



**“Symphony Limited
Q4 FY2021 Earnings Conference Call”**

April 27, 2021



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Moderator: Ladies and gentlemen, good day, and welcome to the Symphony Limited Q4 FY2021 Conference Call, hosted by Investec Capital Services Private Limited. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” and then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Aditya Bhartia from Investec Capital Services Private Limited. Thank you, and over to you, Sir!

Aditya Bhartia: Thank you, Malika. Good afternoon, everyone. I would like to welcome the management team of Symphony Limited to discuss the company’s Q4 FY2021 results. We have with us the senior management of Symphony Limited represented by Mr. Achal Bakeri, Chairman and Managing Director; Mr. Nrupesh Shah, Executive Director and Mr. Bhadrash Mehta, Global CFO. I would now like to have over the call to the management for their comments. Thank you and over to you, Sir!

Achal Bakeri: Good afternoon and thank you very much everybody for being here today with us. The sharp recovery for the quarterly numbers in January to March quarter; the quarter has recorded one of the highest sales in the history of the company. The standalone topline for Symphony India has seen a sharp increase and so is true for subsidiaries in Australia, and USA and China. Mexico has not seen a recovery even for the overall consolidated level we have grown very robustly. However, the bottomline has now kept pace with the growth in the topline because of a very, very sharp increase in costs especially in this quarter. The kind of increase in costs that we have witnessed in the last three four months is unprecedented in the history of our company and as you must have seen the other companies and you must be reading in the news, you know, all commodities, whether it is plastic or metal or paper have gone up phenomenally and so is our freight cost, the logistic costs. Imports everything has just sort of gone through the roof. So, that has had a severe impact on our bottomline, even was not able to keep pace with the topline. In our nature or any business is impossible to pass it on the directly immediately to the customers and especially in our case, the sizable amount of collection went before the summer, and prices have sort of plummeted we were unable to sort of pass it on immediately, but overtime we will be able to do that and bring our margins to our historical levels. I am not going to make a detailed preamble because my colleague, Nrupesh Shah is going to sort of walk us through the numbers, but we will cover of everything else during the concall later. With those words thank you once again. I request Nrupesh Shah to talk about the numbers.

Nrupesh Shah: Thank you, Achal Bhai. Thanks investors and all the participants for your valuable time. Year as a whole, on a standalone basis Symphony India topline stands at 488 Crores versus 716 in 2019-2020 that is a degrowth of about 32%; however, on a consolidated basis, the degrowth is about 18% down from 1100 Crores to 900 Crores mainly because our Rest of the World business that includes exports from Symphony India as well as business by Overseas subsidiaries actually YoY registered a modest growth of about 4% and stood at 469 Crores. Symphony India domestic topline stays at 431 Crores. So for the first time, Rest of the World business has contributed more

than 50% of the topline in reducing the degrowth on a consolidated basis; however, specifically coming to the quarterly numbers on a standalone basis Symphony India registered about 37% growth in March 2021 versus March 2020. Now on a consolidated basis the topline stands at for the quarter 339 Crores versus 249 Crores that is 36% and this quarterly consolidated topline is the highest ever Symphony has registered in any other quarters versus previous historical high quarterly consolidated sale was 292 Crores in June 2019. So, now we have surpassed that by almost 16%.

So, this has been possible on a variety of reasons; number one some of the path breaking models which Symphony launched in last one to two years and in some of the models there is a generation gap between Symphony model and the peers. Secondly, we had a major emphasize on semi-urban and rural market in terms of the dealer and distribution network and that has also yielded the result. Thirdly, we had also flickers in terms of the e-commerce as well as direct to customer sales which of course as of now these are small but we have major focus on that. While on a consolidated basis, especially Climate Technology has registered quite a decent performance for the quarter and year as a whole Climate Technology INR has grown by about 21% and during the quarter for Climate Technology it has been a turnaround quarter. In fact, on account of Climate Technology, Symphony India air cooler sale worth of about 21 Crores in US market during the quarter. Down the line, there is great opportunity.

Coming to our gross margin percentage on consolidated basis during the year gross margins stands at 45% versus 47% year before; however, during the quarter the gross margin percentage on standalone basics is down from 56% to 48% due to reasons explained by Achal Bhai and in addition to that there has been also far increase in freight costs as well as during the year the sales made to Climate Technology as well as US where on the combined gross margin percentage is significantly higher; however, it has been divided between Symphony India and Climate Technology so on a standalone basis there has been a reduction in gross profit margin percentage but on a consolidated basis it is in fact around 60%.

