was Rs.63.18 lacs). There were no matured deposits which remained unclaimed or unpaid as at the end of the year. The amount of Fixed Deposits accepted during the year 1996-97 was Rs.297.81 lacs, (previous year it was Rs.299.50 lacs).

5) CREDIT RATING:

The Credit Rating Information Services of India Ltd. (CRISIL) has assigned the rating of "FA+" for Fixed Deposit programme". This rating indicates "adequate safety" for timely payment of interest and repayment of principal, thus reflecting your Company's sound financial health.

6) DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr.Lalit P.Bakeri retires by rotation at the Annual General Meeting and being eligible offers himself for re-appointment. Your Directors recommend re-appointment to enable us to obtain his continued valuable direction, guidance and assistance in the conduct of your Company's Affairs.

7) AUDITORS:

The Board recommends for your consideration, re-appointment of the retiring Auditors, M/s. Shah & Dalal, Chartered Accountants who hold office until the conclusion of ensuing Annual General Meeting. A certificate under section 224 (1B) of the Companies Act, 1956 were received from the said auditors signifying their eligibility and consent to act as Auditor. The Board may also be authorised, as usual to fix their remuneration.

8) AUDITORS REMARK:

The observations made by the Auditor, with reference to notes on the accounts for the year under report are self-explanatory and need no further comments from the Directors.

9) SUBSIDIARY COMPANY:

The Company has no subsidiary Company and hence a statement pursuant to section 212 (1) (e) of the Companies Act, 1956 is not applicable.

10) STATUTORY INFORMATION:

The details as required under the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are Annexed.



s y m p h o n y
comfort systems ltd.

11) INSURANCE:

All the properties and insurable interest of the Company including factory building, Plant & Machinery, Stocks etc. are adequately insured.

12) QUALITY:

Your Company has made considerable strides in achieving high quality standards in all areas of its operation by imparting proper training to various supervisory managerial staff throughout the year.

13) HUMAN RESOURCES & INDUSTRIAL RELATIONS:

During the year under review, the industrial relations remains harmonious and cordial. Human resources constitute the most productive asset and conscious efforts continued to be taken to ensure high degree of motivation and productivity. With their support we can look forward to a bright future for the Company. Various schemes for the benefit and welfare of the employees were launched during the year.

14) CUSTOMER SATISFACTION:

The Company has always tried to understand the needs of its customers and upgrade the quality of its product for increased customer satisfaction. Company ensures that the customer gets the best products available in the market. It always anticipates the needs of the customers and tries its best to meet them. Best result of the customer satisfaction is through repeat sales to existing customers and minimising the number of lost customers. On both these benchmarks, the Company has achieved more than satisfactory performance.

15) ACKNOWLEDGEMENTS :

Your Directors wish to acknowledge their gratitude to the business associates, customers, depositors, bankers and Financial Institutions for their continued support, assistance and guidance.

Last but not the least, your Directors express their sincere thanks to you, the shareholders, for the confidence and faith reposed in the Management. They assure you of their full devotion to manage the affairs of your Company in the best possible way to serve your interest as well as of others, who matter for the business of the Company. The Directors also record their appreciation for the dedication, valuable services and contribution made by the employees at all levels.

Place : Ahmedabad
 Date : 24th November, 1997

For and on behalf of the Board
(ACHAL A. BAKERI)
 Chairman & Managing Director

ANNEXURE TO DIRECTORS' REPORT
ANNEXURE I

Information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

1) Conservation of Energy
a) Energy Conservation Measures Taken:

- Designed and installed complete system for recycling pre-heated water for testing of storage water heaters.
- Constant endeavour made to replace metallic components by globally specificity plastics.
- Completely change the electrical distribution system viz. L T Panels, cable routing etc.
- Optimised lighting from lux requirements.
- Replacement of ballasts (chokes) by more efficient one.
- Reduction of inwards and on-line inspection by bringing the manufacturing procedures under statistical quality control (SQC).
- Avoidance of night shift due to increased productivity during day shift.

b) Impact of above measures :

- Saving in energy/Power/Water consumption and thereby reducing monthly power bill which ultimately results in reduction of cost of production.

2) Technology Absorption

Efforts made in technology absorption:

Form B is Annexed

3) Foreign Exchange earning & outgo

Foreign Exchange earning & outgo:

		(Rupees in lacs)
	1996-97	1995-96
i) Earning	15.87	27.72
ii) Outgo	1.08	5.92

Form B

Form for disclosure of particulars with respect to technology absorption.

1) Research & Development (R & D) :

- Constant R & D efforts directed towards product improvement, new product development, enhancement of features of existing products, cost reduction, automation, vendor development, environmental friendly products, import substitution and energy efficient products.
- Development of special polymeric material and processing thereof in collaboration with World's Leading Plastic Manufacturers .
- In house development of aesthetically designed full plastic body storage water heaters and washing machine.
- Training of entire design staff in advanced Computer Aided Design (CAD) applications.
- Procurement of latest CAD hardware & software.
- Development and installation of comprehensive computerised Management Information Systems (MIS) on Unix based oracle software.
- Computerisation of entire factory operation from Purchase Orders onwards right upto despatch.
- Establishment of intensive technical & prototype library.
- Regular specialised training to our key managerial personnel at reputed Institution.
- Regular in house training by faculty drawn from reputed Research Institutions and specialised suppliers.

2) Benefits derived as a result of above R & D :

- Enhanced customer satisfaction.
- Improvement in quality & reliability.
- Cost Reduction.
- Improvement in productivity.
- Reduction in Wastage/Rework.
- New product Development as well as enhancement of features in existing products resulting in higher sales & market shares.