

CHAIRMAN'S MESSAGE

Dear Shareholder,

I feel privileged to be able to place this balance sheet in the hands of our valued share holders. Despite the difficult external scenario, the company has done exceedingly well in terms of top line and bottom line growth during the last couple of years and has emerged as the largest Air Cooler company in the world. It is also recognised in the various countries it operates in, for the excellence of its product design and quality.

However, considering the vast latent potential of the Air cooler category, we believe our work has barely begun. Rising temperatures across the world, the environment friendliness of the product, low cost of purchase and of operation and great user benefits offer tremendous opportunity which your company is poised to reap. Similarly, the category of storage water heaters that the company also operates in, offers great upside due to the product's energy efficiency, aesthetics and features.

I take this opportunity to thank the share holders of the company for their patience, faith and support during the difficult years that the company passed through. Your company has now turned the corner, has a positive net worth again and has virtually no debt nor contingent liabilities.

I would also like to state that the management of your company is resolute in its belief that Symphony should figure in the pantheon of India's most respectable and admired companies. We would work on achieving this by the company's growth, its financial performance, its corporate governance, its contribution to the national exchequer, its social responsibility, its commitment to all stake-holders and through the fairness and transparency of all its dealings.

Finally, your management will continuously strive to deliver the best returns possible to its share holders.

Achal Bakeri
Chairman

SYMPHONY COMFORT SYSTEMS LTD.

BOARD OF DIRECTORS

Mr. ACHAL BAKERI

Chairman & Managing Director

Mr. NRUPESH SHAH

Director

Mr. DIPAK PALKAR

Director

Mr. HIMANSHU SHAH

Director

REGISTERED OFFICE & CORPORATE OFFICE

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

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

COMPANY SECRETARY

Mr. CHANDRAKANT GANDHI

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/
RELATED CORRESPONDENCE TO THE REGISTRAR AND SHARE TRANSFER AGENT.

SYMPHONY COMFORT SYSTEMS LTD.

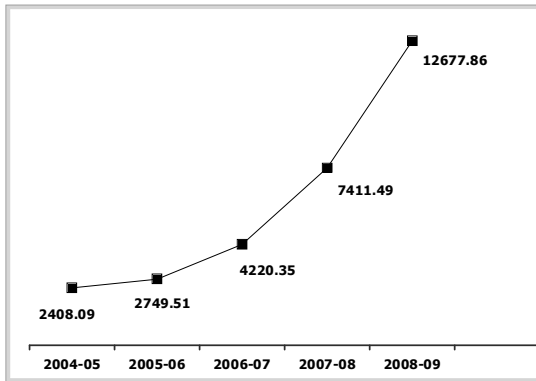
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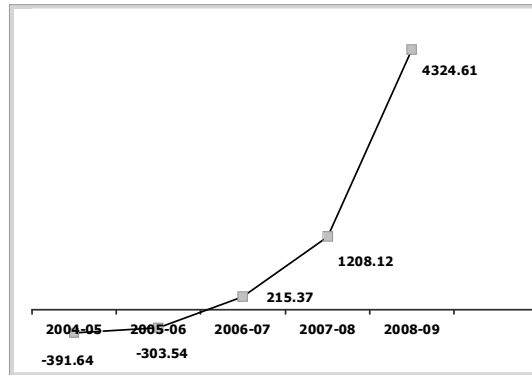
SYMPHONY COMFORT SYSTEMS LTD.

GRAPHS FINANCIAL HIGH LIGHTS

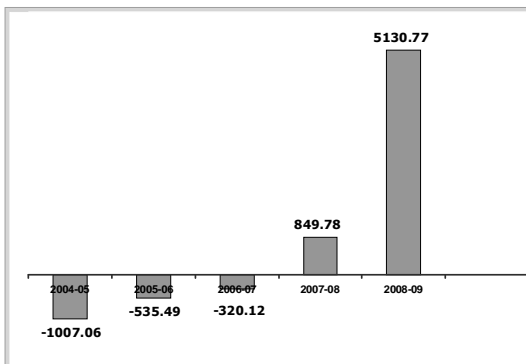
TOTAL INCOME (RS. IN LACS)



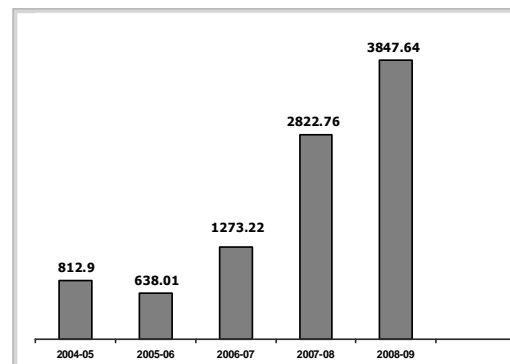
PROFIT AFTER TAX (RS. IN LACS)



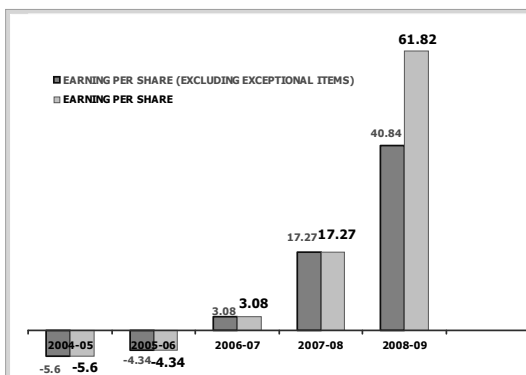
NET WORTH (RS. IN LACS)



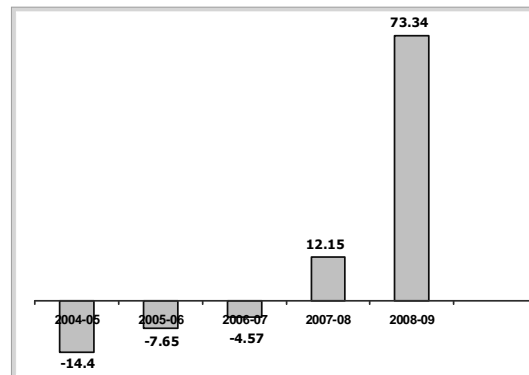
MARKET CAPITALISATION (RS. IN LACS)



EARNING PER SHARE (IN RS.)



BOOK VALUE PER SHARE (RS.)



SYMPHONY COMFORT SYSTEMS LTD.

Financial Highlights (Rs. in Lacs)						
Sr. No.	Particulars	2008-09	2007-08	2006-07	2005-06	2004-05
1	Turnover	12422.02	7324.12	4196.56	2505.35	2387.68
2	Total Income	12677.86	7411.49	4220.35	2749.51	2408.09
3	Profit before Depreciation, Interest & Tax (PBITD)	4150.01	1502.71	382.20	-94.88	-157.43
4	Depreciation	114.84	92.55	133.35	190.25	221.44
5	Financial Charges	88.89	7.66	30.47	11.12	11.07
6	Profit before Exceptional Items but before tax	3946.28	1402.50	218.38	-296.25	-389.93
7	Exceptional Items	1976.70	0.00	0.00	0.00	0.00
8	Profit after Exceptional Items but before Tax	5922.98	1402.50	218.38	-296.25	-389.93
9	Net Profit after Tax	4324.61	1208.12	215.37	-303.54	-391.64
10	Equity Dividend %	10.00	0.00	0.00	0.00	0.00
11	Equity Share Capital	699.57	699.57	699.57	699.57	699.57
12	Reserves & Surplus	4431.20	150.21	-1019.69	-1235.06	-1600.51
13	Net Worth	5130.77	849.78	-320.12	-535.49	-1007.06
14	Secured Loans	2.19	7.26	12.07	208.53	1591.50
15	Unsecured Loans	28.18	347.67	368.33	300.71	1.21
16	Investments	3137.78	323.67	0.48	0.48	0.48
17	Gross Fixed Assets	1285.55	1137.97	1028.01	2572.83	2480.27
18	Net Fixed Assets	657.54	624.80	605.16	647.46	742.98
19	Market Capitalisation	3847.64	2822.76	1273.22	638.01	812.90
20	Number of Employees	205	211	143	57	64
21	Contribution to National Exchequer	2917.54	1170.80	739.56	571.88	353.89
Key Indicators						
Sr. No.	Particulars	2008-09	2007-08	2006-07	2005-06	2004-05
1	Earning per Share (Excluding Exceptional Item)- Figure in Rs.	40.84	17.27	3.08	-4.34	-5.60
2	Earning per Share (Including Exceptional Item) - Figures in Rs.	61.82	17.27	3.08	-4.34	-5.60
3	PBITD / Gross Turnover %	33.41	20.52	9.11	-3.79	-6.59
4	Net Profit Margin - % (Excluding Exceptional item)	23.00	16.50	5.13	-12.12	-16.40
5	Net Profit Margin - % (Including Exceptional Item)	34.81	16.50	5.13	-12.12	-16.40
6	ROCE - %	85.51%	100.92%	407.83%	N.A.	N.A.
7	Book Value per Share-Rs.	73.34	12.15	-4.58	-7.65	-14.40
8	Turnover per Share-Rs.	177.57	104.69	59.99	35.81	34.13
9	Total Assets Turnover	4.52	3.88	4.64	1.32	1.03
10	Fixed Assets Turnover	9.66	6.44	4.08	0.97	0.96
11	Net Fixed Assets Turnover	18.89	11.72	6.93	3.86	3.21
12	Inventory Turnover	44.05	17.75	10.76	6.73	9.46
13	Debtors Turnover	10.49	34.57	17.92	12.81	25.44
14	Turnover Per Employee (Rs. In Lacs)	60.60	34.71	29.35	43.95	37.31
15	PAT / Employee (Rs. In Lacs)	21.10	5.73	1.51	-5.33	-6.12

SYMPHONY COMFORT SYSTEMS LTD.

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Twenty Second 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 Thursday, the 31st December, 2009 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 2009 and the Report of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Nrupesh Shah 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 with or without modification the following resolution as an ordinary resolution:

“RESOLVED THAT Shri Himanshu Shah, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of Annual General Meeting u/s 260 of the Companies Act, 1956 and in respect of whom the Company, u/s 257 of the said Act, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

6. To consider and, if thought fit, to pass with or without modification the following resolution as a special resolution:

“RESOLVED THAT subject to the approval of the Central Government, the name of the company be is hereby changed from “Symphony Comfort Systems Ltd.” to “Symphony Ltd.”.

“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.”

7. To consider and, if thought fit, to pass with or without modification the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of section 372A and other applicable provisions, if any of the Companies Act, 1956, or of other law time being in force, and subject to the approval of the Central Government and / or other statutory approvals / permissions as may be necessary, the Board of Directors be and is hereby authorized to make investments in the securities/application in I.P.O./ make any loan / give any guarantee / provide security to the other bodies corporate in excess of the limits prescribed under section 372A as they may, in their absolute discretion deem beneficial and in the interest of the company, up to the aggregate amount of Rs. 200 crores.”

“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 to this Resolution.”

Registered Office:

“Saumya”
Nr. Bakeri Circle,
Navrangpura,
Ahmedabad-380014.
Date : 31/10/2009

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

(ChandrakantGandhi)
COMPANY SECRETARY

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

ANNEXURE TO NOTICE:

ITEM NO. 5

Shri Himanshu Shah was appointed by the Board of Directors as an Additional Director of the Company. In terms of Section 260 of the Companies Act, 1956

SYMPHONY COMFORT SYSTEMS LTD.

Shri Himanshu Shah holds office up to the date of Annual General Meeting of the company. Notice u/s 257 of the said Act, is received by the company proposing his candidature for the office of Director of the Company, liable to retire by rotation.

Shri Himanshu Shah has done his Graduation in Commerce and his Master in Business Administration (Marketing). He has to his credit a rich and vast experience of promoting and developing business, both in India and overseas markets.

The Board of Directors is of the view that the services of Shri Himanshu Shah will be of immense value to the company. Your Directors, therefore, recommend his appointment as a Director of the Company.

None of the Directors of the Company, except Shri Himanshu Shah is concerned or interested in the resolution.

ITEM NO 6

The present name of the company is "Symphony Comfort Systems Ltd". The company is engaged in the manufacturing and marketing of various consumer durable items under the trade name "Symphony". The company has obtained registration for its trade name "Symphony" under the Trademark Act. All the products of the company are popularly known as "Symphony" products and are well known under the brand "Symphony" in the domestic as well in the overseas markets.

The Board of Directors of the company therefore is of the opinion that the name of the company should be commensurate to the name known in the markets for its products and hence keeping in mind the reputation of the products of the company under the name "Symphony", it would be more prudent and practical to change the name of the company from "Symphony Comfort Systems Ltd." to its popular shorter name i.e. "Symphony Ltd."

None of the Directors is concerned or interested in the said resolution. The Directors commend the resolution for approval of the Members of the Company.

ITEM NO 7

The company is progressing well and enjoys good liquidity position. Your company has a subsidiary company viz. Symphony Aircoolers Inc., USA. Your Board of Directors is also looking for suitable investments at appropriate time and therefore may need to make investments in the securities / application in I.P.O/ make any loan / give any guarantee / provide security to the other bodies

corporate in excess of the limits prescribed under section 372A as they may, in their absolute discretion deem beneficial and in the interest of the company, up to the aggregate amount of Rs. 200 crores.

The provisions of section 372A of the Companies Act, 1956 requires prior approval of the members in a general meeting of the company if such investments / loans / provision of guarantee / security exceeds 60% of the paid up capital and free reserves or 100% of the free reserves, whichever is more. Therefore, your directors seek your approval as an abundant caution to grab the promising opportunity at appropriate time.

None of the Directors is concerned or interested in the said resolution. The Directors commend the resolution for approval of the Members of the Company.

Registered Office:

"Saumya"
Nr. Bakeri Circle,
Navrangpura,
Ahmedabad-380014.
Date : 31/10/2009

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

(ChandrakantGandhi)
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 to the 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 21/12/2009 to 31/12/2009 (both days inclusive).
- (e) Under the provisions of the Companies Act, 1956 as amended by Companies (Amendment) Act, 1999 w.e.f. 31st October

SYMPHONY COMFORT SYSTEMS LTD.

- 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 (1st 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 : 31/10/2009

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

(Chandrakant Gandhi)
COMPANY SECRETARY

Brief resume and other information in respect of directors seeking election/re-election etc.

Name of Director	Shri Himanshu Shah	Shri Nrupesh Shah
Age	47 years	44 years
Qualification	B.com., MBA (Marketing)	BCOM, FCA., CS
Date of Appointment	30.04.2009	19-10-2002
Brief Resume & Functional Expertise	Expertise in Marketing, Business Promotion and International Sales.	Finance, Accounts, Taxation and Corporate Matters
Appointment/Reappointment	New appointment	Reappointment
No.of Shares held in the Company	100	Nil
List of Companies in which Directorship is held	Mercer Designer Fabrics Pvt Ltd.	1. Nrup Consultants Pvt. Ltd. 2. Nabab Investments Pvt. Ltd. 3. Neelam Fiscal Pvt. Ltd. 4. Symphony Designer Properties Pvt. Ltd.
Chairman / Member of the Mandatory Committee on which he / she is a Director	2	2

SYMPHONY COMFORT SYSTEMS LTD.

DIRECTORS' REPORT

To,
The Members,
SYMPHONY COMFORT SYSTEMS LIMITED

The Directors have pleasure in presenting herewith their Report together with the Audited Balance Sheet as at 30/06/2009 and Profit & Loss Account for the year ended 30/06/2009.

1] A) FINANCIAL RESULTS:

Particulars	Current Accounting Year ended on 30.6.09	[Rs. in Lacs] Previous Accounting Year ended on 30.6.08
Sales and Other Income	12677.86	7411.49
Profit before Financial Charges and Depreciation	4150.01	1502.71
Less: Financial Charges	88.89	7.66
Less: Depreciation	114.84	92.55
Profit before Taxation & Exceptional items	3946.28	1402.50
Exceptional items	1976.70	-
Profit before Taxation & after Exceptional items	5922.98	1402.50
Taxation & Fringe Benefit Tax	1532.08	166.38
Deferred Tax Liability	66.29	27.99
Profit/(Loss) after Taxation	4324.61	1208.13
Balance as per last year		
Balance Sheet	(1410.46)	(2618.59)
Amt. available for Appropriation	2914.15	(1410.46)
Transfer to General Reserve	500.00	-
Proposed Dividend & Dividend tax	81.85	-
Balance carried to Balance Sheet	2332.30	(1410.46)

B) Other Key Financials as on June 30, 2009

- Equity Share Capital	Rs. 699.57 lacs
- Net worth	Rs. 5130.77 lacs
- Book Value per Equity Share	Rs. 73.34
- Earning Per Share (EPS)	
(excluding Exceptional Items)	Rs. 40.84
(with Exceptional Items)	Rs. 61.82
Investments-	Rs. 3137.78 lacs
Contribution to exchequer	Rs. 2917.54 lacs.

Company is virtually debt free company. There is an opportunity to leverage the Balance sheet for sustainable growth.

2] DIVIDEND:

In view of excellent performance during the year under review, your Directors are pleased to recommend a dividend of 10% on the equity shares of the company for the year ended 30th June 2009. (Previous year nil). We are pleased to be back on the list of dividend paying company after a gap of 12 years, last dividend was declared in the year 1995-96. Considering our future potential and prospects, we henceforth expect to continue as dividend paying company with sustainable increase.

3] GENERAL OVERVIEW :

The recent global recession triggered the collapse of well established institutions, including prominent investment banks, and resulted in insolvency of companies, job cuts, and liquidity crunch, all of which have had an extremely deleterious effect on the economies of various countries. The fallout of the global financial crisis on the Indian Economy has been palpable, and has also affected the consumer durable sector. As a company operating in this sector, your company was also affected by these developments.

While some segments, especially the export oriented industries, suffered more, particularly during the second half of the year, the Indian economy has by and large withstood the pressures imposed by a deteriorating global economic situation, and registered a growth rate of 6.7% in 2008-09. The economy continues to face wide ranging challenges on various fronts ranging from the need to improve its social and physical infrastructure, enhance the productivity in agriculture and industry, and address environmental concerns. Responding to these challenges will be critical to improving overall social and human development indicators. These issues will have a major impact on your company's performance, since overall development and improvement in the country will help in accelerating our growth.

In spite of these challenges, the economy of India has demonstrated its depth and resilience to be able to bounce back and register impressive growth. Our banking system is sound and well capitalized. The foreign exchange reserves position is fairly comfortable and the external debt position is comfortable. Inflation is under control, and is favourably positioned to enable control of costs in the manufacturing sector. Your directors are hopeful that the prevailing positive outlook on the Indian economy is well merited, and the development in the economy will help your company to be an active participant in this process, enabling it to reach new heights.

The Government of India also announced various stimulus packages including reduction in excise duty, service tax and incentives to exports. These measures have achieved the desired results. The Indian economy seems to be back on track especially in terms of recorded IIP, domestic demand and market sentiments. However, the global economy is yet to stabilize.

Against this background, the recent performance of your Company has been exceptional on all fronts, both in the domestic and international markets, and in terms of various indicators such as sales turnover and profitability. Given the positive outlook for the economy, it is quite reasonable to set ambitious targets for ourselves, and we are confident of achieving them.

SYMPHONY COMFORT SYSTEMS LTD.

4] REVIEW OF OPERATIONS

During the year under review your company achieved a sales turnover of Rs.12,422 lacs representing a growth of 70% over the previous year's sales of Rs. 7324 lacs. Viewed against the background of an unprecedented global recession, which has affected most Indian companies also, these figures represent a truly remarkable achievement. Given such a performance in the midst of a global recession, your company is keenly alive to the possibilities that are likely to open up when the economic situation improves. In order to capitalize on these opportunities, and ensure continued and impressive growth, your company has already initiated a series of steps to rationalize the marketing network, optimize the product mix, and effect substantial cost reduction with a view to bringing in major increases in domestic and international sales. Your company has already upgraded its existing equipment and infrastructure and employs state-of-the-art technology with the objective of achieving substantial improvements in productivity and efficiency.

Air coolers

It is not often that an organization gets an opportunity to combine comfort, innovation, elegance and efficiency in its products, while also contributing its mite towards improving the environment and reversing the harmful effects of global warming. Your company has achieved all this in the past year, while at the same time, ensuring an exceptional return to the investor. Your directors are aware that we could not have achieved this without the cooperation and encouragement that we have received from various quarters, and thank all those who helped us in making this possible in a year when the whole world has been reeling under an unprecedented recession.

As a pioneer that elevated the status of what was once considered a low end product, and with a tradition of innovation and excellence going back more than two decades since its very inception, Symphony has, over the years, built on its core strengths to become a leader in the field of air coolers. The international recognition given to your company, as evidenced by the impressive growth in the export sales to over 25 countries, is an indicator to the new status that the product is gaining the world over. It also shows the trust that the world is reposing in your company and its products. The highly encouraging performance of our coolers in the international market is indicative of the potential that is waiting to be tapped. The growth rate of coolers in the domestic market is no less impressive and is a pointer to the changing mindset of the domestic consumers to move towards the reliability and elegance of a branded cooler.

The power saver range of air coolers introduced by the company is not only eco-friendly and helps conserve power, but is also highly affordable. Given

the features and the high value-for-money that this range provides, the enthusiastic reception in the market to the product is hardly surprising. The other products of Symphony have seen several improvements and additional features, and have also been well received in the market.