While on our consolidated basis, the point to be noted is despite standalone decline but robust performance by Climate Technology as well as increase in gross profit margin percentage by IMPCO Mexico, Climate Technology and maintaining the GP margin percentage in GSK for the quarter consolidated GP margin stands at 48% in line with previous year.

The EBITDA to gross revenue percentage on our consolidated basis for the quarter has seen almost 400 BPS increase up from about 22% to 26%. As far as the profit after taxes on a standalone basis the PAT has increased by about 9% against topline growth of 37% that is at 49 Crores and apart from the reasons at a PAT level it has been also partly impacted because we deem it appropriate even in March quarter to spend substantial higher amount on sales promotion and advertisement in expectation of good summer.

So the additional cost was about 7 Crores vis-à-vis previous year; however, on a consolidated basis one because of the turnaround of Climate Technology and also on account of decent performance by overseas subsidiaries, the consolidated PAT for the quarter has seen a sharp jump of 60% and stands at 63 Crore versus 40 Crores in March 2020. Again the PAT is historically highest ever and earlier highest level profit after tax on a consolidated basis in many quarter was that was in September 2019 of 58 Crores so vis-à-vis that it is up by almost 9%.

While coming to efficacy of funds deployed in the core business that is air cooler business on a standalone basis Symphony very much remains as asset light capital light business model and also partly so even on a consolidated basis. So year as a whole the funds deployed in the core business that is the capital employed is about 50 Crores on a standalone basis for 2021. That includes investments in fixed assets, working capital, net of advances received. While on a consolidated basis it stands at 282 Crores, which includes of course fixed assets, working capital plus also acquisition cost and that translates into on a standalone basis EBIT percentage or return on capital employed in core business about 41% on a consolidated basis while on a standalone basis, it is 237%.

As far as the surplus treasury is concerned as on March 31, 2021 it is about 519 Crores versus 433 Crores year before that is up by almost 86 Crores and this is excluding investments and loans given to subsidiary companies. As far as current quarter or a year as a whole for Symphony India, we certainly begin on a very, very positive note. Overall, there was a lot of noises very, very positive sentiments and we had prepared for a very robust summer sales and about a week before, we have registered excellent sales; however, since last one week on account of COVID-19 now there is some uncertainty; however, current year despite major COVID issue there is no stringent lockdown in most part of the country and still entire months of May and June are there so we are keeping the finger crossed and for sure if there is normal revenue, which we are optimistic then June quarter should be still decent quarter; however, in any case June 2021 is going to be far-far better than June 2020 quarter, which last year was a washout quarter.

As far as Symphony Australia is concerned, as it was shared in the past we have taken series of initiatives including the business model, including the value engineering, including cost rationalization etc., etc., and as it was indicated in December quarterly performance the March quarter has been turnaround quarter and the journey is expected to continue; however, despite decent increase in topline for Climate Technology, Australia the year was impacted one due to increase in raw material cost as they could not import many components from China, increased freight costs as many, many components were to be administered as well as increase in labour costs, but it seems all these issues are now behind us in Australia and unlike India whether in Australia or US the situation is much under control and last year despite the COVID issue where we registered the growth and that momentum is likely to continue. In addition to that good amount of Climate Technologies business is going to be outsourced from India starting current year itself. So that will help in terms of Symphony's business, its export and also implementing profitability.

Coming to IMPCO Mexico, the sales was impacted due COVID-19; however, we succeeded in further increasing the gross margin costs as well as consolidation margin percentage due to various initiatives but we have to provide for doubtful debt of about 7.2 Crores during the year and hence that business is into almost breakeven. Otherwise even on decline sales the absolute PAT would have been higher than previous year. As far as GSK China is concerned, again sales were impacted due to COVID-19 as well as variety of reasons; however, in March quarter it has seen a trend renewing the domestic market however, exports in China are having severely impacted and there also we have succeeded in maintaining the gross margin and contribution margin percentage.

