



**“Symphony Limited Q3 FY12 Results Conference
Call”
April 24, 2012**



MODERATORS **MR. NRUPESH SHAH – EXECUTIVE DIRECTOR**
MR. BHADRESH MEHTA – VICE PRESIDENT, FINANCE
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Moderator

Ladies and gentlemen, good evening and welcome to the Quarter 3 results of Symphony hosted by Trust Financial. As a reminder for the duration of the conference all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. If 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. We have with us today Mr. Nrupesh Shah – Executive Director, Mr. Bhadrash Mehta – CFO, Mr. Chandrakant Gandhi – Company Secretary and Mr. Girish Thakkar – DGM, Accounts. I would now like to hand the conference over to Mr. Nrupesh Shah. Thank you and over to you sir.

Nrupesh Shah

Hello welcome to this conference call for third quarter results. This is Nrupesh Shah and with me there are my colleagues, so we will take you through first 9 months' performance and likely performance of the year as a whole and also overall review of this industry. During this there may be certain forward looking statements which are, of course, based on the best possible estimates and assumptions but actual results could vary materially from those anticipated because of various uncertainties. I am rounding off all the figures for simplicity, For first 9 months, that is, 1st July to 31st March Symphony's gross revenue has been, 167 cr., compared to 178 cr. of the corresponding period showing revenue decline of 6 percentage. EBITDA has been 44 cr. versus 51 cr. showing decline of 13 percentage. EBITDA percentage to sales has been 27% versus 29%. We have been in a position to almost maintain EBITDA percentage subject to this 2 percentage reduction. Profit before tax has been 43 cr. versus 49 cr. Income tax has been 12 cr. versus 16 cr. and effective rate of income tax has come down from 33% to 28% in the current year in first 9 months mainly on account of our SEZ and export performance. Profit after tax has been 30.67 cr. versus 33.21 cr. resulting into PAT decline by 8%. The PAT margin has been 18 percentage versus 19 percentage of corresponding period of last year. Now coming to other qualitative aspects, we have been in a position to successfully maintain our inventory level and our inventory has been about 23 cr. versus 32 cr. of the previous year and our total cash and cash equivalents and liquid investments have been about 56 cr. versus 18 cr. the year before. The weighted average realization of the air-cooler sales in domestic market has been 5327 versus 5013 resulting into average realization up by 6% and in export the average realization has gone up from 3011 to 3285 showing increase of approximately 9%. The total volume of air cooler sales during the period has been 3,25,000 versus 3,61,000 showing a decline of about 10% during the period. During the period Symphony has executed about 15 industrial and heavy duty air cooler project, value wise close to 6 cr but most of these projects because of the simplicity and to avoid duplicity of the taxes have been billed directly by Symphony's step-down subsidiary and as of now more than 35 industrial and heavy duty air cooler projects are under execution and the value of those projects which are under discussion is more than 10 cr.

Coming to various qualitative aspects, the period so far during the year has been quite challenging not only for Symphony but for the cooling appliances industry as a whole including air conditioning industry, refrigerator, ice cream and beer industry and many of them have registered significant de-growth in terms of the top line and many of them had to

sacrifice profitability quite a bit. Fortunately in case of Symphony even though in terms of the volume and sales value wise, there has been about 6% de-growth by and large profitability percentage we have been in a position to maintain mainly on account of strong brand, good distribution network and launch of new models. Even in respect of hike in the raw material prices, almost entire increase in raw material cost we have been in a position to pass on. So far 1st April till date, the season has been average. It has not been really a great season still but certainly in first 23 days of the current month the performance is certainly much better than the same month last year. Even about our subsidiary company Impco, Mexico it also is performing much better and is almost achieving , top-line, bottom line at EBITDA level as per the estimated business plans. Apart from that in domestic market , we expect in current year to have the dealers in excess of 13,000 and distributors in excess of 700. We are seeing very positive results about sales through organized retail and organized retail sales in first 9 months has increased by more than 200%. So with this, I open this conference call for question-answer. Thank you.