One of the strategic initiatives that we have taken this year is to increase the number of our trade partners. Consequently, the company plans to appoint a new set of dealers for focused marketing of the new range of DIET coolers. The company has also strengthened its service infrastructure by appointing more franchisees. With these measures, the company is confident of being able to meet a variety of customer needs under different geographical conditions.

The company's products are sold and serviced through a country-wide net work, with over 400 distributors and 6400 retailers promoting our air coolers during the season. Encouraging market demand for innovative products has motivated the company to introduce new models to meet the different requirements of various segments of consumers.

Water Heaters The Sauna model Water Heaters, which are offered in a variety of capacities, are technically and aesthetically superior to comparable models in the market. The company foresees a good potential for these models, and expects them to show impressive performance in the years to come.

Sauna water heaters with double insulation technology have the distinction of being the first water heaters to get a 5 Star rating from the Bureau of Energy Efficiency – Govt. of India. The Sauna geysers are built with hi-density Polyurethane Foam with a second layer of special glass wool insulation that minimizes heat loss and maximizes energy saving. The contribution of water heaters to the total sales of the company has been minor so far, but the company envisages a significant growth in this product range in the future.

Focus on Exports During the year under review, the exports of the company grew by 172% from Rs. 952 lacs in 2008 to Rs. 2588 lacs in 2009. The company foresees a promising future for the export sector in the years to come. It is noteworthy that the export performance of the company has been achieved in the face of sluggish demand in overseas markets, and under conditions in which most Indian companies have remained stagnant or registered negative growth in exports.

The Company has adequately strengthened its export team with a region-wise focus to capitalize on promising overseas opportunities. This will enable the Company to foray into new countries and to minimize the seasonality factor of the business. Presently, your company exports to about 25 countries. There are many more countries in which there is an excellent

SYMPHONY COMFORT SYSTEMS LTD.

scope for promoting the sale of coolers, and efforts are being made to tap these new markets.

In addition, your company is also constantly on the lookout for growth opportunities in various overseas markets through joint ventures and acquisitions. With these initiatives, the company is confident of being able to leverage the growing overseas market as a powerful growth engine.

5] **RECOVERY OF BAD DEBTS WRITTEN OFF IN THE YEAR 2001-02**

Your Directors had reported in the Annual Reports of 2000-01 and 2001-02 that the Company had been dealing with various Regional Distributors since 1989. Over the years, these distributors had accumulated losses and hence the outstanding amounts payable by them to the company kept on mounting. Finally in 2001-02, after taking the opinion of experts, the company decided to write-off a total amount of Rs.2579.90 Lacs, which the distributors were unable to pay.

In view of the long-standing relationships that the company had built with these distributors, and the strategic advantages that the company could derive from continuing the relationships, it was decided that the company will continue to do business with them in spite of their earlier record. However, the commercial terms were revised such that no credit sales will be made to these parties in future.

Realizing the need to be more self-reliant in this area, your company has, over a period of time, established its own distribution network, and has appointed its own sales, marketing & service personnel throughout the country, and has stopped dealing through the regional distributors.

As part of the continued efforts by the company to recover past dues, the matter was referred to the arbitrator, Ex. Justice of Gujarat High Court and Ex. Chairman of MRTD Commission in terms of the agreement between the company and the said distributors. The arbitration award was passed on 27th April, 2009 and in terms of the said order, the company has recovered Rs. 1976.70 lacs from the Regional Distributors and Rs. 1976.70 lacs has been shown as the Income for the year under review. Thus the company has recovered 76.62% of the total bad debts of Rs. 2579.90 lacs that had been written off.

6] **DISCHARGE UNDER SICA IN VIEW OF POSITIVE NET WORTH OF THE COMPANY AND SANCTION OF REHABILITATION SCHEME**

In view of excellent performance and positive net worth of the company, your company ceases to be a "sick industrial company" within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and accordingly the BIFR has de-registered your company from the provisions of SICA.

Your Company had filed a reference with BIFR u/s

15(1) of the SICA in the year 2002 and the company was declared as Sick Industrial Unit u/s 3(1)(o) of the SICA. State Bank of India (SBI) was appointed as Operating Agency (OA). The Rehabilitation Scheme prepared by the company and appraised by SBI. The Draft Rehabilitation Scheme was sanctioned by the BIFR on 13.01.2009.

7] **CORPORATE GOVERNANCE**

The Board and its Committees have taken steps to further strengthen the framework of Corporate Governance and Internal Audit system of the Company during the year. The Board and Audit Committee have been actively engaged in discussing reports of Internal Auditors and advising on monitoring the implementation of their recommendations.

The Board has implemented a Code of Business Conduct and an "Ethics Code" for the members and to members of Senior Management to inculcate business ethics in the Company in their dealings with employees and business associates,

A report on Corporate Governance and Management Discussion and Analysis, as required under clause 49 of the Listing Agreement is annexed.

The CEO and Chief Financial Officer (CFO) have certified to the Board regarding the financial statements and other matters as required in clause 49 of the Listing Agreement and the said Certificate is contained in the report. A Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is also annexed. All the Board members and Senior Management personnel have affirmed compliance with the Code of Conduct.

8] **DIRECTORS**

It is with profound grief that the Board of Directors inform the members, the sad demise of Mr. Anupam Yagnik, Director of the company, and place on record the sincere and valuable guidance received from him during his tenure of directorship in the company.

Shri Himanshu Shah was appointed as an Additional Director by the Board with effect from April 30, 2009 in accordance with the Article 148 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956. Shri Himanshu Shah holds office only up to the date of forthcoming Annual General Meeting and Notice u/s 257 of the Companies Act, 1956 together with necessary deposit has been received from a member of the Company signifying his intention to propose Shri Himanshu Shah's appointment as Director.

Pursuant to the provisions of the Companies Act, 1956 and Articles of Association of the Company, Shri Nrupesh Shah, Director of the Company retires by rotation at the ensuing Annual General Meeting, and being eligible, offer himself for re-appointment. Your Directors recommend their re-appointment.

- 9] **Fixed Deposit**
Your company has made timely repayment of all deposits to investors and out standing deposit is Nil.
- 10] **Segment-wise Performance**
The company is engaged in the business of air coolers and water heaters, both of which are governed by the same set of risks and returns. In view of this, the entire business of the company comes under one primary segment, namely that of "Appliances". However, domestic sales and exports sales are two secondary geographical segments, and appropriate disclosures have been made in the Notes to the Accounts.
- 11] **Consolidated Accounts**
As required under Clause 32 of the Listing Agreement with the Stock Exchange, Audited Consolidated Financial Statements form part of the Annual Report.
- 12] **Compliances of Accounting Standards**
The Institute of Chartered Accountants of India (ICAI) has from time to time introduced many accounting standards for consistent application of accounting principles & transparent disclosures by corporate entities. Your company has opted for substantial compliance of all mandatory accounting standards, wherever applicable, except as stated by Auditors in their report, if any.
- 13] **Directors Responsibility Statement**
Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:
- In the preparation of the Annual Accounts, the applicable accounting standards issued by The Institute of Chartered Accountants of India and requirements of the Companies Act, 1956, have been followed;
 - Such accounting policies have been selected and applied consistently, and such judgments and estimates have been made as are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the period ending on 30th June 2009 and of the profit of the Company for that period;
 - Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - The annual accounts have been prepared on a going concern basis.
- 14] **INSURANCE**
All the insurable interests of the Company including Factory Building, Plant & Machinery, Stocks, vehicles, and other insurable interests are adequately insured.
- 15] **Disclosure**
In line with the requirements of Listing Agreement
- with the Stock Exchanges and the Accounting Standards of the Institute of Chartered Accountants of India, your Company has made additional disclosures in the Notes on Accounts for the year under review in respect of related party transaction, calculation of EPS and deferred tax liability.
- 16] **Conservation of Energy Technology Absorption and Foreign Exchange Earnings and Outgo**
As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988, details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the Annexure "A" attached hereto and forming part of the Directors' Report.
- 17] **Particulars of Employees**
Pursuant to section 217(2A) of the Companies Act, 1956 and Rules made thereunder, a statement containing particulars of the Company's employees who were in receipt of the remuneration of not less than Rs. 24,00,000/- during the year ended 30th June 2009 or not less than Rs. 2,00,000/- per month during any part of the said year is given in the Annexure II to this Report.
- 18] **Auditors**
M/s. Shah & Dalal, Chartered Accountants, Ahmedabad, hold office as Auditors of the Company until the conclusion of the ensuing 22nd Annual General Meeting and the Board recommends their re-appointment till the conclusion of the next Annual General Meeting.
The Company has received a certificate from Auditors under Section 224(1) of the Companies Act, 1956 to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Act.
Members are requested to consider their re-appointment as Auditors of the Company for the current year at a remuneration to be decided by the Board of Directors.
- 19] **ACKNOWLEDGEMENTS**
The Directors express their grateful thanks to the distributors, dealers, suppliers, C&FAs, vendors, and other parties dealing with the company for their support & co-operation and look forward to their continued association with the company.
The Directors also record their appreciation of the devoted services rendered by all levels of the Company's personnel during the year. The Company will make every effort to meet the aspirations of its Shareholders and wish to thank them sincerely for their whole hearted co-operation and support at all times.
- For and on behalf of the Board
ACHAL A. BAKERI
Chairman & Managing Director
- Place : Ahmedabad
Date : 31/10/2009.

ANNEXURES 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 and forming part of the Directors' Report for the year ended on 30.6.2009.

FORM - A

1] Conservation of Energy

Energy Conservation Measures Taken :

- Designed and installed complete system for recycling pre-heated water for testing of storage water heaters.
- Constant endeavor made to replace metallic components by globally specialty plastics.
- Completely changed the electrical distribution system viz. L T Panels, cable routing etc.
- 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.
- Design of new moulding tools for higher productivities and thereby reduced processing power requirement per piece.
- Redesigning the product and packaging dimensions to allow optimum quantity of transportation per truck or container. This leads to lower fuel consumption per piece.

2] Technology Absorption :

Efforts made in technology absorption

Form B is Annexed

3] Foreign Exchange earning & outgo :

The information on foreign exchange outgo & earning is contained in Schedule R, item number 24 & 25 in the notes to the accounts to the Balance Sheet.

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, environmentally friendly products, import substitution and energy efficient products.
- In house development of aesthetically designed full plastic body air coolers/ storage and water heaters.
- Training to Design & Development team in Advanced Computer Aided Design CAD application.
- Procurement of latest CAD hardware & software.
- Development, Installation and Implementation of comprehensive computerized Management Information System (MIS) on Web enabled software.
- Computerization of entire factory operation from Production Planning to dispatch.
- Computerization and connectivity of all CFA through ERP software.
- Establishment of intensive technical & prototype library.

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- Regular specialized training to our key managerial personnel at reputed institutions.
- Regular in house training by faculty drawn from reputed Research Institutions and specialized 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.
- Improved serviceability and improved field service

3] Future Plans of Action :

- Continuous improvement in quality, reliability, productivity & optimization of yield of whole range of products.
- Up gradation & enhancement of features and energy efficiency in existing products.

4] Expenditure on R & D :

Particulars	[Rupees in lacs]	
	2008-09	2007-08
1. Revenue	38.05	27.84
2. Capital	--	---
3. Total	38.05	27.84
4. Total R & D expenditure (as % of turnover)	0.31%	0.38%

Technology Absorption, Adoption & Innovation :

i] Efforts Made :

Various R & D efforts as mentioned in Para 1 above.

ii] Benefits Derived :

Several benefits derived as mentioned in Para 2 above.

iii] Imported Technology :

No imported technology is involved. The Company has its own proven technology duly tested and proved. However, certain critical tools & moulds have been imported.

ANNEXURE - II

Statement of Particulars of Employees under the Provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 for the year 2008-09

Sr. No.	Name of the Employee	Designation	Remuneration (Rs. In Lacs) Per Annum	Qualifications	Age (years)	Date of Commencement of Employment	Total Experience in Years	Last Employment
1	ACHAL ANIL BAKERI	Chairman & Managing Director	137.08	Architect, MBA (USA)	49	05.02.1988	21	-
2	NRUPESH C SHAH	Executive Director	20.94	B.Com, FCA., CS	44	15.05.1993	23	Amtrex Appliances Ltd.
Part of the year								
3	RASHBIHARI GARGIA	President-Sales & Marketing	0.45	B.E., PGDMA-IIM AHD.	56	20.06.2009	32	Maharaja Appliances Ltd

Symphony

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ANNEXURE - III CORPORATE GOVERNANCE

A. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company is committed to good corporate governance. Good governance practice is derived from the culture and mindset of the organization. It is therefore not simply about evolving regulations and procedures but also about creating an environment of trust and confidence among various stakeholders. It is about demonstrating high level of integrity, transparency, accountability and disclosures across the Company's operations and in its interaction with its stakeholders, including shareholders, customers, employees, the government, lenders and the society.

Our endeavor is not to merely comply with regulatory & statutory obligations, but also to follow the governance code in the right spirit. The Corporate Governance philosophy of the Company is determined by the following fundamental principles:

1. Conduct the affairs of the company in an ethical manner.
2. Ensure transparency in all our dealings.
3. Ensure the highest level of responsibility and accountability.
4. Ensure compliance with all laws and regulations as applicable.
5. Ensure opportune dissemination of periodical financial results and matters of interest to stakeholders.

The Board of Directors recognize that they have an obligation to the stakeholders to ensure that the rights of the shareholders are protected. Through the Governance mechanism in the Company, the Board together with its Committees, endeavors to strike the true equilibrium with various stakeholders.

B. BOARD OF DIRECTORS:

Composition and category of Directors on June 30, 2009 is as follows:

Category	No. of Directors	No. of other Directorship*	Chairman/ Member in other Committee
Promoter Director	1	1	2
Executive Directors	1	Nil	2
Independent Directors	2**	Nil	2**

* Directorships in private company excluded

** Upto 19.11.2008 (Mr. Anupam Yagnik expired).

BOARD MEETINGS

The Company placed before the Board all the relevant and necessary information at their meetings for the information of the Board. During the year from 1st July 2008 to 30th June 2009, 10 Board meetings were held on 4th July 2008, 30th September 2008, 15th October 2008, 24th October 2008, 25th October 2008, 12th December 2008, 26th December 2008 and 31st January 2009, 30th April 2009 and 7th May 2009.

Attendance of each Director at the meetings of Board of Directors and the last AGM

Directors	No. of Board meetings Held	No. of Board meetings attended	Last AGM attendance (Yes / No)
Mr. Achal Bakeri	10	5	Yes
Mr. Nrupesh Shah	10	9	Yes
Mr. Anupam Yajnik (upto 19.11.08)	5	4	-
Mr. Dipak Palkar	10	10	Yes
Mr. Himanshu Shah (from 30th April 2009)	2	1	-

There is no Nominee Director on the Board as on 30th June 2009.

Code of conduct

The Company has adopted the Symphony Comfort Systems Ltd (SCSL) Code of Business Conduct and Ethics Code for the Members of the Board of Directors and members of the Senior Management Team of the Company. The Code is posted on the website of the company.

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C. AUDIT COMMITTEE:

During the year, Company has held six Audit Committee meetings on 30th July 2008, 30th September 2008, 15th October 2008, 24th October 2008, 30th January 2009 and 30th April 2009. The Audit Committee comprises of Shri Dipak Palkar, Shri Nrupesh Shah and Shri Himanshu Shah.

Composition, Name of Members as on 30th June, 2009

Mr. Dipak Palkar Chairman
Mr. Nrupesh Shah Member
Mr. Himanshu Shah Member

Attendance of each Director at the Audit Committee Meetings:

Directors	No. of meetings Held	No. of meetings attended
Mr. Dipak Palkar	6	6
Mr. Nrupesh Shah	6	6
Mr. Anupam Yajnik (upto 19.11.08)	4	3
Mr. Himanshu Shah (from 30th April 2009)	1	1

Terms of reference and role of Audit Committee.

- i) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - ii) Recommending the appointment and removal of external auditor, fixation of the audit fee and also approval for payment for any other services.
 - iii) Reviewing with management the annual financial statements before submission to the board, focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgement by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Any relating party transactions i.e. transaction of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. That may have potential conflict with the interest of the company at large.
 - iv) Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
 - v) Reviewing the adequacy of internal audit function, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
 - vi) Discussion with internal auditors any significant findings and follow-up thereon.
 - vii) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the board.
 - viii) Discussion with the external auditors before the audit commences, nature and scope of audit as well as have post audit, discussion to ascertain any area of concern.
 - ix) Reviewing the company's financial and risk management policies.
 - x) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, share holders (in case of non-payment of declared dividends) and creditors.
 - xi) Oversight of company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - xii) Matters required to be included in the directors responsibility statement to be included in the Boards Report in terms of clause 2AA of section 217 of the Companies Act, 1956.
- Changes if any in accounting policies and practices and the reason for the same.

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xiii) Reviewing with the management, performance of the statutory and internal auditors. Adequacy of internal control system.

xiv) Reviewing the Whistle Blower Mechanism.

Risk Management:

A procedure is laid down to inform the Board members of risk management in the organization. Results of the risk assessments and residual risks are presented to the Senior Management and the Audit Committee members. The Management is accountable for the integration of risk management practices into the day to day activities. The scope of the Audit Committee includes review of the Company's financial and risk management policies. The Audit Committee reviews the Audit reports covering operational financial and other business risk areas.

D. REMUNERATION COMMITTEE:

The Company has not formed Remuneration Committee.

E. REMUNERATION OF DIRECTORS:

Directors	Salary Rs.	Perquisites Rs.	Total Rs.
Mr. Achal Bakeri	1,37,06,460	1,560	1,37,08,020
Mr. Nrupesh Shah	20,64,776	28,970	20,93,746
Total	1,57,71,236	30,530	1,58,01,766

F. SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE:

Company has formed Investor Grievance Committee.

The function and the power of the committee to monitor and redressal of investors/ shareholders grievances includes approval and rejection of share transfer/ transmission of equity shares of the Company and to do all other things / deeds as may be necessary relating to resolving any kind of investors/ shareholders complaints.

The members of the Company's Investor Grievance Committee are:

Mr. Nrupesh Shah, Chairman

Mr. Achal Bakeri, Member

- Name and designation of Compliance officer:
Chandrakant Gandhi, Company Secretary

- Number of shareholders complaints received, solved and pending complaints:

NATURE OF COMPLAINTS	RECEIVED	SOLVED	PENDING
Non-receipt of share certificates/ Refund / Demat	1	1	Nil
Stock Exchange	Nil	Nil	Nil
SEBI	Nil	Nil	Nil

G. SHARE TRANSFER DETAILS:

- i) Number of Transfers (Physical) - 62
- ii) Average Number of Transfers per month (Physical) - 5
- iii) Number of Shares Transferred (Physical) - 11600
- iv) Average Number of Shares Transferred per month (Physical) - 967
- v) Number of pending Share Transfers - Nil

H. GENERAL BODY MEETING:

Location and time for the last three AGMs:

YEAR ENDING	DATE	VENUE	TIME
30th June, 2006	21st December, 2006	*AMA Hall	10.00 A.M.
30th June, 2007	20th December, 2007	AMA Hall	10.00 A.M.
30th June, 2008	26th December, 2008	AMA Hall	10.00 A.M.

* Ahmedabad Management Association

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During the period under report the Company had not held any Extraordinary General Meeting and no resolution has been passed through Postal Ballot.

DISCLOSURES:

- During the year under review, besides the transactions mentioned elsewhere in the Annual Report, there were no other related party transaction by the company with its promoter, directors, management and subsidiaries that has a potential conflict with the interests of the Company at large.
- The senior management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that could result in a conflict with the interest of the company, at large.
- The company has complied with various rules and regulations prescribed by Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last three years. No penalties or strictures have been imposed by them on the Company.
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.
- The Managing Director (CMD), Executive Director and the Executive in charge of finance have certified to the Board in accordance with Clause 49 (v) of the Listing Agreement pertaining to CMD/CFO certification for the Financial Year ended on 30th June 2009.

COMPLIANCE BY THE COMPANY:

The Company has complied with the requirement of stock exchanges, SEBI and other statutory authorities on all matters during the last 3 years. No penalties, strictures have been imposed on the Company by the stock exchanges or SEBI or any other authority.

I. MEANS OF COMMUNICATION:

In terms of SEBI guidelines, the quarterly and annual results are posted regularly at www.sebi.gov.in and the link page is <http://sebidifair.nic.in/index.asp>. The results are also promptly forwarded to Bombay Stock Exchange (BSE) and Ahmedabad Stock Exchange wherein the shares of the company are listed. quarterly and annual results are regularly published in press as per listing agreement.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1] INDUSTRY STRUCTURE & DEVELOPMENT:

The air cooler industry in India is mainly controlled by the unorganized sector. Your company is a pioneer in the manufacturing of air coolers in organized sector. Earlier, air coolers were available in metal/ wooden body, which had its own problems like rusting, noise etc. Your company has made a dent in the market by bringing ABS plastic body air coolers in the market. At present, the company is the world's largest manufacturer of portable air coolers. The company has developed various models of air coolers over a period of time to suit the requirements of customers. Your company is focusing on the constant improvement in the products to facilitate the end user.