As I was saying earlier, overall we are very confident as well as optimistic for our growth in performance in medium to long term. The recovery was and may be delayed but certainly it is not derailed for sure in medium to long-term we expect on a turnover basis very sustainable performance. Finally, we have announced final dividend of Rs.28 Crores translating into Rs.4 per share that is 200% and including interim dividend it amounts to about 33% payout. We have been slightly conservative because we deemed it appropriate to conserve the resources and also important to give dividend with relatively less tax efficient so at the right time we may like to move on subject to Board approval share buyback also. Thank you. We are open for question answer and of course all our comments and our response to question and answer are subject to customary disclaimer statement. Thank you.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question and answer session. The first question is from the line of Daljit Singh Bhatia from HDFC Securities. Please go ahead.

Inder: Thanks a lot. This is Inder from HDFC Securities. A couple of quick questions; One is given the COVID situation right now across the country, do you think what would be Q1 compared to say Q1 of FY2020? Is there kind of a ballpark guess as to how we will end up there?

Achal Bakeri: So as I said so far in about first four weeks performance has been quite decent. We are also sitting on different pending orders also; however, as I said earlier for last one week some uncertainty has come in, but we expect that overall the lockdown almost across the country barring few regions is not as stringent as it was and once this situation resumes and it settles down maybe in about two to three weeks or so still we will have almost half of the quarter and so we are keeping the finger crossed, but still it depends upon how the situation evolves. That is number one and number two is irrespective of that considering the same philosophy we had already achieved, and orders in pipeline, because reasonably we expect that in about two to three weeks situation may settle down originally then it may turn out to be decent quarter, going in line with blockbuster quarter as we were expecting, but certainly this quarter is going to be far, far better than June 2020 quarter which was in a way washout quarter.

Inder: Anything compared to June 2019?

- Achal Bakeri:** In 2019 we expect two to three weeks situation that is going to settle down. It may be close to it.
- Inder:** My second question is let us see air cooling has been a very, very unorganized market for many years in India but in the last year or couple of years, we have seen a lot of organized consumer electrical companies starting to launch products here. So how do you see the competition shape up? Are you gaining market share from unorganized and how are these companies kind of sharing any comments on the competitive landscape would be good?
- Achal Bakeri:** It still remains on a category dominated by the unorganised sector. That has not changed. Still in our estimation about 70% or so, 70% or 75% of the total volume of air coolers sold would be from the unorganised market. So, whether it is us or all our competitors put together would be catering to only a barely a quarter or so of the total number of units sold. We have seen a lot of interests in this category in the last few years and there has been space of new players that have got into it, but that so far has not tremendously dramatically altered the ratio between organised and unorganised sector. So, by and large, I would say that the newer players and existing players are sort of slicing the pie amongst themselves.
- Inder:** So in that case how is our market share kind of moving?
- Achal Bakeri:** Our market has fairly remained fairly steady. I would say that partly the market has expanded and you know the newer players have taken market share from mainly from our competitors.
- Nrupesh Shah:** Value wise, by and large our market share has remained at about 50% and newer players have acquired the market share from number two and number three player and secondly overall in medium to long term the trajectory of shift from an organized organization eight to ten years before and unorganised was contributing 90% of the overall sales, which is down from 90% to 75% percent or so. However absolute volume because overall sales has increased where volume has increased but organized sector growth is even faster than that and that is a continuous process.
- Inder:** I am may just ask what is the total organized market size right now and what is the total market size?
- Achal Bakeri:** Size wise our estimation is about 80 million. I am sorry 8 million.
- Inder:** That is volumes, value wise?
- Achal Bakeri:** Value wise, about 4000 Crores.
- Inder:** Got it. Thank you.

