

COOL

Symphony Limited | Annual report, 2009-10



natural cooling

Symphony

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Forward looking statement

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

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

corporate information

Board of Directors

Achal Bakeri

Chairman & Managing Director

Nrupesh Shah

Executive Director

Dipak Palkar

Director

Himanshu Shah

Director

Registered and corporate office

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

Phone: +91-79-26424430

Fax: +91-79-26425930

Company Secretary

Chandrakant Gandhi

Factory

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

Phone: +91-2764-274342-45

Fax: +91-2764-274347

Email: corporate@symphonylimited.com

Website: www.symphonylimited.com

Auditors

SHAH & DALAL

Chartered Accountants

Registrar & Share Transfer Agent

M/s. Sharepro Services (India) Pvt. Ltd.

416-420, 4th floor, Devendra Mall

Opp. Sanyash Ashram, Ellisbridge

Ahmedabad 380006





‘Ek Symphony dena...’

We are not just an air cooler brand.

We are a generic name.

We do not just possess a national identity.

We inspire a global presence.

We do not just foster stakeholder transactions.

We create win-win relationships.

We do not just enhance organisational value.

We create stakeholder wealth.

Symphony Limited.

More than just fresh air.

cool company

No. of models

18

June 30, 2010

IPR

8 patents, 47 designs,
106 trademarks, 7 copy rights,

June 30, 2010

Team size (members)

247

June 30, 2010

Market capitalisation

₹35,498 lacs

June 30, 2010

Promoter's holding

75%

June 30, 2010

Mission

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

Background

- Established in 1988 by Mr. Achal Bakeri
- Symphony is the number one evaporative air cooler company in the world
- Headquartered in Ahmedabad, India
- The Company's products are manufactured across nine units in India

Products and presence

- The Company provides 13 air cooler and 5 water heater models for diverse applications
- The Company's products are exported to 54 countries across the Americas, Europe, Middle East, Africa and Southeast Asia.
- The Company's water heaters enjoy 5-star rating by BEE for saving energy (first in the water heater segment to receive this accreditation).
- The Company's equity shares are actively traded on the Bombay Stock Exchange.

Corporate philosophy

Constant innovation has been the core mantra at Symphony

Awards and certifications

- Accorded Export House status by the Government of India in 2009
- Holder of CE certification
- Given certification of international conformity by the Saudi Arabian Standards Organisation (SASO)
- Authorisation for the Intertek mark on its products
- Received an advertisement award for the new Kaizen air cooler television commercial at Creativity 31, a Cincinnati-based award program
- Symphony's advertisement was given viewer's choice award by a leading satellite channel
- Mr. Achal Bakeri, Chairman and Managing Director, was awarded the India Young Business Achiever Award by Worldcom Group Inc.

Water heater range



Highlights, 2009-10

strengthening numbers

Operations, 2009-10

- Increased production 74% from 2,42,260 air coolers in 2008-09 to 4,20,336 air coolers
- Added a conveyerised assembly line in one assembly location
- Optimised component use across various product categories

Marketing, 2009-10

- Witnessed a 61% increase in sales volumes from 2,53,120 coolers in 2008-09 to 4,07,064 coolers
- Strengthened the Indian distribution network taking the total to 450 distributors and 6,500 dealers
- Established a presence across 54 countries
- Featured among the highest spenders on brand promotion across all media in the air cooler category

Products, 2009-10

- Introduced four new models that received strong customer acceptance
- Launched the Diet range of air coolers, the slimmest in India. First to launch tower air coolers in India
- Commercialised the personal cooler (fan and air cooler combination) for the first time in the world

Corporate, 2009-10

- Improved fund management, resulting in an increase of revenues per rupee invested in the business from ₹214 lacs in 2008-09 to ₹317 lacs
- A debt-free company
- Proposed a dividend of ₹2.50 per share

Total revenue growth

53%

2008-09 > ₹12,675 lacs

2009-10 > ₹19,359 lacs

EBIDTA growth

40%

2008-09 > ₹4,077 lacs

2009-10 > ₹5,721 lacs

PAT growth
(excluding exceptional items)

29%

2008-09 > ₹2,857 lacs

2009-10 > ₹3,693 lacs

Cash profit growth
(excluding exceptional item)

25%

2008-09 > ₹3,038 lacs

2009-10 > ₹3,799 lacs



cool competencies

1 Experience

Symphony is the only player in India's organised air cooler sector with a rich two-decade industry experience.

2 Focus

Symphony is the only organised white goods player focused exclusively on air coolers, resulting in core competence.

3 Range

Symphony's product range comprises comprehensive air cooler applications – from small sized personal coolers to industrial cooling solutions for factories and establishments.

4 Innovation

Symphony's creative competence is visibly reflected in superior features, highest energy savings and the best price-value proposition

5 Brand

Symphony generates an attractive product premium, quickest inventory liquidation and most of the revenues being derived from a cash-and-carry model

6 Business model

Symphony's asset-light business model (product development, design and marketing functions are retained; production is outsourced) facilitates flexible and operational scalability in the shortest time and at the lowest cost.