2] OPPORTUNITIES & THREATS:

OPPORTUNITIES:

The market dynamics transforms into the following sets of opportunities:

- Having well established brand "Symphony" in air coolers market, distribution network in domestic and export markets. the company is poised to potential growth.
- The air cooler is an environment friendly, energy efficient product requiring low capital and revenue expenditure. There is tremendous local and export potential.
- Due to Globalisation, increased opportunity to tap export market
- Huge potential in domestic market considering population of the country & increased awareness about quality among customers
- Various applications of air coolers

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THREATS:

- Heavy competition from local and unorganized sector
- Fluctuation in oil prices & consequent fluctuation in raw material(plastic) prices
- Demand for air coolers is subject to vagaries of summer

3] OUTLOOK:

The Company is conscious of the need for continuous product innovation and strengthening marketing & distribution net work. The Company carries out continuous value engineering in products with an aim to improve product performance, quality and reduce costs.

The company is exploring the possibility of expanding the base for air coolers' sales in domestic as well as international market. The various models have got 'CE' mark which is a pre-requisite for exports to Europe countries. The company has also got 'UL' listing which is essential for the US market.

4] INTERNAL CONTROL SYSTEMS & ADEQUACY:

Your company has adequate internal control procedures commensurate with the size and nature of business. The Company has deployed a strong system of internal controls to allow optimal use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports and ensure compliance with statutory laws, regulations and management policies. The Company has also devised an extensive monitoring and review mechanism, whereby the management regularly reviews actual performance with reference to business plans- both financial and operational.

The functional heads are responsible for performing regular internal assurance reviews to ensure adequacy of the internal controls systems and adherence to management policies and statutory requirements. The functional heads deploy an annual internal assurance plan based on assessment of major risks in each of the businesses. Risk assessment helps in identifying and focusing on all high-risk areas. The reviews cover all the business critical functions, such as revenue assurance, collection, credit and risk, MIS and information technology and network security, procurement and financial reporting.

The Board audit committee periodically reviews the audit plans, audit observations of both internal and external audits, risk assessment and adequacy of internal controls.

5] HUMAN RESOURCES:

The company recognises that its personnel are one of the most important pillars of the organization. A major exercise in training & development of employees has been undertaken at all levels. The company gives a lot of importance to the Human Resources activities. These activities have helped to retain & motivate employees of the company even during difficult period. With their support we can look forward to a bright future for the company.

6] CAUTIONARY STATEMENT:

Estimates & expectations stated in this management discussion & analysis may be forward looking statement within the meaning of applicable securities, laws, and regulation. Actual result could defer materially from those expressed or implied. Important factors that could make a difference to your company's operations includes favourable summer season with high temperature, price condition in the domestic & international markets, changes in the government regulations, tax laws, other statutes and other incidental factors.

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GENERAL SHAREHOLDER INFORMATION

1) Annual General Meeting

Date : 31/12//2009

Time : 10.00 A.M.

Venue: Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad.

2) Financial Year

Financial year of the Company is for a period of 12 months Commencing from 1st July to 30th June.

3) Book Closure

21/12/2009 to 31/12/2009

4) Listing on Stock Exchange

Sr. No.	Name of Stock Exchange	Address
1.	The Ahmedabad Stock Exchange	Kamdhenu Complex, Nr. Polytechnic, Panjra Pole, Ahmedabad – 380 015
2.	The Stock Exchange – Mumbai	Rotunda Building, 1st Floor, New Trading Ring, P.J. Towers, Dalal Street, Fort, Mumbai- 400 001

The Company has paid Annual Listing fees for the year 2009-2010 to the above stock exchanges.

5) Market Price Data

High, Low during each Month in last financial year is as under:-

Month	Mumbai Stock Exchange	
	High	Low
July, 2008	40.15	30.75
August, 2008	43.95	35.90
September, 2008	47.75	38.05
October, 2008	40.35	21.10
November, 2008	29.75	20.35
December, 2008	42.70	27.85
January, 2009	42.85	29.20
February, 2009	43.20	32.35
March, 2009	40.20	31.40
April, 2009	51.15	37.95
May, 2009	61.00	41.00
June, 2009	63.50	50.00

6) Registrars and Transfer Agents

For Physical transfer of shares as well as electronic connectivity, it has appointed the following registrar w.e.f. 1st April, 2003

M/s. PINNACLE SHARES REGISTRY PVT. LTD.

Near Asoka Mills,
Naroda Road,
Ahmedabad-380025.

7) Share Transfer Systems

Since the Company's shares are compulsorily traded in the demat segment on stock exchanges, bulk of the transfers take place in the electronic form.

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8) Shareholding Pattern

SR. NO.	CATEGORY	NO. OF SHARES HELD	%AGE OF SHAREHOLDING
A	PROMOTERS' HOLDING		
1	Promoters		
	- Indian Promoters	29,26,360	41.83
	- Foreign Promoters	-	-
2	Persons acting in Concert	23,20,414	33.17
	Sub Total	52,46,774	75.00
B	NON-PROMOTERS' HOLDING		
3	Institutional Investors	-	-
A	Mutual Funds & UTI	5,300	0.08
B	Banks, FIs, Insu.Co.(Cent/ State Govt. Inst./ Non-Govt. Institutions)	300	-
C	Foreign Institutional Investor	700	0.01
	Sub Total	6,300	0.09
4	Others		
A	Private Corporate Bodies	6,80,698	9.73
B	Indian Public	10,16,028	14.52
C	NRIs/ OCBs	45,900	0.66
D	Others	-	-
	Sub Total	17,42,626	24.91
	GRAND TOTAL	69,95,700	100.00

9) Distribution of Shareholding

NO. OF SHARES	TOTAL NO. OF HOLDERS	%	TOTAL NO. OF SHARES	%
1-500	5,364	95.07	6,56,448	9.39
501-1000	174	3.08	1,28,945	1.84
1001-2000	43	0.76	70,079	1.00
2001-3000	26	0.46	66,781	0.95
3001-4000	6	0.11	21,897	0.31
4001-5000	6	0.11	27,542	0.39
5001-10000	8	0.14	60,634	0.87
10001-and above	15	0.27	59,63,374	85.25
Total	5,642	100	69,95,700	100

10) Dematerialisation of Shares and Liquidity

The Company's shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shares of the Company are compulsorily traded in the demat form on Stock Exchanges by all investors. 6369555 shares amounting to 91.05% of the capital have been dematerialised by investors and bulk of the transfer takes place in the demat form.

SYMPHONY COMFORT SYSTEMS LTD.

11) Other Disclosure

a) Shareholders' Right:

The quarterly results are published in the newspapers, and also displayed on the website of the company. The results are not separately circulated to shareholders.

b) Postal Ballot:

There is no subject proposed to be taken up at the ensuing Annual General Meeting to be held on 31/12/2009, requiring approval of the shareholders through postal ballot.

c) Other Matters:

No loans are advanced to any of the Directors of the Company. The materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, the directors of the Management, their subsidiaries or relatives, key managerial personnel, etc., are disclosed in Notes to the Accounts.

There has been no incidence of non-compliance of matters imposed by Stock Exchanges, Securities and Exchange Board of India (SEBI) or any other statutory authority by the Company during the financial year.

12) Security Code no.

Ahmedabad Stock Exchange	51760
Mumbai Stock Exchange	517385
Demat ISIN Numbers of Equity Shares	INE225D01019

13) Plant Locations

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

14) Address for Correspondence

All shareholders can correspond / send / deliver the documents including complaints relating to the Company's share transfer / demat / remat activities to the Registrar & Transfer Agent at the following address:

M/s. PINNACLE SHARES REGISTRY PVT. LTD.

Near Asoka Mills,
Naroda Road,
Ahmedabad-380025.

15) Consolidation of Shares under One Folio:

The company would urge shareholders holding shares of SCSL under different folios but under same order of names, to consolidate the shares under one folio. This would substantially reduce paper work and transaction cost and benefit both shareholders and the company. Shareholders can do so by writing to the company or the Registrar with details of the folio nos., order of name, share held under each folio and the folio under which all the shareholding should be consolidated.

16) Address of the Registrar of Companies, Gujarat

The Registrar of Companies, Gujarat, ROC Bhavan, Opp. Rupal Park, Behind Ankur Bus Stand, Naranpura Ahmedabad - 380 013.

The above report has been placed before the Board at its meeting held on October 31, 2009 and the same was approved.

SYMPHONY COMFORT SYSTEMS LTD.

CERTIFICATE

To
The Members,
Symphony Comfort Systems Ltd.
Ahmedabad.

We have examined the compliance of conditions of Corporate Governance by SYMPHONY COMFORT SYSTEMS LIMITED, for the year ended on 30th June, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned listing agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that the Company has maintained records to show Investors' Grievances against the Company and have certified that as on 30th June, 2009 there were no investor grievances remaining unattended/ pending for a period exceeding one month.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SHAH & DALAL
Chartered Accountants

Place : Ahmedabad.
Date : 30/09/2009.

Malay J. Dalal
Partner

The Members of
Symphony Comfort Systems Ltd.,

Declaration by the Chairman & Managing Director under Clause 49 of the Listing Agreement

I, Achal Bakeri, Chairman & Managing Director of Symphony Comfort Systems Ltd., declare that to the best of my knowledge and belief, all the members of the Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct for the year ended 30th June, 2009.

Ahmedabad
30/09/2009

Achal Bakeri
Chairman & Managing Director

SYMPHONY COMFORT SYSTEMS LTD.

CEO/CFO CERTIFICATION

The Board of Directors
Symphony Comfort Systems Ltd.
Ahmedabad

Re: Financial Statement for the period ended on 30th June, 2009 Certification by CEO & CFO.

We, Achal A Bakeri, Chairman & Managing Director, Nrupesh C Shah, Executive Director and Hasmukh D. Patel, Asst. General Manager A/c & Finance of Symphony Comfort Systems Ltd., on the basis of the review of the financial statements and the cash flow statement for the financial year ended 30th June, 2009 and to the best of our knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
2. These statements together present a true and fair view of the Company's affairs and are in compliances with existing accounting standard, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 30th June, 2009, which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, those deficiencies, of which we are aware, in the design or operation of internal controls and that we have taken necessary steps to rectify the deficiencies or propose to take appropriate steps to rectify these deficiencies.
5. We further certify that / have indicated to the auditors and the Audit Committee that :
 - a) There have been no significant changes in internal control during the year.
 - b) There have been no significant changes in accounting policies during the year / the changes in accounting policies during the year have been disclosed in the notes to the financial statements and
 - c) There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems.

Ahmedabad
Date: 30/09/2009

Achal A Bakeri
Chairman & Managing Director

Nrupesh C Shah
Executive Director

Hasmukh D. Patel
Asst. General Manager A/c
& Finance

SYMPHONY COMFORT SYSTEMS LTD.

AUDITORS' REPORT

To,
The Members of
SYMPHONY COMFORT SYSTEMS LIMITED

We have audited the attached Balance sheet of SYMPHONY COMFORT SYSTEMS LIMITED as at 30th June, 2009, Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with the provisions of Section 227 of the Companies Act 1956, we report that

- (1) As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India under sub section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
- (2) Further to our comments in the Annexure referred to in paragraph (1) above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance sheet, Profit and Loss Accounts and Cash Flow Statement dealt with by this report comply with accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors and taken on records by the Board of Directors, We report that none of the directors is disqualified as on 30th June, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes thereon gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.
 - (i) In the case of the Balance Sheet, of the state of affairs of the company as at 30th June, 2009.
 - (ii) In the case of the Profit & Loss Account, of the profit for the year ended on that date.
 - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Shah & Dalal
Chartered Accountants

Place : Ahmedabad
Dated : 30th September, 2009

Malay J. Dalal
Partner
Membership Number - 36776

SYMPHONY COMFORT SYSTEMS LTD.

ANNEXURE TO THE AUDITORS REPORT

(Referred to in paragraph (3) of our report of even date on the accounts of Symphony Comfort Systems Limited for the year ended on June 30, 2009)

- (I) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- (b) As explained to us, as per the phased programme designed by the Company, a portion of the Fixed Assets of the Company have been physically verified by the management. In our opinion, frequency of verification is reasonable. To the best of our knowledge, no material discrepancies have been noticed on verification.
- (c) During the year, the company has not disposed off any substantial/ major part of the Fixed Assets.
- (II) (a) As informed to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanation given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material
- (III) (a) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii)(b), (c) and (d) of the order are not applicable.
- (b) According to the information and explanations given to us, the company has not taken any loans, secured or unsecured from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii)(f), (g) and (h) of the order are not applicable.
- (IV) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls
- (V) According to the information and explanations given to us and to the best of our knowledge and belief, there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Consequently, requirement of clause (v) (b) of paragraph 4 of the order is not applicable.
- (VI) According to the information and explanations given to us, the company has not accepted any deposits from the public. Therefore provisions of Clause (vi) of paragraph 4 of the order are not applicable to the company.
- (VII) In our opinion, the company has an internal audit system commensurate with the size and nature of its business
- (VIII) The Central Government has not prescribed the maintenance of cost records in respect of the Company under section 209 (1) (d) of the Companies Act, 1956.
- (IX) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of dues as referred in above Clause were in arrears, as at 30th June, 2009 for a period of more than six months from the date they became payable

SYMPHONY COMFORT SYSTEMS LTD.

- (c) The disputed statutory dues that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

NAME OF THE STATUTE	NATURE OF DUES	AMOUNT (RS. IN LACS)	FORUM WHERE PENDING
SALES TAX ACT UNDER VARIOUS ENACTMENTS	LOCAL SALES TAX	23.43	DY. COMMISSIONER (APPEALS) / SALES TAX APPELLATE TRIBUNAL

- (X) In Company does not have accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- (XI) On the basis of the records examined by us and on the basis of information and explanations given to us, the Company has not defaulted in the repayment of dues to the banks.
- (XII) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- (XII) In our opinion and according to the information and explanations given to us, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the company.
- (XIII) In our opinion and according to the information and explanations given to us, the company is not a dealer or trader in securities.
- (XIV) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year.
- (XV) According to the information and explanations given to us, the company has not obtained any term loans.
- (XVI) According to the Cash Flow Statement and other records examined and as per the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie not been used during the year for long term investment.
- (XV) During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the companies Act, 1956.
- (XVII) According to the information and explanations given to us, the company has not issued any debentures during the year.
- (XVIII) The Company has not raised monies by Public Issue during the year. Hence the question of disclosure and verification of end use of such monies does not arise.
- (XIX) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Shah & Dalal
Chartered Accountants

Place : Ahmedabad
Dated : 30th September, 2009

Malay J. Dalal
Partner
Membership Number - 36776

SYMPHONY COMFORT SYSTEMS LTD.

BALANCE SHEET AS AT 30TH JUNE, 2009

				(Rs. in Lacs)	
PARTICULARS	SCHEDULE NO.	As at 30-06-2009		As at 30-06-2008	
I. SOURCES OF FUNDS					
(1) Shareholders' Funds					
(a) Capital	A	699.57	699.57		
(b) Reserves & Surplus	B	4,431.20	5,130.77	150.21	849.78
(2) Loan Funds					
(a) Secured Loans	C	2.19	7.26		
(b) Unsecured Loans	D	28.18	30.37	347.67	354.93
(3) Deferred Tax Liability (Net)		94.27			66.22
Total		5,255.41			1,270.93
II. APPLICATION OF FUNDS					
(1) Fixed Assets	E				
(a) Gross Block		1,285.55	1,137.97		
(b) Less : Depreciation		628.01	513.17		
(c) Net Block		657.54			624.80
(2) Investments	F	3,137.78			323.67
(3) Current Assets, Loans & Advances					
(A) Current Assets	G				
(i) Inventories		282.02	404.50		
(ii) Sundry Debtors		1,184.70	212.45		
(iii) Cash & Bank Balance		137.17	1,628.00		
(B) Loans & Advances	H	2,682.58	599.52		
		4,286.47	2,844.47		
Less :					
(4) Current Liabilities & Provisions	I				
(a) Current Liabilities		1,194.46	2,176.69		
(b) Provisions		1,631.92	345.32		
		2,826.38	2,522.01		
Net Current Assets		1,460.09			322.46
Total		5,255.41			1,270.93
Accounting Policies and Notes on Accounts	R				

AS PER OUR REPORT OF EVEN DATE
FOR SHAH & DALAL
CHARTERED ACCOUNTANTS

(MALAY J. DALAL)
PARTNER

PLACE : AHMEDABAD
DATE : 30/09/2009

(ACHAL BAKERI)
CHAIRMAN & M.D.

(NRUPESH SHAH)
DIRECTOR

(CHANDRAKANT GANDHI)
COMPANY SECRETARY

SYMPHONY COMFORT SYSTEMS LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2009

		(Rs. in Lacs)	
PARTICULARS	SCHEDULE NO.	Year ended 30/06/2009	Year ended 30/06/2008
I. INCOME			
Sales	J	12,422.02	7,324.12
Other Income	K	255.84	87.37
Increase / (Decrease) in stock	L	(104.12)	(2.92)
		<u>12,573.74</u>	<u>7,408.57</u>
II. EXPENDITURE			
Manufacturing Expenses	M	5,202.75	3,315.08
Administration Expenses	N	515.69	286.80
Selling & Distribution Expenses	O	2,279.36	1,639.44
Payments to Employees	P	567.06	358.85
Research & Development Expenses		38.05	27.84
Financial Charges	Q	88.89	7.66
Depreciation		114.84	92.55
Prior Period Items (See note no. 17)		(179.18)	277.85
		<u>8,627.46</u>	<u>6,006.07</u>
Profit before taxes and exceptional items		<u>3,946.28</u>	<u>1,402.50</u>
Add:			
Exceptional items			
Exceptional item (See note no. 3)		1,976.70	-
Profit before taxes and after exceptional items		<u>5,922.98</u>	<u>1,402.50</u>
Less: Provision for Taxation			
Current Tax		1,525.00	160.00
Deferred Tax		28.06	27.99
Deferred Tax Liability of earlier years		38.23	-
Fringe Benefit Tax		7.08	6.38
Profit After Tax		<u>4,324.61</u>	<u>1,208.13</u>
ADD : Balance as per last Balance Sheet		(1,410.46)	(2,618.59)
Amount Available for Appropriations		<u>2,914.15</u>	<u>(1,410.46)</u>
Appropriations			
Transfer to General Reserve		500.00	-
Proposed Dividend		69.96	-
Tax on Proposed Dividend		11.89	-
Balance Carried to Balance Sheet		<u>2,332.30</u>	<u>(1,410.46)</u>
Earnings Per Share of the face value of Rs. 10 each (See Note No.10)			
Basic and Diluted		61.82	17.27
Basic and Diluted excluding exceptional items		40.84	17.27
Accounting Policies and Notes on Accounts	R		

AS PER OUR REPORT OF EVEN DATE
FOR SHAH & DALAL
CHARTERED ACCOUNTANTS

(MALAY J. DALAL)
PARTNER

PLACE : AHMEDABAD
DATE : 30/09/2009

(ACHAL BAKERI)
CHAIRMAN & M.D.

(NRUPESH SHAH)
DIRECTOR

(CHANDRAKANT GANDHI)
COMPANY SECRETARY

SYMPHONY COMFORT SYSTEMS LTD.

Schedules attached to and forming part of Balance Sheet as at 30th June, 2009

PARTICULARS	As at 30/06/2009	(Rs. in Lacs) As at 30/06/2008
SCHEDULE - A		
SHARE CAPITAL		
Authorised 1,50,00,000 Equity Shares of Rs 10/- each (Previous year 15,000,000 Equity Shares of Rs 10/- each)	1,500.00	1,500.00
Issued, Subscribed & Paid up 6,995,700 Equity Shares of Rs 10/- each fully paid up (Previous year 6,995,700 Equity Shares of Rs 10/- each fully paid up)	699.57	699.57
Total	699.57	699.57
SCHEDULE - B		
RESERVES & SURPLUS		
(1) Profit & Loss Account	2,332.30	(1,410.46)
(2) General Reserve	500.00	-
(3) Share Premium	694.47	694.47
(4) Capital Reserves		
Opening Balance	866.20	844.43
Add : (1) Transfer from State Subsidy	-	60.00
(2) Adjustment of Deferred Tax Liability of earlier years	38.23	-
	904.43	904.43
Less : Deferred Tax Liability of earlier years	-	38.23
	904.43	866.20
Total (1+2+3+4)	4,431.20	150.21
SCHEDULE - C		
SECURED LOANS		
(1) Term Loan (Secured by hypothecation of Car financed by HDFC Bank Ltd.)	2.19	7.26
Total	2.19	7.26
SCHEDULE - D		
UNSECURED LOANS		
(1) Sales Tax Deferrment Loan	28.18	47.67
(2) Deposit from Body Corporate	-	300.00
Total	28.18	347.67

SYMPHONY COMFORT SYSTEMS LTD.

**Schedules attached to and forming part of
Balance Sheet as at 30th June, 2009**

(Rs. in Lacs)										
SCHEDULE - E FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01/07/2008	ADDITION	DEDUC- TION	AS AT 30/06/2009	AS AT 01/07/2008	ADDI- TION	DEDU- CTION	AS AT 30/06/2009	AS AT 30/06/2009	AS AT 30/06/2008
FREEHOLD LAND	23.37	-	-	23.37	-	-	-	-	23.37	23.37
BUILDINGS	332.87	-	-	332.87	146.71	10.84	-	157.55	175.32	186.16
PLANT & MACHINERY	565.78	124.88	-	690.66	247.82	80.38	-	328.20	362.45	317.96
FURNITURE & FIXTURES	31.99	0.71	-	32.70	25.57	1.95	-	27.52	5.18	6.42
OFFICE EQUIPMENTS	33.10	1.07	-	34.17	17.57	2.03	-	19.60	14.57	15.54
COMPUTERS	41.55	5.98	-	47.53	25.74	7.28	-	33.02	14.51	15.81
VEHICLES	107.20	5.49	-	112.69	49.41	10.49	-	59.90	52.79	57.79
INTANGIBLE ASSETS	2.11	9.45	-	11.56	0.35	1.87	-	2.22	9.34	1.76
TOTAL	1,137.97	147.58	-	1,285.55	513.17	114.84	-	628.01	657.54	624.80
PREVIOUS YEAR	1,028.01	113.28	3.31	1,137.97	422.85	92.55	2.23	513.17	624.80	-

SYMPHONY COMFORT SYSTEMS LTD.