- Moderator:** Thank you. The next question is from the line of Abhishek Ghosh from DSP Mutual Fund. Please go ahead.
- Abhishek Ghosh:** Thanks for the opportunity. Just a couple of questions if we look at your domestic or the standalone revenues which is almost about 212 which is one of the highest if you can just help us understand two things is the element of goods being shipped to Climate because then that is not which is largely getting reflected in the Rest of the World and also there were some shipments which was kind of stuck in 3Q FY2021 and was this largely related to CT only if you can just help us understand these two aspects?
- Achal Bakeri:** I am just pulling out the numbers. So the sales to our Australian and US subsidiaries together Climate Technology is one way or the other is about 22 Crores.
- Abhishek Ghosh:** What would be the subsequent number in the previous quarter say last year same quarter?
- Nrupesh Shah:** It was negligible.
- Abhishek Ghosh:** So this 212 Crores number is higher by 22 Crores because of the overseas largely to look at it?
- Achal Bakeri:** Yes. Yes you can say that.
- Abhishek Ghosh:** Okay so still you are left with about 180-odd Crores for broadly 178 domestic sale, which is also kind of one of the highest numbers as far as standalone is concerned so is it more to do with the industry itself has done a very good number because of the pent up on this or you will gain market share because of the supply chain disruption and other things. How should one look at it?
- Achal Bakeri:** From what we have gathered from our sources that this has been basically you know at the extent of or under competition so this has been a market share expansion that we have seen in the last quarter.
- Abhishek Ghosh:** This you believe is a kind of speaking or will it go away as you kind of normalize any sense around because we have also mentioned that you have increased your focus points as far as the non-urban, rural is concerned, and so is it bearing fruits. How should one read it?
- Achal Bakeri:** I can say that you know it is a combination of factors. It is not coming due to any one single reason so it is a combination of our push into rural markets and into uncharted you know territory and also because of the kind of models that we have introduced in the last one year and I would say that our channel partners have also been quite aggressive and so it is a combination of various factors including in our ability to deliver, our ability to manage the supply chain it is a combination of various factors.

- Abhishek Ghosh:** So just one last thing you also alluded to the point that the gross margin has suffered a little because of the sharp RM price increase so in the Q1 FY2022 have you taken subsequent price hikes to kind of offset that? Has that been kind of taken in the marketplace?
- Achal Bakari:** No. No. See because I mean that is something which will happen gradually, because we are in the middle of the season. So we have not done all of that. It is all begun. We have partly done it and it will happen partly in the months to come.
- Abhishek Ghosh:** Okay but over a medium term you will again mean revert to that 50%, 52% of gross margins in the standalone business. That is the way to look at it?
- Achal Bakari:** Yes. Yes you can say that.
- Abhishek Ghosh:** Thank you so much for answering my questions and wish you all the best. Thank you.
- Moderator:** Thank you. The next question is from the line of Bhavin Vitlani from SBI Mutual Fund. Please go ahead.
- Bhavin Vitlani:** Thank you for the opportunity. Just continuing on the previous participant's could you help us with the price hikes you would have taken during the course of fiscal year 2021.
- Achal Bakari:** There are two things one is I would not like to say that on an open line for competitive reasons and secondly it is not even very pertinent to the forum.
- Bhavin Vitlani:** No worries. May be the second question again, when we speak to your other listed peers they tell us that the margins are in the band of 13% to 15% at EBITDA level, about 10% point lower than your margins if you could help us bridge what actually drives because it seems you are more cost efficient so where are the cost efficiencies that you are deriving and what part could be the premium pricing- that the Symphony brand carries?
- Achal Bakari:** So again it is a combination of both so I would say manufacturing and the way we manufacture is probably more efficient but more importantly the market actually pays a premium for Symphony. So it is not as if we are pricing our products higher than the market. It is actually at the rest of the market does not price their products as the same as Symphony. They have to price themselves at a discount to Symphony. So that is why you see the delta between them and us. If we were to reduce our prices theoretically academically let us say then they would be forced to reduce their prices. So the delta is bound to remain. So it really is you know combination of both like I said the premium that the consumers are willing to pay for Symphony and which is what we sort of accepted and recognized by our worthy peers but it is on them, and it is partly due to our manufacturing efficiencies.
- Bhavin Vitlani:** What part will you attribute to the premium pricing, percentage?