Moderator Thank you so much sir. We will now begin with the question and answer session. We have the first question from the line of Grishma Shah from Envision Capital, please go ahead.

Grishma Shah Sir, I just wanted to know in terms of volume if we see this quarter has been challenging both on India and rest of the world as you shared it, so if you could throw some light of why it has been so.

Nrupesh Shah About domestic markets, in this quarter, number one, there have been extended winter and that has really affected and secondly there have been also some hangover of the bad summer of year 2011 and thirdly especially in the market of Southern India and Eastern India, we have seen really a major de-growth. So I think, because of combination of these three factors in domestic market there has been a de-growth. As far as international market is concerned, in fact having a comparison quarter to quarter will be un-realistic and unfair, what we need to really see is year to year, that is, July to June how we do perform. But it is possible that because of expected demand or order there can be a shift of dispatch or shift of order from one quarter to another quarter.

Grishma Shah Have we experienced the same this quarter, as you say the shift in order or shift in demand may be from month end to the beginning of the month etc.

Nrupesh Shah So what I am saying about exports we need to really see July to June how we do perform.

Grishma Shah Okay. But how do you see the pickup in April, say, on the international markets and in the domestic markets?

Nrupesh Shah No, in first three weeks, it is good, but first three weeks is too shorter time to really judge anything. But we expect that year to year, we should have a reasonable growth in exports.



- Grishma Shah** Okay. How do you see the competition in the local markets, given that we have seen a couple of new players entering like Havells and maybe two or three more?
- Nrupesh Shah** Sure, so Havells and Orient fan have entered but as of now, there is hardly any impact of the new players. We would say that so far in the first 9 months Symphony's market share in air cooler would have been more than last year that is easily in excess of 50%.
- Grishma Shah** Okay, and sir, if you could give us some sense on a consolidated basis what kind of volume growth have we clocked, say on a 9-month basis, I mean if you could give us some sense?
- Nrupesh Shah** No, I do not have consolidated numbers readily available with me but in Impco Mexico in terms of the values the growth at a top level is more than 25% so far in first 9 months.
- Grishma Shah** Okay. And sir if one had to look at the difference in realization between the domestic and the rest of the world, as you disclose it, if you could explain why there is a difference in realization on both the markets.
- Nrupesh Shah** Sure. The biggest difference is, #1 in domestic market there is applicability of excise duty, value added tax that is VAT and service tax and other taxes etc., etc. So while in case of exports of these, all these taxes are not applicable, that is #1 and #2, the weighted average realization is also a function of sales mix. But otherwise in case of exports also, profit margin percentage wise, we do have healthy profitability almost comparable to domestic markets.
- Grishma Shah** And sir, if I had to look at sequentially, I mean employee cost has moved up for us, so could you throw some light on that?
- Nrupesh Shah** About employee cost as we had discussed in earlier conference calls also, in last 9 months in a couple of departments, we had a major recruitment also in international business as on March 2011, we had only 2 country managers in different countries. As of now we have 10 country managers in 10 different countries. This is over and above the international business team working out of Ahmadabad. Secondly, even in our technical team and manufacturing team size also to take care of the SEZ operations as well as for up-gradation and development of new models, we have added a few senior people and same is the case in respect of the domestic business and because of this the number of headcounts have increased to more than - 50 in last one year over and above the yearly increments of the employees.
- Grishma Shah** And lastly sir, if one had to see the sales growth in terms of volume, I mean, how do you see the pick up at the secondary level? Is the consumer coming, given that the season has started and on 9 months basis how do you read?
- Nrupesh Shah** I think, in most of the territories starting from March there is a good consumer pickup barring a few places in Southern India and Eastern India.
- Grishma Shah** Okay. And response to new product launches?

