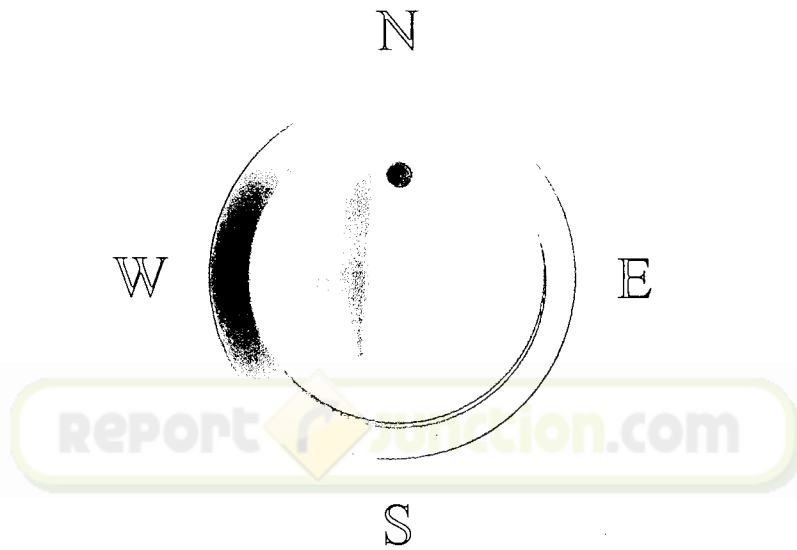
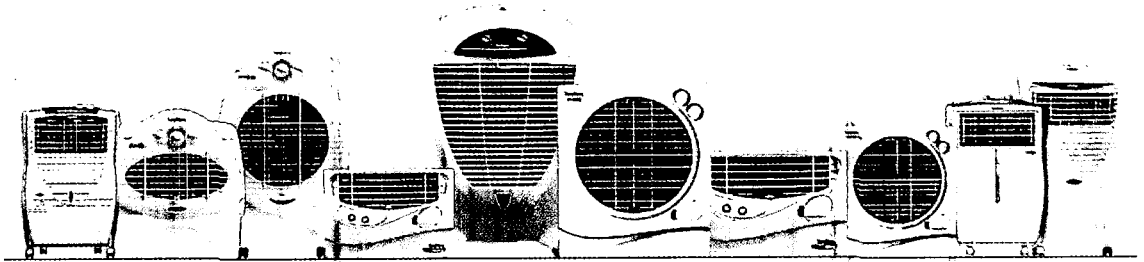


Symphony Comfort Systems Ltd.

Annual Report 2007-08



**Global Cooling.**  
Symphony Air Coolers



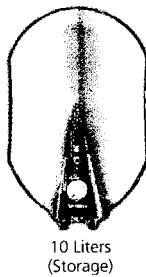
Symphony - Air Cooler Range



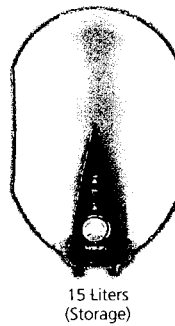
1 Liter  
(Instant)



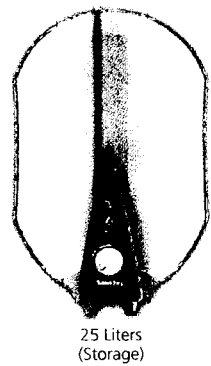
3 Liters  
(Instant)



10 Liters  
(Storage)



15 Liters  
(Storage)



25 Liters  
(Storage)

Symphony - Water Heater Range

## SYMPHONY COMFORT SYSTEMS LTD.

**CHAIRMAN'S MESSAGE**

It is with pleasure that I place this Annual Report of your Company in your hands. Your Company has completed 20 years in business and in this milestone year, has achieved its highest ever sales. In this year, your Company has become completely debt-free and has entirely wiped out its negative worth and converted into positive network to the extent of Rs. 850 lacs. In other words, your company is on the threshold of good years ahead.