- Nrupesh Shah:** In continuation of that question, in addition to what Achal Bhai said there are also some path breaking models in which as such model wise feature and performance wise there is no competition and we are in a position to get a good pricing and profitability and that is a continuous process and secondly in our case we are a very cost conscious company and hence even though in March 2021 quarter our gross profit margin is lower because of previous year the peers margin will be even worse than this even on a lower base because we know that some of the initiatives and value engineering what we have done, it has restricted to this level otherwise actually reduction in gross profit margin percentage would have been even steeper.
- Bhavin Vitlani:** Thank you so much for taking the questions.
- Moderator:** Thank you. The next question is from the line of Manoj Gori from Equirus Securities. Please go ahead.
- Manoj Gori:** Thank you for the opportunity. Sir, my first would be on the domestic market. So, obviously as Mr. Nrupesh had also indicated that the momentum was pretty strong maybe around a week back so given the case obviously there would have been a lot of binary purchases just wanted to understand what are the inventory levels. Thank you. So i just wanted to understand on the inventory side like what would be the inventory currently the company as well as the peer channel and if you can quantify the number of days because obviously given that there is a lot of uncertainty in the near term so whether this might impact our Q2, Q3 performance or whether the extent would be limited to Q1 performance only?
- Nrupesh Shah:** So the inventory at this point whether with the company or the channel is no higher than it normally is at this time of the year and you know with I mean were it not for the last one week or so of you know pandemic related disturbances, it would have probably all been sort of cleaned out by now. So it is it is really nothing of any significantly high numbers. What remains to be seen is how long is this lockdown and disturbance is going to last. We are hopeful that this is not too long and we have the whole month of May and June ahead of us and so whether it is the current inventory or what we are even now as we speak producing and intend to keep on producing you know we do not see a problem in being able to liquidate that inventory.
- Manoj Gori:** That is right. Secondly on the subsidiary businesses obviously Climate would be one of the major like Climate Technology is one of the major improver in the overall operations so if you look at the one off like the orders that you talked about on 22 Crores market so what is the nature of this order whether it would be it was one off order or whether it would be continuing in the coming quarters and like how things are looking for Climate as you are already highlighted like things are relatively better so can you give some more comfort or color on future outlook on Climate Technologies?
- Achal Bakeri:** First of all that order is from you know Home Depot which is one of the world's largest retailers of its kind, \$120 odd billion company and this is in existing, this is a very old customer of

Climate Technology, so what used to earlier go from China has now been you know the manufacturing has been transferred to India and which is why we saw that business, so this is not a one-off thing. This is the customer has been with Climate Technologies for God knows how many years 10, 20 years. So it is an ongoing business. It is an additional business that we have also been able to do because of new models that we have added, the Symphony portfolio of models that we have begun to sell in the US so this is an ongoing customer and will remain an ongoing customer. So this is not a one-off thing. As far as Climate Technologies is concerned within Australia we have seen good topline growth but then we have not seen a corresponding growth in the bottomline again for the same reasons sharp increase in commodity prices, because of unavailability but we able to import components from China, we had to buy local components at Australian prices so that has also taken a toll on the on the on the bottomline, so basically logistic costs and high raw material costs have had an impact on the cost of goods sold, but the good news is the topline is there and if there is no topline here can never be a bottomline. If at least if you have the topline then you can at some point be able to manage the bottomline. So at least I think that is what we have sort of recognize and so with that I think once things normalize hopefully this year then the bottomline should also be significantly better in line with the topline growth.

Nrupesh Shah: For your information the total US business including exports from India and what Climate Technology has generated put together during the year has been US \$13million close to 95 Crores so that itself is sharp jump from previous year and that is what we were looking for and we expect actually down the line even major potential.

Manoj Gori: Right. So that was very helpful. Lastly if you can get the subsequent numbers vis-à-vis the year end and so for FY2021 as a whole what could be the numbers, revenue, EBITDA and PAT level? Sir, can you provide me the subsidiary performances for FY2021 for all the three subsidiaries with revenue, EBITDA and PAT?

Nrupesh Shah: By the way we have already shared in data sheet not only the performance but critical analysis, not only for the year 2021 but for each of the subsidiary and Symphony India as well as consolidated even for March 2021 quarter vis-à-vis corresponding quarter.

Manoj Gori: Thank you. I missed this. Thanks a lot Sir.

Moderator: Thank you. The next question is from the line of Renu Baid from IIFL. Please go ahead.

Renu Baid: Good evening Sir. My first question would be or to understand on the commercial and coding side of the business, how as the year gone by and now that we are seeing updates in terms of domestic investments in capex, how are you looking at this business shaping up?

Achal Bakeri: The year that has gone by of course it was not that good for obvious reasons, but in the last few weeks we have seen a sharp increase in business in the industrial and commercial cooler space

and we expect at in the current year 2021-2022 there should be significant growth in that vertical.

Renu Baid: But would be we now be in a position to share some numbers in terms of how this business scaled up or any medium-term targets over the next um three to five years for this business?