- Nrupesh Shah** The response to new products launches have been excellent. They have been received very well. However in respect of one or two new models in terms of the inventory, it is almost stock-out position.
- Grishma Shah** Is it Strom?
- Nrupesh Shah** Yes, It is in stock-out position as of now.
- Grishma Shah** Yeah, but is Strom doing fantastically well?
- Nrupesh Shah** Storm has been received very well.
- Grishma Shah** Fine, thank you and good luck.
- Moderator** Thank you. We have our next question from the line of Kiran Cheddha from Value Quest Research, please go ahead.
- Kiran Cheddha** Hello Sir, last time, I mean actually you already answered this question but I had requested that if possible you could share the consolidated numbers, that would have been really good.
- Nrupesh Shah** I very much appreciate this and as we had conveyed last time, starting from next year that is starting from September quarter we intend to do. We have been given to understand in the current year once we have started giving stand-alone numbers, in between we cannot change the modality. The major reason as to why we did not share the consolidated number even in first quarter of current year is that just couple of months before that we had acquired 100% stake. And those accounts have been maintained in **Spanish** , so just to convert into consolidation it takes some time but even that we have worked it out and we are almost ready with that starting from next year.
- Kiran Cheddha** Okay sir. Thank you very much for that. And another question, the summer last year was not so good and that affected our business last year also and this year in the March quarter the same has been the case. So what I mean, even in the first 23 days at least in Bombay the summer, it does not seem to be as strong as it normally is. I know it is too early to talk about it but what is your fair assessment or how do you think this quarter would span out?
- Nrupesh Shah** Well I can talk about broadly first 23 days, so far first 23 days it has been average season and in first 23 days performance is better than first 23 days of last year. And what I would say by April 2012 we would be almost reaching our profits, our performance which was as on April 2011. And on how summer is going to behave, my guess is as good as yours.
- Kiran Cheddha** Okay sir. Thanks a lot.



- Moderator** Thank you. We have a next question from the line of Ujjwal Singh from Motilal Oswal, please go ahead.
- Ujjwal Singh** Hello sir, this is Ujjwal from Motilal Oswal. I just wanted to understand that the company is seeing a decent growth from the international markets and as I could hear you out that you have been doing major recruitments as well for the country managers for different geographies, so could you please throw a little more light on your international plans of expansion please?
- Nrupesh Shah** Sure, #1 because of our Impco acquisition it has given us a readymade access to many large format store chain like Wal-Mart, Sears and many others in Mexico in North America So that has really helped us and is going to help us substantially in future, that is #1. #2 as we just talk, as on March 2011, apart from our international business team working out of Ahmadabad, we have also started appointing people in respective countries at the level of country managers and now we do have country managers in about 10 countries against 2 country managers as on March 2011. And even in terms of appointment of dealers and distributors and even undertaking brand promotion, advertisement that is also happening quite extensively especially in Middle East, US and Mexico. So in terms of future outlook of international business, we are quite optimistic.
- Ujjwal Singh** And sir, when did this appointment in a physical location started?
- Nrupesh Shah** Most of these appointments have taken in place in last 8-9 months.
- Ujjwal Singh** Okay, so the numbers are yet to be reflected
- Nrupesh Shah** Yes, in the efforts it is yet to be reflected. But in terms of Employee Numbers, it has been reflected. Top line will be probably reflected in a year or two.
- Ujjwal Singh** Right, and so like India is seeing that kind of pattern in weather condition, climatic condition and some part of India is also suffering from humid climate where the coolers are exactly not well suited, so to tap these two non-favorably cycles of winter and humid weather, do we have any plan for the product launches?
- Nrupesh Shah** If I have understood your question correctly, air cooler is suitable for dry weather, so in India also most of the states and most of the places are having dry weather and even in places where there is humidity, it's not like that coolers are non-functioning, coolers are less effective and Symphony is selling large number of coolers even at places like Mumbai and Chennai and Kolkata. Of course in the foremost coastal area the sales is lower and again to counter the seasonality Symphony has ventured out into many countries globally and there are many countries where it is counter season to India, #1. #2 last year also almost 1/3rd of our business was from out of India to that extent our business is not dependent upon just on Indian weather. Next point, as you might be aware our Impco, Mexico specializes mainly to heavy duty and centralized air coolers, which are more or less project driven and for centralized air cooling in

factories and godowns and large commercial space and large residential houses, and by and large, it has nothing to do with the season and that product we have launched since last year and this is picking up and we see a major opportunity down the year even in that segment, which should also be ultimately counter-seasonal.