As you are aware, the last several years were very difficult for your Company, but it has emerged from its difficulties and is where it is today on account of the sheer dedication, perseverance and the sense of purpose of its employees. Giving them continuous support and encouragement have been the shareholders, the suppliers, the customers and the board of directors.

Over these last years, the Company has continuously developed and introduced several new products, has expanded the breadth and depth of its domestic distribution network, has continued to invest in brand building, has significantly improved the quality of its products which now is at international levels, has rationalized costs, value engineered its products and expanded its reach in international sales.

In other words, the company has innovated in every sphere of its activity and has thereby improved its performance and emerged as a preeminent Air Cooler Company in India and across the world.

Along with the employees, I have tremendous faith in the future of the Air Cooler business on account of its environment friendliness, its low capital cost and low cost of operation. This is also borne out by the fact that the global annual sales of Air Coolers are estimated to be over 10 million units. The Company possesses the vision, the brand, the infrastructure, the team and most importantly the spirit of enterprise necessary to harness this vast potential.

It is our firm belief that the last few years although painful, have been a period of learning and preparation for the years to come in which your Company will show superior financial performance and will make all its stakeholders proud.

With warm regards,

Achal Bakeri  
Chairman

**SYMPHONY COMFORT SYSTEMS LTD.**

**BOARD OF DIRECTORS**

**Mr. ACHAL BAKERI**

*Chairman & Managing Director*

**Mr. NRUPESH SHAH**

*Director*

**Mr. ANUPAM YAJNIK**

*Director*

**Mr. DIPAK PALKAR**

*Director*

**REGISTERED OFFICE & CORPORATE OFFICE:**

'Saumya', Nr. Bakeri Circle, Navrangpura, Ahmedabad 380014.

Tel # 26424430-35. Fax # 079-26425930.

**COMPANY SECRETARY**

**Mr. CHANDRAKANT GANDHI**

Report Junction.com

**FACTORY**

703/704, Sanand Kadi Highway, Village Thol, Tal.Kadi, Dist.Mehsana, Gujarat. PIN - 382728.

Tel # (2764) 274342-45. Fax # 02764-274347.

Email: corporate@symphonycomfort.com

Website: www.symphonycomfort.com

**AUDITORS**

**SHAH & DALAL**

*Chartered Accountants*

**REGISTRAR & SHARE TRANSFER AGENT**

M/s. Pinnacle Shares Registry Pvt. Ltd., Near Ashoka Mills,  
Naroda Road, Ahmedabad - 380 025.

**NOTE : ALL SHAREHOLDERS ARE REQUESTED TO SEND ALL TRANSFER OF SHARE/  
CORRESPONDENCE TO THE REGISTRAR AND SHARE TRANSFER AGENT.**

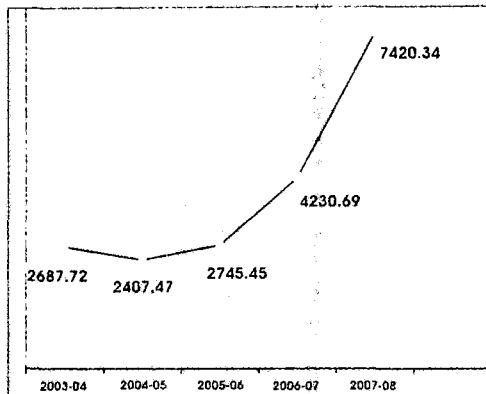
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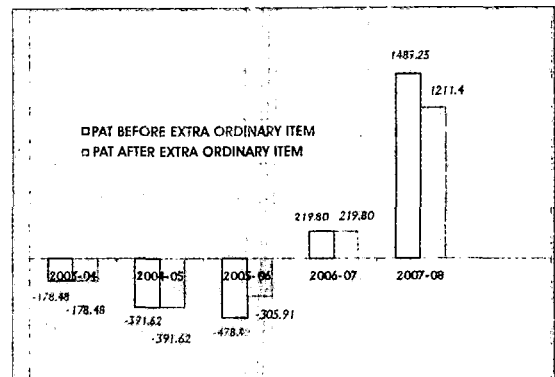
## SYMPHONY COMFORT SYSTEMS LTD.