Achal Bakeri: As we speak of course for the last year there is no point in sharing those numbers those are really nothing significant but going forward once we believe that they are meaningful we will be more than happy to share them ourselves and you know there are obviously internally there are targets and there are there are plans, business plans and all of that but again they may not be something which we would be very happy to share in a larger forum.

Renu Baid: But at least would you be able to share some inputs in terms of how has been the update with regards to the dealer distributor network, getting registrations and qualifications to consultants in this business any quantifiable numbers or details that you can share here?

Achal Bakeri: For industrial and commercial segment?

Renu Baid: Yes.

Achal Bakeri: Again that is not something that we will be very happy to sort of divulge and whatever we can share we are we are sharing in our data sheets and in our whatever else all of that we are sharing beyond that we are not too happy doing that.

Nrupesh Shah: Renu in that respect just to refresh we have launched a Movicoool range of air coolers under centralized and directed air cooler and for that we have created the separate range of dealer distribution network and that range having couple of models is receiving quite overwhelming response and as we have shared earlier since last one and a half years also centralized and ducted air coolers are completely being outsourced from India instead of earlier practices, import from China and Mexico and that is leading to couple of advantages one in terms of the custom duty saving, logistics and even smaller order and big time etc.

Renu Baid: Second for the core business now that over the last one year bulk of we have seen customers moving towards the online and E-com platform how do those channels stack up for us in terms of revenue mix for us and how has been the inventory levels and the overall performance of regional retail and the modern weekend format for us? Regional retail, modern retail definitely impacted last year at the onset of lockdown.

Nrupesh Shah: In March quarter as such large format store has registered significant growth over March 2020 quarter. In fact surpassing the year 2019-2020 in March 2021 quarter itself and as if we segregate e-commerce out of that e-commerce is registered in March quarter more than 100% sales growth.

- Renu Baid:** In terms of the revenue mix do we have some numbers to give some perspective?
- Achal Bakeri:** Again not something would be very happy to divulge.
- Renu Baid:** Okay and now if you look at the core domestic revenue so of the 212 Crores of revenue 38 was approximately export from the standalone the remaining 174 Crores was the broad number for domestic market so if you look at this number from two perspective a) throughout last year we did not see much of off-season sale happening because of channel inventories and second throughout most of the other electrical categories we have seen significant loss of market share some small and regional players. You had mentioned that bulk of the revenue growth that we have seen or the incremental growth seen in the Q4 was due to market share gains. So in your view I wanted to understand has the channels stocking improved back to normalized levels had these external environments being broadly steady so as in other channel partners now broadly ease at their inventory levels and they are placing orders? Second cooler as category itself as a very significantly higher level of unorganized players so to that extent the quantum of market share gains for Symphony which has 50% market share do you think that has not been up to the mark or has slightly fallen short of expectations probably those numbers might reflect in the June quarter?
- Achal Bakeri:** We do not believe so. You know the confidence in the trade has been pretty good and which is that has been reflected in the March quarter numbers and so really speaking there has been remarkable change from the previous years.
- Renu Baid:** Okay sure and are the impacts of significant market share gain should obviously be seen in air cooler as a category as well the weight seen in most other segments throughout last year?
- Achal Bakeri:** Yes very much, very much. Now again it all depends on I mean market share yes in terms of overall what happens to the market remains to be seen with the current situation but we are quite hopeful like I said we have the whole month of May and June ahead of us.
- Renu Baid:** Perfect and one last question if I can. We have seen quite a few new launches being done in including certain specifically ecom driven SKUs being launched by Symphony so can you share some inputs in terms of the new product launches in terms of the broad mix accepted in terms of sales for this year and what are we planning on that side?
- Achal Bakeri:** Apart from the models that that we had launched at the end of last summer or beginning of this current business cycle in July August we have recently launched a unique model, which is so far exclusively on Flipkart and later on it will also be available on Amazon, a model called Duet. It is again a part breaking model. It is a tabletop cooler. It is a range of two models one is a tabletop one and the other is what we call pedestal cooler. If one were to sort of go on Flipkart and look at Duet one will see you know how distinct the product is and this has been positioned not really as a cooler but more as a cooling fan you know for a variety of reasons as suggested by Flipkart and

Amazon so that is you know one of the newest innovations from the Symphony's table. The product innovations from Symphony is a way of life and this is just one more and there are more products to come and more innovations that the market will see in the months to come. This has been just very recently been introduced and whoever has sort of used the product has given us rave reviews and so that is one thing which we expect to sort of last year we launched very, very large coolers. This is a largest cooler that India has ever seen and this is the smallest or among the smallest coolers that India has ever seen. So with this product we have sort of covered both ends extreme ends of the spectrum, the smallest to the very largest and both are extremely I would say different and innovative way. And this new product launch as has been positioned as a fan and price wise also quite competitive and still decent on the margin, it has a potential to sail around the year at a customer level also.