Moderator: Thank you. We have a next question from the line of Harsh Mehta from Shah Investor Home Limited, please go ahead.

Harsh Mehta Hello. Sir, I just wanted to know one thing, see the margin in the domestic market is lesser than the export market?

Nrupesh Shah You mean to say in terms of the percentage?

Harsh Mehta Yes sir.

Nrupesh Shah Are you referring to the per unit number?

Harsh Mehta Yes sir, the operating margins.

Nrupesh Shah No, are you referring to the per unit number? If it is then per unit average of cooler is more as compared to the exports . So are you talking about weighted average realization per unit or weighted average profit margin?

Harsh Mehta Sir profit margin.

Nrupesh Shah Yeah so in terms of the percentage of the margin in domestic market at a PAT level it is lower than export. It is on account of as we have started getting that income tax benefit in export.

Harsh Mehta Okay sir, that is fine.

Moderator: Thank you. We have our next question from the line of Yuti Dalal from Corporate Database, please go ahead.

Yuti Dalal Good evening sir, I had a couple of questions. Firstly to start on the top-line for the last quarter we had talked about estimation of about 30% growth in top line for the June quarter. Do we assume that, based on the current demands, it is better than last April but not as good as expected. Do you still expect to maintain this target?

Nrupesh Shah No, I do not think current year we are likely to achieve 30%. It does not seem likely.

Yuti Dalal So sir, how much do you see growth for the full year approximately?

Nrupesh Shah I think, we will not like to enter into any estimates, let us wait and watch how we perform as on 30th June but you are absolutely right we are not likely to achieve 30% growth.

- Yuti Dalal** Okay fair enough. Sir, you also mentioned just now earlier in the call that you saw South Indian market having some de-growth. Did I hear it correctly or was it North India?
- Nrupesh Shah** No, in North India and Western India we are seeing excellent growth. There is de-growth in Southern India and Eastern India.
- Yuti Dalal** Any particular reason because it seems like summer has been quite good in South India and in fact North India is the one which had weather change and recent showers which had cooling effect. So any particular reason why South India suffers?
- Nrupesh Shah** No, in fact we have not come across any specific reason.
- Yuti Dalal** Okay and I had two more questions on just a few numbers actually. We had a FOREX loss of 2.5 cr. in our books and I just wanted to know how much is notional related to the loans and advances and how much is the actual which would be probably on imports and exports I am assuming?
- Nrupesh Shah** No, so part of it is related to loans and advances and that too as on 31st December the FOREX rate was much higher and as on 31st March FOREX rate was lower and it is on account of that.
- Yuti Dalal** So I can assume that it is almost all notional, right?
- Nrupesh Shah** Yes, you can say that it is partly notional.
- Yuti Dalal** Okay. Also you had indicated loans and advances would actually increase this quarter, so would you have number? How much is it at the end of this quarter? The advance given to the subsidiary, it was 31 cr. last quarter?
- Nrupesh Shah** As on 31st March loans and advances to subsidiaries have been about 37 cr. versus 29 cr. as on March 2011, so it is an increase of 8 cr. to take care of funding requirement of enhanced business and working capital cycle of Impco Mexico and we expect that not only this incremental loans and advances but part of 29 cr. we should be in a position to get back by September-October 2012.
- Yuti Dalal** So you expected 37 cr. to basically become almost zero by September 2012?
- Nrupesh Shah** No, I am not saying entire 37 cr., I am saying incremental amount of about 8 cr. and a part of 30 cr.
- Yuti Dalal** Okay, okay, fair enough. And last question is, if you could give some breakup on the balance expenses
- Nrupesh Shah** So other expenses #1 pertains to SEZ operation which were not there a year before and #2 increase in traveling, communication and conveyance expenses and also part of research and

development and manufacturing expenses. So basically these are the heads and mainly in this head there has been increase also during the quarter and nine months.