## GRAPHS FINANCIAL HIGH LIGHTS

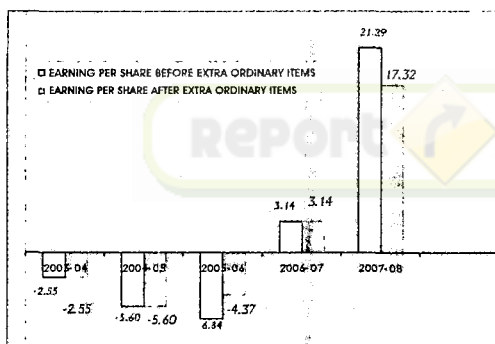
TOTAL INCOME (RS. IN LACS)



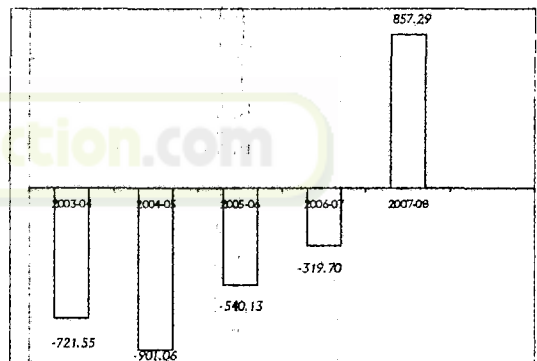
PROFIT AFTER TAX, BEFORE &amp; AFTER EXTRA ORDINARY ITEMS (RS. IN LACS)



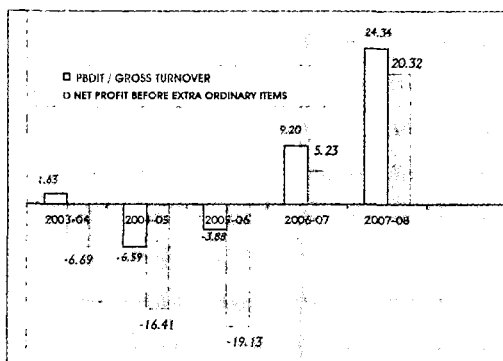
EARNING PER SHARE BEFORE &amp; AFTER EXTRA ORDINARY ITEMS (IN RS.)



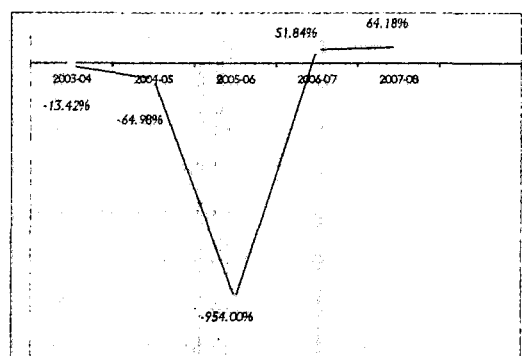
NET WORTH (RS. IN LACS)



PBDIT AND NET PROFIT BEFORE EXTRA ORDINARY ITEMS (%)



RETURN ON CAPITAL EMPLOYED %



## SYMPHONY COMFORT SYSTEMS LTD.

## FINANCIAL HIGHLIGHTS

Sr. No.	YEAR	2007-08	2006-07	2005-06	2004-05	2003-04
1	Turnover	7328.58	4206.37	2501.29	2387.06	2668.63
2	Total Income	7420.34	4230.69	2745.45	2407.47	2687.72
3	Profit before Depreciation, Interest & Tax (PBDIT)	1783.92	386.85	-97.16	-157.33	43.53
4	Depreciation	92.55	133.35	190.25	221.44	214.15
5	Profit after Tax before extra ordinary items	1489.25	219.80	-478.42	-391.62	-178.48
6	Provision made for earlier years - Extra Ordinary Items	277.85	0.00	172.51	0.00	0.00
7	Profit after extra ordinary items	1211.40	219.80	-305.91	-391.62	-178.48
8	Equity Share Capital	699.57	699.57	699.57	699.57	699.57
9	Reserves & Surplus	223.94	-1019.27	-1239.70	-1600.63	-1208.88
10	Net Worth	857.29	-319.70	-540.13	-901.06	-721.55
11	Gross Fixed Assets	1137.97	1028.01	2572.83	2480.27	2363.91
12	Net Fixed Assets	624.80	605.16	647.46	742.98	846.15
13	Market Capitalisation	2822.76	1273.22	638.01	812.90	305.01
14	Number of Employees	211	143	57	64	52