Renu Baid: Thanks a lot for your response. Thank you. All the best.

Moderator: Thank you. The next question is from the line of Hitesh Taunk from ICICI Securities. Please go ahead.

Hitesh Taunk: Thank you for the opportunity. I have two questions; one is that if you can give us some a total dealer number in FY2021 vis-à-vis FY2020? This is first question. The second question how many launches we did in FY2021 vis-à-vis FY2020? The third question if I may ask, I missed that market share part of your comment like since we have seen a significant market share by organized player during these lockdowns and disruptions from the unorganized pie, so if you can throw some in terms of understanding how or when we may see a kind of market share gain by around 200 or 300 or 400 bps points from now?

Achal Bakeri: First of all such a precise number of 200, 400 basis points in market share it would be very difficult to communicate because this is a market in which there are very little there is very little information available. We are the only listed player which is exclusively in the air cooler space. Some of our other major comparators are either not listed or are listed but they do not share air cooler numbers individually. The market share numbers that we have been talking about are what we gather from market sources. So it will be impossible to sort of say okay 50 will become 51 or 52, even the total size of the market is more of estimation than anything else. India as a country is something where you know numbers are not very sort of readily available. So it will be difficult to sort of be very precise.

Hitesh Taunk: If suppose we want to know is there any severe damage to their business during this lockdown period, have you got any kind of sense as of now?

Achal Bakeri: Everybody has been affected to varying degrees, but beyond that really we have no specific information.

Hitesh Taunk: What about dealer network vis-à-vis in FY2020?

- Achal Bakeri:** The expansion of our dealer network is an ongoing sort of an issue at Symphony and we have expanded and as we speak also we are expanding in the current quarter also it will get it will be expanded, but again we would not like to talk about specific numbers.
- Hitesh Taunk:** Okay and about launches that I mean in terms of absolute numbers?
- Achal Bakeri:** In the year 2021 how many launches did we do?
- Nrupesh Shah:** I think all in all we had launched under various range 30 plus new models in last two years. That is under residential range as well as model cool that is centralizing ductile cooler.
- Hitesh Taunk:** Thank you. That is all from my side.
- Moderator:** Thank you. The next question is from the line of Nirav from Anand Rathi. Please go ahead.
- Nirav:** Thank you very much for the opportunity. My question pertains mainly towards the long-term debt that we have of around Rs.140 Crores so considering that the scenario for our overseas subsidiaries are improving so can we expect that in maybe next two to three years this long-term debt will also be repaid or any color you can share on the debt repayment trajectory because you have critically told that this debt has been taken for acquisitions and would be repaid from the cash flows which are being generated from these acquisitions? Thank you.
- Nrupesh Shah:** Very true. So as such repayment of the debt starts post June 2022 but there is a good possibility that there may be either prepayments or for Climate Technology we may like to reduce or repay the working capital and certainly the acquisition loan is going to be served from the cash accrual of Climate Technology. But we do not expect entire acquisition loan to be repaid in two, three years, it will take slightly a longer time.
- Nirav:** Thank you Sir.
- Moderator:** Thank you.
- Achal Bakeri:** Just to add to this, basically the performance taking the acquisition loans was to take the advantage of the interest being the tax deductible expenditure.
- Nrupesh Shah:** Also we have availed these loan in Australian dollar so that Australian dollar's fluctuation do not affect the CT business. Further the loan taken locally is at an attractive rate of 3.60% p.a. , which offers interest arbitrage.
- Moderator:** Thank you. I would now like to hand the conference over to the management for closing comments.



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Symphony

April 27, 2021

Achal Bakeri:

I would just like to thank everybody for their participation. We are hoping that all of you and all of us you know stay safe and looking forward to interacting with all of you at the next quarterly conference where we hope that the pandemic is a thing of the past and we are able to celebrate with very, very healthy numbers. Thank you.

Moderator:

Thank you. On behalf of Investec Capital Services Private Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.