- Yuti Dalal** Okay so that is it from my side. Good luck for the quarter.
- Moderator:** Thank you. We have the next question from the line of Nikhil Upadhyay from Equirus Securities, please go ahead.
- Nikhil Upadhyay** Good afternoon sir. Sir basically there are 2-3 questions. One is like if I read it correctly, heard it correctly it was like you said our inventory was 23 cr. this year as against 32 cr. last year.
- Nrupesh Shah** 32 cr. as on 31st March, 2011.
- Nikhil Upadhyay** And this year it was 23 cr.?
- Nrupesh Shah** Yes, right.
- Nikhil Upadhyay** So in number of units how would it be if you can give me -
- Nrupesh Shah** Number of unit wise it is close to 86000 units versus about 140000 units March 2011.
- Nikhil Upadhyay** Okay and secondly you said 56 cr. of cash and cash equivalent. Sir this was the same number at the end of December quarter also?
- Nrupesh Shah** As of December quarter I just need to go back to the figure but if I recollect rightly it was close to 52 cr..
- Nikhil Upadhyay** Okay and how much of our export sales would have been through Impco this time?
- Nrupesh Shah** It would have been almost 55%
- Nikhil Upadhyay** Okay and lastly on this SEZ, the Surat SEZ, like as I understand at the end of December we had started doing a bit of sales from that, so I believe for this quarter that the sales from the Surat SEZ would be in full swing now.
- Nrupesh Shah** In fact it is in full stream almost from February, of course it got operationalized from April 2011 but in first two quarters it was a marginal sale and starting from February it is in full swing and we expect that now onwards, in fact 95% plus export sales will be from SEZ. In first 9 months 70% of our export is from SEZ.
- Nikhil Upadhyay** Okay, but sir if we consider the tax rate, that tax rate has gone to 28% this time, whereas last quarter 26%, so why this 2%, because since we would have started getting extra benefit from the Surat SEZ sale, I believe our tax rate should have gone down a bit.

Nrupesh Shah That is right but in the current quarter you would have noticed that there is some FOREX loss, means the realization on export compared to 52-53 as on December 2011, currently quarter it is around 50.50 or 51 so because of that profitability percentage and secondly I think export sales itself has come down in current quarter compared to previous quarter.

Nikhil Upadhyay And lastly sir like if we see our export margins this time it was 14% and like for previous quarters if we see we have consistently been maintaining a 24-33%, so why this sudden drop in the margins?

Nrupesh Shah See as I explained you that is the function of the FOREX rate movement which as on 31st December was 52 to 53 and as per the accounting standard whatever is the prevailing rate at the end of the quarter, we have to book it at that rate and as on 31st March the prevailing exchange rate was 50.51 so it is a function of that. To be very precise, as on 31st December, the exchange rate which was considered was above 52 and as on 31st March the exchange rate which has been taken is 50.87 as per the guidelines.

Nikhil Upadhyay Okay, so that has impacted the margins.

Nrupesh Shah In fact, more relevant is not to see quarter-to-quarter. In this respect. 9 months and not only 9 months, year as a whole actually, that will really give us a correct picture.

Nikhil Upadhyay Okay, yeah. That is all from me sir. Thanks a lot.

Moderator: Thank you. We have the next question from the line of Mithun Ashwath from Barclays, please go ahead.

Mithun Ashwath Good afternoon sir. Just wanted to understand the recent acquisition that you have made, how this would add to your top line in the coming fiscal and is this more of a distribution arrangement or there would be some manufacturing also that you will get through this acquisition that you are announced I think about a week ago?

Nrupesh Shah Of course that Impco acquisition we had acquired 100% holding in April 2011 and before that for about 2.5 years our holding was about 49% and that acquisition is mainly for access to market, customers and distribution channel and apart from that, Impco acquisition is also helping us in adding our product portfolio in the respect of centralized and heavy-duty air coolers mainly to cool factories, godowns, commercial space, and large residential houses.