## KEY INDICATORS

1	Earning per Share before extra ordinary items- Rs.	21.29	3.14	-6.84	-5.60	-2.55
2	Earning per Share after extra ordinary items- Rs.	17.32	3.14	-4.37	-5.60	-2.55
3	PBDIT / Gross Turnover %	24.34	9.20	-3.88	-6.59	1.63
4	Net Profit Margin before extra ordinary items%	20.32	5.23	-19.13	-16.41	-6.69
5	Net Profit Margin after extra ordinary items%	16.53	5.23	-12.23	-16.41	-6.69
6	ROCE %	64.18%	51.84%	-954.00%	-64.98%	-13.42%
7	Book Value per Share-Rs.	12.25	-4.57	-7.72	-12.88	-10.31
8	Turnover per Share-Rs.	104.76	60.13	35.75	34.12	38.15
9	Total Assets Turnover	3.88	4.64	1.32	1.03	0.88
10	Fixed Assets Turnover	6.44	4.09	0.97	0.96	1.04
11	Inventory Turnover	17.75	10.76	6.73	9.46	8.39
12	Debtors Turnover	34.57	17.92	12.81	25.44	5.34
13	Turnover Per Employee (Rs. In Lacs)	34.73	29.42	43.88	37.30	51.32
14	PAT ( Before Extra Ordinary Items) per Employee (Rs. In Lacs)	7.06	1.54	-8.39	-6.12	-3.43

**SYMPHONY COMFORT SYSTEMS LTD.****NOTICE TO SHAREHOLDERS**

Notice is hereby given that the Twenty First Annual General Meeting of the Members of Symphony Comfort Systems Ltd. will be held at Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380015, on Friday, the 26th December, 2008 at 10.00 A.M. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt Accounts for the year ended 30<sup>th</sup> June 2008 and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Nrupesh Shah who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Dipak Palkar who retires by rotation, and being eligible, offers himself for re-appointment.
4. 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 Accountants, 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."

**SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass the following resolution with or without modifications as an Ordinary Resolution:

"RESOLVED that in partial modification of Resolution No. 4 passed at the Annual General Meeting of the Company held on 20<sup>th</sup> December, 2007 approving the appointment and terms of remuneration of Mr Achal Bakeri, Managing Director of the Company and in accordance with the provision of Section 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act 1956 ("The Act") read with Schedule XIII of the Act, the increase in remuneration payable to Mr. Achal Bakeri, Managing Director of the company be and is hereby approved w.e.f. 1<sup>st</sup> October, 2008 as per the revised terms of the remuneration to be paid to Mr. Achal Bakeri as set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner

as may be agreed to between the Board of Directors and Mr Achal Bakeri"

"RESOLVED FURTHER that the Board of Directors or a Committee thereof of the Company, be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect this Resolution."

6. To consider and if thought fit, to pass the following resolution with or without modifications as an Ordinary Resolution:

"RESOLVED that in partial modification of Resolution No. 5 passed at the Annual General Meeting of the Company held on 21<sup>st</sup> December, 2006 approving the appointment and terms of remuneration of Mr Nrupesh C. Shah, Executive Director of the Company and in accordance with the provision of Section 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act 1956 ("The Act") read with Schedule XIII of the Act, the increase in remuneration payable to Mr Nrupesh C. Shah, Executive Director of the company be and is hereby approved w.e.f. 1<sup>st</sup> April, 2008 as per the revised terms of the remuneration to be paid to Mr Nrupesh C. Shah, Executive Director, as set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors and Mr Nrupesh C. Shah, Executive Director."