Schedules attached to and forming part of Balance Sheet as at 30th June, 2009

PARTICULARS	As at 30/06/2009				(Rs. in Lacs) As at 30/06/2008			
SCHEDULE - F								
INVESTMENTS (At Cost)								
Long Term Investments	<u>No of Shares / Units</u>	<u>Face value/ NAV per Share/Unit (Rs./\$)</u>			<u>No of Shares / Units</u>	<u>Face value/ NAV per Share/Unit (Rs./\$)</u>		
(A) Equity Shares (Unquoted)								
(1) Symphony Designer & Properties Ltd.	248	10 Rs.	0.02		248	10 Rs.	0.02	
(2) Symphony Air Coolers Inc,USA	1000	1 \$	0.46		1,000	1 \$	0.46	
(3) Sylvan Holdings PTE. Ltd	1	1 \$	0.00				0.00	
Total (A)			0.48				0.48	
Current Investments								
(B) Mutual Funds (Quoted)								
(1) HDFC Liquid Fund	12,777,061	12.2598	1,566.44		984,495	16.4217	161.67	
(2) Reliance Floating Rate Fund	15,599,894	10.0697	1,570.86		1,250,564	12.9151	161.51	
Total (B)			3,137.30				323.18	
Total (A + B)			3,137.78				323.67	
Cost of quoted investments			3,137.30				323.18	
Aggregate market value of quoted investments			3,137.30				323.18	
Cost of unquoted investments			0.48				0.48	
SCHEDULE - G								
CURRENT ASSETS								
(A) Inventories								
(As taken, Valued & Certified by the Management)								
(1) Raw Materials		40.49				58.85		
(2) Finished Goods		241.53				345.65		
Total (A)			282.02				404.50	
(B) Sundry Debtors								
(1) Debtors outstanding for more than six months								
Considered good		47.59				188.65		
Considered Doubtful		0.68				0.68		
Less : Provision for Doubtful Debts		(0.68)				-		
(2) Other debts								
Considered good		1,137.11				23.12		
Total (B)			1,184.70				212.45	
(C) Cash & Bank Balances								
Cash on hand								
(1) Cash on hand		1.00				1.00		
(2) Balance with employees Imprest account		11.13				10.07		
		12.13				11.07		
Balance with Scheduled Banks in								
(1) Current Accounts		99.53				1,003.44		
(2) Fixed Deposit Accounts		25.51				613.49		
(Including interest accrued thereon)		125.04				1,616.93		
Total (C)			137.17				1,628.00	
Total (A + B + C)			1,603.89				2,244.95	

SYMPHONY COMFORT SYSTEMS LTD.

Schedules attached to and forming part of Balance Sheet as at 30th June, 2009

PARTICULARS	(Rs. in Lacs)	
	As at 30/06/2009	As at 30/06/2008
SCHEDULE - H		
LOANS AND ADVANCES		
(Unsecured Considered Good)		
(1) Advances and Loans to Subsidiaries	2,272.30	1.34
(2) Advance Recoverable in cash or in kind or for value to be received	131.65	365.40
(3) Balance with Central Excise Authority	115.08	109.73
(4) Balance with Sales Tax and VAT Department	67.60	93.83
(5) Export Incentive Receivable	25.59	2.17
(6) Advance Income Tax and FBT	70.36	27.05
Total	2,682.58	599.52
SCHEDULE - I		
CURRENT LIABILITIES & PROVISIONS		
(A) Current Liabilities		
(1) Creditors for Goods	271.63	120.41
(2) Creditors for Expenses	487.24	474.15
(3) Creditors for Capital Goods	0.11	0.03
(4) Credit Balance in Current A/c with Subsidiary	0.31	-
(5) Advance from Customers	98.73	1,008.28
(6) Credit Balance in current account with Bank	87.41	-
(7) Other Current Liabilities	226.56	153.25
(8) Trade Deposits	22.47	420.56
Total - (A)	1,194.46	2,176.69
(B) Provisions for		
Income Tax	1,404.26	63.64
Fringe Benefit Tax	1.12	7.26
Gratuity	50.28	25.20
Proposed Dividend	69.96	-
Tax on Proposed Dividend	11.89	-
Provision for disputed Sales		
Tax for earlier years	94.41	249.21
Total - (B)	1,631.92	345.32
Total (A + B)	2,826.38	2,522.01

SYMPHONY COMFORT SYSTEMS LTD.

Schedules attached to and forming part of Profit and Loss Account for the year ended on 30th June, 2009

PARTICULARS	Year ended 30/06/2009	(Rs. in Lacs) Year ended 30/06/2008
SCHEDULE - J SALES		
Sales	12,422.04	7,340.58
Less : Excise	0.02	16.46
Net Sales	<u>12,422.02</u>	<u>7,324.12</u>
SCHEDULE - K OTHER INCOME		
Interest Income	182.79	44.85
Dividend Income	30.91	12.04
Misc Income	42.14	15.84
Foreign Exchange Fluctuation	-	14.64
Total	<u>255.84</u>	<u>87.37</u>
SCHEDULE - L INCREASE / (DECREASE) STOCK		
Opening Stock of Finished Goods	345.65	348.57
Less : Closing Stock of Finished Goods	241.53	345.65
	<u>(104.12)</u>	<u>(2.92)</u>
Total	<u>(104.12)</u>	<u>(2.92)</u>
SCHEDULE - M MANUFACTURING EXPENSES		
Materials Consumed	5,184.51	3,267.62
Stores, Spareparts and Packing	1.30	1.07
Material consumed		
Power and Fuel	4.90	4.09
Assembly, Labour and Job Charges	1.16	4.71
	<u>5,191.87</u>	<u>3,277.49</u>
Repairs & Maintenance		
Building	5.07	32.55
Machinery	5.81	5.04
	<u>10.88</u>	<u>37.59</u>
Total	<u>5,202.75</u>	<u>3,315.08</u>

SYMPHONY COMFORT SYSTEMS LTD.

Schedules attached to and forming part of Profit and Loss Account for the year ended on 30th June, 2009

PARTICULARS	Year ended 30/06/2009	(Rs. in Lacs) Year ended 30/06/2008
SCHEDULE - N		
ADMINISTRATION EXPENSES		
Rent , Rates & Taxes	7.85	4.17
Travelling	144.38	104.06
Conveyance	37.96	33.45
Communication Expenses	32.94	26.71
Insurance	12.05	8.24
Printing and stationery charges	16.69	12.29
Legal & Professional Charges	40.50	37.04
Payment to Auditors	3.00	0.65
Directors Remuneration	158.02	25.57
Vehicle Expenses	11.30	10.68
General Expenses	38.10	16.89
Repairs Others	12.22	6.87
Provision for Doubtful Debts	0.68	-
Loss on Sale of Fixed Assets	-	0.19
Total	515.69	286.80
SCHEDULE - O		
SELLING AND DISTRIBUTION EXPENSES		
Advertisement and Sales Promotion	543.40	383.27
Freight & Forwarding Charges	401.72	272.47
Product Service and Inspection Charges	143.90	143.99
Sales Commission	56.62	76.10
Warehousing Charges	21.27	15.93
Conference and Other Expenses	17.77	33.58
VAT and Sales Tax	1,094.68	714.11
Total	2,279.36	1,639.44
SCHEDULE - P		
PAYMENTS TO EMPLOYEES		
Salaries, Wages and Bonus	523.67	331.04
Contribution to Provident Fund and Other Funds	31.87	15.93
Staff Welfare Expenses	11.52	11.87
Total	567.06	358.85
SCHEDULE - Q		
FINANCIAL CHARGES		
Foreign Exchange Fluctuation	73.12	-
Bank Charges	9.49	5.73
Bank Interest and other interest	6.02	1.42
Hire Purchase Charges	0.26	0.52
Total	88.89	7.66

SYMPHONY COMFORT SYSTEMS LTD.

Schedules attached to and forming part of Balance Sheet as at 30th June, 2009 and Profit and Loss Account for the year ended on 30th June, 2009

SCHEDULE - R

NOTES FORMING PART OF ACCOUNTS

(1) Significant Accounting Policies

The financial statements are prepared to comply with all material aspects with the accounting principles generally accepted in India and in consonance with the Accounting Standards issued by The Institute of Chartered Accountants of India to the extent applicable and the relevant provisions of the Companies Act, 1956.

i) Basis of Accounting

The financial statements are prepared under the historical cost convention on an accrual basis.

ii) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities at the date of financial statement and the result of operation during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

iii) Revenue Recognition

Revenue is recognized when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

a) Sales

Sales is inclusive of Excise duty, VAT and Central Sales Tax, wherever applicable and after making adjustments towards price variations, discounts etc.

Revenue from domestic sales is accounted on dispatch of products to customers.

Revenue from export sales is recognized on shipment / air lift of products.

b) Interest

Interest Income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

c) Export Benefits

Export Incentives are estimated and accounted for in the year of export.

iv) Tangible Fixed Assets

Fixed Assets are stated at cost of acquisition / construction less accumulated depreciation, amortization and impairment loss (if any). Cost comprises of purchase price, import duties and other non-refundable taxes or levies and any directly attributable cost to bring the assets ready for their intended use. Direct expenses, as well as pro rata identifiable indirect expenses on projects during the year of construction are capitalized.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as "Capital Work in Progress."

v) Intangible Fixed Assets

Intangible assets are stated at cost of acquisition / cost incurred less accumulated amortization.

vi) Depreciation / Amortization

Depreciation on all tangible fixed assets is provided on Straight Line Method at the rates prescribed in Schedule- XIV of the Companies Act, 1956, on pro-rata basis for the period the assets have been put to use. Assets costing up to Rs.5000/- are fully depreciated in the year in which they are put to use.

Depreciation on sale of assets is provided till the date of sale.

SYMPHONY COMFORT SYSTEMS LTD.

Schedules attached to and forming part of Balance Sheet as at 30th June, 2009 and Profit and Loss Account for the year ended on 30th June, 2009

Intangible fixed assets in the nature of software are amortized at the rate prescribed under schedule XIV of the Companies Act, 1956 on straight line method. The value of these intangible assets is reviewed at each balance sheet date to assess the probability of continuing future benefits. If there is any indication that the value of such assets is impaired, the resulting impairment loss is recognized in the financial statement.

vii) Investments

Current Investments are carried at the lower of cost and fair value computed category wise. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made, only if, in the opinion of the management, such a decline is regarded as being other than temporary.

viii) Inventories

Raw materials, packing materials, stores, spares and consumables 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.

Finished goods are valued at lower of cost or net realizable value. The cost of finished goods includes cost of conversion and other costs incurred to bring the inventories to their present location and condition. Cost of inventories is determined on "First in First out" basis.

Excise duty in respect of finished goods lying at the factory premises have not been provided for and included in valuation of inventory. However, such non provision of excise duty on finished stock at factory premises will not have any impact on profit of the company.

ix) Research and Development

Research and Development costs incurred for development of products including manpower cost are charged to revenue as incurred. Research and development expenditure of capital nature is added to fixed assets.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and other wise when events and change in circumstances indicate that the carrying value may not be recoverable.

x) Foreign currency transactions

a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of transactions. Exchange difference arising from foreign currency transactions are dealt with in the Company's Profit and Loss account except it is of capital expenditure.

b) Year end balance of foreign currency transactions are translated at the year end rates. Exchange difference arising on restatement or settlement is charged to Profit and Loss Account except the difference in case of liability pertaining to acquisition of Fixed Assets is adjusted to the carrying cost of such assets and depreciated over the balance life of the assets.

xi) Employee Benefits

a) Short term Employee Benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

b) Post Employment Benefits

i) Defined Contribution Plan

The Company's contribution paid / payable during the year to Provident Fund are considered as defined contribution plans. The Contribution paid / payable under these plans are recognized during the period in which the employee render services.

SYMPHONY COMFORT SYSTEMS LTD.

Schedules attached to and forming part of Balance Sheet as at 30th June, 2009 and Profit and Loss Account for the year ended on 30th June, 2009

c) **Defined Benefit Plan**

Other long-term employee benefits are recognized as an expense in the profit and loss account for the period in which the employee has rendered services. Estimated liability on account of long-term benefits is discounted to the current value, using the yield on government bonds, as on the date of balance sheet, at the discounting rate.

Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the profit and loss account.

xii) **Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying fixed assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expense in the period in which they are incurred.

xiii) **Leases**

All leases are classified into Operating and Financial Lease at the inception of the lease. Leases that transfer substantially all risks and reward from lessor to lessee are classified as Finance Lease others being classified as Operation Lease.

There are no Finance Lease transactions entered into by the company.

Rent expense and rent income represent operating leases which are recognized as an expense in the statement of Profit and Loss Account.

xiv) **Provision for tax**

Tax expenses for a year comprise of current tax and deferred tax.

Provision for current tax is determined based on assessable profits of the company as determined under the Income Tax Act, 1961.

Provision for deferred tax is determined based on the effect of timing difference between the assessable profits under the Income Tax Act and the profits as per the Profit and Loss Account. Deferred tax assets, other than those from carry forward losses and unabsorbed depreciation, are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

xv) **Impairment of Fixed Assets**

The carrying amount of fixed assets including those assets that are not available for use, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exist, the assets recoverable amount is estimated. An impairment loss is recognized in the Profit and Loss account whenever the carrying amount of assets exceeds its recoverable amount. An impairment loss can be reversed if there are changes in estimates to determine the recoverable amount in future period. An impairment loss is reversed only to the extent that the carrying amount of the assets does not exceed the net book value that would have been determined, if no impairment loss has been recognized.

xvi) **Provisions and Contingent Liabilities**

Provisions are recognized for when the Company has at present, legal or contractual obligation as a result of past events, only if it is probable that an outflow of resources embodying economic benefits will be required and if the amount involved can be measured reliably.

Contingent liabilities being a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more future events not wholly in the control of the Company are not recognized in the accounts. The nature of such liabilities and an estimate of its financial effect are disclosed in the Notes to Financial Statements.

Contingent assets are neither recognized nor disclosed in the financial statements.

SYMPHONY COMFORT SYSTEMS LTD.**Schedules attached to and forming part of Balance Sheet as at 30th June, 2009 and Profit and Loss Account for the year ended on 30th June, 2009**

(2) Contingent Liabilities		(Rs. In Lacs)	
Sr. No.	Particulars	2008-09	2007-08
a)	Claims against the company not acknowledged as debt.	11.18	11.15
b)	Income-tax Department had raised demand for A.Y. 2002-03, Company had filed appeal against the said disputed demand and penalty which has been now adjudged in favour of the company (see note below).	-	1209.42
c)	Demand on account of sales tax assessment raised against the company for the various years but the same is not acknowledged as debt hence, not provided for. Appeals are filed against the same and appellate authority has set aside the impugned orders and remanded back the matters for which matter is under progress (see note below).	23.43	2270.46

Income Tax

At the beginning of the year under review, the contingent liabilities for income tax demand of Rs.306.45 lacs (A.Y. 2002-03) and the penalty u/s 271(1)(c) of the Income Tax Act for A.Y. 2002-03, amounting to Rs.902.97 Lacs were shown and appeals for both the demands were pending before the Income Tax Tribunal. During the year, the appeal for income tax demand of Rs.306.45 lacs (A.Y. 2002-03) and appeal for penalty u/s 271(1)(c) of the Income Tax Act for (A.Y. 2002-03) for Rs.902.97 Lacs was disposed off and decided in favor of the company by the Hon'ble Income Tax Appellate Tribunal. Hence, both the disputed demands have been reduced from the contingent liabilities for income tax. Further the Hon'ble BIFR, in its sanctioned scheme has also directed to the Directorate General of Income Tax to grant various relief & concessions to the company, which inter alia contain the aforesaid demands for disputed tax and penalty.

The above said Income tax Tribunal order was also applicable for A.Y. 2003-04 which nullified the demand of Rs.28.64 Lacs for which Company had made provision in 2007-08 and now same demand has been reversed against disputed demand of Income Tax of Rs.28.64 Lacs for the year A.Y. 2003-04

Sales Tax

The Contingent Liabilities for the year under review towards Sales Tax are Rs.23.43 Lacs, (Previous year Rs.2270.46 Lacs). The disputed Sales Tax demand of Rs. 2246.57 Lacs (on account of demand of tax Rs. 912.85 lacs, penalty of Rs.676.47 lacs and interest of Rs.657.25 lacs) was raised by the Sales Tax Department of Gujarat. The Sales Tax Department of Gujarat had carried out assessments for the F.Y.93-94 to F.Y.95-96, F.Y.97-98 and F.Y.99-2000 (5 years) and raised a total demand of Rs. 2246.57 Lacs in respect of Central Sales Tax mainly for want of "C" forms and "F" forms. All the books of accounts and other relevant records including declarations, "C" Forms, "F" Forms etc. were completely destroyed due to heavy rain fall in the Ahmedabad city & Gujarat on 13th July, 2000. The view of Assistant Commissioner of Sales tax is not tenable as the Honorable Commissioner of Sales tax has granted administrative relief in the past in cases of such natural or manmade or accidental calamities like fire or flood etc. The Finance Secretary of the State of Gujarat has also issued a letter dated 18.10.2005 to the Commissioner of Sales Tax on considering other available information like F.I.R., Panchnama, Fire Brigade Certificate, Survey Report of District Collector, Affidavit etc. in case of above flood as proof of damage, to complete such assessment u/s 41(2) of the Act by accepting return filed by the assesses. Assessment orders for the aforesaid five years raising total demand of Rs.2246.57 Lacs were passed prior to issue of letter dated 18.10.2005 of Finance Secretary, State of Gujarat. The Hon'ble VAT Tribunal has set aside the impugned orders and remanded back the matter to the Department to consider the matter on the merit in line with the relief available under the letter dated 18.10.2005 from the Finance Department, Gujarat Government addressed to the Commissioner of Sales Tax. The matter is under progress.

SYMPHONY COMFORT SYSTEMS LTD.**Schedules attached to and forming part of Balance Sheet as at 30th June, 2009 and Profit and Loss Account for the year ended on 30th June, 2009**

Further the Hon'ble BIFR, in its sanctioned scheme has also directed the Government of Gujarat to grant relief to the company to complete the pending assessments by accepting the returns filed by the company and without raising further demand. In view of the direction in the letter dated 18.10.2005 of the Finance Department, Gujarat, Order of Gujarat VAT Tribunal and Order of Hon'ble BIFR and as legally advised, neither provision nor contingent liability is required to be made / shown for disputed demand aggregating to Rs.2246.57 Lacs. Further during the year, the Gujarat Sales Tax Department has raised demand for the year 2005-06 for Rs. 8.60 lacs against which appeal preferred by the company is pending. As legally advised, no provision is required to be made for disputed demand aggregating to Rs.8.60 Lacs.

During the year under review, Demand of Rs.23.89 Lacs for Cuttuck Branch, (Orissa) have been quashed and a fresh assessment demand was reduced by Rs.22.80 Lacs and against balance amount of Rs.1.09 Lacs company has preferred an Appeal. During the year, there is a fresh demand of Rs.13.74 Lacs for various matters for which no provision has been made.

(3) Bad Debts Recovered

As was explained in the Annual Reports of 2000-01 and 2001-02, the Company had been dealing with various Regional Distributors since 1989. Over the years the said distributors had accumulated losses and hence their outstanding payable to the company kept on mounting. Finally in 2001-02, after taking expert's opinion, the company decided to write-off the amount totaling to Rs.2579.90 Lacs which the distributors were unable to pay.

However, since the said distributors had an established distribution network without which the company would have been unable to carry on its business, the company had to continue business with them, although on renewed terms of strictly no credit. Over the last five years, in the process, the company has gradually established its own distribution network and these distributors have also started making profits. Now, the company has appointed its own employees throughout the country and set up its own marketing and service network and has stopped dealing through the regional distributors. In response to continued efforts by the company to recover past dues, the distributors have approached the company to settle their outstanding dues (which the company had written-off) in an amicable manner. The matter was referred to an arbitrator and the appointed arbitrator was an Ex. Justice of Gujarat High Court and Ex. Chairman of MRTTP Commission. The arbitration award was passed on 27th April, 2009. As per the award the Company was to recover sizeable amount of the disputed dues from Regional Distributors and accordingly has recovered Rs.1976.70 Lacs and the same has been shown as the Income for the year under review and Income Tax liability has been provided for.

(4) Segment Reporting**(A) Primary Segment. Business**

The company is operating in only one segment i.e. Home Appliances. Therefore reporting on primary segment is not considered.