7 Quality

Symphony's product and process quality received the acceptability watermark from various global quality-certifying authorities [CE and SASO among others] testifying the most stringent quality benchmarks.

8 Spread

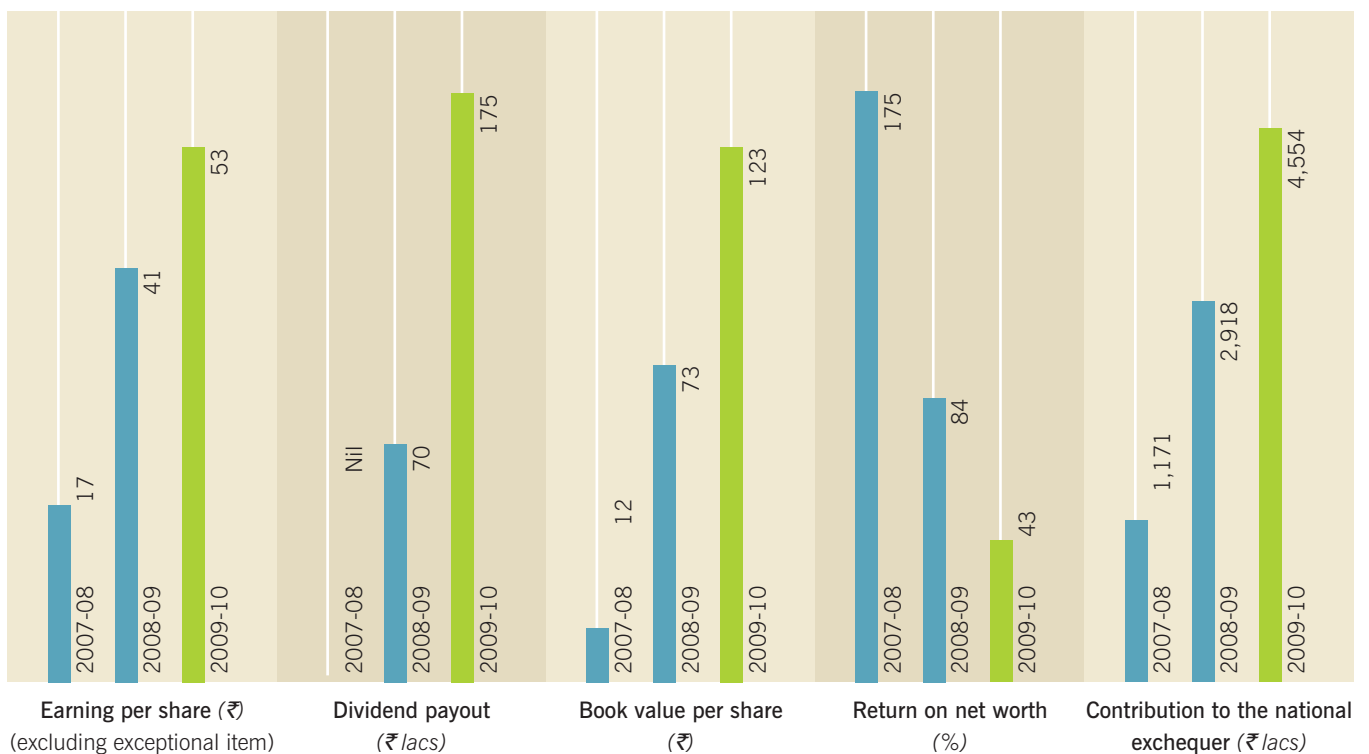
Symphony commanded a 45% share of the Indian organised market and widened its presence in advanced and developing markets.

9 Funding

A growing reserves surplus and zero-debt position provide adequate resources to fund organic and inorganic growth opportunities whenever required.



cool product hot numbers



cool ideas



CONVENTIONALLY, THE AIR COOLER WAS A HULK DRONING OUTSIDE BUILDING WALLS THAT OWNERS WERE A TRIFLE APOLOGETIC ABOUT.

Until Symphony re-invented it.

Symphony graduated the air-cooler from a functional necessity into a lifestyle showpiece that compares favourably with the air conditioner on aesthetic grounds. The result is that there is a greater likelihood that visitors will turn around and tell their host 'But this doesn't look like an air cooler!'

Precisely.

45% +

Symphony's Market share in India

Symphony's business model allowed it to concentrate on its core competence – innovation – in product development and feature evolution; for product assembling, it leveraged vendor support through its VAVS model (value addition through vendor support).

Symphony also continuously evolved its product basket to retain sectoral freshness. For one, the Company created the largest basket of 13 air coolers across diverse consumer applications. Two, the Company created niches that were progressively plugged with relevant products (residential coolers and personal coolers). Three, Symphony reinforced the product proposition through attractive features like the power saver technology, four-side cooling, humidity control and remote operability.

The result is that Symphony is no longer a brand; it has emerged as a generic name for an entire industry.