"RESOLVED FURTHER that the Board of Directors or a Committee thereof of the Company, be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect this Resolution."

**Registered Office:**

"Saumya"  
Nr. Bakeri Circle,  
Navrangpura,  
Ahmedabad-380014.  
Date : 15/10/2008

By Order of the Board  
**For SYMPHONY COMFORT  
SYSTEMS LTD.**

**(Chandrakant Gandhi)  
COMPANY SECRETARY**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956****ANNEXURE TO NOTICE:****ITEM NO. 5**

The Members had, at the Annual General Meeting of the Company held on 20<sup>th</sup> December, 2007 approved the appointment and payment of remuneration to Mr. Achal Bakeri, Managing Director for a period of 5 years effective



**SYMPHONY COMFORT SYSTEMS LTD.**

from 1<sup>st</sup> December 2007. The brief resume of the appointee is attached to the Notice.

The Board of Directors, at its Meeting held on 30 September, 2008, approved the revised terms of re-appointment of Mr Achal Bakeri as the Managing Director of the Company, with effect from 1<sup>st</sup> October, 2008 on, inter alia, the following terms:

**Nature of duties:**

Shri Achal Bakeri, shall, subject to the supervision and control of the Board, be entrusted with substantial powers of Management and shall also perform such duties as, from time to time, be entrusted to him and the business of any one or more of its subsidiary and/or associate companies.

**(A) Remuneration consist of any/ or all of the following:**

1. Monthly Basic Salary of Rs. 1,00,000/- to 5,00,000/-
2. Reimbursement of Expenses up to 50% of Basic Salary
3. Ex-Gratia 5% of Basic Salary
4. On completion of the year, in eventuality of profits, profits linked performance incentive to the extent that the total remuneration is within applicable statutory ceiling of the remuneration.

**(B) Perquisites**

In addition to the above, Shri Achal Bakeri will also be eligible to the following perquisites which shall not be included in the computation of the ceiling on the remuneration specified above:

1. Contribution to provident fund, super-annuation fund, or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
2. Gratuity not exceeding half month salary for each completed year of service.
3. Provisions of car for use on Companies business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.

The above remuneration is subject to the limit of 5% or 10% of the net profit of the Company during the year as the case may be as laid in section 309 of the Companies Act, 1956 and the overall limit of 11% of the net profit as laid down in Section 198 of the Companies Act, 1956.

Wherein any financial year the Company has no profit or its profit are inadequate, the Company shall pay Shri Achal Bakeri in respect of such financial year, remuneration by way of salary, allowance, perquisites and other benefit as the board of directors may deem fit, subject to and within the limit prescribed in Section II of Part II of Schedule XIII of the Companies Act, 1956 as existing or modified or re-enacted from time to time.

The terms and conditions of the said appointment/ re-appointment may be altered and varied from time to time by the Board as it may in its discretion deem fit, within the maximum amounts payable to the Appointee, in accordance with the provision of the Act or any amendments made hereafter in this regard and subject to such approvals as may be required.

*Shri Achal Bakeri is concerned or interested in the proposed resolution.* None of the other Directors is concerned or interested in the said resolution. The Directors commend the resolution for approval of the Members of the Company.

This may be treated as an abstract of the draft Agreement between the Company and Shri Achal Bakeri pursuant to Section 302 of the Act.

**ITEM NO 6**

The Members had, at the Annual General Meeting of the Company held on 21<sup>st</sup> December, 2006 approved the appointment and payment of remuneration to Mr Nrupesh C. Shah, Executive Director for a period of 5 years effective from 1<sup>st</sup> November 2006. The brief resume of the appointee is attached to the Notice.

The Board of Directors, at its Meeting held on 30 September, 2008, modified and approved the revised terms of profits linked performance incentive payable to Mr Nrupesh C. Shah, Executive Director of the Company, with effect from 1<sup>st</sup> April, 2008 for the remainder period of his term:

- On completion of the year, in eventuality of profits, profits linked performance incentive to the extent that the total remuneration is within applicable statutory ceiling of the remuneration.