(B) Secondary Segment. Geographical segment

		(Rs. In Lacs)	
		2008-09	2007-08
(1)	Segment Revenue		
	Domestic	9833.45	6395.95
	Export	2588.57	928.17
	Total	12422.02	7324.12
(2)	Segment Expenditure		
	Domestic	7640.44	5358.17
	Export	1925.69	757.83
	Total	9566.13	6116.00
(3)	Segment Profit		
	Domestic	2193.01	1037.78
	Export	662.88	170.34
	Total	2855.89	1208.12

SYMPHONY COMFORT SYSTEMS LTD.**Schedules attached to and forming part of Balance Sheet as at 30th June, 2009 and Profit and Loss Account for the year ended on 30th June, 2009****Segment Capital Employed**

Assets used in the company's business and liabilities contracted have not been identified to any of the reportable segments, as they are used interchangeably between segments, the company believes that it is currently not practicable to provide segment disclosures relating to Capital employed.

(5) Subsidiaries

Following are the subsidiaries of the Company

- (i) Symphony Aircoolers Inc, USA
- (ii) Sylvan Holdings Pte Ltd., Singapore

(6) Related Party Disclosures

Sr no	Name of the Related Parties	Nature of relationship with company	Nature of transaction	2008-09		2007-08	
				Volume of transactions (Rs. in Lacs)	Bal. at the end of the year (Rs. in Lacs)	Volume of transactions (Rs. in Lacs)	Bal. at the end of the year (Rs. in Lacs)
1	Shri Achal Bakeri	Chairman & Managing Director	Remuneration and Perquisites	137.08	71.75	14.17	-
2	Shri Nrupesh Shah	Director	Remuneration and Perquisites	20.94	9.00	11.40	-
3	Symphony Aircoolers Inc, USA	Wholly owned Subsidiary	Investment in Capital	-	0.46	-	0.46
4	Symphony Aircoolers Inc, USA	Wholly owned Subsidiary	Sales	31.23	30.34	9.88	10.35
5	Symphony Aircoolers Inc, USA	Wholly owned Subsidiary	Advances/Loan	1.65	(0.31)	-	1.34
6	Sylvan Holdings Pte Ltd., Singapore	Wholly owned Subsidiary	Investment in Capital US \$ 1	0.00	0.00	-	-
7	Sylvan Holdings Pte Ltd., Singapore	Wholly owned Subsidiary	Advances/Loan	2272.30	2272.30	-	-
8	Harmony Holding Pvt. Ltd.	Enterprise in which Director have significant influence	Trademark Usage Charges	-	-	9.00	-
9	Oras Investments Pvt. Ltd.	Enterprise in which Director have significant influence	Minimum Guarantee Commission	-	-	9.69	-
10	Oras Investments Pvt. Ltd.	Enterprise in which Director have significant influence	Creditors for Expenses	2.42	-	7.27	2.42
11	Partham Investments Pvt. Ltd.	Enterprise in which Director have significant influence	Minimum Guarantee Commission	-	-	1.61	-
12	Partham Investments Pvt. Ltd.	Enterprise in which Director have significant influence	Creditors for Expenses	0.40	-	1.21	0.40

SYMPHONY COMFORT SYSTEMS LTD.

Schedules attached to and forming part of Balance Sheet as at 30th June, 2009 and Profit and Loss Account for the year ended on 30th June, 2009

		(Rs. In Lacs)
	2008-09	2007-08
(7) Auditors Remuneration		
a) As Auditor	2.00	0.45
b) In other capacity, in respect of		
i) Tax Audit	0.25	0.10
ii) Certification	0.25	0.05
iii) Taxation Matters	0.50	0.05
	3.00	0.65
(8) Directors' Remuneration		
Salary	148.34	20.08
Perquisites & Others	9.68	5.50
	158.02	25.57

(9) Managerial Remuneration

Computation of Net Profit in accordance with section 198 and 309(5) of the Companies Act, 1956 :

		(Rs. In Lacs)
Particulars	2008-09	2007-08
Profit after exceptional item as per Profit & Loss Account	5,922.98	1,402.50
Add : Managerial Remuneration	158.02	25.57
Loss on sale of assets	-	0.19
Depreciation as per books	114.84	92.55
Total	6,195.84	1,520.81
Less: Depreciation as per Sec. 350 of Companies' Act, 1956	114.84	92.55
Bad Debts recovered for earlier year	1,976.70	-
Total	2,091.54	92.55
Net Profit as per Sections 198 and 309(5)	4,104.30	1,428.26

(10) Earning per Share	2008-09	2007-08
Net Profit available for Equity Shareholders	4,324.61	1,208.13
No. of Equity Shares	6,995,700	6,995,700
Basic and Diluted EPS (Rs.)	61.82	17.27
Income of exceptional item	1,976.70	-
Tax on Income of exceptional item	508.94	-
Net Profit excluding exceptional income (After Adjustment of tax)	2,856.86	1,208.13
Basic and Diluted EPS excluding exceptional income (Rs.)	40.84	17.27

(11) The company has operating lease from various premises which are renewable on a periodic basis and cancellable at its option. Rental expenses for operating lease are charged to Profit and Loss Account for the year Rs. 27.05 Lacs (Previous year Rs. 19.52 Lacs).

Not later than one year Rs. 27.05 Lacs (Previous year Rs. 19.52 Lacs).

Not later than five year Rs. Nil (Previous year Rs. Nil).

The company does not have any financial lease.

SYMPHONY COMFORT SYSTEMS LTD.

Schedules attached to and forming part of Balance Sheet as at 30th June, 2009 and Profit and Loss Account for the year ended on 30th June, 2009

		(Rs. In Lacs)	
(12) Employee Benefits			
The Present value of gratuity and leave encashment 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 Expenses recognized during the year			
Particulars	2008-09	2007-08	
Current service cost	10.77	7.32	
Interest on obligation	2.38	1.74	
Expected return on plan assets	-	-	
Net actuarial losses (gains) recognised in year	9.03	1.64	
Past service cost	-	-	
Losses (gains) on curtailments and settlement	-	-	
Total	22.19	10.70	
Actual return on plan assets	-	-	
II Reconciliation of opening and closing balances of defined benefit obligation			
Opening defined benefit obligation	30.18	19.89	
Service cost	10.77	7.32	
Interest cost	2.38	1.74	
Actuarial losses (gains)	9.03	1.64	
Losses (gains) on curtailments	-	-	
Liabilities extinguished on settlement	-	-	
Liabilities assumed in an amalgamation in the nature of purchase	-	-	
Exchange differences on foreign plans Benefits paid	(2.10)	(0.41)	
Closing defined benefit obligation	50.28	30.18	
III Reconciliation of Opening and Closing balances of fair value of plan assets			
Opening fair value of plan assets	-	-	
Expected return	-	-	
Actuarial gains and (losses)	-	-	
Assets distributed on settlements	-	-	
Contributions by employer	-	-	
Assets acquired in an amalgamation in the nature of purchase	-	-	
Exchange differences on foreign plans Benefits paid	-	-	
closing balance of fair value of plan assets	-	-	
IV Reconciliation of the present value of defined benefit obligation and fair value of planned assets			
Present value of funded obligations	-	-	
Fair value of plan assets	-	-	
Present value of unfunded obligations	50.28	30.18	
Unrecognised past service cost	-	-	
Net liability	50.28	30.18	
Amounts in the balance sheet:			
Liabilities	50.28	30.18	
Assets	-	-	
Net liability	50.28	30.18	
V Investment Details			
Government of India Securities	0.00%	0.00%	
High quality corporate bonds	0.00%	0.00%	

SYMPHONY COMFORT SYSTEMS LTD.

Schedules attached to and forming part of Balance Sheet as at 30th June, 2009 and Profit and Loss Account for the year ended on 30th June, 2009

	(Rs. In Lacs)	
Equity shares of listed companies	0.00%	0.00%
Property	0.00%	0.00%
Insurance Company	0.00%	0.00%
VI Actuarial Assumptions		
Discount rate	7.90%	8.75%
Expected return on plan assets	0.00%	0.00%
Proportion of employees opting for early retirement	3.00%	3.00%
Annual increase in Salary costs	6.00%	6.00%
Future changes in maximum state health care benefits	-	-
The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
VII Gratuity Benefit		
Defined benefit obligation	50.28	30.18
Plan assets	-	-
Surplus/(deficit)	(50.28)	(30.18)
Experience adjustments on plan Liabilities	-	-
Experience adjustments on plan assets	-	-
Movement in net liability recognised in Balance Sheet	2008-09	2007-08
Net opening liability	30.18	19.89
P&L Charge	22.19	10.70
Contribution paid / Benefits paid	(2.10)	(0.41)
closing net liability	50.28	30.18
(13) Leave encashment		
As per the policy followed by the company there is no vesting benefit of leave encashment at the end of the year. Therefore there is no liability of leave encashment existing at the end of the year. Accordingly no provision is made for leave encashment.		
(14)	The Company has not provided excise duty of Rs 0.23 lacs (Previous year Rs 3.55 lacs) on Finished goods lying in the Bonded Store room at the Factory. However, this transaction has no impact on the result for the year.	
(15)	The amount overdue to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006 could not be ascertained in view of insufficient information from suppliers regarding their status.	
(16)	In the opinion of the board, Current Assets, Loans and Advances are approximately, stated at the value, if realised in ordinary course of business. Provisions for all known liabilities are provided for in full and the same are adequate and not in excess of the amount considered as reasonably necessary.	
(17) Prior period adjustment includes		
Particulars	2008-09	2007-08
Reversal / Provision For Income Tax (A.Y. 2003-04)	(28.64)	28.64
Reversal / Provision For Sales Tax (Other States) Exp.	(154.80)	249.21
Reversal of Sales tax Deferment	(0.71)	-
Provision for gratuity for earlier years	4.98	-
	(179.18)	277.85

SYMPHONY COMFORT SYSTEMS LTD.

Schedules attached to and forming part of Balance Sheet as at 30th June, 2009 and Profit and Loss Account for the year ended on 30th June, 2009

(Rs. In Lacs)

(18) The breakup of Net Deferred Tax Liability arising on account of tax effects of timing differences is as under.

Particulars	Closing	Opening
(A) Deferred Tax Liability arising on account of timing difference for depreciation		
Net Block of Asset as per Books and as per I T Act	298.25	205.20
Total (A)	298.25	205.20
(B) Deferred Tax Asset arising on account of timing difference on account of section 43B of I T Act	20.90	10.38
Total (B)	20.90	10.38
Net (A - B)	277.36	194.81
(C) Deferred Tax Liability @ 33.99 %	94.27	66.22

(19) Expenditure on Research & Development activities as certified by the Management are as under

Particulars	2008-09	2007-08
Capital Expenditure	-	-
Revenue Expenditure	38.05	27.84
Total	38.05	27.84

(20) Previous year figures have been rearranged/ regrouped wherever necessary to make them comparable with the figures of the current year.

(21) Installed Capacity & Production
(As certified by the Management)
Air Cooler, Geysers & Others

	2008-09	2007-08
Installed Capacity	N.A.	N.A.
Actual Production / Purchase	255339	158,215

(22) Turnover

	Year ended 30/06/2009		Year ended 30/06/2008	
CLASS OF GOODS	Quantity (Nos.)	Amount (Rs. in Lacs)	Quantity (Nos.)	Amount (Rs. in Lacs)
Air Cooler,Geysers & Others	262,067	12,422.02	154,892	7,324.12
		12,422.02		7,324.12

(23)

(i) Consumption of Raw Materials
Air Cooler ,Geyser etc. Kits, Components & Others

	5,184.51	3,267.62
	5,184.51	3,267.62

(ii) Value of Imported & Indigenous Raw Materials

	Value in Rs.	% of total Consumption	Value in Rs.	% of total Consumption
Imported	292.42	5.64	62.60	1.92
Indigenous	4,892.09	94.36	3,196.02	98.08
	5,184.51	100.00	3,258.62	100.00

SYMPHONY COMFORT SYSTEMS LTD.

Schedules attached to and forming part of Balance Sheet as at 30th June, 2009 and Profit and Loss Account for the year ended on 30th June, 2009

				(Rs. In Lacs)
(iii) C.I.F. Value of Imports				
Raw Materials & Trading Goods		224.57		41.81
Capital Items		118.12		75.61
		342.69		117.45
(24)				
(a) Opening Stock of Finished Goods				
	Quantity	Amount	Quantity	Amount
	(Nos)	(Rs)	(Nos)	(Rs)
Air Cooler, Geysers & Others	17,758	345.65	14,435	348.57
		345.65		348.57
(b) Closing Stock of Finished Goods				
	Quantity	Amount	Quantity	Amount
	(Nos)	(Rs)	(Nos)	(Rs)
Air Cooler, Geysers & Others	11,030	241.53	17,758	345.65
		241.53		345.65
(25) Expenditure in Foreign Currency (INR)				
Advertisement & Sales Promotion, Freight Paid, Travelling & Others		72.09		53.16
(26) Earning in Foreign Currency (INR)				
F.O.B. of Exports, Freight Recovery & Other Income		2,588.57		952.59
Signature to Schedule "A" to "R"				

AS PER OUR REPORT OF EVEN DATE
FOR SHAH & DALAL
CHARTERED ACCOUNTANTS

(MALAY J. DALAL)
PARTNER

PLACE : AHMEDABAD
DATE : 30/09/2009

(ACHAL BAKERI)
CHAIRMAN & M.D.

(NRUPESH SHAH)
DIRECTOR

(CHANDRAKANT GANDHI)
COMPANY SECRETARY

SYMPHONY COMFORT SYSTEMS LTD.**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I REGISTRATION DETAILS**

Registration No. L32201GJ1988PLC010331
 State Code 04
 Balance Sheet 30 06 2009
 Dt Mnth Yr

II CAPITAL RAISED DURING THE YEAR

Public Issue Nil Right Issue Nil
 Bonus Issue Nil Private Placement Nil

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT RS. IN THOUSANDS)

Total Liabilities	525,541.49	Total Assets	525,541.49
Sources Of Funds			
Paid-Up Capital	69,957.00	Reserves & Surplus	443,120.25
Secured Loans	219.22	Unsecured Loans	2,817.59
Deferred Tax Liability	9,427.43		
Application Of Funds			
Net Fixed Assets	65,753.95	Investments	313,778.29
Net Current Assets	146,009.25	Misc. Expenditure	Nil
Accumulated Losses	Nil		

IV PERFORMANCE OF COMPANY (AMOUNT RS. IN THOUSANDS)

Turnover	1,267,786.76	Total Expenditure	873,158.35
Profit Before Tax	394,628.41	Profit before Taxes and after exceptional item	592,298.48
Earning per Share before extra ordinary item	40.84	Profit after extra ordinary item	432,461.37
Earning per Share after extra ordinary item	61.82	Dividend	6,995.70

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF COMPANY (AS PER MONETARY TERMS)

1) Item Code (ITC Code)	8479.10
Product Description	Air Cooler
2) Item Code (ITC Code)	8416.00
Product Description	Storage Water Heater

AS PER OUR REPORT OF EVEN DATE
FOR SHAH & DALAL
CHARTERED ACCOUNTANTS

(MALAY J. DALAL)
PARTNER

PLACE : AHMEDABAD
 DATE : 30/09/2009

(ACHAL BAKERI)
CHAIRMAN & M.D.

(NRUPESH SHAH)
DIRECTOR

(CHANDRAKANT GANDHI)
COMPANY SECRETARY

SYMPHONY COMFORT SYSTEMS LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2009

	Year Ended 2008-2009	(Rs. In Lacs) Year Ended 2007-2008
A CASH FLOW FROM OPERATING ACTIVITIES	3946.28	1402.50
ADJUSTMENTS FOR		
Depreciation	114.84	92.55
Financial Charges	15.78	22.31
Foreign Exchange Fluctuation	73.12	(14.64)
Interest Received	(182.79)	(44.85)
Dividend Received	(30.91)	(12.04)
Provision for exceptional items	1976.70	-
Profit On Sale of Fixed Assets	-	0.19
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	5913.02	1446.01
ADJUSTMENTS FOR		
Trade and Other Receivables	(972.26)	27.49
Inventories	122.48	(18.60)
Other Current Assets, Loans & Advances	187.90	(155.74)
Trade Payables	(1,070.02)	947.79
Provision for Employee Benefit	25.07	5.10
Other Provisions	1,261.53	330.86
CASH GENERATED FROM OPERATIONS	5467.72	2582.91
Taxes paid [Income Tax + FBT]	(1,532.08)	(166.38)
NET CASH FLOW FROM OPERATING ACTIVITIES	3935.64	2416.53
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(147.50)	(113.25)
Interest Received	182.79	44.85
Dividend Received	30.91	12.04
Purchase of Investment In Mutual Fund	(6,768.52)	(1,798.34)
Sales of Investment in Mutual Fund	3,954.40	1,475.16
Advances and Loans to Subsidiaries	(2,270.96)	(1.34)
Credit Balance in Current A/c with Subsidiary	0.31	-
Sale/Deduction of Fixed Assets	-	0.90
NET CASH USED IN INVESTING ACTIVITIES	(5,018.57)	(379.98)
C CASH FLOW FROM FINANCING ACTIVITIES		
Financial Charges Paid	(15.78)	(22.31)
Provision for Dividend & Dividend Distribution Tax	(81.85)	-
Repayment of Long Term & Other Borrowings	(324.56)	(447.89)
NET CASH FROM FINANCING ACTIVITIES	(422.19)	(470.20)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	1,505.12	1,566.35
CASH & CASH EQUIVALENTS OPENING BAL B/F	1,628.00	47.01
CASH & CASH EQUIVALENTS CLOSING BAL C/F	122.88	1,613.36
CASH ON HAND	12.13	11.07
BALANCES WITH SCHEDULE		
BANK IN CURRENT ACCOUNT	99.53	1,003.44
DEPOSITS WITH SCHEDULE BANKS	25.51	613.49
CASH & BANK BALANCE AS PER BALANCE SHEET	137.17	1,628.00
CREDIT BALANCE OF BANK ACCOUNTS	(87.41)	-
ADD- EFFECT OF UNREALISED FOREIGN EXCHANGE	73.12	(14.64)
CASH & CASH EQUIVALENT AT THE END OF THE YEAR	122.88	1,613.36

AS PER OUR REPORT OF EVEN DATE
FOR SHAH & DALAL
CHARTERED ACCOUNTANTS

(MALAY J. DALAL)
PARTNER

PLACE : AHMEDABAD
DATE : 30/09/2009

(ACHAL BAKERI)
CHAIRMAN & M.D.

(NRUPESH SHAH)
DIRECTOR

(CHANDRAKANT GANDHI)
COMPANY SECRETARY

SYMPHONY COMFORT SYSTEMS LTD.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of the Subsidiary Company	Extent of interest of the holding company in the subsidiary at the end of Financial Year of the subsidiary.			For the Financial year of the subsidiary		For the pervious financial years since it become a subsidiary	
	Subsidiary's Financial Year ended on	No. of shares held	% of total paid up capital	Profits/(Losses) so far it concerns the members of the holding company not dealt with in the Holding company's accounts	Profits/(Losses) so far it concerns the members of the holding company and dealt with in the Holding company's accounts	Profits/(Losses) so far it concerns the members of the holding company not dealt with in the Holding company's accounts	Profits/(Losses) so far it concerns the members of the holding company and dealt with in the Holding company's accounts
Symphony Air Coolers Inc. USA	30/06/2009	1000	100%	838468	Nil	838468	Nil
Sylvan Holdings Pte.Ltd. Singa-pore	30/06/2009	1	100%	2934700	Nil	2934700	Nil

SYMPHONY AIR COOLERS INC., USA

DIRECTORS' REPORT

To,
The Members,
SYMPHONY AIR COOLERS INC.

Your Directors hereby present their Fifth Annual Report together with the Accounts of the Company for the year from 01/07/2008 to 30/06/2009.

REVIEW OF PERFORMANCE

The company has not recorded its major business yet.

DIVIDEND

Since Company has not recorded major business operations, your Directors do not recommend dividend.

DIRECTOR

Director is due for retirement at the forthcoming Annual General Meeting of the Company and eligible for appointment.

AUDIT OF ACCOUNTS

As per the prevailing law, the accounts of our Company is not required to be Audited.

ACKNOWLEDGEMENT

Your Directors are thankful to Bankers, Government Authorities and customers for their wholehearted cooperation extended to the Company.