Mithun Ashwath Sir just wanted to understand in terms of, do they have some sort of manufacturing capacity because you have mentioned that you are getting into the other centralized air coolers, or would this be more of a distribution arrangement and if so how would your consolidated numbers differ for the 9 months versus your standalone numbers?

Nrupesh Shah #1 in respect of centralized and heavy duty air coolers, we do have a complete manufacturing facility and in respect of residential room coolers that is the type of the room coolers which

Symphony India manufactures, it is the market access and their distribution channel. Am I answering your question?

Mithun Ashwath Sir I just wanted to understand on a consolidated basis how much would your turnover for the 9 months be higher and profits what would they be for the 9 months?

Nrupesh Shah See right now I do not have consolidated figures readily available, we would be coming out with consolidated numbers as on 30th June, 2012, and last year that is as on June 2011 the consolidated numbers added our top line by 60 cr. or so and this year we expect growth over that.

Mithun Ashwath Okay, and what about in terms of profitability sir?

Nrupesh Shah Last year for Impco the profitability was close to 5 cr., which when we acquired was heavily loss making and EBITDA margin was just 2.5%, now EBITDA is more than 15%. Of course last year we had 5-5.5 cr. profitability was inclusive of some FOREX gain also, so this year we expect that it should be around the same numbers.

Mithun Ashwath Okay. Thanks a lot sir.

Moderator: Thank you. We have the next question from the line of Dhruvesh Sanghvi from Equity Master, please go ahead.

Dhruvesh Sanghvi Yeah hi. I just want to know, you said that there were 18 industrial projects, which included 6 cr., so that sales will not reflect in the sales that you have given, right?

Nrupesh Shah Most of that. About 15-20% will be reflected but remaining sales would be reflected at a level of Impco, Mexico.

Dhruvesh Sanghvi Okay, so these 6 cr. is mostly executed by Impco and not executed by the Indian market?

Nrupesh Shah You can say that. Those orders have been procured and Symphony India had helped but it does not matter actually whether who has executed because ultimately at a consolidated number it gets reflected but it helps us if it is directly billed from Impco, Mexico and that is how we intend to continue. The reason being it helps us in getting some VAT benefits and other taxation benefits and apart from that if it is directly billed from Impco, Mexico, we observed that we get a better value proposition and realization from the customer also gets expedited.

Dhruvesh Sanghvi Okay, yeah. Thank you that is all.

Moderator: Thank you. We have our last question from the line of Pravesh Rawat from Crisil, please go ahead.

- Pravesh Rawat** Hello. Sir, my question is on the domestic side cooler volume sales, so apparently this is a second consecutive quarter that we have reported a dip in the volume growth and last quarter there were slight demand sluggishness in terms of in Southern and Eastern region. In this quarter also as you informed that the Southern and Eastern region of India continues to do the same, so can you give us a sense over the monthly breakup if you can provide the number, I just want to get a sense that how the sales growth had been within the quarter.
- Nrupesh Shah** We do not have monthly data. What we have is a quarterly data but what I can say is that almost this has been the picture throughout the quarter and almost throughout 9 months in respect of de-growth in Eastern and Southern India.
- Pravesh Rawat** Okay. So in these 20 days of April what is the scenario in Southern and Eastern India?
- Nrupesh Shah** No, it is better but still it is completely not setting off the de-growth.
- Pravesh Rawat** Okay, and sir let us suppose if assuming Q4 to be a good quarter in terms of weather so what could be the maximum sales volume we can attain?
- Nrupesh Shah** My guess would be as good as your guess. And of course we are fully ready and prepared for the season, let us see how it goes. What I can talk about is that the first 23 days have been better than last year but it is average performance. It is not a phenomenal performance, it is an average performance.
- Pravesh Rawat** Actually in FY11 Q4 we sold nearly 1,39,000 coolers, so can we actually touch that or can we actually cross that volume?
- Nrupesh Shah** Anything is possible subject to how time goes.
- Pravesh Rawat** And sir this volume de-growth, one thing is that delayed summer and can a part of it be attributed to competition also because new players have entered in the market.
- Nrupesh Shah** No, it is not at all on account of competition because as I just touched upon earlier I think our market share has increased actually. Most of the competitors are doing worst than us, not only in respect of the volume but even in respect of the profitability margin, not only air-cooler companies but probably, you would be aware that most of the air-conditioner companies and cooling appliances in summer related industries, their margins have gone for toss.
- Pravesh Rawat** Okay. Sir as you told that 90,000 is the inventory level as on this quarter, so this 90,000 and as per my knowledge in the last quarter, it could be the more seasonal one, so in the last quarter normally all the inventory at the channel partners get cleared first and then your sales direct to the customers will be there. 90,000 is your current inventory level. And 1,30,000 coolers you have sold in this last quarter in this Q3. So is it safe to assume that you would be able to sell close to 2 lakhs or 2.15 lakh of coolers?
- Nrupesh Shah** No, I would not enter into any guess directly or indirectly.