Rest of all other terms and conditions of the appointment and payment of remuneration of Mr Nrupesh C. Shah, Executive Director remain unaltered.

The above remuneration is subject to the limit of 5% or 10% of the net profit of the Company during the year as the case may be as laid in section 309 of the Companies Act, 1956 and the overall limit of 11% of the net profit as laid down in Section 198 of the Companies Act, 1956.

**SYMPHONY COMFORT SYSTEMS LTD.**

Wherein any financial year the Company has no profit or its profit are inadequate, the Company shall pay Mr Nrupesh C. Shah, Executive Director in respect of such financial year, remuneration by way of salary, allowance, perquisites and other benefit as the board of directors may deem fit, subject to and within the limit prescribed in Section II of Part II of Schedule XIII of the Companies Act, 1956 as existing or modified or re-enacted from time to time.

The terms and conditions of the said appointment/re-appointment may be altered and varied from time to time by the Board as it may in its discretion deem fit, within the maximum amounts payable to the Appointee, in accordance with the provision of the Act or any amendments made hereafter in this regard and subject to such approvals as may be required.

Mr Nrupesh C. Shah, Executive Director is concerned or interested in the proposed resolution. None of the other Directors is concerned or interested in the said resolution. The Directors commend the resolution for approval of the Members of the Company.

This may be treated as an abstract of the draft Agreement between the Company and Mr Nrupesh C. Shah, Executive Director pursuant to Section 302 of the Act.

**Registered Office:**

"Saumya"

Nr. Bakeri Circle,  
Navrangpura,

Ahmedabad-380014.

Date : 15/10/2008

By Order of the Board  
For **SYMPHONY COMFORT  
SYSTEMS LTD.**

(Chandrakant Gandhi)  
**COMPANY SECRETARY**

**NOTES:**

- (a) A member entitled to attend and vote at the meeting is entitled to appoint Proxy to attend and vote instead of himself and such Proxy need not be a member.

The instrument appointing Proxy should however be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.

- (b) Members desirous of obtaining any information as regards account and operations of the Company are requested to write to the Company at least 7 days before the meeting to enable the Company to keep the required information ready at the forthcoming meeting.

- (c) The Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of Special Business mentioned in the above Notice is annexed hereto.

- (d) The Register of Members and Share Transfer Books of the Company will remain closed from 17/12/2008 to 26/12/2008 (both days inclusive).

- (e) Under the provisions of the Companies Act, 1956 as amended by Companies (Amendment) Act, 1999 w.e.f. 31<sup>st</sup> October 1998, members holding shares in physical form may file Nomination Forms in respect of their shareholdings. Such members willing to avail this facility may submit to the Company at the Registered Office in the prescribed Form 2B or write to or contact the Company Secretary for assistance.

- (f) Pursuant to Section 205A of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1999 (1<sup>st</sup> Amendment) which came into effect from 31/10/1998, we have transferred dividend for the year 1995-96 which remained unclaimed for a period of 7 years from the date of transfer to Unpaid Dividend Account, to Investor Education & Protection Fund on 06/03/2004 established by the Government under Section 205C(1) of the Act.

- (g) Members who hold share in dematerialised form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.

- (h) Members are requested to intimate the change in their registered address, if any, to the Company. In case of mailing address mentioned on this Annual Report is without PIN CODE, members are requested to kindly inform their PIN CODE immediately.

- (i) The documents and/ or letters referred to in the Resolutions and in the Explanatory Statement annexed hereto are open for inspection for the members at the Registered Office of the Company on all working days between 2.00 p.m. and 4.00 p.m., upto the date of Annual General Meeting.

- (j) Members are requested to bring their copies of Annual Report to the meeting, as the same will not be circulated at the meeting.

- (k) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send certified copy of Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting.

- (l) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

**Registered Office:**

"Saumya"

Nr. Bakeri Circle,  
Navrangpura,  
Ahmedabad-380014.

Date : 15/10/2008

By Order of the Board  
For **SYMPHONY COMFORT  
SYSTEMS LTD.**

(Chandrakant Gandhi)  
**COMPANY SECRETARY**