Place: Ahmedabad
Date : 30/09/2009

ACHAL BAKERI
Director

SYMPHONY AIR COOLERS INC., USA

AUDITORS' REPORT

We have audited the attached Balance sheet of SYMPHONY AIR COOLERS INC, USA as at 30th June 2009 and also the Profit & Loss Accounts and the Cash Flow Statement for the year ended on that date annexed thereto. These financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We state that

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- c) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with books of account;
 - (i) In the case of the Balance Sheet, of the state of affairs of the company as at 30th June 2009.
 - (ii) In the case of the Profit & Loss Account, of the Profit for the year ended on that date.
 - (iii) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Ahmedabad
Dated : 30/09/2009

For Shah & Dalal
Chartered Accountants

Malay J. Dalal
Partner
Membership No.36776

SYMPHONY AIR COOLERS INC., USA

BALANCE SHEET AS AT 30 TH JUNE 2009

PARTICULARS	SCHEDULE NO.	As at 30/06/2009	Rs. in Lacs As at 30/06/2008
I. SOURCES OF FUNDS			
(1) Shareholders' Funds			
(a) Capital	A	0.46	0.46
(b) Reserves & Surplus	B	15.78	7.56
(2) Loan Funds			
Unsecured Loans	C	-	1.29
Total		16.24	9.31
II. APPLICATION OF FUNDS			
(1) Current Assets, Loans & Advances	D		
(A) Inventories		26.26	8.32
(B) Sundry Debtors		18.25	9.91
(C) Cash & Bank		1.02	1.39
(D) Advances		2.27	0.16
		47.80	19.78
Less			
(2) Current Liabilities & Provisions	E	31.56	10.47
Net Current Assets		16.24	9.31
Total		16.24	9.31
Accounting Policies and Notes on Accounts	J		

AS PER OUR REPORT OF EVEN DATE
FOR SHAH & DALAL
CHARTERED ACCOUNTANTS

(ACHAL BAKERI)
PRESIDENT

(MALAY J. DALAL)
PARTNER

PLACE : AHMEDABAD
DATE : 30/09/2009

SYMPHONY AIR COOLERS INC., USA

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2009

PARTICULARS	SCHEDULE NO.	Year Ended 30/06/2009	Rs. in Lacs Year Ended 30/06/2008
I. INCOME			
Sales		26.27	14.34
Other Income		2.47	4.39
		28.74	18.73
II. EXPENDITURE			
Cost of goods Sold	F	12.58	10.56
Establishment Expenses	G	2.01	0.08
Selling & Distribution Expenses	H	5.69	4.79
Financial Charges	I	0.08	0.09
		20.36	15.52
PROFIT BEFORE TAX		8.38	3.21
Provision for Taxation		-	-
PROFIT AFTER TAX		8.38	3.21
Add : Balance as per last Balance Sheet		7.06	3.85
Balance Carried to Balance Sheet		15.44	7.06
Accounting Policies and Notes on Accounts	J		

AS PER OUR REPORT OF EVEN DATE
FOR SHAH & DALAL
CHARTERED ACCOUNTANTS

(ACHAL BAKERI)
PRESIDENT

(MALAY J. DALAL)
PARTNER

PLACE : AHMEDABAD
DATE : 30/09/2009

SYMPHONY AIR COOLERS INC., USA
Schedules attached to and forming part of Balance Sheet As at 30th June 2009

PARTICULARS	As at 30/06/2009	Rs. in Lacs As at 30/06/2008
SCHEDULE - A		
SHARE CAPITAL		
Authorised Capital		
10000 Common Capital Stock of \$ 1/- each	<u>4.58</u>	<u>4.58</u>
Issued, Subscribed & Paid up Common Capital Stock of \$1/- each fully paid up	<u>0.46</u>	<u>0.46</u>
Total	<u>0.46</u>	<u>0.46</u>
SCHEDULE - B		
RESERVES & SURPLUS		
Profit & Loss Account	15.44	7.06
Translation Reserve	<u>0.34</u>	<u>0.50</u>
Total	<u>15.78</u>	<u>7.56</u>
SCHEDULE - C		
UNSECURED LOANS		
Loan from Holding Company	-	1.29
Total	<u>-</u>	<u>1.29</u>
SCHEDULE - D		
CURRENT ASSETS		
(a) Inventories (As taken, Valued & Certified by the Management)		
Finished Goods	5.13	8.32
Stock in Transit of Finished Goods	21.13	-
(b) Sundry Debtors (Unsecured)		
Considered Good	18.25	9.91
(c) Cash & Bank		
Balance with Banks(Bank One,USA)	1.02	1.39
(d) Loan & Advances		
Prepaid Expenses	2.12	-
Advance to Impco, Mexico	0.03	-
Symphony Comfort Systems Ltd.	0.12	-
Precision Whse & Dist Ctr inc	-	0.16
Total	<u>47.80</u>	<u>19.78</u>
SCHEDULE - E		
CURRENT LIABILITIES & PROVISIONS		
CREDITOR FOR EXPENSES		
Ebay Inc	-	0.01
Business Resource Company	0.43	-
Provision for Taxation	-	0.02
Unpaid Expenses	-	-
Precision Whse & Dist Ctr inc	0.44	-
Juan Castaneda	0.10	0.09
CREDITOR FOR GOODS		
Symphony Comfort systems Ltd.	30.59	10.35
Total	<u>31.56</u>	<u>10.47</u>

SYMPHONY AIR COOLERS INC., USA

Schedules attached to and forming part of Balance Sheet As at 30th June 2009

PARTICULARS	Year Ended 30/06/2009	Rs. in Lacs Year Ended 30/06/2008
SCHEDULE - F		
COST OF GOODS SOLD		
Opening Stock of Finished Goods	8.32	8.83
Cooler purchase	30.52	10.05
	38.84	18.88
Less : Closing Stock of Finished Goods	5.13	8.32
Stock in Transit of Finished Goods	21.13	-
Total	12.58	10.56
SCHEDULE - G		
ADMINISTRATION EXPENSES		
Internet Charges	0.02	-
Insurance Premium	0.47	-
Legal & Professional Charges	0.45	0.08
Sundry Balance Written off / Back	1.07	-
Total	2.01	0.08
SCHEDULE - H		
SELLING AND DISTRIBUTION EXP.		
Freight & Forwarding Charges	4.67	3.32
Ebay Selling Fee	-	0.12
Warehousing Charges	1.02	1.35
Total	5.69	4.79
SCHEDULE - I		
FINANCIAL CHARGES		
Bank & Other Charges	0.08	0.09
Total	0.08	0.09

SYMPHONY AIR COOLERS INC., USA**Schedules attached to and forming part of Balance Sheet As at 30th June 2009****SCHEDULE - J****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****i) Basis of Accounting**

The Accounts have been prepared using historical cost convention and on the basis of going concern.

These financial statement has been prepared in conformity with the Generally Accepted Accounting Principles which required management to make estimate and assumption that affect the reported amount of assets and liabilities and the reported amounts of revenues and expenses during the reporting periods actual results could differ from those estimates.

Opening / Closing Balances of Assets and Liabilities are converted at opening / closing rates respectively. Transaction during the year are converted at the average rate.

ii) Inventories

Finished Goods : At lower of cost or Net Realisable Value

iii) Accounts are Translated in Indian Rupees as follows.

(a) Share Capital is retained at the initial contribution amount.

(b) Fixed and Current Assets & Current Liabilities are translated at year end rates.

(c) Revenue transaction are translated at the average rates.

The transaction of the previous year are converted at the exchange rate as on year end.

iv) Details of Stocks, Purchases & turnover

Particulars	30/06/2009		30/06/2008	
	Qty. (Nos.)	Rs. in Lacs	Qty. (Nos.)	Rs. in Lacs
Opening Stock	295	8.32	234	8.83
Purchases	1116	30.52	381	10.05
Sales	435	26.27	320	14.34
Closing Stock	976	26.26	295	8.32

v) The company has entered in to transaction with the following related party.**1) Symphony Comfort Systems Ltd. - Holding Company**

Details of Transaction with Holding Company

Purchase of Goods of Rs.30.38 Lacs (Previous Year Rs.9.93 Lacs)

Unsecured Loan of Rs.(0.12 Lacs) (Previous Year Rs.1.29 Lacs)

vi) Figures for the previous year have been regrouped / reclassified whenever necessary.

AS PER OUR REPORT OF EVEN DATE
FOR SHAH & DALAL
CHARTERED ACCOUNTANTS

(ACHAL BAKERI)
PRESIDENT

(MALAY J. DALAL)
PARTNER

PLACE : AHMEDABAD
DATE : 30/09/2009

SYMPHONY AIR COOLERS INC., USA

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2009

PARTICULARS	Year Ended 30/06/2009	Rs. in Lacs Year Ended 30/06/2008
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	8.38	3.21
Adjustment For		
Financial Charges	0.08	0.09
Exchange Difference on Translation	(0.16)	0.02
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	8.30	3.32
Adjustment For		
(Increase) / Decrease in Stock	(17.93)	0.50
(Increase) / Decrease in Debtors	(8.34)	(8.93)
(Increase) / Decrease in Advances	(2.12)	0.67
Increase / (Decrease) in Current Liabilities	21.08	4.28
CASH GENERATED FROM OPERATIONS	1.00	(0.15)
NET CASH FLOW FROM OPERATING ACTIVITIES	1.00	(0.15)
B CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Shares	-	-
NET CASH USED IN INVESTING ACTIVITIES	0.00	0.00
C CASH FLOW FROM FINANCING ACTIVITIES		
Financial Charges Paid	(0.08)	(0.09)
Loan Return to Parents	(1.29)	0.07
NET CASH FROM FINANCING ACTIVITIES	(1.37)	(0.02)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(0.37)	(0.17)
CASH & CASH EQUIVALENTS OPENING BAL B/F	1.39	1.56
CASH & CASH EQUIVALENTS CLOSING BAL C/F	1.02	1.39

AS PER OUR REPORT OF EVEN DATE
FOR SHAH & DALAL
CHARTERED ACCOUNTANTS

(ACHAL BAKERI)
PRESIDENT

(MALAY J. DALAL)
PARTNER

PLACE : AHMEDABAD
DATE : 30/09/2009

SYLVAN HOLDINGS PTE. LTD., SINGAPORE

DIRECTORS' REPORT

To,
The Members,
SYLVAN HOLDINGS PTE. LTD.

Your Directors hereby present their First Annual Report together with the Accounts of the Company for the year from 12/12/2008 to 30/06/2009.

REVIEW OF PERFORMANCE

The company has not commenced its major business.

DIVIDEND

Since Company has not commenced major business operations, your Directors do not recommend dividend.

DIRECTOR

Director due for retirement as per prevailing law, at the forthcoming Annual General Meeting of the Company shall be eligible for appointment.

AUDIT OF ACCOUNTS

As per the prevailing law, the accounts of our Company is required to be Audited and M/s. Shanker Iyer & Co., Certified Public Accountants, Singapore has been appointed as auditors of the Company.

ACKNOWLEDGEMENT

Your Directors are thankful to Bankers, Government Authorities and customers for their wholehearted cooperation extended to the Company.

For and on behalf of the Board of Directors

Place: Ahmedabad
Date : 30/09/2009

Madhu Mohan Suggala
Director

SYLVAN HOLDINGS PTE. LTD., SINGAPORE

AUDITORS' REPORT

We have audited the attached Balance sheet of SYLVAN HOLDINGS PTE. LTD., SINGAPORE as at 30th June 2009 and also the Profit & Loss Accounts and the Cash Flow Statement for the year ended on that date annexed thereto. These financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We state that

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- c) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with books of account;
 - (i) In the case of the Balance Sheet, of the state of affairs of the company as at 30th June 2009.
 - (ii) In the case of the Profit & Loss Account, of the Profit for the year ended on that date.
 - (iii) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Ahmedabad
Dated : 30/09/2009

For Shah & Dalal
Chartered Accountants

Malay J. Dalal
Partner
Membership No.36776

SYLVAN HOLDINGS PTE. LTD., SINGAPORE

BALANCE SHEET AS AT 30 TH JUNE 2009

PARTICULARS	SCHEDULE NO.	Rs. in Lacs As at 30/06/2009
I. SOURCES OF FUNDS		
(1) Shareholders' Funds		
(a) Capital	A	0.00
(b) Reserves & Surplus	B	29.81
(2) Loan Funds		
Unsecured Loans	C	2,272.30
Total		2,302.11
II. APPLICATION OF FUNDS		
(1) Current Assets, Loans & Advances	D	
(A) Cash & Bank		3.14
(B) Deposits (Assets)		1.68
(B) Loans & Advances		2,296.13
		2,300.95
Less		
(2) Current Liabilities & Provisions	E	1.66
Net Current Assets		2,299.29
(3) Misc Expenditure to the extent not written off or adjusted Preliminary Expenses		2.82
Total		2,302.11
Accounting Policies and Notes on Accounts	H	

AS PER OUR REPORT OF EVEN DATE
FOR SHAH & DALAL
CHARTERED ACCOUNTANTS

S. MADHU MOHAN
DIRECTOR

(MALAY J. DALAL)
PARTNER

PLACE : AHMEDABAD
DATE : 30/09/2009

SYLVAN HOLDINGS PTE. LTD., SINGAPORE

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2009

PARTICULARS	SCHEDULE NO.	Rs. in Lacs Year Ended 30/06/2009
I. INCOME		
Other Income		76.02
		76.02
II. EXPENDITURE		
Administration Expenses	F	1.63
Financial Charges	G	45.04
		46.67
PROFIT BEFORE TAX		29.35
Provision for Taxation		-
PROFIT AFTER TAX		29.35
Add : Balance as per last Balance Sheet		-
Balance Carried to Balance Sheet		29.35

Accounting Policies and
Notes on Accounts

H

AS PER OUR REPORT OF EVEN DATE
FOR SHAH & DALAL
CHARTERED ACCOUNTANTS

S. MADHU MOHAN
DIRECTOR

(MALAY J. DALAL)
PARTNER

PLACE : AHMEDABAD
DATE : 30/09/2009

SYLVAN HOLDINGS PTE. LTD., SINGAPORE

Schedules attached to and forming part of Balance Sheet As at 30th June 2009

PARTICULARS	Rs. in Lacs As at 30/06/2009
SCHEDULE - A SHARE CAPITAL	
Authorised Capital	
10000 Common Capital Stock of \$ 1/- each	4.90
Issued, Subscribed & Paid up Common Capital Stock of \$1/- each fully paid up of Rs. 49	0.00
Total	0.00
SCHEDULE - B RESERVES & SURPLUS	
Profit & Loss Account	29.35
Translation Reserve	0.46
Total	29.81
SCHEDULE - C UNSECURED LOANS	
Loan from Holding Company	2,272.30
Total	2,272.30
SCHEDULE - D CURRENT ASSETS	
(a) Cash & Bank	
HSBC Bank A/c No. 260-650163-178	3.14
	3.14
(b) Deposits (Asset)	
Iyer Corporate Services Ptd Ltd. (Deposit-Nominee Director Service)	1.68
	1.68
(c) Loan & Advances	
Impco S De R.L. De C.V., Mexico	1,795.00
Advance to Impco, Mexico	312.29
Zenard Finance Limited, Mauritius	188.84
Total	2,296.13
	2,300.95
SCHEDULE - E CURRENT LIABILITIES & PROVISIONS	
CREDITOR FOR EXPENSES	
Seah Ong & Partners, Singapore	1.66
Total	1.66
SCHEDULE - F ADMINISTRATION EXPENSES	
Legal & Professional Charges	1.63
Total	1.63
SCHEDULE - G FINANCIAL CHARGES	
Interest Expenses	42.63
Bank & Other Charges	2.41
Total	45.04

SYLVAN HOLDINGS PTE. LTD., SINGAPORE

Schedules attached to and forming part of Balance Sheet as at 30th June 2009 and Profit and Loss Account for the period ended 30th June 2009

SCHEDULE - H

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

i) Basis of Accounting

The Accounts have been prepared using historical cost convention and on the basis of going concern.

These financial statement has been prepared in conformity with the Generally Accepted Accounting Principles which required management to make estimate and assumption that affect the reported amount of assets and liabilities and the reported amounts of revenues and expenses during the reporting periods actual results could differ from those estimates.

Opening / Closing Balances of Assets and Liabilities are converted at opening / closing rates respectively. Transaction during the year are converted at the average rate.

ii) Accounts are Translated in Indian Rupees as follows.

(a) Share Capital is retained at the initial contribution amount.

(b) Fixed and Current Assets & Current Liabilities are translated at year end rates.

(c) Revenue transaction are translated at the average rates.

iii) The company has entered in to transaction with the following related party.

Symphony Comfort Systems Ltd. - Holding Company

Details of Transaction with Holding Company

Unsecured Loan of Rs. 2272.30 Lacs

AS PER OUR REPORT OF EVEN DATE
FOR SHAH & DALAL
CHARTERED ACCOUNTANTS

S. MADHU MOHAN
DIRECTOR

(MALAY J. DALAL)
PARTNER

PLACE : AHMEDABAD
DATE : 30/09/2009

SYLVAN HOLDINGS PTE. LTD., SINGAPORE

CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH JUNE 2009

		Rs. In Lacs
PARTICULARS		Year Ended 30/06/2009
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	29.35	
Adjustment For		
Exchange Difference on Translation	0.46	
Preliminary Expenses	(2.82)	
Financial Charges	45.04	
Interest Received	(76.02)	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(3.99)	
(Increase) / Decrease in Advance	(2,297.82)	
Increase / (Decrease) in Current Liabilities	1.66	
CASH GENERATED FROM OPERATIONS	(2,300.15)	
NET CASH FLOW FROM OPERATING ACTIVITIES		(2300.15)
B CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Shares	-	
Interest Received	76.02	
NET CASH USED IN INVESTING ACTIVITIES		76.02
C CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Shares	0.00	
Loan taken from Parents	2,272.30	
Financial Charges Paid	(45.04)	
NET CASH FROM FINANCING ACTIVITIES		2,227.27
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		3.14
CASH & CASH EQUIVALENTS OPENING BAL B/F		-
CASH & CASH EQUIVALENTS CLOSING BAL C/F		3.14

**FOR SHAH & DALAL
CHARTERED ACCOUNTANTS**

**S. MADHU MOHAN
DIRECTOR**

**(MALAY J. DALAL)
PARTNER**

PLACE : AHMEDABAD
DATE : 30/09/2009

SYMPHONY COMFORT SYSTEMS LTD.

AUDITORS' REPORT TO THE BOARD OF DIRECTORS ON CONSOLIDATED FINANCIAL STATEMENTS OF SYMPHONY COMFORT SYSTEMS LIMITED AND ITS SUBSIDIARY

1. We have audited the attached consolidated Balance Sheet of SYMPHONY COMFORT SYSTEMS LIMITED and its subsidiary as at 30th June 2009 and also the related Profit & Loss Account and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit and the information provided by the management in respect of subsidiary provide reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India, on the basis of the individual financial statements of Symphony Comfort Systems Limited and its Subsidiary Company included in the aforesaid consolidation.
4. In our opinion, and to the best of our information and according to the explanation given to us, the consolidated financial statements referred to above give a true and fair view in conformity with generally accepted accounting principles in India.
 - a) in the case of the Consolidated Balance Sheet of the consolidated results of operations of Symphony Comfort Systems Limited and its subsidiary for the year ended on that date; and
 - b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of Symphony Comfort Systems Limited and its subsidiary for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Symphony Comfort Systems Limited and its subsidiary for the year ended on that date.

For SHAH & DALAL
Chartered Accountants

Place : Ahmedabad.
Date : 30/09/2009

Malay J. Dalal
Partner
Membership No.36776

SYMPHONY COMFORT SYSTEMS LTD.

CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE, 2009

PARTICULARS		SCHEDULE NO.	As at 30-06-2009		(Rs. in Lacs) As at 30-06-2008
I. SOURCES OF FUNDS					
(1) Shareholders' Funds					
(a) Capital	A	699.57		699.57	
(b) Reserves & Surplus	B	4,477.23	5,176.80	157.72	857.29
(2) Loan Funds					
(a) Secured Loans	C	2.19		7.26	
(b) Unsecured Loans	D	28.18	30.37	347.67	354.93
(3) Deferred Tax Liability (Net)			94.27		66.22
Total			5,301.44		1,278.44
II. APPLICATION OF FUNDS					
(1) Fixed Assets	E				
(a) Gross Block		1,285.55		1,137.97	
(b) Less : Depreciation		628.01		513.17	
(c) Net Block			657.54		624.80
(2) Investments	F		3,137.32		323.21
(3) Current Assets, Loans & Advances					
(A) Current Assets	G				
(i) Inventories		308.27		412.82	
(ii) Sundry Debtors		1,172.61		212.00	
(iii) Cash & Bank Balance		141.32		1,629.39	
(B) Loans & Advances	H	2,710.25		598.34	
		4,332.45		2,852.55	
Less					
(4) Current Liabilities & Provisions	I				
(a) Current Liabilities		1,196.77		2,176.78	
(b) Provisions		1,631.92		345.34	
		2,828.69		2,522.12	
Net Current Assets			1,503.76		330.43
(5) Misc Expenditure to the extent not written off or adjusted			2.82		-
Total			5,301.44		1,278.44
Accounting Policies and Notes on Accounts	R				

AS PER OUR REPORT OF EVEN DATE
FOR SHAH & DALAL
CHARTERED ACCOUNTANTS

(MALAY J. DALAL)
PARTNER

PLACE : AHMEDABAD
DATE : 30/09/2009

(ACHAL BAKERI)
CHAIRMAN & M.D.

(NRUPESH SHAH)
DIRECTOR

(CHANDRAKANT GANDHI)
COMPANY SECRETARY

SYMPHONY COMFORT SYSTEMS LTD.