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- Pravesh Rawat** Okay, but one thing is I think I am getting a sense that Q1 of the next year that FY13 would be better, because it is a delayed summer, is it so? Do you also have the same opinion?
- Nrupesh Shah** I do not forecast about the weather.
- Pravesh Rawat** And my one more question is in terms of this industrial cooler how are we, actually you told us that we have already invested in 18 project in India. All the projects are in India, correct?
- Nrupesh Shah** Yeah, I talk about Indian project, of course Impco, Mexico is already executing in a normal course in North America.
- Pravesh Rawat** Correct. So how is the traction in export market of this industrial air-cooler product?
- Nrupesh Shah** See once we reasonably get well-established in India then in next phase we will like to launch it internationally. As of now in industrial cooler we have not launched them internationally barring markets like Iraq and some of the Middle East countries. There our first priority is to penetrate in residential room coolers.
- Pravesh Rawat** Okay. Sir recently I read a news item in NSE that Symphony is the largest air-cooler company across world. So can you give us some sense on the international air-cooler market, which is the second company and which is the third company who holds the rank and what are the market shares and who are the other players?
- Nrupesh Shah** Of course NSE and press would have published this recently but this is reflected even in our June 2011 annual report. By the way compared to air-conditioner or many cooling appliances, air-cooler is a small pond and in that small pond Symphony is the biggest fish. As far as domestic market is concerned as we would be well aware, the competitors are Bajaj Electrical, Kenstar, that is a Videocon group company, Maharaja and recently Havells and even Orient Fan have also entered. So basically they are the competitors as far as domestic market is concerned. Internationally there are air-cooler manufacturers in United States of America, in Mexico, in Brazil, in Spain, in Middle East, in Egypt and also in Australia but barring one or two companies most of the companies are actually regional players. So most of them do have, at the most either semi-regional or at the most national presence. It is only Symphony which has an international presence. As far as second player and third player is concerned, our sense is there are two American companies whose turnover is close to \$25 to \$35 million and they are second and third competitors and there is an Australian company which is an appliances company but their air-cooler turnover is close to \$20 to \$23 million.
- Pravesh Rawat** Okay. So what are the names of the companies?
- Nrupesh Shah** One is PMI and second is Champion.
- Pravesh Rawat** Okay. Sir my last question is in terms of overseas acquisition. We acquired Impco, so are we looking at some other acquisitions also in some markets?



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Nrupesh Shah We are looking for acquisition mainly in international market to have an access to the market and either in the same space or otherwise if they offer us good distribution channel by way of the delivery and distribution network but that will be purely on the basis of the commercial value which is offered. So as of now of course there is no specific offer on hand, or no specific discussion is going on but we will like to keep our eyes and ears open to that.

Pravesh Rawat Okay, thanks a lot for attending the questions and all the best for the Q4. Thanks a lot.

Moderator Thank you. That was our last question. I would now like to hand over the call to Mr. Nrupesh Shah for closing comments, please go ahead sir.

Nrupesh Shah Thank you very much for joining quarter-3 and nine-month conference call of Symphony. I thank you very much on behalf of Symphony team.

Moderator Thank you so much management. On behalf of Trust Financial, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.