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2009

PARTICULARS	SCHEDULE NO.	Year ended 30/06/2009	(Rs. in Lacs) Year ended 30/06/2008
I. INCOME			
Sales	J	12,417.06	7,328.58
Other Income	K	291.07	91.76
Increase / (Decrease) in stock	L	(86.20)	(3.43)
		12,621.93	7,416.91
II. EXPENDITURE			
Manufacturing Expenses	M	5,202.89	3,315.20
Administration Expenses	N	519.32	286.88
Selling & Distribution Expenses	O	2,285.05	1,644.23
Payments to Employees	P	567.06	358.85
Research & Development Expenses		38.05	27.84
Financial Charges	Q	91.38	7.75
Depreciation		114.83	92.55
Prior Period Items (See note no. 16)		(179.18)	277.85
		8,639.40	6,011.15
Profit before taxes and exceptional items		3,982.53	1,405.76
Add: Exceptional items			
Exceptional item (See note no. 3)		1,976.70	-
Profit before taxes and after exceptional items		5,959.23	1,405.76
Less: Provision for Taxation			
Current Tax		1,525.00	160.00
Deferred Tax		28.06	27.99
Deferred Tax Liability of earlier years		38.23	-
Fringe Benefit Tax		7.08	6.38
Profit After Tax		4,360.86	1,211.39
ADD : Balance as per last Balance Sheet		(1,404.57)	(2,615.96)
Profit Available for Appropriations		2,956.29	(1,404.57)
Appropriations			
Transfer to General Reserve		500.00	-
Proposed Dividend		69.96	-
Tax on Proposed Dividend		11.89	-
Balance Carried to Balance Sheet		2,374.44	(1,404.57)
Earnings Per Share of the face value of Rs. 10 each (See Note No.9)			
Basic and Diluted		62.34	17.32
Basic and Diluted excluding exceptional items		41.31	17.32
Accounting Policies and Notes on Accounts	R		

AS PER OUR REPORT OF EVEN DATE
FOR SHAH & DALAL
CHARTERED ACCOUNTANTS

(MALAY J. DALAL)
PARTNER

PLACE : AHMEDABAD
DATE : 30/09/2009

(ACHAL BAKERI)
CHAIRMAN & M.D.

(NRUPESH SHAH)
DIRECTOR

(CHANDRAKANT GANDHI)
COMPANY SECRETARY

SYMPHONY COMFORT SYSTEMS LTD.

Schedules forming part of Consolidated Accounts

PARTICULARS	As at	(Rs. in Lacs)
	30/06/2009	As at 30/06/2008
SCHEDULE - A		
SHARE CAPITAL		
Authorised		
1,50,00,000 Equity Shares of Rs 10/- each	1,500.00	1,500.00
Issued, Subscribed & Paid up		
6,995,700 Equity Shares		
of Rs 10/- each fully paid up	699.57	699.57
Total	699.57	699.57
SCHEDULE - B		
RESERVES & SURPLUS		
(1) Profit & Loss Account	2,374.44	(1,404.57)
(2) General Reserve	500.00	-
(3) Share Premium	694.47	694.47
(4) Capital Reserves		
Opening Balance	866.20	844.43
Add : (1) Transfer from State Subsidy	-	60.00
(2) Adjustment of Deferred Tax Liability of earlier years	38.23	-
	904.43	904.43
Less : Deferred Tax Liability of earlier years	-	38.23
	904.43	866.20
(5) Translation Reserve	0.80	0.50
(6) Translation Reserve on Consolidation	3.09	1.12
Total	4,477.23	157.72
SCHEDULE - C		
SECURED LOANS		
Term Loan from HDFC Ltd.	2.19	7.26
(Secured by hypothecation of Car financed by HDFC Bank Ltd.)		
Total	2.19	7.26
SCHEDULE - D		
UNSECURED LOANS		
(1) Sales Tax Defferment Loan	28.18	47.67
(2) Deposit from Body Corporate	-	300.00
Total	28.18	347.67

Schedules forming part of Consolidated Accounts**SCHEDULE - E
FIXED ASSETS**

		GROSS BLOCK					DEPRECIATION			NET BLOCK		(Rs. in Lacs)
DESCRIPTION	AS AT 01/07/2008	ADDITION	DEDUC- TION	AS AT 30/06/2009	AS AT 01/07/2008	ADDI- TION	DEDU- CTION	AS AT 30/06/2009	AS AT 30/06/2009	AS AT 30/06/2008		
FREEHOLD LAND	23.37	-	-	23.37	-	-	-	-	23.37	23.37		23.37
BUILDINGS	332.87	-	-	332.87	146.71	10.84	-	157.55	175.32	186.16		186.16
PLANT & MACHINERY	565.78	124.88	-	690.66	247.82	80.38	-	328.20	362.45	317.96		317.96
FURNITURE & FIXTURES	31.99	0.71	-	32.70	25.57	1.95	-	27.52	5.18	6.42		6.42
OFFICE EQUIPMENTS	33.10	1.07	-	34.17	17.57	2.03	-	19.60	14.57	15.54		15.54
COMPUTERS	41.55	5.98	-	47.53	25.74	7.28	-	33.02	14.51	15.81		15.81
VEHICLES	107.20	5.49	-	112.69	49.41	10.49	-	59.90	52.79	57.79		57.79
INTANGIBLE ASSETS	2.11	9.45	-	11.56	0.35	1.87	-	2.22	9.34	1.76		1.76
TOTAL	1,137.97	147.58	-	1,285.55	513.17	114.84	-	628.01	657.54	624.80		624.80
PREVIOUS YEAR	1028.01	113.28	3.31	1,137.97	422.85	92.55	2.23	513.17	624.80	-		-

SYMPHONY COMFORT SYSTEMS LTD.

Schedules forming part of Consolidated Accounts

PARTICULARS	As at		(Rs. in Lacs)	
	30/06/2009		As at 30/06/2008	
SCHEDULE - F				
INVESTMENTS (At Cost)				
Long Term Investments	<u>No of Shares / Units</u>	<u>Face value per Share (Rs.)</u>	<u>Face value/ per Share (Rs.)</u>	
(A) Equity Shares (Unquoted)				
(1) Symphony Designer & Properties Ltd.	248	10 Rs.	0.02	10 Rs. 0.02
Total (A)			0.02	0.02
Current Investments				
(B) Mutual Funds (Quoted)				
(1) HDFC Liquid Fund	12,777,061	12.2598	1,566.44	16.4217 161.67
(2) Reliance Floating Rate Fund	15,599,894	10.0697	1,570.86	12.9151 161.52
Total (B)			3,137.30	323.19
Total (A + B)			3,137.32	323.21
Cost of quoted investments			3,137.30	323.19
Aggregate market value of quoted investments			3,137.30	323.19
Cost of unquoted investments			0.02	0.02
SCHEDULE - G				
CURRENT ASSETS				
(A) Inventories				
(As taken, Valued & Certified by the Management)				
(1) Raw Materials		40.49	58.85	
(2) Finished Goods		267.78	353.98	
Total (A)			308.27	412.83
(B) Sundry Debtors				
(1) Debtors outstanding for more than six months				
Considered good		47.59	188.65	
Considered Doubtful		0.68	0.68	
Less : Provision for Doubtful Debts		(0.68)	-	
(2) Other debts				
Considered good		1,125.02	22.68	
Total (B)			1,172.61	212.01
(C) Cash & Bank				
(i) A) Cash on hand				
B) Balance with employees Imprest A/c		1.00	1.00	
		11.13	10.07	
		12.13	11.07	
(ii) Balance with Scheduled Banks in				
A) Current Accounts		99.53	1,003.44	
B) Fixed Deposit Accounts		25.51	613.49	
(Including interest accrued thereon)				
		125.04	1,616.93	
(iii) Balance with Non-Scheduled Bank				
Bank One, NA		1.02	1.39	
HSBC Bank		3.14	-	
		4.16	1.39	
Total (C)			141.32	1,629.39
Total (A + B + C)			1,622.20	2,254.23

SYMPHONY COMFORT SYSTEMS LTD.

Schedules forming part of Consolidated Accounts

PARTICULARS	(Rs. in Lacs)	
	As at 30/06/2009	As at 30/06/2008
SCHEDULE - H		
LOANS AND ADVANCES		
(Unsecured Considered Good)		
(1) Advances and Loans to Subsidiaries	-	-
(2) Advance for Shares of IMPCO Mexico	312.33	-
(3) Advance Recoverable in cash or in kind or for value to be received	2,119.29	365.56
(4) Balance with Central Excise Authority	115.08	109.73
(5) Balance with Sales Tax and VAT Department	67.60	93.83
(6) Export Incentive Receivable	25.59	2.17
(7) Advance Income Tax and TDS	70.36	27.05
Total	2,710.25	598.34
SCHEDULE - I		
CURRENT LIABILITIES & PROVISIONS		
(A) Current Liabilities		
(1) Creditors for Goods	271.63	120.41
(2) Creditors for Expenses	489.86	761.49
(3) Creditors for Capital Goods		0.11
(4) Credit Balance in Current A/c with Subsidiary	-	-
(5) Advance from Customers	98.73	1,008.28
(6) Credit Balance in current account with Bank	87.41	-
(7) Other Current Liabilities	226.56	153.25
(8) Trade Deposits	22.47	420.56
Total - (A)	1,196.77	2,176.77
(B) Provisions for		
Income Tax	1,404.26	63.67
Fringe Benefit Tax	1.12	7.26
Gratuity	50.28	25.20
Proposed Dividend	69.96	-
Tax on Proposed Dividend	11.89	-
Provision for disputed Sales		
Tax for earlier years	94.41	249.21
Total - (B)	1,631.92	345.34
Total (A + B)	2,826.92	2,522.11

SYMPHONY COMFORT SYSTEMS LTD.

Schedules forming part of Consolidated Accounts

PARTICULARS	Year ended 30/06/2009	(Rs. in Lacs) Year ended 30/06/2008
SCHEDULE - J		
SALES		
Sales	12,417.08	7,345.05
Less : Excise	0.02	16.46
Net Sales	<u>12,417.06</u>	<u>7,328.59</u>
SCHEDULE - K		
OTHER INCOME		
(1) Interest Income	139.53	44.85
(2) Dividend Income	30.91	12.04
(3) Misc Income	120.62	20.22
(4) Foreign Exchange Fluctuation	-	14.64
Total	<u>291.07</u>	<u>91.75</u>
SCHEDULE - L		
INCREASE / (DECREASE) STOCK		
Opening Stock of Finished Goods	353.98	357.41
Less : Closing Stock of Finished Goods	267.78	353.98
Total	<u>(86.20)</u>	<u>(3.43)</u>
SCHEDULE - M		
MANUFACTURING EXPENSES		
Materials Consumed	5,184.63	3,267.74
Stores, Spareparts and Packing	1.30	1.07
Material consumed		
Power and Fuel	4.90	4.09
Assembly, Labour and Job Charges	1.16	4.71
	<u>5,192.00</u>	<u>3,277.61</u>
Repairs & Maintenance		
Building	5.07	32.55
Machinery	5.81	5.04
	<u>10.88</u>	<u>37.59</u>
	<u>5,202.89</u>	<u>3,315.20</u>

SYMPHONY COMFORT SYSTEMS LTD.

Schedules forming part of Consolidated Accounts

PARTICULARS	Year ended 30/06/2009	(Rs. in Lacs) Year ended 30/06/2008
SCHEDULE - N		
ADMINISTRATION EXPENSES		
Rent, Rates & Taxes	7.85	4.17
Travelling	144.38	104.06
Conveyance	37.96	33.45
Communication Expenses	32.96	26.71
Insurance	12.52	8.24
Printing and stationery charges	16.69	12.29
Legal & Professional Charges	42.57	37.12
Payment to Auditors	3.00	0.65
Directors Remuneration	158.02	25.57
Vehicle Expenses	11.30	10.68
General Expenses	39.17	16.89
Repairs Others	12.22	6.87
Provision for Doubtful Debts	0.68	-
Loss on Sale of Fixed Assets	-	0.19
Total	519.32	286.89
SCHEDULE - O		
SELLING AND DISTRIBUTION EXPENSES		
Advertisement and Sales Promotion	543.40	383.27
Freight & Forwarding Charges	406.39	275.78
Product Service and Inspection Charges	143.90	143.99
Sales Commission	56.63	76.23
Warehousing Charges	22.28	17.28
Conference and Other Expenses	17.77	33.58
VAT and Sales Tax	1,094.68	714.11
Total	2,285.05	1,644.24
SCHEDULE - P		
PAYMENTS TO EMPLOYEES		
Salaries, Wages and Bonus	523.67	331.04
Contribution to Provident Fund and Other Funds	31.87	15.93
Staff Welfare Expenses	11.52	11.87
Total	567.06	358.84
SCHEDULE - Q		
FINANCIAL CHARGES		
Foreign Exchange Fluctuation	73.12	-
Bank Charges	11.98	5.81
Bank Interest and other interest	6.02	1.42
Hire Purchase Charges	0.26	0.52
Total	91.38	7.75

SYMPHONY COMFORT SYSTEMS LTD.

Schedules attached to and forming part of Balance Sheet as at 30th June, 2009 and Profit & Loss Account for the year ended on 30th June 2009

SCHEDULE - R

NOTES FORMING PART OF THE ACCOUNTS

(1) Significant Accounting Policies

The financial statements are prepared to comply with all material aspects with the accounting principles generally accepted in India and in consonance with the Accounting Standards issued by The Institute of Chartered Accountants of India to the extent applicable and the relevant provisions of the Companies Act, 1956.

i) Basis of Accounting

The financial statements are prepared under the historical cost convention on an accrual basis.

i-a) Principles of Consolidation

A) The consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS21) on "Consolidated Financial Statements" issued by The Institute of Chartered Accountant of India on the basis of the separate audited financial statements of Symphony Comfort Systems Ltd and its subsidiaries

(i) Symphony Air Coolers INC, USA.

Symphony Comfort Systems Ltd is holding 100% in the subsidiary Sympony Air collers INC, USA which is incorporated in USA and its reporting date is 30/06/2009

(ii) Sylvan Holdings Pte Ltd., Singapore

Symphony Comfort Systems Ltd is holding 100% in the subsidiary Sylvan Holdings Pte. Ltd., Singapore which is incorporated in Singapore and its reporting date is 30/06/2009.

B) The financial statements of the parent company and its subsidiary have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income, expenses after eliminating intra-group balances and the unrealized profits / losses on intra-group transaction and are presented to the extent possible in the same manner as the company's independent financial statements.

C) On consolidation the accounting difference due to translation of subsidiary transaction in Indian Rupees is shown as Translation Reserve on consolidation.

ii) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities at the date of financial statement and the result of operation during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

iii) Revenue Recognition

Revenue is recognized when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

1) **Sales** : Sales is inclusive of Excise duty, VAT and Central Sales Tax, wherever applicable and after making adjustments towards price variations, discounts etc.

Revenue from domestic sales is accounted on dispatch of products to customers.

Revenue from export sales is recognized on shipment / air lift of products.

2) **Interest** : Interest Income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

3) **Export Benefits** : Export Incentives are estimated and accounted for in the year of export.

SYMPHONY COMFORT SYSTEMS LTD.

Schedules attached to and forming part of Balance Sheet as at 30th June, 2009 and Profit & Loss Account for the year ended on 30th June 2009

iv) **Tangible Fixed Assets**

Fixed Assets are stated at cost of acquisition / construction less accumulated depreciation, amortization and impairment loss (if any). Cost comprises of purchase price, import duties and other non-refundable taxes or levies and any directly attributable cost to bring the assets ready for their intended use. Direct expenses, as well as pro rata identifiable indirect expenses on projects during the year of construction are capitalized.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as "Capital Work in Progress."

v) **Intangible Fixed Assets**

Intangible assets are stated at cost of acquisition / cost incurred less accumulated amortization.

vi) **Depreciation / Amortization**

Depreciation on all tangible fixed assets is provided on Straight Line Method at the rates prescribed in Schedule- XIV of the Companies Act, 1956, on pro-rata basis for the period the assets have been put to use. Assets costing up to Rs.5000/- are fully depreciated in the year in which they are put to use.

Depreciation on sale of assets is provided till the date of sale.

Intangible fixed assets in the nature of software are amortized at the rate prescribed under schedule XIV of the Companies Act, 1956 on straight line method. The value of these intangible assets is reviewed at each balance sheet date to assess the probability of continuing future benefits. If there is any indication that the value of such assets is impaired, the resulting impairment loss is recognized in the financial statement.

vii) **Investments**

Current Investments are carried at the lower of cost and fair value computed category wise. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made, only if, in the opinion of the management, such a decline is regarded as being other than temporary.

viii) **Inventories**

Raw materials, packing materials, stores, spares and consumables 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.

Finished goods are valued at lower of cost or net realizable value. The cost of finished goods includes cost of conversion and other costs incurred to bring the inventories to their present location and condition. Cost of inventories is determined on "First in First out" basis.

Excise duty in respect of finished goods lying at the factory premises have not been provided for and included in valuation of inventory. However, such non provision of excise duty on finished stock at factory premises will not have any impact on profit of the company.

ix) **Research and Development**

Research and Development costs incurred for development of products including manpower cost are charged to revenue as incurred. Research and development expenditure of capital nature is added to fixed assets.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and other wise when events and change in circumstances indicate that the carrying value may not be recoverable.

x) **Foreign currency transactions**

a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of transactions. Exchange difference arising from foreign currency transactions are dealt with in the Company's Profit and Loss account except it is of capital expenditure.

SYMPHONY COMFORT SYSTEMS LTD.

Schedules attached to and forming part of Balance Sheet as at 30th June, 2009 and Profit & Loss Account for the year ended on 30th June 2009

- b) Year end balance of foreign currency transactions are translated at the year end rates. Exchange difference arising on restatement or settlement is charged to Profit and Loss Account except the difference in case of liability pertaining to acquisition of Fixed Assets is adjusted to the carrying cost of such assets and depreciated over the balance life of the assets.
- xi) **Employee Benefits**
 - a) Short term Employee Benefits
Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
 - b) Post Employment Benefits
Defined Contribution Plan
The Company's contribution paid / payable during the year to Provident Fund are considered as defined contribution plans. The Contribution paid / payable under these plans are recognized during the period in which the employee render services.
 - c) Defined Benefit Plan
Other long-term employee benefits are recognized as an expense in the profit and loss account for the period in which the employee has rendered services. Estimated liability on account of long-term benefits is discounted to the current value, using the yield on government bonds, as on the date of balance sheet, at the discounting rate.
Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the profit and loss account.
- xii) **Borrowing Costs**
Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying fixed assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expense in the period in which they are incurred.
- xiii) **Leases**
All leases are classified into Operating and Financial Lease at the inception of the lease. Leases that transfer substantially all risks and reward from lessor to lessee are classified as Finance Lease others being classified as Operation Lease.
There are no Finance Lease transactions entered into by the company.
Rent expense and rent income represent operating leases which are recognized as an expense in the statement of Profit and Loss Account.
- xiv) **Provision for tax**
Tax expenses for a year comprise of current tax and deferred tax.
Provision for current tax is determined based on assessable profits of the company as determined under the Income Tax Act, 1961.
Provision for deferred tax is determined based on the effect of timing difference between the assessable profits under the Income Tax Act and the profits as per the Profit and Loss Account.
Deferred tax assets, other than those from carry forward losses and unabsorbed depreciation, are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- xv) **Impairment of Fixed Assets**
The carrying amount of fixed assets including those assets that are not available for use, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exist, the assets recoverable amount is estimated. An impairment loss is recognised in the Profit and Loss account whenever the carrying amount of assets exceeds its recoverable amount. An impairment loss can be reversed if there are changes in estimates to determine the recoverable amount in future period. An impairment loss is reversed only to the extent that the carrying amount of the assets does not exceed the net book value that would have been determined, if no impairment loss has been recognized.

SYMPHONY COMFORT SYSTEMS LTD.

Schedules attached to and forming part of Balance Sheet as at 30th June, 2009 and Profit & Loss Account for the year ended on 30th June 2009

xvi) Provisions and Contingent Liabilities

Provisions are recognized for when the Company has at present, legal or contractual obligation as a result of past events, only if it is probable that an outflow of resources embodying economic benefits will be required and if the amount involved can be measured reliably.

Contingent liabilities being a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more future events not wholly in the control of the Company are not recognized in the accounts. The nature of such liabilities and an estimate of its financial effect are disclosed in the Notes to Financial Statements.

Contingent assets are neither recognized nor disclosed in the financial statements.

(2) Contingent Liabilities

(Rs. In Lacs.)			
S. N.	Particulars	2008-09	2007-08
a)	Claims against the company not acknowledged as debt.	11.18	11.15
b)	Income-tax Department has raised a demand for A.Y. 2002-03. Company have filed an appeal against the said disputed demand and penalty which has been now adjudged in favour of the company (see note below).	-	1209.42
c)	Demand on account of sales tax assessment raised against the company for the various years but the same is not acknowledged as debt hence, not provided for. Appeals are filed against the same and appellate authority has set aside the impugned orders and remanded back the matters for which matter is under progress (see note below).	23.43	2270.46

Income Tax

At the beginning of the year under review, the contingent liabilities for income tax demand of Rs.306.45 lacs (A.Y. 2002-03) and the penalty u/s 271(1)(c) of the Income Tax Act for A.Y. 2002-03, amounting to Rs.902.97 Lacs were shown and appeals for both the demands were pending before the Income Tax Tribunal. During the year, the appeal for income tax demand of Rs.306.45 lacs (A.Y. 2002-03) and appeal for penalty u/s 271(1)(c) of the Income Tax Act for (A.Y. 2002-03) for Rs.902.97 Lacs was disposed off and decided in favor of the company by the Hon'ble Income Tax Appellate Tribunal. Hence, both the disputed demands have been reduced from the contingent liabilities for income tax. Further the Hon'ble BIFR, in its sanctioned scheme has also directed to the Directorate General of Income Tax to grant various relief & concessions to the company, which inter alia contain the aforesaid demands for disputed tax and penalty.

The above said Income tax Tribunal order was also applicable for A.Y. 2003-04 which nullified the demand of Rs.28.64 Lacs for which Company had made provision in 2007-08 and now same demand has been reversed against disputed demand of Income Tax of Rs.28.64 Lacs for the year A.Y. 2003-04

Sales Tax

The Contingent Liabilities for the year under review towards Sales Tax are Rs.23.43 Lacs, (Previous year Rs.2270.46 Lacs). The disputed Sales Tax demand of Rs. 2246.57 Lacs (on account of demand of tax Rs. 912.85 lacs, penalty of Rs.676.47 lacs and interest of Rs.657.25 lacs) was raised by the Sales Tax Department of Gujarat. The Sales Tax Department of Gujarat had carried out assessments for the F.Y.93-94 to F.Y.95-96, F.Y.97-98 and F.Y.99-2000 (5 years) and raised a total demand of Rs. 2246.57 Lacs in respect of Central Sales Tax mainly for want of "C" forms and "F" forms. All the books of accounts and other relevant records including declarations, "C" Forms, "F" Forms etc. were completely destroyed due to heavy rain fall in the Ahmedabad city & Gujarat on 13th July, 2000. The

SYMPHONY COMFORT SYSTEMS LTD.

Schedules attached to and forming part of Balance Sheet as at 30th June, 2009 and Profit & Loss Account for the year ended on 30th June 2009

view of Assistant Commissioner of Sales tax is not tenable as the Honorable Commissioner of Sales tax has granted administrative relief in the past in cases of such natural or manmade or accidental calamities like fire or flood etc. The Finance Secretary of the State of Gujarat has also issued a letter dated 18.10.2005 to the Commissioner of Sales Tax on considering other available information like F.I.R., Panchnama, Fire Brigade Certificate, Survey Report of District Collector, Affidavit etc. in case of above flood as proof of damage, to complete such assessment u/s 41(2) of the Act by accepting return filed by the assesses. Assessment orders for the aforesaid five years raising total demand of Rs.2246.57 Lacs were passed prior to issue of letter dated 18.10.2005 of Finance Secretary, State of Gujarat. The Hon'ble VAT Tribunal has set aside the impugned orders and remanded back the matter to the Department to consider the matter on the merit in line with the relief available under the letter dated 18.10.2005 from the Finance Department, Gujarat Government addressed to the Commissioner of Sales Tax. The matter is under progress.

Further the Hon'ble BIFR, in its sanctioned scheme has also directed the Government of Gujarat to grant relief to the company to complete the pending assessments by accepting the returns filed by the company and without raising further demand. In view of the direction in the letter dated 18.10.2005 of the Finance Department, Gujarat, Order of Gujarat VAT Tribunal and Order of Hon'ble BIFR and as legally advised, neither provision nor contingent liability is required to be made / shown for disputed demand aggregating to Rs.2246.57 Lacs. Further during the year, the Gujarat Sales Tax Department has raised demand for the year 2005-06 for Rs. 8.60 lacs against which appeal preferred by the company is pending. As legally advised, no provision is required to be made for disputed demand aggregating to Rs.8.60 Lacs.

During the year under review, Demand of Rs.23.89 Lacs for Cuttuck Branch, (Orissa) have been quashed and a fresh assessment demand was reduced by Rs.22.80 Lacs and against balance amount of Rs.1.09 Lacs company has preferred an Appeal. During the year, there is a fresh demand of Rs.13.74 Lacs for various matters for which no provision has been made.

(3) Bad Debts Recovered

As was explained in the Annual Reports of 2000-01 and 2001-02, the Company had been dealing with various Regional Distributors since 1989. Over the years the said distributors had accumulated losses and hence their outstanding payable to the company kept on mounting. Finally in 2001-02, after taking expert's opinion, the company decided to write-off the amount totaling to Rs.2579.90 Lacs which the distributors were unable to pay.

However, since the said distributors had an established distribution network without which the company would have been unable to carry on its business, the company had to continue business with them, although on renewed terms of strictly no credit. Over the last five years, in the process, the company has gradually established its own distribution network and these distributors have also started making profits. Now, the company has appointed its own employees throughout the country and set up its own marketing and service network and has stopped dealing through the regional distributors. In response to continued efforts by the company to recover past dues, the distributors have approached the company to settle their outstanding dues (which the company had written-off) in an amicable manner. The matter was referred to an arbitrator and the appointed arbitrator was an Ex. Justice of Gujarat High Court and Ex. Chairman of MRTTP Commission. The arbitration award was passed on 27th April, 2009. As per the award the Company was to recover sizeable amount of the disputed dues from Regional Distributors and accordingly has recovered Rs.1976.70 Lacs and the same has been shown as the Income for the year under review and Income Tax liability has been provided for.

(4) Segment Reporting

The company is operating in only one segment i.e. Home Appliances. Therefore reporting on primary segment is not considered.

SYMPHONY COMFORT SYSTEMS LTD.

Schedules attached to and forming part of Balance Sheet as at 30th June, 2009 and Profit & Loss Account for the year ended on 30th June 2009

(B) Secondary Segment. Geographical segment		(Rs. In Lacs)	
		2008-09	2007-08
(1) Segment Revenue			
Domestic	9980.33	6445.15	
Export	2557.35	918.29	
Total	12537.68	7363.44	
(2) Segment Expenditure			
Domestic	7631.95	5369.40	
Export	1895.31	747.78	
Total	9527.26	6117.18	
(3) Segment Profit			
Domestic	2348.38	1075.75	
Export	662.04	170.51	
Total	3010.42	1246.26	

Segment Capital Employed

Assets used in the company's business and liabilities contracted have not been identified to any of the reportable segments, as they are used interchangeably between segments, the company believes that it is currently not practicable to provide segment disclosures relating to Capital employed.

(5) Related Party Disclosures

Sr no	Name of the Related Parties	Nature of relationship with company	Nature of transaction	2008-09		2007-08	
				Volume of transactions (Rs. in Lacs)	Bal. at the end of the year (Rs. in Lacs)	Volume of transactions (Rs. in Lacs)	Bal. at the end of the year (Rs. in Lacs)
1	Shri Achal Bakeri	Chairman & Managing Director	Remuneration and Perquisites	137.08	71.75	14.17	-
2	Shri Nrupesh Shah	Director	Remuneration and Perquisites	20.94	9.00	11.40	-
3	Harmony Holding Pvt. Ltd.	Enterprise in which Director have significant influence	Trademark Usage Charges	-	-	9.00	-
4	Oras Investments Pvt. Ltd.	Enterprise in which Director have significant influence	Minimum Guarantee Commission	-	-	9.69	-
5	Oras Investments Pvt. Ltd.	Enterprise in which Director have significant influence	Creditors for Expenses	2.42	-	7.27	2.42
6	Partham Investments Pvt. Ltd.	Enterprise in which Director have significant influence	Minimum Guarantee Commission	-	-	1.61	-
7	Partham Investments Pvt. Ltd.	Enterprise in which Director have significant influence	Creditors for Expenses	0.40	-	1.21	0.40

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Schedules attached to and forming part of Balance Sheet as at 30th June, 2009 and Profit & Loss Account for the year ended on 30th June 2009

	(Rs. in Lacs)	
	2008-09	2007-08
(6) Auditors Remuneration		
a) As Auditor	2.00	0.45
b) In other capacity, in respect of		
i) Tax Audit	0.25	0.10
ii) Certification	0.25	0.05
iii) Taxation Matters	0.50	0.05
	3.00	0.65
(7) Directors' Remuneration		
Salary	148.34	20.08
Perquisites & Others	9.68	5.50
	158.02	25.57
(8) Managerial Remuneration		
Computation of Net Profit in accordance with section 198 and 309(5) of the Companies Act, 1956 :		
Particulars	2008-09	2007-08
Profit after exceptional item as per Profit & Loss Account	5,959.22	1,405.76
Add : Managerial Remuneration	158.02	25.57
Loss on sale of assets	-	0.19
Depreciation as per books	114.84	92.55
Total	6,232.08	1,524.07
Less: Depreciation as per Sec. 350 of Companies' Act, 1956	114.84	92.55
Bad Debts recovered for earlier year	1,976.70	-
Total	2,091.54	92.55
Net Profit as per Sections 198 and 309(5)	4,104.54	1,431.52
(9) Earning per Share	2008-09	2007-08
Net Profit available for Equity Shareholders	4,360.86	1,211.39
No. of Equity Shares	6,995,700	6,995,700
Basic and Diluted EPS (Rs.)	62.34	17.32
Income of exceptional item	1,976.70	-
Tax on Income of exceptional item	505.85	-
Net Profit excluding exceptional income (After Adjustment of tax)	2,890.00	1,211
Basic and Diluted EPS excluding exceptional income (Rs.)	41.31	17.32
(10) The company has operating lease from various premises which are renewable on a periodic basis and cancellable at its option. Rental expenses for operating lease are charged to Profit and Loss Account for the year Rs. 27.05 Lacs (Previous year Rs. 19.52 Lacs).		
Not later than one year Rs. 27.05 Lacs (Previous year Rs. 19.52 Lacs).		
Not later than five year Rs. Nil (Previous year Rs. Nil).		
The company does not have any financial lease.		

SYMPHONY COMFORT SYSTEMS LTD.

Schedules attached to and forming part of Balance Sheet as at 30th June, 2009 and Profit & Loss Account for the year ended on 30th June 2009

(11) Employee Benefits (Rs. in Lacs)

The Present value of gratuity and leave encashment 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 Expenses recognized during the year

Particulars	2008-09	2007-08
Current service cost	10.77	7.32
Interest on obligation	2.38	1.74
Expected return on plan assets	-	-
Net actuarial losses (gains) recognised in year	9.03	1.64
Past service cost	-	-
Losses (gains) on curtailments and settlement	-	-
Total	22.19	10.70
Actual return on plan assets	-	-

II Reconciliation of opening and closing balances of defined benefit obligation

Opening defined benefit obligation	30.18	19.89
Service cost	10.77	7.32
Interest cost	2.38	1.74
Actuarial losses (gains)	9.03	1.64
Losses (gains) on curtailments	-	-
Liabilities extinguished on settlement	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans Benefits paid	(2.10)	(0.41)
Closing defined benefit obligation	50.28	30.18

III Reconciliation of Opening and Closing balances of fair value of plan assets

Opening fair value of plan assets	-	-
Expected return	-	-
Actuarial gains and (losses)	-	-
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans Benefits paid	-	-
closing balance of fair value of plan assets	-	-

IV Reconciliation of the present value of defined benefit obligation and fair value of planned assets

Present value of funded obligations	-	-
Fair value of plan assets	-	-
Present value of unfunded obligations	50.28	30.18
Unrecognised past service cost	-	-
Net liability	50.28	30.18
Amounts in the balance sheet	-	-
Liabilities	50.28	30.18
Assets	-	-
Net liability	50.28	30.18

SYMPHONY COMFORT SYSTEMS LTD.

Schedules attached to and forming part of Balance Sheet as at 30th June, 2009 and Profit & Loss Account for the year ended on 30th June 2009

		(Rs. in Lacs)	
	Particulars	2008-09	2007-08
V	Investment Details		
	Government of India Securities	0.00%	0.00%
	High quality corporate bonds	0.00%	0.00%
	Equity shares of listed companies	0.00%	0.00%
	Property	0.00%	0.00%
	Insurance Company	0.00%	0.00%
VI	Actuarial Assumptions		
	Discount rate	7.90%	8.75%
	Expected return on plan assets	0.00%	0.00%
	Proportion of employees opting for early retirement	3.00%	3.00%
	Annual increase in Salary costs	6.00%	6.00%
	Future changes in maximum state health care benefits	-	-
	The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
VII	Gratuity Benefit		
	Defined benefit obligation	50.28	30.18
	Plan assets	-	-
	Surplus/(deficit)	(50.28)	(30.18)
	Experience adjustments on plan Liabilities	-	-
	Experience adjustments on plan assets	-	-
VIII	Movement in net liability recognised in Balance Sheet	2008-09	2007-08
	Net opening liability	30.18	19.89
	P&L Charge	22.19	10.70
	Contribution paid / Benefits paid	(2.10)	(0.41)
	closing net liability	50.28	30.18

(12) Leave encashment

As per the policy followed by the company there is no vesting benefit of leave encashment at the end of the year. Therefore there is no liability of leave encashment existing at the end of the year. Accordingly no provision is made.

(13) The Company has not provided excise duty of Rs 0.23 lacs (Previous year Rs 3.55 lacs) on Finished goods lying in the Bonded Store room at the Factory. However, this transaction has no impact on the result for the year.

(14) The amount overdue to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006 could not be ascertained in view of insufficient information from suppliers regarding their status.

(15) In the opinion of the board, Current Assets, Loans and Advances are approximately, stated at the value, if realised in ordinary course of business. Provisions for all known liabilities are provided for in full and the same are adequate and not in excess of the amount considered as reasonably necessary.

Schedules attached to and forming part of Balance Sheet as at 30th June, 2009 and Profit & Loss Account for the year ended on 30th June 2009

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SYMPHONY COMFORT SYSTEMS LTD.

Schedules attached to and forming part of Balance Sheet as at 30th June, 2009 and Profit & Loss Account for the year ended on 30th June 2009

(22)		(Rs. in Lacs)			
(i) Consumption of Raw Materials					
Air Cooler, Geyser etc. Kits, Components & Others		5,184.63		3,267.62	
		<u>5,184.51</u>		<u>3,267.62</u>	
(ii) Value of Imported & Indigenous Raw Materials					
	Value in Rs.	% of total Consumption	Value in Rs.	% of total Consumption	
Imported	292.42	5.64	62.60	1.92	
Indigenous	4,892.21	94.36	3,196.02	98.08	
	<u>5,184.63</u>	<u>100.00</u>	<u>3,258.62</u>	<u>100.00</u>	
(iii) C.I.F. Value of Imports					
Raw Materials & Trading Goods		224.57		41.81	
Capital Items		118.12		75.61	
		<u>342.69</u>		<u>117.45</u>	
(23)					
(a) Opening Stock of Finished Goods					
	Quantity (Nos)	Amount	Quantity (Nos)	Amount	
Air Cooler, Geysers & Others		18,053	14,669	357.41	
		<u>353.98</u>		<u>357.41</u>	
(b) Closing Stock of Finished Goods					
	Quantity (Nos)	Amount	Quantity (Nos)	Amount	
Air Cooler, Geysers & Others		12,006	18,053	353.98	
		<u>0.00</u>		<u>353.98</u>	
(24) Expenditure in Foreign Currency (INR)		72.09		53.16	
Advertisement & Sales Promotion, Freight Paid, Travelling & Others					
(25) Earning in Foreign Currency (INR)					
F.O.B. of Exports , Freight Recovery & Other Income		2,588.57		952.59	
Signature to Schedule "A" to "R"					

AS PER OUR REPORT OF EVEN DATE
FOR SHAH & DALAL
CHARTERED ACCOUNTANTS

(MALAY J. DALAL)
PARTNER

PLACE : AHMEDABAD
DATE : 30/09/2009

(ACHAL BAKERI)
CHAIRMAN & M.D.

(NRUPESH SHAH)
DIRECTOR

(CHANDRAKANT GANDHI)
COMPANY SECRETARY

SYMPHONY COMFORT SYSTEMS LTD.**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I REGISTRATION DETAILS**

Registration No. L32201GJ1988PLC010331
 State Code 04
 Balance Sheet 30 06 2009
 Dt Month Yr

II CAPITAL RAISED DURING THE YEAR

Public Issue Nil Right Issue Nil
 Bonus Issue Nil Private Placement Nil

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT RS. IN THOUSANDS)

Total Liabilities	530,144.40	Total Assets	530,144.40
Sources Of Funds			
Paid-Up Capital	69,957.00	Reserves & Surplus	447,723.16
Secured Loans	219.22	Unsecured Loans	2,817.59
Deferred Tax Liability	9,427.43		
Application Of Funds			
Net Fixed Assets	65,753.80	Investments	313,732.45
Net Current Assets	150,376.29	Misc. Expenditure	281.86
Accumulated Losses	Nil		

IV PERFORMANCE OF COMPANY (AMOUNT RS. IN THOUSANDS)

Turnover	1,270,812.72	Total Expenditure	872,560.51
Profit Before Tax	398,252.21	Profit before taxes and after	
Earning Per Share before		after exceptional item	595,922.33
exceptional item	41.31	Net Profit after taxes	436,085.62
Earning per Share after		Dividend	6,995.70
extra ordinary item	62.34		

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF COMPANY (AS PER MONETARY TERMS)

1) Item Code (ITC Code)	8479.10
Product Description	Air Cooler
2) Item Code (ITC Code)	8416.00
Product Description	Storage Water Heater

AS PER OUR REPORT OF EVEN DATE
FOR SHAH & DALAL
CHARTERED ACCOUNTANTS

(MALAY J. DALAL)
PARTNER

PLACE : AHMEDABAD
 DATE : 30/09/2009

(ACHAL BAKERI)
CHAIRMAN & M.D.

(NRUPESH SHAH)
DIRECTOR

(CHANDRAKANT GANDHI)
COMPANY SECRETARY

SYMPHONY COMFORT SYSTEMS LTD.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2009

	Year Ended 30/06/2009	(Rs. In Lacs) Year Ended 30/06/2008
A CASH FLOW FROM OPERATING ACTIVITIES	3,982.52	1,405.76
ADJUSTMENTS FOR		
Depreciation	114.84	92.55
Financial Charges	18.26	7.75
Foreign Exchange Fluctuation	73.12	(14.64)
Interest Received	(139.53)	(44.85)
Dividend Received	(30.91)	(12.04)
Provision for exceptional items	1976.70	-
Profit / Loss on Sale of Fixed Assets	-	0.19
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	5,995.00	1,434.72
ADJUSTMENTS FOR		
Trade and Other Receivables	(960.61)	22.77
Inventories	104.55	(21.89)
Other Current Assets, Loans & Advances	(2,111.91)	(145.67)
Trade Payables	(1,067.47)	947.84
Provision for Employee Benefit	25.07	5.10
Other Provisions	1,261.51	320.14
CASH GENERATED FROM OPERATIONS	3,246.14	2,536.02
Taxes paid [Income Tax + FBT]	(1,532.08)	(166.38)
NET CASH FLOW FROM OPERATING ACTIVITIES	1,714.05	2,396.63
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(147.50)	(113.25)
Sale/Deduction of Fixed Assets	-	0.90
Interest Received	139.53	44.85
Dividend Received	30.91	12.04
Purchase of Investment in Mutual Fund	(6,768.52)	(1,798.34)
Sales of Investment in Mutual Fund	3,954.40	1,475.16
NET CASH USED IN INVESTING ACTIVITIES	(2,791.18)	(378.64)
C CASH FLOW FROM FINANCING ACTIVITIES		
Capital Reserve	(0.55)	3.83
Financial Charges Paid	(18.26)	(7.75)
Provision for Dividend & Dividend Distribution Tax	(81.85)	-
Repayment of Long Term & Other Borrowings	(324.56)	(447.89)
NET CASH FROM FINANCING ACTIVITIES	(425.23)	(451.81)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(1,502.36)	1,566.18
CASH & CASH EQUIVALENTS OPENING BAL B/F	1,629.39	48.56
CASH & CASH EQUIVALENTS CLOSING BAL C/F	127.03	1,614.75
CASH ON HAND	12.13	11.07
BALANCES WITH SCHEDULE BANK IN CURRENT ACCOUNT	103.69	1,004.82
DEPOSITS WITH SCHEDULE BANKS	25.51	613.49
CASH & BANK BALANCE AS PER BALANCE SHEET	141.32	1,629.39
CREDIT BALANCE OF BANK ACCOUNTS	(87.41)	-
ADD- EFFECT OF UNREALISED FOREIGN EXCHANGE	73.12	(14.64)
CASH & CASH EQUIVALENT AT THE END OF THE YEAR	127.03	1,614.75

AS PER OUR REPORT OF EVEN DATE
FOR SHAH & DALAL
CHARTERED ACCOUNTANTS

(MALAY J. DALAL)
PARTNER

PLACE : AHMEDABAD
DATE : 30/09/2009

(ACHAL BAKERI)
CHAIRMAN & M.D.

(NRUPESH SHAH)
DIRECTOR

(CHANDRAKANT GANDHI)
COMPANY SECRETARY

s y m p h o n y

comfort systems ltd.

Regd. Office : "Saumya", Nr. Bakeri Circle, Navranpugra, Ahmedabad - 380 014.

PROXY FORM

I/We _____
of _____
being a member(s) of the Symphony Comfort Systems Ltd. hereby appoint _____
_____ of _____
or failing him/her _____ of _____
as my/our proxy to vote for me/us on my/our behalf at the Twenty Second Annual General Meeting of the Company to be held on Thursday, the 31st December, 2009 at 10.00 A.M. at Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015.

Signed this _____ day of _____ 2009.

Regd. Folio No. : _____

No. of Shares held : _____

Affix
one rupee
Revenue
Stamp

Signature of the Shareholder

NOTE : The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

s y m p h o n y

comfort systems ltd.

Regd. Office : "Saumya", Nr. Bakeri Circle, Navranpugra, Ahmedabad - 380 014.

ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING VENUE :

Full Name of the attending member (in block letters)	Membership Folio No.
Name of the Proxy (in block letters) (To be filled if the Proxy Form has been duly deposited with the Company)	No. of Shares Held

I hereby record my presence at the Twenty Second Annual General Meeting of the Company on Thursday, the 31st December, 2009 at 10.00 A.M. at Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015.

* Member's / Proxy's Signature

* (To be signed at the time of handing over this slip)

